

Name of the company **JSC "LATVIJAS TILT"**
United registration No: **50003030441**
Address: **15 Granīta Street, Rumbula, Stopiņu Parish, LV-1057**
Phone: **(+371) 67251822**
Managing Authority: **SRS Large Taxpayer Departament**
Type of primary activity: **Construction**
Unit of measurement: **LVL**

NON - AUDITED FINANCIAL REPORT
for the year ended December 31, 2013



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GENERAL INFORMATION

Name of the Company	JSC "LATVIJAS TILTI"
Legal status of the Company	Joint Stock Company
Main shareholder	Ltd "LNK (Latvijas Novitātes Komplekss)", unified reg. No 40003000252 - 89.69%
Unified registration number and date of the registration of the company	50003030441 October 7, 1991
Re-registration date in the Commercial Register	June 29, 2004
Type of activity	Construction
Address	15 Granīta Street, Rumbula, Stopiņu Parish, LV-1057, Latvia, phone (+371) 67251372
Banks	Danske Bank A/S Latvia branch LV41MARA2041000027839 (LVL) LV14MARA2041000027840 (EUR) LV30MARA2041000027843 (LTL) LV84MARA2041000027841 (USD) LV57MARA2041000027842 (RUB) LV15MARA2041000030247 (EUR) AS "DNB Banka" LV02RIKO0002013111394 (LVL) LV67RIKO0002930060439 (EUR) AS "ABLV Bank" LV82AIZK0000010324565(LVL) Nordea Bank Finland Plc Latvia branch LV56NDEA0000081990540 (LVL) LV93NDEA0000081990553 (EUR) AS "Swedbank" LV92HABA0551025126793 (multi currency)
Reporting year	January 1, 2013 - December 31, 2013
Participation in other companies	Joint Stock Company "Transport Systems", Latvia – 12.5 % Partnership "TLTB", Latvia – 25 % Partnership "LNK INDUSTRIES Partnership", Latvia – 33 % JSC "Mostootrijad 17", Russia – 50 % Partnership "LT Celtniecība", Latvia – 50% Partnership "LNK INDUSTRIES GROUP", Latvia – 50% Partnership "LATVIJAS TILTI & SZMA RĪGA", Latvia – 70 % Partnership "LNK INDUSTRIES EKO", Latvia – 35%
Name and phone of bookkeeper	Iveta Jureviča, phone (+371) 67251822
Name of the auditor	Ēriks Bahirs, certified auditor, certificate No 136 Ltd "Baker Tilly Baltics", unified reg. No 40003444833, License No 80



THE COUNCIL AND THE BOARD

THE COUNCIL

THE COUNCIL OF THE COMPANY

as at December 31, 2013

Name and Surname	Position
Aleksandrs Milovs	Chairman of the Council
Vadims Milovs	Vice Chairman of the Council
Andrejs Subočs	Council Member
Jevgenijs Locovs	Council Member
Davids Lipkins	Council Member

THE BOARD

THE BOARD OF THE COMPANY

as at December 31, 2013

Name and Surname	Position
Genadijs Kamkalovs	Chairman of the Board (from June 14, 2013)
Valērijs Gorjuns	Chairman of the Board (till June 14, 2013)
Valērijs Gorjuns	Board Member (from June 14, 2013)
Regīna Vitrjaka	Board Member
Igors Goļcovs	Board Member
Andrejs Bočkarjovs	Board Member
Romāns Maizenbergs	Board Member

MANAGEMENT REPORT

Types of activities

Principal activities of JSC "LATVIJAS TILTI" are construction of bridges and other objects, production of concrete constructions.

Company activity during the reporting year

The Company's turnover in 2013 amounted to 28 408 621 LVL. In reporting year works are continuing in following construction units: "Construction of the Pier No 12 of Ventspils Free Port", "Reconstruction of the pier No7, continuing it along the pier No 6. Reconstruction of the pier No 8 and No 9 with defining the stage of the construction - I stage of construction: reconstruction of the north side of the pier No 8 (90m) in Klaipeda, Lithuania", as well as "Ventspils Free Port 1st pier dismatling" in Ventspils. JSC "LATVIJAS TILTI", as a general partner in association with the Lithuanian company "Kauno keliai" continues reconstruction works at Geležinio Vilko street from A.Goštauto street till M.K.Čiurlionio street in Vilnius, Lithuania and by maintaining cooperation in September 2013 have started Construction of Detour Road Panemunes - Sovetsk with the Bridge over River Nemunas, Lithuania. Main construction works are finished in these units: "Construction of cargo-passenger terminal No 80,81 at Klaipėdas sea port" and "Short-term fertilizer storage and handling complex in Freeport of Riga, Kundzinsala" and construction works in "Free port of Riga at Riga Bulk terminal, Kundzinsala, 1st part of works".

During reporting year the Company has actively performed in all directions:

- maintenance, construction and repair works of bridges
- manufacturing of concrete products and constructions
- hydro construction- construction of wharfs and piers, including construction of platforms on piles in open aquatorium.

Much attention was paid to the price analysis of purchased materials and lease of construction equipment and machinery. The measures for work optimization and productivity improvement were taken.

The Company's management pays great attention to training of professionals, helping to get certificates to those assistants of building managers, who have appropriate expertise, education and work experience, and also seeks to keep skilled workers.

The management of JSC "LATVIJAS TILTI" bears responsibility for provision of a respective accounting system, preservation of the assets of the company as well as for detection and elimination of fraudulence and other violations made within the Company. The management is also responsible for fulfilment of all requirements of Latvian legislation and provides full information on financial activity and financial results of the Company.

Financial result indicators

	2013 December 31	2012 December 31
Liquidity		
- <i>current assets / short-term liabilities</i>	1,01	1,06
Solvencies		
- <i>liabilities / the total of the balance</i>	0,79	0,74
- <i>liabilities / own capital</i>	3,87	2,90
Effectiveness		
- <i>net turnover / the total of assets</i>	1,43	1,13
Profitability		
- <i>(Net profit / net turnover)*100</i>	0,29	0,37
- <i>(Net profit / the total of assets)*100</i>	0,41	0,42



PROFIT AND LOSS STATEMENT

	December 31, 2013		December 31, 2012	
	EUR 0,702804		EUR 0,702804	
	LVL	EUR	LVL	EUR
Net turnover	28 408 621	40 421 826	17 675 966	25 150 634
Manufacturing cost of products sold	(28 005 590)	(39 848 365)	(16 949 182)	(24 116 513)
Gross profit	403 031	573 461	726 784	1 034 120
Cost of sales	(25 319)	(36 026)	(17 767)	(25 280)
Administration costs	(334 832)	(476 423)	(431 742)	(614 314)
Other incomes from Company's business activity	502 429	714 892	273 736	389 491
Other expenses for Company's business activity	(231 125)	(328 861)	(248 582)	(353 700)
Other interest-bearing income, and similar incomes	78	111	1 439	2 048
Interest payments and similar expenses	(217 164)	(308 997)	(204 501)	(290 979)
Profit or loss before extraordinary items and taxes	97 098	138 158	99 367	141 387
Profit or loss before taxes	97 098	138 158	99 367	141 387
Corporate income tax	-	-	(19 184)	(27 296)
Other taxes	(14 779)	(21 029)	(15 012)	(21 360)
Profit or loss for reporting year after taxes	82 319	117 129	65 171	92 730
Rate "Earnings per share" (EPS)	0,12	0,12	0,10	0,10

NON-AUDITED BALANCE SHEET:

	December 31, 2013		December 31, 2012	
ASSETS	EUR 0,702804		EUR 0,702804	
LONG-TERM INVESTMENTS	LVL	EUR	LVL	EUR
INTANGIBLE INVESTMENTS				
Licenses and other intangible investments	12 275	17 466	5 979	8 507
Subtotal intangible investments	12 275	17 466	5 979	8 507
FIXED ASSETS				
Plots, buildings, constructions and perennial greenery	868 780	1 236 163	936 230	1 332 135
Equipment and machinery	3 322 669	4 727 732	2 811 003	3 999 697
Other fixed assets and inventory	624 078	887 983	554 640	789 182
Cost of fixed assets formation and unfinished construction objects	263 085	374 336	-	-
Advance for fixed assets	2 360	3 358	2 748	3 910
Subtotal fixed assets	5 080 972	7 229 572	4 304 621	6 124 924
INVESTMENT PROPERTY				
Buildings and constructions	740 909	1 054 219	514 356	731 863
Investment properties under construction	-	-	155 308	220 983
Prepayments for investment properties	-	-	31 347	44 603
Subtotal investment property	740 909	1 054 219	701 011	997 449
LONG-TERM FINANCIAL INVESTMENTS				
Participation in related enterprises' capital	-	-	-	-
Participation in associated enterprises' capital	13 320	18 953	13 320	18 953
Own stock and shares	2 013	2 864	2 013	2 864
Subtotal long-terms financial investments	15 333	21 817	15 333	21 817
Total intangible investments	5 849 489	8 323 073	5 026 944	7 152 697
CURRENT ASSETS				
INVENTORIES				
Raw materials, basic materials and auxiliary materials	2 422 898	3 447 473	1 607 130	2 286 740
Finished products and goods for sale	260 613	370 819	584 930	832 280
Prepayments for goods	6 490	9 234	85 856	122 162
Subtotal inventories	2 690 001	3 827 527	2 277 916	3 241 182
DEBTORS				
Trade receivables	3 342 706	4 756 242	4 280 083	6 090 009
Other debtors	439 959	626 005	620 727	883 215
Deferred expenses	40 657	57 850	60 873	86 614
Accounts receivables from associated companies	7 500	10 672	7 500	10 672
Related companies debts	3 564 607	5 071 979	1 417 644	2 017 126
Accumulated debtors	2 184 457	3 108 202	1 268 487	1 804 894
Subtotal debtors	9 579 886	13 630 950	7 655 314	10 892 530
SECURITIES AND PARTICIPATION IN CAPITALS				
Other securities and participation in capitals	-	-	4	6
Subtotal securities and participation in capitals	-	-	4	6
CASH	1 756 474	2 499 237	638 890	909 059
Total current investments	14 026 361	19 957 714	10 572 124	15 042 777
TOTAL ASSETS	19 875 850	28 280 787	15 599 068	22 195 474



NON-AUDITED BALANCE SHEET:

	December 31, 2013		December 31, 2012	
	LVL	EUR 0,702804	LVL	EUR 0,702804
		EUR		EUR
LIABILITIES				
OWN CAPITAL				
Stock or share capital (equity capital)	671 000	954 747	671 000	954 747
Reserves:				
a) statutory reserves	29 982	42 661	29 982	42 661
Undistributed profit:				
a) undistributed profit for preceding years	3 301 618	4 697 779	3 236 447	4 605 049
b) undistributed profit for reporting year	82 319	117 129	65 171	92 730
Subtotal own capital	4 084 919	5 812 316	4 002 600	5 695 187
LIABILITIES				
LONG-TERM LIABILITIES				
Other borrowings	1 764 796	2 511 078	1 482 094	2 108 830
Provisions for deferred taxes	131 724	187 426	131 724	187 426
Subtotal long-term liabilities	1 896 520	2 698 505	1 613 818	2 296 256
SHORT-TERM LIABILITIES				
Borrowings from credit institutions	2 589 263	3 684 189	1 379 086	1 962 263
Other borrowings	735 255	1 046 174	558 738	795 013
Prepayments received from purchasers	31 354	44 613	12 075	17 181
Debts to suppliers and contractors	7 685 698	10 935 763	5 387 082	7 665 127
Debts to related companies	1 822 667	2 593 421	1 741 411	2 477 805
Taxes and social insurance payments	140 846	200 406	109 547	155 871
Other creditors	163 687	232 906	148 277	210 979
Accumulated liabilities	725 641	1 032 494	646 434	919 793
Subtotal short-term liabilities	13 894 411	19 769 966	9 982 650	14 204 031
Total liabilities	15 790 931	22 468 470	11 596 468	16 500 287
TOTAL OWN CAPITAL AND LIABILITIES	19 875 850	28 280 787	15 599 068	22 195 474



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 0,702804

	Equity capital	Statutory reserves	Undistributed profit	Own capital total
	LVL	LVL	LVL	LVL
31.12.2011.	671 000	29 982	3 236 447	3 937 429
Profit for reporting year	-	-	65 171	65 171
Distribution of profit	-	-	-	-
31.12.2012.	671 000	29 982	3 301 618	4 002 600
Profit for reporting year	-	-	82 319	82 319
Distribution of profit	-	-	-	-
31.12.2013.	671 000	29 982	3 383 937	4 084 919

	EUR	EUR	EUR	EUR
31.12.2011.	954 747	42 661	4 605 049	5 602 457
Profit for reporting year	-	-	92 730	92 730
Distribution of profit	-	-	-	-
31.12.2012.	954 747	42 661	4 697 779	5 695 187
Profit for reporting year	-	-	117 129	117 129
Distribution of profit	-	-	-	-
31.12.2013.	954 747	42 661	4 814 908	5 812 316



CASH FLOW STATEMENT

EUR 0,702804

	2013		2012	
	12-month period		12-month period	
	LVL	EUR	LVL	EUR
Cash flow from operating activities				
<i>Profit or losses before extra ordinary items and taxes</i>	97 098	138 158	99 367	141 387
<i>Adjustments:</i>				
- depreciation costs of capital assets	852 343	1 212 775	756 868	1 076 926
- write-off of purchase of capital assets and non-material investment value	18 282	26 013	17 493	24 890
- accumulation creation	33 700	47 951	66 720	94 934
- other interest receivable and similar income	(78)	(111)	(1 439)	(2 048)
- interest payable and similar expenses	163 964	233 300	105 365	149 921
- other taxes	(14 779)	(21 029)	(15 013)	(21 362)
<i>Profit or losses before current assets and short-term liabilities surplus change impact adjustments</i>	1 150 530	1 637 057	1 029 361	1 464 649
<i>Adjustments:</i>				
- debtor debt surplus increase (-) or decrease (+)	(1 890 872)	(2 690 468)	(2 185 217)	(3 109 284)
- accumulation surplus increase (-) or decrease (+)	(412 085)	(586 344)	(414 878)	(590 318)
- increase (+) or decrease (-) of debts to be paid to suppliers, contractors and other creditors	2 855 598	4 063 150	1 895 228	2 696 666
<i>Gross cash flow from operating activities</i>	1 703 171	2 423 394	324 494	461 713
Real estate tax	-	-	-	-
Corporate income tax paid	(159 000)	(226 237)	(151 004)	(214 859)
<i>Cash flow before extraordinary items</i>	1 544 171	2 197 157	173 490	246 854
Cash flow from extraordinary items	-	-	-	-
<i>Net cash flow from operating activities</i>	1 544 171	2 197 157	173 490	246 854
Cash flow from investing activities				
Purchase of capital assets and non-material investments	(612 757)	(871 875)	(988 150)	(1 406 011)
Income from sales of capital assets and non-material investments	3 312	4 713	104 677	148 942
Loans granted	(6 325)	(9 000)	(781 629)	(1 112 158)
Loans repaid	3 514	5 000	781 629	1 112 158
Interest receivable	78	111	576	820
<i>Net cash flow used investing activities</i>	(612 178)	(871 051)	(882 897)	(1 256 249)
Cash flow from financing activities				
Borrowings received	1 862 431	2 650 001	1 632 804	2 323 271
Borrowings repaid	(1 862 431)	(2 650 001)	(1 632 804)	(2 323 271)
Interest paid	(110 934)	(157 845)	(121 351)	(172 667)
Proceeds on borrowings	1 210 177	1 721 927	1 379 086	1 962 263
Paid on financial lease contracts	(913 652)	(1 300 010)	(639 175)	(909 464)
<i>Net cash flow from financing activities</i>	185 591	264 072	618 560	880 132
Result of foreign currency exchange rate fluctuations	-	-	-	-
Reporting year net cash flow	1 117 584	1 590 179	(90 847)	(129 264)
Cash and its equivalent at the beginning of the reporting year	638 890	909 059	729 737	1 038 322
Cash and its equivalents at the end of the reporting year	1 756 474	2 499 237	638 890	909 059

NOTES TO THE FINANCIAL STATEMENTS

Accounting policy:

The fundamentals of preparation of the report

The annual report has been prepared in accordance with the Law of the Republic of Latvia "On Accounting", "The Law on Annual Reports", LGS No 1, LGS No 2, LGS No 3, LGS No 4, LGS No 5, LGS No 6, LGS No 7, LGS No 8.

The profit or loss statement has been prepared in accordance with the turnover costs method.

The cash flow report has been drafted using the indirect method.

General principles

The positions of the annual report have been evaluated in accordance with the following accounting principles:

- it is assumed that the company will operate also in the future;
- the same evaluation methods have been used as in the previous year;
- only the profit gained before the balance sheet day is included in the report;
- the income and expenses related to the reporting year have been taken into accounting regardless of the date of payment or of the date of receipt or issue of the invoice;
- the expenses have been coordinated with the incomes within the reporting year;
- at the beginning of the reporting year the balance complies with the closing balance of the previous year;
- management transactions have been reflected, taking into account their economic content and nature, instead of the legal form.

Re-evaluation of foreign currencies into lats

Assets and liabilities in foreign currencies are evaluated into Latvian Lats (LVL) in accordance with the currency exchange rate defined by the Bank of Latvia at the last day of the reporting year. The profit or loss gained as the result of the fluctuations of the foreign currency exchange rates are charged to the profit or loss statement of the reporting year.

	31.12.2013.	31.12.2012.
	LVL	LVL
1 EUR	0,702804	0,702804
1 USD	0,515	0,531
1 LTL	0,204	0,204

Fixed assets

Capital assets listed in accordance with requirements of LGS No 7 by cost method. All capital assets valued at initial cost, except depreciation. Depreciation is calculated using the method appropriate usage of capital assets over the period.

NOTES TO THE FINANCIAL STATEMENTS

Accounting policy:

Fixed assets are reflected in the balance sheet at net book value, excluding the net of depreciation from the purchase price. The depreciation of land is not calculated.

Company uses for commercial activities capital assets with zero residual value. Purchase value of these assets is 1 285 578 LVL.

Non-material investments

All non-material investments have been evaluated in their initial value, excluding depreciation. The period of depreciation set by the management is five years. If liquidity control is negligible, then it doesn't count.

Reserves

The reserves are evaluated with the weighted average price method and they have been reflected in the balance in accordance with their supply and production cost price.

Debtor

Debts of debtors are realistic and compared. For doubtful debts of debtors is created savings. All debtors formed before 31.12.2013.

Investments in daughter and associated companies

Investments in the capital of daughter and associated companies of the holding company are calculated in the financial report of the Company in their purchase value.

Future period expenses

The position reflects the expenses made during the reporting year, but costs refer to the next year.

Vacation reserves

Reserves for unused vacations are defined by multiplying the average salary of each employee during the reporting year with the number of unused vacation days as of the end of the reporting year.

Accrued liabilities

The position reflects the expenses referring to the reporting year, but the invoices have been received in the next year.

NOTES TO THE FINANCIAL STATEMENTS

Accounting policy:

Income recognition

Income includes the management benefits gained within usual operations that have been received or will be received by the company itself.

The result of a service provision transaction, the income associated with this transaction, is recognized by consideration of the type of execution of the service provision transaction on the day of the balance.

The result of a service provision transaction can be credibly estimated if all of the following conditions are observed:

- it is possible to credibly estimate the amount of income;
- it is possible that the company will receive the management benefits associated with the transaction;
- it is possible to credibly estimate the volume of execution of the service provision execution in percent as of the balance day;
- it is possible to credibly evaluate the existing expenses of the transaction and the expenses required for completion of the transaction.

Income from sales of products is recognized when all of the following conditions are observed:

- the company has transferred the ownership rights for the products to the customer;
- the company does not retain further management rights and real control over the products associated with the ownership rights;
- it is possible to credibly evaluate the amount of income;
- it is credible that the company will receive the management benefits associated with the transaction;
- it is possible to credibly evaluate the expenses that have risen or will rise in association with the transaction.

Recognition of income and expenses associated with long-term contracts

Income and expenses from long-term contracts are the income which is equal to the volume of service provision in percents as of the date of the balance.

Expenses referred to the contract can be clearly identified and credibly estimated so that the expenses that have actually risen in association with the contract could be compared to the recognized income.



NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of profit and loss statement:

	2013	2012
	December 31	December 31
	LVL	LVL
Net turnover		
Incomes from construction	28 324 604	17 300 104
Incomes from sale of services and building constructions	84 017	375 862
TOTAL:	28 408 621	17 675 966

	LVL	LVL
Production costs		
Material costs (raw materials, materials, public services)	10 691 388	7 298 601
Wages	2 527 265	2 064 131
Social tax	640 859	520 209
Public services	9 920 489	5 231 194
Other costs	4 225 589	1 835 047
TOTAL:	28 005 590	16 949 182

	LVL	LVL
Selling costs		
Transport services	15 821	4 226
Media advertising expenses	9 498	13 541
TOTAL:	25 319	17 767

	LVL	LVL
Administrative costs		
Administration wages, social tax	136 679	174 817
Communications costs	21 496	21 093
Office expenses	18 043	15 792
Professional service costs	33 172	31 860
Banking services	13 082	18 510
Motor transport maintenance costs	55 210	52 400
Other administrative costs	57 150	117 270
TOTAL:	334 832	431 742

	LVL	LVL
Other incomes from the enterprise economic activity		
Incomes from selling materials	43 884	80 528
Incomes from selling current assets	6 080	21 928
Incomes from services	174 125	70 506
Incomes related to implementation of EU projects	-	3 373
Other incomes	278 340	97 401
TOTAL:	502 429	273 736



NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of profit or loss statement:

	2013 December 31 LVL	2012 December 31 LVL
Other expenses from the Company economic activity		
Sponsorship	8 000	21 500
Costs associated with the implementation of EU projects	-	5 735
Costs of sale of current assets	-	119 898
Other costs	223 125	101 449
TOTAL:	231 125	248 582

	LVL	LVL
Other interest-bearing income, and similar incomes		
Interest receivable	78	1 439
TOTAL:	78	1 439

	LVL	LVL
Interest payments and similar expenses		
Interest expenses	163 964	105 365
Net loss from sale of foreign currency	36 539	45 050
Net loss from currency exchange rate fluctuations	13 409	16 414
Penalties paid	3 252	37 672
TOTAL:	217 164	204 501

	LVL	LVL
Other taxes		
Estimated land real estate tax	2 199	2 199
Estimated building and construction real estate tax	12 580	12 813
TOTAL:	14 779	15 012

NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of balance sheet:

		2013	2012
		December 31	December 31
		LVL	LVL
Intangible investments			
Acquisition value		21 790	14 215
Depreciation		9 515	8 236
Residual value		12 275	5 979
		12 275	5 979

		Land, buildings and facilities	Equipment and machinery	Other fixed assets	Formation of fixed assets
		LVL	LVL	LVL	LVL
Acquisition value	31.12.2012.	1 294 326	5 217 291	1 438 266	-
Depreciation		358 096	2 406 288	883 626	-
Residual value	31.12.2012.	936 230	2 811 003	554 640	-
Acquisition value	31.12.2013.	1 281 835	6 208 779	1 486 592	263 085
Depreciation		413 055	2 886 110	862 514	-
Residual value	31.12.2013.	868 780	3 322 669	624 078	263 085

Investment property		Buildings	Costs of investment property foundation
		LVL	LVL
Acquisition value	31.12.2012.	681 919	155 308
Depreciation		167 563	-
Residual value	31.12.2012.	514 356	155 308
Acquisition value	31.12.2013.	951 325	-
Depreciation		210 416	-
Residual value	31.12.2013.	740 909	-

Long-term financial investments

Participation in associated enterprises capital

	Purchase price - share of participation	
	Ls	%
Joint Stock Company "Transport Systems", Latvia	6250	12,5
Partnership "TLTB", Latvia	5000	25
Partnership "LNK INDUSTRIES Partnership", Latvia	-	33
JSC "Mostootrjad 17", Russia	2070	50
Partnership "LT Celtniecība", Latvia	-	50
Partnership "LNK INDUSTRIES GROUP", Latvia	-	50
Partnership "LATVIJAS TILTI & SZMA RĪGA", Latvia	-	70
Partnership "LNK INDUSTRIES EKO", Latvia	-	35

The Company is also a member in other general partnerships, but during the period they have not performed any activities.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of balance sheet:

JSC "Dienvidu Tilts" is registered in 2002 in order to participate in construction of Southern bridge across River Daugava and which in December 2009 has changed name to Joint Stock Company "Transport Systems".

Partnership "TLTB" has been registered in 2008. The goal of the foundation - construction of the existing "Vairoga" overpass and its connection with "Gaujas" street.

Partnership "LATVIJAS TILTI & SZMA RIGA" has been registered in 2011. The goal of the foundation - Reconstruction and Design of Riga Ukrainian secondary school buildings in Riga, Visvalza Street 4.

JSC "Mostootrijad 17" was registered in Russia in 2006 with the aim - bridge designing, construction and maintenance.

Financial rent contracts – JSC "DnB lizings"

Name of the fixed assets	Contr.No	Period of the contract	SHORT-TERM DEBTS		LONG-TERM DEBTS	
			LVL	EUR	LVL	EUR
Blasting and painting camera	37835, 37836	2012-2017	65 403	93 060	166 439	236 821
Hydraulic hammer	22921	2005-2015	33 463	47 614	66 225	94 229
Motor transport		2007-2016	89 433	127 251	281 667	400 776
Yunttan	12004	2007-2017	69 164	98 412	168 274	239 433
Vibrator	15016, 40327	2007-2014	56 909	80 974	79 229	112 733
Crane Liebherr	33030, 40136, 40433	2011-2016	122 487	174 284	300 158	427 086
Confloat Ponton, DE HOOP	34267, 40135	2011-2016	106 431	151 437	198 767	282 820
Frontal Loader Liebherr L 550 2+2	34986	2011-2017	23 376	33 261	50 621	72 027
Monitou telescopic loader	36089	2012-2017	30 612	43 557	81 178	115 506
Vibrant plunger MULLER	35353	2011-2016	63 376	90 176	131 675	187 357
Special construction machinery		2013-2018	8 094	11 517	158 158	225 038
Tractors		2012-2017	42 929	61 082	141 581	201 452



NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of balance sheet:

	2013 December 31	2012 December 31
	LVL	LVL
Trade receivables		
Debts of purchasers and customers	1 090 926	2 810 952
Delayed payments	2 251 780	1 469 131
	3 342 706	4 280 083
Other debtors	LVL	LVL
Other debtors	62 592	5 386
Prepayments for work and services	330 291	264 080
Short-term debts	3 255	74 453
Overpaid tax	43 821	276 808
	439 959	620 727
Deferred expenses	LVL	LVL
Insurance premiums – construction units	20 209	48 592
Others	20 448	12 281
	40 657	60 873
Accumulated incomes	LVL	LVL
Trade receivables	2 184 457	1 268 487
	2 184 457	1 268 487
Securities and participation in capitals	LVL	LVL
Privatization certificates	-	4
	-	4
Money	LVL	LVL
Cash on hand	9 689	831
Cash in bank	1 746 785	638 059
Cash total:	1 756 474	638 890



NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of balance sheet:

	2013	2012
	December 31	December 31
Liabilities	LVL	LVL
Long-term liabilities		
Others debts- Ltd "DnB Līzings"	1 764 095	1 482 094
Deferred tax liabilities	131 724	131 724
Long-term liabilities total	1 895 819	1 613 818
Short-term liabilities		
Others liabilities - Ltd "DnB Līzings"	735 956	558 738
Short-term liabilities total	735 956	558 738

Liabilities to suppliers and contractors

	LVL	LVL
Liabilities to suppliers and contractors	6 759 024	5 021 451
Delayed payments	926 674	365 631
	7 685 698	5 387 082

Taxes and social insurance payments

	LVL	LVL
State social insurance obligatory premiums	55 587	10 394
Personal income tax	21 969	17 313
VAT	8 124	-
Other taxes	55 166	81 840
	140 846	109 547

Other liabilities to creditors

	LVL	LVL
Settlements on wages	146 783	130 036
Other liabilities	16 904	18 241
	163 687	148 277

General notes

Average quantity of workers at the Company

	2013	2012
	December 31	December 31
Average quantity of workers at the Company	362	314
	362	314

Remuneration for Management Board

Members of Council

- estimated wages and salaries	47 961	46 742
- wages and salaries paid	33 020	31 756

Members of Board

- estimated wages and salaries	93 906	69 614
- wages and salaries paid	65 015	45 838



NOTES TO THE FINANCIAL STATEMENTS

Notes to the particular posts of balance sheet:

The parent shareholder of the Company, who owns 89,69% of shares, is Ltd "LNK (Latvijas Novitātes Komplekss)", which is registered in Latvia. In 2013 the Company had economic transactions with the companies that are directly or indirectly subsidiaries of Ltd "LNK (Latvijas Novitātes Komplekss)" as following - Ltd "TTS (Transportation Technology Systems)", Limited liability company "Transporta aģentūra IRBE LNK", Ltd "AVIATEST", JSC "LNK Industries", as well as with other parties related to Company.

a) claims and liabilities

	December 31, 2013		December 31, 2012	
	Receivables	Payables	Receivables	Payables
	LVL	LVL	LVL	LVL
Related companies				
JSC "LNK Industries"	1 957 026	1 662 702	1 324 967	1 172 774
Ltd "TTS (Transportation Technology Systems)"	1 257 547	156 063	92 677	269 629
Ltd "LNK (Latvijas Novitātes Komplekss)"	-	3 346	-	2 441
Limited liability company "Transporta aģentūra IRBE LNK"	-	556	-	-
Ltd "AVIATEST"	348 198	-	-	-
Ltd "ENFORT"	1 836	-	-	296 567
Total	3 564 607	1 822 667	1 417 644	1 741 411