

ANNUAL REPORT

beginning of financial year: 01.01.2023

end of the financial year: 31.12.2023

business name: Baltic Finance Service Group OÜ

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Management report

Baltic Finance the Service Group OÜ is an Estonian company created in 2018 by professionals from the economic sector with more than 10 years of experience and expertise . The company is focused on providing consulting services to Estonian and foreign consumers in the field of innovative management methods and business optimization.

Due to the spread of COVID -19 and its negative impact on the Estonian economy , as well as the deterioration of the situation in the financial services market , the company's revenue decreased by more than 2.2 times , while costs increased over 60%, because of mandatory minimum payments to suppliers contracted in Y2019, what led to losses at the end of the year.

The joint-stock company continues to operate.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2023	31.12.2022	Note
Assets			
Current assets			
Cash and cash equivalents	156 907	203 070	2
Receivables and prepayments	50 728	52 359	3
Total current assets	207 635	255 429	
Non-current assets			
Property, plant and equipment	1 240	656	6
Total non-current assets	1 240	656	
Total assets	208 875	256 085	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	7 047	17 353	7
Total current liabilities	7 047	17 353	
Total liabilities	7 047	17 353	
Equity			
Issued capital	2 500	2 500	
Retained earnings (loss)	236 232	47 419	
Annual period profit (loss)	-36 904	188 813	
Total equity	201 828	238 732	
Total liabilities and equity	208 875	256 085	

Income statement

(In Euros)

	2023	2022	Note
Revenue	240 728	453 131	8
Other income	3 116	5 037	9
Raw materials and consumables used	-186 945	-206 713	10
Other operating expense	-34 962	-35 579	11
Employee expense	-52 653	-13 912	12
Depreciation and impairment loss (reversal)	-556	-393	6
Other expense	-6 125	-13 396	13
Operating profit (loss)	-37 397	188 175	
Interest income	866	262	14
Other financial income and expense	-373	376	15
Profit (loss) before tax	-36 904	188 813	
Annual period profit (loss)	-36 904	188 813	

Notes

Note 1 Accounting policies

General information

The 2023 financial statements of Baltic Finance Service Group OÜ have been prepared in accordance with Estonian Generally Accepted Accounting Principles. The basic requirements of good accounting practice are established in the Accounting Act of the Republic of Estonia, which is supplemented by guidelines issued by the Accounting Standards Board. The financial statements have been prepared in euros.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, current account balances and term deposits of up to 3 months in the balance sheet and cash flow statement.

Receivables and prepayments

Trade receivables, accrued income and other current and non-current receivables (incl. Loan receivables, deposits) are recorded at adjusted acquisition cost. An assessment is made at each balance sheet date to determine whether there is any indication that these financial assets may be impaired. If any such indication exists, the financial assets carried at amortized cost are written down to the present value of future payments expected to be received. Impairment losses are recognized as an expense in the income statement. Doubtful receivables are recognized in general administrative expenses. Bad debts have been derecognised. Receivables from previously written-down doubtful receivables are recognized as a decrease in the cost of doubtful receivables.

Plant, property and equipment and intangible assets

"Property, Plant and Equipment and Intangible Assets" shall be applied to accounting for and reporting of items of property, plant and equipment and intangible assets in the financial statements. The definition of property, plant and equipment also includes land and buildings (or a part of a building) and the rights associated with them (e.g., the right of superficies, usufruct) that the entity uses in its operations (whether for production, provision of services or as an administrative building).

If an item of property, plant and equipment is produced over a longer period of time and it is financed with a loan or other debt instrument, the borrowing costs directly attributable to the production of the item of property can be capitalised in the acquisition cost of the given item.

In the balance sheet, an item of property, plant and equipment shall be carried at cost less accumulated depreciation and any impairment losses.

Revenue recognition

Revenue shall be measured at the fair value of the consideration received or receivable

As a rule, revenue is recognised separately for each transaction, but in certain circumstances it is appropriate to recognise revenue for separately identifiable components of a transaction. For example, when the sales price of a product includes after-sale service related to the product whose substance and timing are determined in the agreement, the service portion shall be accounted for as income at the time of rendering the service.

Revenue from the rendering of services shall be recognised by reference to the stage of completion of the service to be rendered at the reporting date, assuming that the outcome of the transaction (i.e. revenue and expenses relating to the transaction) involving the rendering of services can be estimated reliably. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied: (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits (e.g. receipt of revenue) associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at reporting date can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2023	31.12.2022
Bank account	154 407	200 570
Cash	2 500	2 500
Total cash and cash equivalents	156 907	203 070

Note 3 Receivables and prepayments

(In Euros)

	31.12.2023	Within 12 months
Accounts receivable	16 128	16 128
Accounts receivables	16 128	16 128
Tax prepayments and receivables	533	533
Loan receivables	33 000	33 000
Other receivables	1 067	1 067
Interest receivables	272	272
Accrued income	795	795
Total receivables and prepayments	50 728	50 728
	31.12.2022	Within 12 months
Accounts receivable	18 511	18 511
Tax prepayments and receivables	712	712
Loan receivables	33 000	33 000
Other receivables	136	136
Interest receivables	136	136
Total receivables and prepayments	52 359	52 359

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2023		31.12.2022	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax			100	
Personal income tax		501		125
Social tax		853		385
Contributions to mandatory funded pension		52		23
Unemployment insurance tax		45		
Prepayment account balance	533		612	
Total tax prepayments and liabilities	533	1 451	712	533

Note 5 Loan receivables

(In Euros)

	31.12.2023	Within 12 months	Interest rate	Base currencies	Due date
Loan receivables	33 000	33 000			
	31.12.2022	Within 12 months	Interest rate	Base currencies	Due date
juriidiline isik	33 000	33 000	3.5%	EUR	31.12.2023
Loan receivables	33 000	33 000	3,5%	EUR	31.12.2023

Note 6 Property, plant and equipment

(In Euros)

		Total
	Other machinery and equipment	
Acquisitions and additions	1 049	1 049
Depreciation	-393	-393
31.12.2022		
Carried at cost	1 049	1 049
Accumulated depreciation	-393	-393
Residual cost	656	656
Acquisitions and additions	1 140	1 140
Depreciation	-556	-556
31.12.2023		
Carried at cost	1 796	1 796
Accumulated depreciation	-556	-556
Residual cost	1 240	1 240

Note 7 Payables and prepayments

(In Euros)

	31.12.2023	Within 12 months
Trade payables	2 142	2 142
Employee payables	2 003	2 003
Tax payables	1 451	1 451
Other payables	1 451	1 451
Other accrued expenses	1 451	1 451
Total payables and prepayments	7 047	7 047
	31.12.2022	Within 12 months
Trade payables	14 134	14 134
Employee payables	2 095	2 095
Tax payables	533	533
Other payables	591	591
Other accrued expenses	591	591
Total payables and prepayments	17 353	17 353

Note 8 Net sales

(In Euros)

	2023	2022
Net sales by geographical location		
Net sales in European Union		
France	0	59 896
Cyprus	44 000	64 194
Romania	0	30 712
Estonia	5 309	3 600
Total net sales in European Union	49 309	158 402
Net sales outside of European Union		
United Kingdom	179 792	224 583
Canada	11 627	70 146
Total net sales outside of European Union	191 419	294 729
Total net sales	240 728	453 131
Net sales by operating activities		
Business consulting	240 728	453 131
Total net sales	240 728	453 131

Note 9 Other operating income

(In Euros)

	2023	2022
Profit from exchange rate differences	3 116	5 037
Total other operating income	3 116	5 037

Note 10 Goods, raw materials and services

(In Euros)

	2023	2022
Services purchased for resale	-21 737	0
Subcontracting work	-165 208	-206 713
Total goods, raw materials and services	-186 945	-206 713

Note 11 Miscellaneous operating expenses

(In Euros)

	2023	2022
Leases	-12 815	-13 344
Miscellaneous office expenses	-10 229	-5 069
Travel expense	-5 918	-8 088
Juridical service	-6 000	-9 078
Total miscellaneous operating expenses	-34 962	-35 579

Note 12 Labor expense

(In Euros)

	2023	2022
Wage and salary expense	39 403	10 398
Social security taxes	13 250	3 514
Total labor expense	52 653	13 912
Average number of employees in full time equivalent units	2	2
Average number of employees by types of employment:		
Member of management or controlling body of legal person	1	0

Note 13 Other operating expenses

(In Euros)

	2023	2022
Loss from exchange rate differences	-5 043	-10 333
Fines, penalties and compensations	0	-7
Bank commission fee	-442	-785
Other	-640	-2 271
Total other operating expenses	-6 125	-13 396

Note 14 Interest income

(In Euros)

	2023	2022
Interest income from loans	866	262
Total Interest income	866	262

Note 15 Other financial income and expense

(In Euros)

	2023	2022
Profit (loss) from exchange rate differences	-373	376
Total other financial income and expense	-373	376

Note 16 Related parties

(In Euros)

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2023	2022
Remuneration	8 050	0

Aruande allkirjad

Aruande lõpetamise kuupäev on: _____

Baltic Finance Service Group OÜ (registrikood: 14425223) 01.01.2023 - 31.12.2023
majandusaasta aruande andmete õigsust on kinnitanud:

Allkirjastaja nimi

Allkirjastaja roll

Kuupäev ja allkiri

Alina Zerchaninova

Juhatuse liige
