

**JOINT STOCK COMPANY
“RĪGAS ELEKTROMAŠĪNBŪVES RŪPNĪCA”
(RIGA ELECTRIC MACHINERY FACTORY)**

Reg. No. 40003042006
Ganību dambis 31, Riga, LV-1005

**CONSOLIDATED ANNUAL REPORT FOR 3 MONTHS
OF THE YEAR 2014
(NON-AUDITED)**

DRAWN-UP IN COMPLIANCE WITH THE INTERNATIONAL FINANCIAL REPORTING
STANDARDS

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INFORMATION ABOUT THE PARENT COMPANY

Name of the Company	AS (Joint Stock Company) "Rīgas elektromašīnbūves rūpnīca" (AS "RER")	
Legal status of the Company	Joint Stock Company	
Registration No. in the Register of Enterprises, date and place of registration	No. 000304200, Riga, 29 November 1991	
Unified Registration No. in the Commercial Register, date and place of registration	No. 40003042006, Riga, 29 September 2004	
Registered office	Ganību dambis 31, Riga, LV-1005, the Republic of Latvia	
Institution in charge of the Company	General meeting of shareholders	
The parent Company Council :		
Chairperson of the Council	Oleg Domskiy	from 12.07.12
Vice-Chairperson of the Council	Andrey Petrov	from 12.07.12.
Council Members	Andrey Isaev Ekaterina Chamkina Sergey Goncharov	from 01.07.02. from 12.07.12. from 12.07.12.
The parent Company Board:		
Chairperson of the Board	Nikolajs Erohovs	from 15.03.11.
Board Members	Aleksandrs Suvorkins Olga Pētersone Maxim Savenkov Aleksandrs Popadins	from 19.04.10. from 27.06.12. from 27.06.12. from 08.11.13.
Accounting period	1 January 2014 – 31 March 2014	
Auditor	SIA "Rīgas audits", licence No. 103 Skolas iela 11-501, Riga, LV-1010, Latvia Certified auditor Ē. Figurnovs Certified auditor's certificate No. 38	
Subsidiary (daughter) companies	SIA „LatTransKomplekt”, reģ. Nr. 40103287324 Ganību dambis 31, Riga, the Republic of Latvia Fixed capital LVL 2 000 (2 846 EUR) Shares – 100 % Liquidated from 15.07.13. AS „Latvo”, reģ. Nr. 40003184975 Ganību dambis 31, Riga, the Republic of Latvia Fixed capital LVL 3 925 300 (5 585 199 EUR) Shares – 98.5 %	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 3 MONTHS OF THE YEAR 2014

No.	Items	Note	31.03.14. EUR	31.03.13. EUR
1	Net turnover	1	9827826	9891028
2	Production costs of the goods sold	2	(8084671)	(7436928)
3	Gross profit or loss		1743155	2454100
4	Selling expenses	3	(213345)	(187688)
5	Administration expenses	4	(763856)	(708422)
6	Other operating income	5	47358	302674
7	Other operating expenses	6	(409849)	(560172)
8	Other interest income and similar income		25	9
9	Other interest payments and similar expenses	7	(109506)	(100250)
10	Profit or loss before extraordinary items and taxes		293982	1200251
11	Profit or loss before tax		293982	1200251
12	Other taxes	8	(34193)	
13	Profit or loss of the accounting period		259789	1200251

Earnings per share	0.04	0.21
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 3 MONTHS OF THE YEAR 2014

A S S E T S	Note	31.03.14. EUR	31.03.13. EUR
1. LONG-TERM INVESTMENTS			
I. Intangible investments	9		
1. Development costs		373319	
2. Concessions, licences and similar rights		390687	196666
3. Other intangible investments		38350	4523
I. Total		802356	201189
II. Fixed assets	9		
1. Land plots, buildings, constructions		13591799	6387518
2. Equipment and machinery		4756085	4207102
3. Other fixed assets and inventory		157928	184797
4. Creation of fixed assets		976041	420580
II. Total		19481853	11199997
III. Long-term financial investments			
1. Own shares		14551	14552
2. Other long-term debtors	10	6573709	7405518
3. Deferred tax assets			2816
III. Total		6588260	7422886
I. PART TOTAL AMOUNT		26872469	18824072
2. CURRENT ASSETS			
I. Stocks			
1. Raw materials, direct materials and auxiliary materials		3429551	3049847
2. Unfinished products		2132810	1940017
3. Finished products and goods for sale		576729	354807
4. Prepayments for goods		522996	616223
I. Total		6662086	5960894
II. Debtors			
1. Debts of buyers and customers	11	5049047	3244452
2. Other debtors	12	219719	280440
3. Deferred expenses	13	17989	87306
II. Total		5286755	3612198
IV. Cash	14	27817	218934
II. PART TOTAL AMOUNT		11976658	9792026
B A L A N C E		38849127	28616098

Appendices to financial statements on pages 9 – 17 are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 3 MONTHS OF THE YEAR 2014

LIABILITIES	Note	31.03.14. EUR	31.03.13. EUR
1. SHAREHOLDERS' EQUITY			
1. Share capital (capital stock)	15	8251241	8251241
2. Reserve for revaluation of long-term investments	16	6892505	297057
3. Other provisions		274503	274503
4. Undivided profit:			
a) Undivided profit of previous years		4113439	821930
b) Undivided profit of the accounting year		259789	1200251
1. PART TOTAL AMOUNT		19791477	10844982
2. PROVISIONS			
1. Other provisions	17	407577	1119809
2. PART TOTAL AMOUNT		407577	1119809
3. CREDITORS			
I. Long-term creditors			
1. Loans from credit institutions	18	6494003	7145001
2. Other loans	19	652000	981988
3. Debts to suppliers and contractors	20	682114	
4. Other creditors	21	1085844	1051269
5. Deferred tax liabilities		1622639	386872
I. Total		10536600	9565130
II. Short-term creditors			
1. Loans from credit institutions	18	4030284	1196489
2. Other loans	19		
3. Advance payments received from buyers	22	12181	484052
4. Debts to suppliers and contractors	20	2652414	1805499
5. Taxes and social security payments	23	801669	3024963
6. Other creditors	21	616925	575174
II. Total		8113473	7086177
3. PART TOTAL AMOUNT		18650073	16651307
BALANCE		38849127	28616098

CONSOLIDATED CASH FLOW STATEMENT FOR 3 MONTHS OF THE YEAR 2014

(prepared by indirect method)

I. Cash flow from operating activities

	Items	31.03.14. EUR	31.03.13. EUR
1	Profit or loss before extraordinary items and taxes	293982	1200251
	ADJUSTMENTS		
	Depreciation of fixed assets	393520	188804
	Amortization of intangible investment value	15959	5996
	Profit or loss from fluctuations of currency exchange rates	360262	(199407)
	Amounts written off fixed assets		774
	Reserve for revaluation of long-term investments	(61)	(472)
2	Profit or loss before adjustments influenced by changes of balance of current assets and short-term liabilities	1063662	1195946
	ADJUSTMENTS		
	Increase or decrease of balance of receivables	(1676758)	(1085466)
	Increase or decrease of balance of inventories	310012	670708
	Increase or decrease of balance of debts to be paid to suppliers, contractors and other creditors	1239852	(661564)
	Increase or decrease of accruals		426862
	Expenses for tax payments	(34193)	(32575)
3	Gross cash flow from operating activities	902575	513911
4	Cash flow before extraordinary items	902575	513911
I	NET CASH FLOW FROM OPERATING ACTIVITIES	902575	513911

II. Cash flow from investing activities

	Items	31.03.14. EUR	31.03.13. EUR
1	Purchase of fixed assets and intangible investments	(1510005)	(272597)
2	Income from repayment of loans	181438	
II	NET CASH FLOW FROM INVESTING ACTIVITIES	(1328567)	(272597)

III. Cash flow from financing activities

	Items	31.03.14. EUR	31.03.13. EUR
1	Loans received	910256	377600
2	Expenses for repayment of loans	(380000)	(374276)
3	Expenses for repurchase of leased fixed assets		(78498)
III	NET CASH FLOW FROM FINANCING ACTIVITIES	530256	(75174)

IV. Summary of cash inflow and outflow

	Items	31.03.14. EUR	31.03.13. EUR
I	Net cash flow from operating activities	902575	513911
II	Net cash flow from investing activities	(1328567)	(272597)
III	Net cash flow from financing activities	530256	(75174)
	Result of fluctuations of currency exchange rates	(89802)	(39203)
	Net cash flow of the accounting period	14462	126937
	Cash and its equivalents in the beginning of the accounting period	13355	91997
	Cash and its equivalents at the end of the accounting period	27817	218934

**CONSOLIDATED STATEMENT OF CHANGES OF SHAREHOLDERS' EQUITY FOR 3 MONTHS OF 2014,
 EUR**

Kind of changes	Share capital	Reserve for revaluation of long-term investments	Other provisions	Undivided profit	Total
1. Balance as of 31.12.2012.	8251241	297530	274503	821930	9645204
2. Long-term investment revaluation reserve decrease		(473)			(473)
3. Income or loss of the accounting period in accordance with the profit and loss account				1200251	1200251
4. Balance as of 31.03.2013.	8251241	297057	274503	2022181	10844982
5. Balance as of 31.12.2013.	8251241	6892566	274503	4113439	19531749
6. Long-term investment revaluation reserve decrease		(61)			(61)
7. Income or loss of the accounting period in accordance with the profit and loss account				259789	259789
8. Balance as of 31.03.2014.	8251241	6892505	274503	4373228	19791477

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Since 31.08.2012 after acquiring 100% shares of "LatTransKomplekt" Ltd, reg.No.40103287324, JSC "Riga Electric Machine Building Works" has become a holding company.

In December 2012 JSC "Riga Electric Machine Building Works" acquired 98.5% shares of JSC "Latvo", reg. No. 40003184975 capitalizing debt obligations of JSC "Latvo" to JSC "Riga Electric Machine Building Works".

Consolidated financial reports include the balance data of both (the Holding) JSC "Riga Electric Machine Building Works" (hereinafter referred to as JSC "RER") and its subsidiary companies of "LatTransKomplekt" Ltd, "Latvo" JSC.

The main activities of the holding company are electric machinery and equipment manufacturing.

ACCOUNTING POLICY

Principles of preparing the financial statement

The holding company's financial statement was prepared in compliance with the International Financial Reporting Standards (IFRS). To apply these standards there were not made any significant changes in the Holding's financial principles.

The balance data of the consolidated financial report of the holding company, the parent company's financial report and the subsidiary company's financial reports are identical. Processing the financial report the subsidiary company of the Holding applies the same accounting methods and other regulations of valuation as the parent company of the Holding does.

In the course of consolidation all both mutual transactions and residual values that are in the frames of the Holding have been excluded.

The share of JSC 'RER' in the own capital of the subsidiary company as well as the investment of JSC 'RER' into the subsidiary company's capital have been mutually excluded. The negative equity arisen out from that mutual exclusion is included into the calculations of consolidated profit or of loss.

The share belonging to the minority group of shareholders of subsidiary company JSC 'Latvo' is not separately displayed because such shareholders of the minority group are shareholders of the parent company.

Profit and loss account has been prepared according to the turnover cost method. Cash flow statement has been prepared in accordance with the indirect method.

Accounting principles applied

Annual report items have been assessed according to the following accounting principles:

- Assuming the Company will continue its activities;
- The same valuation methods as previous year have also been used this year;
- The annual report includes the profit made to the date of balance sheet only;
- All losses made over the accounting year or previous years have been taken into account;
- All depreciation amounts have been calculated and taken into account, regardless of whether the accounting year was ended with profit or loss;
- All costs and income pertaining to the accounting year have been taken into account, irrespective of the date of payment, as well as the date when invoice has been received or issued. The costs and income over the reporting period have been coordinated.

Income recognition and net turnover

Net turnover is a total amount of the value of products sold and services rendered over the year without discounts and value added tax. Income from the sale of products is recognized as soon as the most significant title is conferred on the customer and risks to the products and remuneration can be assessed properly. Income from service rendering is recognized as soon as the service is rendered. Other types of income are recognized as follows:

- Income from rent – at the moment it is generated;
- Income from penalty and delay payments – at the moment they are received;
- Dividends – at the moment legal rights to the dividends are established.

Notes to the consolidated financial statements (cont.)
Accounting policy (cont.)

Capital assets and intangible assets

Capital assets and intangible assets have been reflected on the balance sheet in their purchase prices, excluding depreciation.

Depreciation of capital assets and intangible assets has been calculated according to the straight-line method. No depreciation of land has been calculated. In order to calculate depreciation of capital assets and intangible assets the following depreciation norms (% a year) approved by the Management has been used:

Intangible assets:

- Licences 20%
- Software 50%

Capital assets:

- Premises, buildings 1.1 – 1.9 %
- Equipment and machinery 2 – 20 %
- Other capital assets and inventory 10 – 50 %

Repair or maintenance costs of capital assets have been included in the profit and loss account of the period during which they have been incurred. Repair (renovation) and modernization costs that increase value of the capital assets or prolong period of using them have been capitalized and written off during the period they were used effectively.

Unfinished construction and costs of capital asset creation

Unfinished construction reflects costs of capital asset creation and costs of construction objects. The unfinished construction has been given in its initial value. The initial value includes construction costs and other direct costs. Depreciation of the unfinished construction has not been calculated, since the relevant assets have not been finished and put into operation.

	31.03.14. EUR	31.03.13. EUR
Unfinished construction objects	252605	167915
Costs of capital asset creation	723436	252665
Total	976041	420580

Financial leasing

In cases capital assets have been acquired on conditions of financial leasing, leasing interest payments and payments considered as such have been included in the profit and loss account of the period they were incurred.

Receivables

Evaluation of the remaining amounts of materials and primary materials has been carried out by employing the FIFO method.

Inventory of low value has been recorded on the basis of purchase cost price written off 100% after having been put into operation.

Remaining amounts of finished products and unfinished products have been assessed according to their cost prices. The reserves at the amount of EUR 218 352 have been established for stocks of slow-turnover.

Debts of debtors

Debts of debtors have been reflected on the balance sheet in their net values subtracting special provisions for doubtful debtors. Special provisions for doubtful debtors are created for those cases when the Management believes that the debtors are not likely to repay their debts.

Currency unit and recalculation of foreign currency

Indicators reflected in the annual report have been given in the national currency of the Republic of Latvia – eiro (EUR). All transactions carried out in foreign currencies have been recalculated in euros according to the exchange rate of the Bank of Latvia set on day when the relevant transaction is takes place.

Notes to the consolidated financial statements (cont.)
Accounting policy (cont.)

Profit made or loss incurred as a result of fluctuations of exchange rates has been reflected in the profit and loss account of the corresponding period.

Long-term and short-term items

Long-term items comprise amounts whose terms of receipt, payment or write-off fall due later than after the end of the corresponding accounting year. Amounts to be received, paid or written off in a year are given in the short-term items.

Other securities

Short-term investments in securities not quoted in stock exchange have been given in their purchase values.

Long-term investment revaluation reserve

Long-term invest revaluation reserve is reduced if the revaluated object has been removed or sold.

Provisions

Provisions are recognized if the Company has liabilities due to some event in the past and there is a possibility that in order to meet those liabilities resources promising economic gains could be diverted from the Company and if amount of liabilities can be assessed properly.

Holiday provisions are calculated by multiplying the average earnings of an employee by the average number of holidays not taken by an employee.

Provisions for warranty repairs. A warranty period of the Company's basic products is 2 years. In 2013 warranty repair costs accounted is only 1.73% of the net turnover. Since amount of the warranty repair costs is of no high importance, provisions for warranty repairs are not created.

Deferred tax

Deferred corporate income tax have been calculated according to the liability method regarding all temporary differences between values of assets and liabilities reflected in the annual report and their values for tax calculation. Deferred tax has been calculated by using the tax rate of 15% laid down the Law. The said temporary differences have mainly occurred because of using different rates when calculating depreciation of capital assets in financial accounting and tax calculation, as well as due to holiday provisions.

Risk management

Risk management is an integral part of management process of the holding companies. Risk management in the holding companies is controlled by the Council and the Board of the parent company. In its activities holding companies follows the general principles of risk management listed below:

- The Company undertakes no major and uncontrollable risks regardless of related asset yield;
- Risk management methods applied by the Company are cautious, compliant with types and specifics of commercial activity of the Company and ensure efficient reduction of overall risk;
- Risk management is based upon awareness of all employees of the company about transactions and related risks being under their competence;
- The Company constantly enforces internal control after processes of commercial activities aimed to prevent risks related to compliance and consequence of financial and operative information, possibility of asset fraudulence and protection, efficiency of actions and information system and their compliance with regulatory documents, procedures and agreements.

The most substantial risks holding companies is exposed to in the course of commercial activities, are financial risks:

Notes to the consolidated financial statements (cont.)

Currency risk

The Company's financial assets and liabilities that are at the foreign currency risk include cash, debts of customers and clients, debts to suppliers and contractors and short-term and long-term loans. A significant part of the Company's income is in rouble, major part of its costs are in euros, while all received loans are in euros.

Interest rate risk

The Holding Company is at the interest rate risk due to its short-term and long-term loans and financial leasing transactions.

Liquidity risk

The Holding Company has control over its liquidity risk by ensuring the appropriate financing with the help of a credit line granted by a Latvian credit institution.

Credit risk

The Holding Company is at the credit risk due to its debts of customers and clients. It is characteristic of the Company that credit risk concentrates on a separate business partner or a group of business partners of similar type.

NOTES TO CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 3 MONTHS OF THE YEAR 2014

Note No. 1 – Net turnover

Country	31.03.14. EUR	31.03.13. EUR
Latvia	77800	51171
Russia	9690405	9648151
United Kingdom		25543
Ukraine		53970
Byelorussia	59093	52106
Other	528	60087
Total	9827826	9891028

Note No. 2 – Production costs of products sold

Indicators	31.03.14. EUR	31.03.13. EUR
Salaries	1768178	1772218
Social insurance contributions	410035	411365
Costs of materials	4420858	3758076
Energy resources	579730	604474
Depreciation of capital assets and intangible assets	339162	173314
Business trip costs	15077	25256
Repair costs and remuneration for works from outside	90532	107343
Costs of production quality control	396870	441213
Development costs		24278
Losses due to rejects	11074	31233
Environmental protection costs	6521	6266
Other costs	46634	81892
Total	8084671	7436928

Note No. 3 – Selling costs

Indicators	31.03.14. EUR	31.03.13. EUR
Packing material and package	29195	23200
Transportation expenses	133087	121883
Salaries	38905	33709
Social insurance contributions	9017	7134
Other selling costs	3141	1762
Total	213345	187688

Notes to consolidated comprehensive income statement (cont.)

Note No. 4 – Administrative costs

Indicators	31.03.14. EUR	31.03.13. EUR
Communications costs	5193	6279
Reimbursement for legal services	1540	888
Cash circulation and expense and extra costs	16859	3083
Transportation expenses	4646	2326
Salaries	438025	471655
Social insurance contributions	98910	105298
Energy resources	19344	15495
Depreciation of capital assets	75554	19029
Business trip costs	9725	14629
Security services	46194	48671
Audit services	17332	
Consulting services	14229	
Other administrative costs	16305	21069
Total	763856	708422

Note No. 5 – Other income from operating activities of the Company

Indicators	31.03.14. EUR	31.03.13. EUR
Profit gained as a result of other sales (materials, lease, other)	34135	89603
Income related to maintenance of social sphere	9312	9047
Income from fluctuations of exchange rates		199407
Decrease in revaluation reserve of capital assets	61	472
Other income	3850	4145
Total	47358	302674

Note No. 6 – Other costs of operating activities of the Company

Indicators	31.03.14. EUR	31.03.13. EUR
Penalty and contractual penalties	534	29903
Costs related to maintenance of social sphere	23318	23395
Costs not related to operating activities of the Company	24518	23466
Loss from fluctuations of exchange rates	360262	
Removal of capital assets		774
Write-off of bad debtors		2070
Loss from previous year		4910
General accrual		426862
Re-accreditation costs		31000
Other costs	1217	17792
Total	409849	560172

Note No. 7 – Other interest payments and similar costs

Indicator	31.03.14. EUR	31.03.13. EUR
Loan agreements	88133	96792
Leasing agreements		452
Credit line agreements	21373	3006
Total	109506	100250

Notes to the consolidated financial statements (cont.)

Note No. 8 – Other taxes

Indicators	31.03.14. EUR	31.03.13. EUR
Real estate tax on premises (buildings)	29358	
Real estate tax on land	4835	
Total	34193	

Note No. 9 – Statement of movement of intangible assets and capital assets, EUR

	Intangible investments			Capital assets				
	Development costs	Licences and similar rights	Other intangible investments	Land, premises, buildings*	Equipment and machinery	Other capital assets	Creation of capital assets	Prepayments for capital assets
Initial value								
Remaining amount as at 01.01.14.		203593	80384	13962666	9285691	561948	573952	244501
Purchase	373319	234020			500577		895739	
Removed					(1157)	(184)	(493650)	(244501)
Remaining amount as at 31.03.14.	373319	437613	80384	13962666	9785111	561764		
Depreciation								
Remaining amount as at 01.01.14.		36926	36075	153687	4863457	394406		
Calculated		10000	5959	217180	166726	9614		
Removed					(1157)	(184)		
Remaining amount as at 31.03.14.		46926	42034	370867	5029026	403836		
Remaining value								
01.01.14.		166667	44309	13808979	4422234	167542	573952	244501
31.03.14.	373319	390687	38350	13591799	4756085	157928	976041	

*In 2014 assessed value of the premises accounted for EUR 7 828 802 , assessed value of the plot accounted for EUR 1 934 015.

Note No. 10 – Other long-term debtors

Rādītāji	31.03.14. EUR	31.03.13. EUR
Long-term loan of the subsidiary (daughter) company (until 01.12.15.)	6573709	7405518
Total	6573709	7405518

Note No. 11 – Debts of customers and clients

Indicators	31.03.14. EUR	31.03.13. EUR
Debts of customers and clients (for the goods and services)	5049047	3244452
Total	5049047	3244452

Note No. 12 – Other debtors

Indicators	31.03.14. EUR	31.03.13. EUR
Taxes paid in advance	7427	55746
Overpaid taxes	189614	187942
Rental debts	7720	18957
Other	14958	17795
Total	219719	280440

Notes to the consolidated financial statements (cont.)

Note No. 13 – Costs of the following periods

Indicators	31.03.14. EUR	31.03.13. EUR
Insurance	1984	2444
Expenses for development of new techniques		72838
Software service	7915	3051
Other	8090	8973
Total	17989	87306

Note No. 14 – Cash

Indicators	31.03.14. EUR	31.03.13. EUR
Current accounts in banks	27817	218934

Note No. 15 – Parent Company's Stock capital (fixed capital)

Total number of stocks of AS "RER" is 5 799 005 shares.
The Company's fixed capital is EUR 8 251 241.

Composition of shareholders according to the database of the Latvian Central Depository:

Indicators	31.03.14. EUR	31.03.13. EUR
Residents, including	283343	283343
- physical entities	247475	247475
- legal entities	35868	35868
Non-residents, including	7967898	7967898
- Russia	1438562	1438562
- Canada	7284	7284
- British Virgin Islands	4623712	4623712
- Belize	1897785	1897785
- Lithuania	555	555
Total	8251241	8251241

Note No. 16 – Reserve for revaluation of long-term investments

In 2013 the parent Company carried out revaluation of immovable property. Immovable property was evaluated according to its market value. Evaluation was carried out by independent evaluator BIZNESA KONSULTANTU GRUPA (BUSINESS CONSULTING GROUP) Ltd. Market value of immovable property was determined by means of income method.

As result of evaluation increase of active value was ascertained at the amount of EUR 7 938 940 that was included into equity capital position 'Long-term investment revaluation reserve', from which deferred tax effect was deducted at the amount of EUR 1 216 335.

Note No. 17 – Other provisions

Indicators	31.03.14. EUR	31.03.13. EUR
Holiday provisions	397853	400327
Other provisions	9724	719482
Total	407577	1119809

Notes to the consolidated financial statements (cont.)

Note No. 18 – Long-term and short-term loans from credit institutions

Indicators	31.03.14. EUR	31.03.13. EUR
Latvian credit institutions, loan agreement, including	7690492	8341490
Long-term debt	6494003	7145001
Short-term debt	1196489	1196489
Latvian credit institutions, credit line, including	2833795	
Short-term debt	2833795	

Note No. 19 – Other loans

Indicators	31.03.14. EUR	31.03.13. EUR
Other loans, including	652000	981988
Long-term debt	652000	981988

Note No. 20 – Debts to suppliers and contractors

Indicators	31.03.14. EUR	31.03.13. EUR
Long-term suppliers, including	682114	
Foreign suppliers	682114	
Short-term suppliers, including	2652414	1805499
Local suppliers	1765886	957405
Foreign suppliers	886528	848094

Note No. 21 – Long-term and short-term other creditors

Indicators	31.03.14. EUR	31.03.13. EUR
Long-term creditors, including	1085844	1051269
Other creditors	38610	4035
Settlement of the debts of other companies	1047234	1047234
Short-term creditors, including	616925	575174
Salary debt	606117	567138
Support payments	4610	5057
Trade union membership fee	807	458
Other	5391	2521

Note No. 22 – Advances received from customers

Indicators	31.03.14. EUR	31.03.13. EUR
Local customers	1131	78019
Foreign customers	11050	406033
Total	12181	484052

Notes to the consolidated financial statements (cont.)

Note No. 23 – Taxes and social insurance contributions

Indicators	31.03.14. EUR	31.03.13. EUR
Personal income tax	304468	1209426
Mandatory social insurance contributions	264188	1781975
Income tax	226769	27705
Natural resources tax	5898	5514
State business risk fee	346	343
Total	801669	3024963

As for 31.03.2014 the Holding Company has no current tax debts.

On behalf of the Holding Company,

Chairperson of the Board

Nikolajs Erohovs

29 May 2014