

Name of the company **JSC "LATVIJAS TILTI"**  
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: **EUR**

**NON - AUDITED FINANCIAL REPORT**  
**for the period ended September 30, 2014**



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## GENERAL INFORMATION

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Name of the Company	<b>JSC "LATVIJAS TILTI"</b>
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 LV14MARA2041000027840 (EUR) LV30MARA2041000027843 (LTL) LV84MARA2041000027841 (USD) LV57MARA2041000027842 (RUB) LV15MARA2041000030247 (EUR) AS "DNB Banka" LV02RIKO0002013111394 (EUR) LV67RIKO0002930060439 (EUR) AS "ABLV Bank" LV82AIZK0000010324565(EUR) AS "Swedbank" LV92HABA0551025126793 (multi currency)
Reporting period	<b>January 1, 2014 - September 30, 2014</b>
Participation in other companies	Joint Stock Company "Transport Systems", Latvia – 12.5 % Partnership "TLTB", Latvia – 25 % Partnership "LNK INDUSTRIES Partnership", Latvia – 33 % JSC "Mostootrjad 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 – 34,39%
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**

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### **THE COUNCIL**

#### **THE COUNCIL OF THE COMPANY**

as at September 30, 2014

<b>Name and Surname</b>	<b>Position</b>
Artjoms Milovs	Chairman of the Council (from June 18,2014)
Aleksandrs Milovs	Chairman of the Council (till June 18,2014)
Vadims Milovs	Vice Chairman of the Council
Andrejs Subočs	Council Member
Jevgenijs Locovs	Council Member
Dauids Lipkins	Council Member

### **THE BOARD**

#### **THE BOARD OF THE COMPANY**

as at September 30, 2014

<b>Name and Surname</b>	<b>Position</b>
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

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### 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 period

In 9-month period of 2014 the Company's net sales amounted to 22 559 674 EUR. In reporting period works are continuing in following construction unit: "Construction of the Pier No 12 of Ventspils Free Port". JSC "LATVIJAS TILTI", as a general partner in association with the Lithuanian company "Kauno kelias" continues "Reconstruction works at Geležinio Vilko street from A.Goštauto street till M.K.Čiurlionio street in Vilnius" and "Construction of Detour Road Panemunes - Sovetsk with the Bridge over River Nemunas", Lithuania. Works in construction units: "Ventspils Free Port 1st pier dismatling", as well as "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" are done. In this reporting period have started works in such construction units "Reconstruction of the berth of the Freeport of Ventspils administration", "Renovation of Salu bridge" Latvia, "Reconstruction of the pier Nr.67 and Nr.68" Lithuania and "Design and construction of Nehatu bridges on Tallin-Narva road, Estonia".

During reporting period 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.

Significant attention was paid to analysis of purchase price of materials, lease of construction equipment and machinery. The measures for work optimization and productivity improvement were taken.

In 9-month period of 2014 continies an active market research in Lithuania and other European Union countries. Parallel to the bridge works the focus was put on concrete structures workload for the project needs.

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.

<b>Financial result indicators</b>	<b>2014</b>	<b>2013</b>
	<b>September 30</b>	<b>September 30</b>
Liquidity		
- <i>current assets / short-term liabilities</i>	<b>1,50</b>	<b>1,05</b>
Solvencies		
- <i>liabilities / the total of the balance</i>	<b>0,73</b>	<b>0,81</b>
- <i>liabilities / own capital</i>	<b>2,69</b>	<b>4,13</b>
Effectiveness		
- <i>net turnover / the total of assets</i>	<b>1,03</b>	<b>0,83</b>
Profitability		
- <i>(Net profit / net turnover)*100</i>	<b>0,45</b>	<b>0,46</b>
- <i>(Net profit / the total of assets)*100</i>	<b>0,46</b>	<b>0,38</b>



## PROFIT AND LOSS STATEMENT

	September 30, 2014	September 30, 2013
	EUR	EUR
Net turnover	22 559 674	24 845 586
Manufacturing cost of products sold	(22 209 984)	(24 675 553)
<b>Gross profit</b>	<b>349 690</b>	<b>170 033</b>
Cost of sales	(9 539)	(23 484)
Administration costs	(420 261)	(370 960)
Other incomes from Company's business activity	384 515	572 332
Other expenses for Company's business activity	(61 594)	(48 501)
Other interest-bearing income, and similar incomes	42 541	236
Interest payments and similar expenses	(165 257)	(167 055)
<b>Profit or loss before extraordinary items and taxes</b>	<b>120 095</b>	<b>132 600</b>
<b>Profit or loss before taxes</b>	<b>120 095</b>	<b>132 600</b>
Other taxes	(18 544)	(18 702)
<b>Profit or loss for reporting period after taxes</b>	<b>101 551</b>	<b>113 898</b>
Rate "Earnings per share" (EPS)	0,11	0,12

## NON-AUDITED BALANCE SHEET

	September 30, 2014	September 30, 2013
<b>ASSETS</b>		
<b>LONG-TERM INVESTMENTS</b>	<b>EUR</b>	<b>EUR</b>
INTANGIBLE INVESTMENTS		
Licenses and other intangible investments	15 874	10 299
<b>Subtotal intangible investments</b>	<b>15 874</b>	<b>10 299</b>
FIXED ASSETS		
Plots, buildings, constructions and perennial greenery	1 513 616	1 261 833
Equipment and machinery	4 379 990	4 656 754
Other fixed assets and inventory	1 869 357	767 228
Cost of fixed assets formation and unfinished construction objects	308 265	393 307
Advance for fixed assets	5 000	-
<b>Subtotal fixed assets</b>	<b>8 076 228</b>	<b>7 079 122</b>
INVESTMENT PROPERTY		
Buildings and constructions	980 119	1 079 299
<b>Subtotal investment property</b>	<b>980 119</b>	<b>1 079 299</b>
LONG-TERM FINANCIAL INVESTMENTS		
Participation in associated enterprises' capital	16 008	18 953
Own stock and shares	2 864	2 864
<b>Subtotal long-terms financial investments</b>	<b>18 872</b>	<b>21 817</b>
<b>Total intangible investments</b>	<b>9 091 093</b>	<b>8 190 537</b>
<b>CURRENT ASSETS</b>		
INVENTORIES		
Raw materials, basic materials and auxiliary materials	1 655 976	2 928 831
Unfinished orders	237 362	1 304 547
Finished products and goods for sale	264 936	409 424
Prepayments for goods	340 408	947 840
<b>Subtotal inventories</b>	<b>2 498 682</b>	<b>5 590 642</b>
DEBTORS		
Trade receivables	5 597 480	10 674 713
Other debtors	525 055	888 676
Deferred expenses	86 866	107 558
Accounts receivables from associated companies	10 672	10 672
Related companies debts	2 840 078	1 304 527
Accumulated debtors	834 640	1 573 706
<b>Subtotal debtors</b>	<b>9 894 791</b>	<b>14 559 852</b>
SECURITIES AND PARTICIPATION IN CAPITALS		
Other securities and participation in capitals	-	6
<b>Subtotal securities and participation in capitals</b>	<b>-</b>	<b>6</b>
<b>CASH</b>	<b>393 870</b>	<b>1 482 489</b>
<b>Total current investments</b>	<b>12 787 343</b>	<b>21 632 988</b>
<b>TOTAL ASSETS</b>	<b>21 878 436</b>	<b>29 823 525</b>



## NON-AUDITED BALANCE SHEET

	September 30, 2014	September 30, 2013
<b>LIABILITIES</b>		
	<b>EUR</b>	<b>EUR</b>
<b>OWN CAPITAL</b>		
Stock or share capital (equity capital)	954 747	954 747
Reserves:		
a) statutory reserves	42 661	42 661
Undistributed profit:		
a) undistributed profit for preceding years	4 824 112	4 697 780
b) undistributed profit for reporting year	101 551	113 898
<b>Subtotal own capital</b>	<b>5 923 071</b>	<b>5 809 086</b>
<b>LIABILITIES</b>		
<b>LONG-TERM LIABILITIES</b>		
Borrowings from credit institutions	4 723 497	-
Other borrowings	2 487 465	3 225 531
Provisions for deferred taxes	229 148	187 426
<b>Subtotal long-term liabilities</b>	<b>7 440 110</b>	<b>3 412 957</b>
<b>SHORT-TERM LIABILITIES</b>		
Borrowings from credit institutions	-	4 366 345
Other borrowings	254 981	238 354
Prepayments received from purchasers	303 136	286 118
Debts to suppliers and contractors	6 163 031	9 843 504
Debts to related companies	527 400	4 411 223
Taxes and social insurance payments	244 393	430 437
Other creditors	236 465	245 408
Deferred revenues	2 818	-
Accumulated liabilities	783 031	780 093
<b>Subtotal short-term liabilities</b>	<b>8 515 255</b>	<b>20 601 482</b>
<b>Total liabilities</b>	<b>15 955 365</b>	<b>24 014 439</b>
<b>TOTAL OWN CAPITAL AND LIABILITIES</b>	<b>21 878 436</b>	<b>29 823 525</b>



## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Equity capital	Statutory reserves	Undistributed profit	Own capital total
	EUR	EUR	EUR	EUR
<b>December 31, 2012</b>	<b>954 747</b>	<b>42 661</b>	<b>4 697 780</b>	<b>5 695 188</b>
Profit for reporting period	-	-	113 898	113 898
Distribution of profit	-	-	-	-
<b>September 30, 2013</b>	<b>954 747</b>	<b>42 661</b>	<b>4 811 678</b>	<b>5 809 086</b>
<b>December 31, 2013</b>	<b>954 747</b>	<b>42 661</b>	<b>4 824 112</b>	<b>5 821 520</b>
Profit for reporting period	-	-	101 551	101 551
Distribution of profit	-	-	-	-
<b>September 30, 2014</b>	<b>954 747</b>	<b>42 661</b>	<b>4 925 663</b>	<b>5 923 071</b>

## CASH FLOW STATEMENT

	2014 9-month period EUR	2013 9-month period EUR
<b>Cash flow from operating activities</b>		
<b><i>Profit or losses before extra ordinary items and taxes</i></b>	120 095	132 600
<b><i>Adjustments:</i></b>		
- depreciation costs of capital assets	1 175 595	896 654
- write-off of purchase of capital assets and non-material investment value	26 915	24 382
- profit or losses due to fluctuations of foreign currencies	(42 489)	22 170
- other interest receivable and similar income	(52)	(236)
- interest payable and similar expenses	160 190	163 127
<b><i>Profit or losses before current assets and short-term liabilities surplus change impact adjustments</i></b>	<b>1 440 254</b>	<b>1 238 697</b>
<b><i>Adjustments:</i></b>		
- debtor debt surplus increase (-) or decrease (+)	4 417 113	(3 667 321)
- accumulation surplus increase (-) or decrease (+)	600 923	(2 349 460)
- increase (+) or decrease (-) of debts to be paid to suppliers, contractors and other creditors	(7 251 867)	4 993 840
<b><i>Gross cash flow from operating activities</i></b>	<b>(793 577)</b>	<b>215 756</b>
Real estate tax	(18 544)	(18 702)
Corporate income tax paid	(29 000)	-
<b><i>Cash flow before extraordinary items</i></b>	<b>(841 121)</b>	<b>197 054</b>
Cash flow from extraordinary items	-	-
<b><i>Net cash flow from operating activities</i></b>	<b>(841 121)</b>	<b>197 054</b>
<b>Cash flow from investing activities</b>		
Purchase of capital assets and non-material investments	(1 353 164)	(1 976 005)
Income from sales of capital assets and non-material investments	394	3 613
Loans repaid	4 000	-
Interest receivable	32	-
<b>Net cash flow used investing activities</b>	<b>(1 348 738)</b>	<b>(1 972 392)</b>
<b>Cash flow from financing activities</b>		
Borrowings received	1 039 244	3 405 506
Interest paid	(160 190)	-
Paid on financial lease contracts	(841 927)	(1 034 568)
<b>Net cash flow from financing activities</b>	<b>37 127</b>	<b>2 370 938</b>
<b>Result of foreign currency exchange rate fluctuations</b>	<b>42 489</b>	<b>(22 170)</b>
<b>Reporting period net cash flow</b>	<b>(2 110 243)</b>	<b>573 430</b>
<b>Cash and its equivalent at the beginning of the reporting period</b>	<b>2 504 113</b>	<b>909 059</b>
<b>Cash and its equivalents at the end of the reporting period</b>	<b>393 870</b>	<b>1 482 489</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### **Accounting policy:**

#### ***The fundamentals of preparation of the report***

Financial reports is prepared in accordance with the Laws of the Latvian Republic On Accounting and On the Annual Reports.

The financial statements have been prepared according to the historical cost accounting principle. Profit and loss statement is prepared in accordance with the turnover method.

The cash flow statement has been prepared under indirect cash flow 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 regarding the irrespective 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 period;
- 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.

#### ***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

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### **Accounting policy:**

#### ***Re-evaluation of foreign currencies into euro***

Assets and liabilities in foreign currencies are evaluated into euro (eur) in accordance with the currency exchange rate defined by the European Central Bank at the last day of the reporting period. 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 period.

#### ***Fixed and intangible assets***

Intangible and fixed assets are initially recognized at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are recognized at purchase cost less depreciation.

Depreciation is calculated on a straight-line basis (except for sheet pilings, which are depreciated according to the intensity of use and the actual use in the relevant period) applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets.

If sufficient evidence is acquired that the future economic benefit associated with subsequent costs will flow to the Company, which exceeds the return set previously, costs are capitalized as additional costs to the fixed asset. Capitalizing the cost of replaced parts, the carrying amount of the part replaced is derecognized and charged to the income statement. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Net gains or losses from disposal of fixed assets is calculated, as the difference between the carrying amount of the fixed asset, write-off of related assets revaluation reserve (if any) and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

#### ***Investment property***

Investment property is land, building or part of building held by the Company (like owner or by lessee under a finance lease) to earn rentals or for capital appreciation rather than use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. For the land with uncertain future use (if the Company has not determined that it will use the land as owner occupied or short term sale in the ordinary course of business, it is assumed that land is held for capital appreciation), it is classified as investment property.

Investment property initially recognized at costs. Subsequently investment properties are stated at cost less depreciation and impairment losses. Depreciation of buildings is calculated on a straight-line basis applying the following rates of depreciation, based on their estimated useful life.

#### ***Lease-to-buy (financial lease)***

In cases when leased assets are received with lease-to-buy (financial lease) conditions, under which all risks and rewards of ownership are transferred to the Company, are recognized as Company's assets. Assets under the finance lease are recognized at the inception of lease at the lower of fair value of the leased assets or the present value of the minimum lease payments. Lease interest payments are included in income statement by method to produce a constant periodic rate of interest on the remaining balance of the liability.

#### ***Lease without redemption rights (operating lease)***

In cases, when the material part of the risks and rewards of ownership of the leased assets are remained to the lessor, the transaction is classified as operating lease. Lease payments and prepayment for lease are included in income statement on a straight-line basis over the lease period.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Accounting policy:**

#### **Inventories**

Inventories are stated at the lower of purchase or production cost and net realizable value. Purchase costs consists of purchase value and overheads, which have been acquired, by delivering inventories at their current position and value. The costs of materials and other expenses that are directly connected with the production of the appropriate item as well as a respective part of overhead expenses are included in the production cost of inventories. Selling expenses has not included in cost. Cost is stated on the weighted average cost method. When the net realizable value of inventories is lower than its costs, the difference is recognized as provisions for the decrease of value.

The initial value of the assets obtained in construction process is determined by its estimated market value, with a corresponding reduction of cost of sales in the reporting year.

#### ***Accounts receivable***

Receivables are recognized in the balance sheet at their net value, less provisions made for doubtful and bad debts. Provisions for doubtful receivables are established when the management of the Company considers that it is probable that the total amount of receivables will not be collected.

#### ***Investments in subsidiary company and associates***

Long-term financial investments, including investments in subsidiaries and associates, are stated at cost less impairment losses.

#### **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.

#### ***Cash and cash equivalents***

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, the balances of the current bank account and other current liquid financial assets with maturities up to 90 days.

#### ***Related companies***

Related companies are considered parent, subsidiaries of the parent and subsidiaries of subsidiaries, providing that the parent company has a control over its subsidiaries.

#### ***Associates***

An associated company is an entity within a significant influence of the Company. The significant influence is provided by holding no less than 20% and no more than 50% of the share capital or voting rights.

#### ***Related parties***

Related parties are considered Related companies, Board and Council members, their close family members and Companies, in which the previously mentioned persons/companies have significant influence or control.

**NOTES TO THE FINANCIAL STATEMENTS****Notes to the particular posts of profit and loss statement:**

	2014	2013
	September 30	September 30
	EUR	EUR
<b>Net turnover</b>		
Incomes from construction	22 370 581	24 812 992
Incomes from sale of services and building constructions	189 093	32 594
<b>TOTAL:</b>	<b>22 559 674</b>	<b>24 845 586</b>
<b>Production costs</b>	<b>EUR</b>	<b>EUR</b>
Material costs (raw materials, materials, public services)	6 957 704	8 171 239
Wages	2 548 863	2 759 259
Social tax	625 698	699 489
Public services	7 884 146	8 875 150
Other costs	4 193 573	4 170 416
<b>TOTAL:</b>	<b>22 209 984</b>	<b>24 675 553</b>
<b>Selling costs</b>	<b>EUR</b>	<b>EUR</b>
Transport services	835	6 809
Media advertising expenses	8 704	16 675
<b>TOTAL:</b>	<b>9 539</b>	<b>23 484</b>
<b>Administrative costs</b>	<b>EUR</b>	<b>EUR</b>
Administration wages, social tax	153 739	146 381
Communications costs	24 220	22 494
Office expenses	37 864	17 106
Professional service costs	26 847	46 781
Banking services	9 885	13 287
Motor transport maintenance costs	41 299	60 593
Other administrative costs	126 407	64 318
<b>TOTAL:</b>	<b>420 261</b>	<b>370 960</b>
<b>Other incomes from the enterprise economic activity</b>	<b>EUR</b>	<b>EUR</b>
Incomes from selling current assets and fixed assets	162 110	154 971
Incomes from services	222 405	114 224
Other incomes	-	303 137
<b>TOTAL:</b>	<b>384 515</b>	<b>572 332</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**Notes to the particular posts of profit or loss statement:**

	2014	2013
	September 30	September 30
	EUR	EUR
<b>Other expenses from the Company economic activity</b>		
Sponsorship	5 500	10 672
Costs associated with the implementation of EU projects	24 313	-
Result of converting	-	22 170
Other costs	31 781	15 660
<b>TOTAL:</b>	<b>61 594</b>	<b>48 501</b>
<b>Other interest-bearing income, and similar incomes</b>	<b>EUR</b>	<b>EUR</b>
Interest receivable	37	-
Net income from exchange rate fluctuations	42 489	-
Other income	15	236
<b>TOTAL:</b>	<b>42 541</b>	<b>236</b>
<b>Interest payments and similar expenses</b>	<b>EUR</b>	<b>EUR</b>
Interest expenses	160 190	163 127
Penalties paid	5 067	3 929
<b>TOTAL:</b>	<b>165 257</b>	<b>167 055</b>
<b>Other taxes</b>	<b>EUR</b>	<b>EUR</b>
Estimated land real estate tax	4 417	4 417
Estimated building and construction real estate tax	14 127	14 286
<b>TOTAL:</b>	<b>18 544</b>	<b>18 702</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of balance sheet:

	2014	2013
	September 30	September 30
	EUR	EUR
<b>Intangible investments</b>		
Acquisition value	28 420	23 557
Depreciation	12 546	13 258
Residual value	15 874	10 299
	<b>15 874</b>	<b>10 299</b>

FIXED ASSETS		Land, buildings and facilities	Equipment and machinery	Other fixed assets	Formation of fixed assets
		EUR	EUR	EUR	EUR
Acquisition value	30.09.2013.	1 848 335	8 598 739	1 961 073	393 307
Depreciation		586 502	3 941 985	1 193 845	-
Residual value	30.09.2013.	<b>1 261 833</b>	<b>4 656 754</b>	<b>767 228</b>	<b>393 307</b>
Acquisition value	30.09.2014.	2 171 159	9 102 851	3 194 568	308 265
Depreciation		657 543	4 722 861	1 325 211	-
Residual value	30.09.2014.	<b>1 513 616</b>	<b>4 379 990</b>	<b>1 869 357</b>	<b>308 265</b>

Investment property		Buildings and constructions	Costs of investment property foundation
		EUR	EUR
Acquisition value	30.09.2013.	1 353 613	-
Depreciation		274 314	-
Residual value	30.09.2013.	<b>1 079 299</b>	-
Acquisition value	30.09.2014.	1 353 613	-
Depreciation		373 494	-
Residual value	30.09.2014.	<b>980 119</b>	-

### Long-term financial investments

#### Participation in associated enterprises capital

	Purchase price - share of participation	
	EUR	%
Joint Stock Company "Transport Systems", Latvia	8893	12,5
Partnership "TLTB", Latvia	7115	25
Partnership "LNK INDUSTRIES Partnership", Latvia	-	33
JSC "Mostotrijad 17", Russia	2945	50
Partnership "LT Celtniecība", Latvia	-	50
Partnership "LNK INDUSTRIES GROUP", Latvia	-	50
Partnership "LATVIJAS TILTI & SZMA RĪGA", Latvia	-	70
Partnership "LNK INDUSTRIES EKO", Latvia	-	34,39

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

Due to "Mostotrijad 17" negative equity at the end of the reporting year 2013 the Company has impaired the investment's value of EUR 2 945 till zero.



## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of balance sheet:

	2014	2013
	September 30	September 30
	EUR	EUR
<b>Trade receivables</b>		
Debts of purchasers and customers	2 465 195	8 031 828
Delayed payments	3 132 285	2 642 885
	<b>5 597 480</b>	<b>10 674 713</b>
<b>Other debtors</b>		
Other debtors	1 527	96 636
Prepayments for work and services	361 003	448 678
Short-term debts	632	17 304
Overpaid tax	161 893	326 058
	<b>525 055</b>	<b>888 676</b>
<b>Deferred expenses</b>		
Insurance premiums	42 635	70 818
Others	44 231	36 740
	<b>86 866</b>	<b>107 558</b>
<b>Accumulated incomes</b>		
Trade receivables	834 640	1 573 706
	<b>834 640</b>	<b>1 573 706</b>
<b>Securities and participation in capitals</b>		
Privatization certificates	-	6
	<b>-</b>	<b>6</b>
<b>Money</b>		
Cash on hand	24 239	13 745
Cash in bank	369 631	1 468 744
<b>Cash total:</b>	<b>393 870</b>	<b>1 482 489</b>

**NOTES TO THE FINANCIAL STATEMENTS****Notes to the particular posts of balance sheet:**

	2014	2013
	September 30	September 30
	EUR	EUR
<b>Liabilities</b>		
<b>Loans from banks</b>		
<b>Non-current</b>		
AS Danske Bank overdraft balance	4 723 497	-
	<b>4 723 497</b>	<b>-</b>
<b>Current</b>		
AS Danske Bank overdraft balance	-	3 035 438
	<b>-</b>	<b>3 035 438</b>
<b>Other borrowings</b>		
<b>Non-current</b>	<b>EUR</b>	<b>EUR</b>
Liabilities according to the finance lease agreements, payable from 2 to 5 years	2 487 465	3 225 531
	<b>2 487 465</b>	<b>3 225 531</b>
<b>Current</b>		
Liabilities according to the finance lease agreements, payable within 1 year	254 981	238 354
	<b>254 981</b>	<b>238 354</b>
<b>Liabilities to suppliers and contractors</b>	<b>EUR</b>	<b>EUR</b>
Liabilities to suppliers and contractors	4 712 652	8 930 551
Delayed payments	1 450 379	912 953
	<b>6 163 031</b>	<b>9 843 504</b>
<b>Taxes and social insurance payments</b>	<b>EUR</b>	<b>EUR</b>
State social insurance obligatory premiums	91 029	205 867
Personal income tax	37 382	46 357
Other taxes	115 982	178 213
	<b>244 393</b>	<b>430 437</b>
<b>Other liabilities to creditors</b>	<b>EUR</b>	<b>EUR</b>
Settlements on wages	210 155	232 654
Other liabilities	26 310	12 755
	<b>236 465</b>	<b>245 408</b>



## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of balance sheet:

#### General notes

#### Average quantity of workers at the Company

Average quantity of workers at the Company

	2014	2013
	September 30	September 30
	334	319
	<b>334</b>	<b>319</b>

#### Remuneration for Management Board

##### Members of Council

- estimated wages and salaries

51 800 52 063

- wages and salaries paid

34 872 35 458

##### Members of Board

- estimated wages and salaries

103 469 101 620

- wages and salaries paid

71 696 68 407

### Transactions with related parties

The parent shareholder of the Company, who owns 89,69% of shares, is Ltd "LNK (Latvijas Novitātes Komplekss)", which is registered in Latvia. In 9-month period of 2014 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)", Ltd "Transporta aģentūra IRBE LNK", Ltd "AVIATEST", JSC "LNK Industries", as well as with other parties related to Company.

#### a) claims and liabilities

	September 30, 2014		September 30, 2013	
	Receivables	Payables	Receivables	Payables
	EUR	EUR	EUR	EUR
<b>Related companies</b>				
JSC "LNK Industries"	894 905	238 476	1 258 812	3 189 139
Ltd "TTS (Transportation Technology Systems)"	1 937 528	287 992	43 103	219 810
Ltd "LNK (Latvijas Novitātes Komplekss)"	-	932	-	1 000 431
Ltd "Transporta aģentūra IRBE LNK"	-	-	-	1 843
Ltd "ENFORT"	2 612	-	2 612	-
Ltd "BALTIJAS LOĢISTIKAS PARKS (BLP)"	5 033	-	-	-
<b>Total</b>	<b>2 840 078</b>	<b>527 400</b>	<b>1 304 527</b>	<b>4 411 223</b>