



**Joint Stock Company**  
**VEF**  
(Latvian Unified registration number 4003001328)

**Financial Statement**  
**for year 2015**  
**in accordance with the Law of the Republic of Latvia**

**Audited**

**Riga**  
**2016**



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**INFORMATION ABOUT THE COMPANY**

Company name	Joint Stock Company "VEF"
Legal status	Joint Stock Company
Registration number, place and date	On April 15, 1991 in the Register of Enterprises of the Republic of Latvia, re-registered on December 7, 2000 with Nbr. 000300132 On April 14, 2004 registered in the Commercial Register, Nbr. 40003001328
Legal address	Brivibas str.8, Riga, LV-1039, Latvia
Post address	Brivibas str.8, Riga, LV-1039, Latvia
NACE code	68.20; 35.13;
Chairman of the Board	Gints Fenuks
Member of the Board	Martins Cauna Tamara Kampane
Members of the Council	Gints Lipins Andris Denins Ints Kalnins Modris Zommers Arnis Zekunde
Financial year	from 2015.01.01 till 2015.12.31
Information about shareholders	Fixed capital in amount of 1.944.637 LVL (registered payment 31.12.2014)
Information about shareholders	VEF Komunikaciju Serviss Ltd. - 45,52 %; Laila Liduma - 6.31 %); Tamara Kampane - 10,16 %) Gints Fenuks - 24.50 % ; Other shareholders together - 13.51 %.
Auditor:	Qualified (sworn) auditor Aleksejs Litvinovs Certificate No. 190 Qualified auditors company Ltd. "DOMA AUDITS " Licence No. 166



## **MANAGEMENT REPORT**

JSC VEF is a publicly traded joint stock venture that is involved in property and facility management, and real estate rental businesses, also providing electricity distribution services to end-customers at the VEF territory.

JSC net revenues in the twelve months of 2015 reached 1 135 245 EUR that is for 2% lower against the previous reported period. Despite lower net revenues, during the reported period JSC management has managed to optimize costs and as the result the JSC ended the year with the unaudited income of 34 947 EUR. Management proposes to use this income and cover losses from previous years. Currently the JSC continues to provide services at the full extent.

The company's capital is 2 722 492 EUR. That consists of the 623.528 bearer shares and 1.321.109 registered shares. Nominal value of a common share is 1.40 EUR .

JSC VEF management follows the annual strategic plans of the company according to the economic situation in the State and also following developments in the real estate rental and energy resource distribution markets.

Gints Feņuks  
Chairman of the Management Board

Tamara Kampane  
Member of the Management Board

Martins Cauna  
Member of the Management Board

The annual report was approved at the Shareholders' meeting on 25 april, 2016



## **Report on the Management Board's responsibility to the audited financial statement of JSC „VEF” for the twelve months of 2015**

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the financial statements of the Company. The financial statements audited.

Financial statements are prepared based on justifying documents and represent true and clear overview on the Company's Assets and Equity and Liabilities, its financial standing and results of activity as well as cash flows within the reporting period ended on December 31, 2015.

Accounting principles used in preparation of the financial statements have not been changed comparing to the previous reporting period. During preparation of the financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded. The information included in the management's report is true.

The Management Board of the Company is responsible for ensuring the corresponding accounting system, securing the assets of the Company, as well as for prevention and exposure of fraud and other violation within the Company.

Gints Feņuks  
Chairman of the Management Board

Tamara Kampane  
Member of the Management Board

Martins Cauna  
Member of the Management Board



**PROFIT AND LOSS CALCULATION FOR THE PERIOD, WHICH ENDS ON THE**  
**2015.12.31** (turnover method)

	<b>Appendix</b>	<b>2015</b>	<b>2014</b>
		<b>EUR</b>	<b>EUR</b>
Net turnover	2	1 135 245	1 160 451
Production costs	3	-799 676	-848 220
<b>Gross profit</b>		<b>335 569</b>	<b>312 231</b>
Administration costs	4	-100 752	-102 287
Other income from operating activity	5	6 095	10 947
Other operating expenses	6	-25 712	-17 332
Interest payable and similar charges	7	-124 246	-150 452
<b>Profit or loss from economic activity before taxes</b>		<b>90 954</b>	<b>53 107</b>
Deferred tax	8	-34 085	-48 269
Other taxes	9	-21 922	-16 981
<b>Profit or loss of the financial year</b>		<b>34 947</b>	<b>-12 143</b>

**Appendix from 11 till 23 page is an integral part of this financial statement.**

Gints Feņuks  
Chairman of the Management Board

23.March 2016

Tamara Kampane  
Member of the Management Board

23.March 2016

Martins Cauna

**BALANCE SHEET ON THE**                      **2015.12.31**

<b>ASSETS</b>	<b>Appendix</b>	<b>2015</b>	<b>2014</b>
		<b>EUR</b>	<b>EUR</b>
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Concessions, patents, licences,		172	507
<b>Intangible assets total</b>	10	<b>172</b>	<b>507</b>
<b>Tangible (fixed) assets</b>			
Land and buildings		5502253	5554307
Other fixtures and fittings, tools and equipment		29905	72690
Tangible assets costs		31400	
<b>Total tangible assets</b>	11	<b>5563558</b>	<b>5626997</b>
<b>Fixed Assets total</b>		<b>5562730</b>	<b>5627504</b>
<b>Current assets</b>			
<b>Debtors</b>			
Trade debtors	12	12901	31236
Other debtors	13	31337	9683
Deferred expenses	14	1806	1796
Accrued income		52107	53573
<b>Total debtors</b>		<b>98151</b>	<b>96288</b>
<b>Cash funds</b>	15	<b>83634</b>	<b>93619</b>
<b>Current Assets total</b>		<b>181785</b>	<b>189907</b>
<b>Total assets</b>		<b>5744515</b>	<b>5817411</b>

**BALANCE SHEET ON THE 2015.12.31**

<b>LIABILITIES</b>	<b>Appendix</b>	<b>2015</b>	<b>2014</b>
		<b>EUR</b>	<b>EUR</b>
<b>Equity capital</b>			
Company capital	16	2722492	2766969
Long term investment adjustment reserve	17	805396	801562
Other reserves		44477	0
Undistributed profit/losses:	18		
a) losses from prior years		-1104359	-1092216
b) profit of financial year		34947	-12143
<b>Equity capital total</b>		<b>2502953</b>	<b>2464172</b>
<b>Provisions</b>			
Other provisions	19	13056	12401
<b>Provisions total</b>		<b>13056</b>	<b>12401</b>
<b>Creditors</b>			
<b>Long term creditors</b>			
Borrowings from credit institutions	20	2713298	2853641
Advance payments from customers	23	39608	38118
Other borrowings	27	24823	43021
Deferred income tax liabilities	21	193783	159698
<b>Long term creditors total</b>		<b>2971512</b>	<b>3094478</b>
<b>Short term creditors</b>			
Borrowings from credit institutions	20	140343	140343
Other borrowings	27	18197	18956
Debts to suppliers of goods and services	22	52026	54908
Advance payments from customers	23	13995	5921
Taxes and contributions to social security	24	22102	15929
Other creditors	25	10331	10303
<b>Short term creditors total</b>		<b>256994</b>	<b>246360</b>
<b>Creditors total</b>		<b>3228506</b>	<b>3340838</b>
<b>Total liabilities</b>		<b>5744515</b>	<b>5817411</b>

Appendix from 11 till 23 page is an integral part of this financial statement.

Gints Feņuks  
Chairman of the Management Board

23 march, 2016

Tamara Kampane  
Member of the Management Board

23 march, 2016

Martins Cauna





**CASH FLOW FOR THE PERIOD, WHICH ENDS ON THE**  
**2015.12.31 (indirect method)**

	Appendix	2015 EUR	2014 EUR
<b>Cash flow from operating activities</b>			
Profit or loss from operating activity before extraordinary items and taxes		90 954	53 107
<i>Adjustments:</i>			
tangible asset depreciation and amortization (+)	11	99 673	119 518
intangible asset depreciation (+)	10	335	392
increase in provision (except provision for doubtful accounts) (+)		655	-184
profit or loss from currency rate fluctuations (-/+)		0	0
interest payable and similar charges	7	124 246	150 452
income from sales of fixed and intangible assets		0	-7 666
<b>Profit or loss before adjustments of current assets and short term liabilities</b>		<b>315 863</b>	<b>315 619</b>
<i>Adjustments:</i>			
adjustments of debtors: increase (-); decrease (+)		-1 863	950
adjustments of creditors: increase (-); decrease (+)		12 882	-18 234
<b>Cash flow from operating activities</b>		<b>326 882</b>	<b>298 335</b>
Interest paid	7	-124 246	-150 452
Real estate tax paid		-21 922	
<b>Cash flow before extraordinary items</b>		<b>180 714</b>	<b>147 883</b>
<b>Net operating cash flow</b>		<b>180 714</b>	<b>147 883</b>
<b>Investing cash flow</b> (expenses "-"):			
Acquisition of fixed and intangible assets	11	-31 400	0
income from sales of fixed and intangible assets		0	10 283
Received insurance compensation		0	128
<b>Net investing cash flow</b>		<b>-31 400</b>	<b>10 411</b>
<b>Financing cash flow</b> (expenses "-"):			
Repaid borrowings		-140 343	-66 781
Expenditure on lease liabilities		-18 956	-6 394
<b>Net financing cash flow</b>		<b>-159 299</b>	<b>-73 175</b>
<b>Result from exchange rate fluctuations</b>		<b>0</b>	<b>0</b>
<b>Net cash flow of financial year</b>		<b>-9 985</b>	<b>85 119</b>
<b>Cash and its equivalents at beginning of period</b>		<b>93 619</b>	<b>8 500</b>
<b>Cash and its equivalents at end of period</b>	15	<b>83 634</b>	<b>93 619</b>

Appendix from 10 till 22 page is an integral part of this financial statement.

Gints Fenuks \_\_\_\_\_ 23 march, 2016  
Chairman of the Board  
signature

Tamara Kampane \_\_\_\_\_ 23 march, 2016  
Member of the Board  
signature

**REPORT OF CHANGES IN EQUITY CAPITAL**  
**for period ending on 2015.12.31**

	Company capital	Other reserves	Long term investment adjustment reserve	Profit or losses from prior years	Profit or losses of financial year	Equity capital total
	EUR	EUR	EUR	EUR	EUR	EUR
<b>2013.12.31</b>	<b>2 766 969</b>		<b>801 562</b>	<b>-1 093 685</b>	<b>1 466</b>	<b>2 476 312</b>
2012 financial year result moved to profit or losses from prior years	0		0	1 466	-1 466	0
Profit or losses of financial year	0		0	0	-12 143	-12 143
Correction				3		3
<b>2014.12.31</b>	<b>2 766 969</b>		<b>801 562</b>	<b>-1 092 216</b>	<b>-12 143</b>	<b>2 464 172</b>
2014 financial year result moved to profit or losses from prior years	0		0	-12 143	12 143	0
Profit or losses of financial year	0		0	0	34 947	34 947
Increase in adjustment reserve	0		3 834	0	0	3 834
Denomination result of established reserves	-44477	44477				
<b>2015.12.31</b>	<b>2 722 492</b>	<b>44 477</b>	<b>805 396</b>	<b>-1 104 359</b>	<b>34 947</b>	<b>2 502 953</b>

Appendix from 11 till 23 page is an integral part of this financial statement.

Gints Fenuks  
Chairman of the Board

signature

23 march, 2016

Tamara Kampane  
Member of the Board

signature

23 march, 2016



## ACCOUNTING POLICY

### General principles

Annual Report prepared in accordance with generally accepted accounting principles in Latvia, the law "On accountancy", the law "Annual reports law" and Regulations issued by the Cabinet of Ministers on 21.06.2011 No.488 and No.481 and JSC "VEF" regulations "About making year statement".

Profit and loss statement have been prepared in accordance with the turnover cost approach.

The cash flow statement prepared on the operating cash flow as measured by indirect method.

Compared with the previous reporting year, the used accounting and valuation methods are changed. (Year 2012 balance and year 2011 balance are classified according to the principles of year 2012 and are comparable).

### Revenue recognition and net sales

Net turnover is the total value of the sold production (services) during the year without discounts and value added tax.

Other revenues are recognized as follows:

- revenue from rents - as they were incurred;
- revenue from penalties and default fees - at the time of receipt.

### Fixed assets

Fixed assets are presented in the acquisition or revaluation cost less depreciation. Depreciation is calculated on a straight-line method over the asset's useful period of usage. The following rates of depreciation is set by management, to write down fixed asset value to its estimated residual value at the useful end of period:

	(the year)
Buildings and structures	100
Other fixtures and fittings, tools and vehicles	4

The increase in value because of revaluation is reflected in equity capital item "*Long term investment adjustment reserve*", but decrease in value is written-off from the increase of this reserve made in previous years regarding the corresponding fixed asset, the excess is included in profit or loss statement of the period.

### Debtors

Accounts receivable in balance sheet are stated in net worth from the initial value minus reserves for doubtful and bad debts. Specific provision for doubtful and bad debts are created when management believes that the recovery of these specially segregated receivables are doubtful.

### Corporate income tax

The year of account corporate income tax expenses are calculated in accordance with Latvia laws and regulations.

Deferred tax is calculated according to the liability method according to all temporary differences between assets and liabilities in the financial statements and their values for the tax calculation purposes. In deferred tax calculations is used the tax rate which is expected during periods when temporary differences levels off. Temporary differences arise mainly from using different rates of depreciation of fixed assets, as well as from the tax losses to be carried over to future tax periods. In cases where the total deferred tax result would be reflected in the balance sheet assets, its included in financial statements only if there is prospective that there will be available taxable profits, which will be subject to the deductible temporary differences that created deferred tax assets.

#### *Estimated time of using fixed assets*

Fixed assets are presented in the acquisition or revaluation cost less depreciation. Depreciation is calculated on a straight-line method over the asset's useful period of usage. The following rates of depreciation is set by management, to write down fixed asset value to its estimated residual value at the useful end of period.



### ***Provisions***

Provision for doubtful debtors is formed as an calculation, applying to each debtor's individual valuation method or use the percentage assessment method depending on when the debt was incurred.

Provision for employee leave is formed as an calculation, based on unused vacation time of the reporting year and norms of social security contributions.

### **Foreign currency revaluation in lats**

Accounting in company is made in lats. All transactions in foreign currencies are revaluated into lats by the Bank of Latvia official exchange rate at the date of the transaction.

### **Cash and cash equivalents**

Cash and cash equivalents in cash flow statement consists of cash in hand, current account balances.

### **The annual review key points is assessed accounting to principles:**

- The assumption is that the company will operate in the future.
- Used the same methods as used in the previous year.
- Assessment carried out with the proper precautions:
  - report includes only the profit on the balance sheet date;
  - is taken into account all the expected risks and the losses incurred in the reporting year or previous years, even if they become known during the period between the annual reports ending date and the date of making the annual report;
  - calculated and taken into consideration any reduction in value and depreciation amounts, regardless of whether the reporting year is closed with profit or losses.
- Taken into consideration with the current year revenues and related expenses, regardless of the date of payment and receipt of an invoice or the date of the statement. Cost-ordinated with revenues during the reporting period.
- Active and passive components of items valued separately.
- Beginning balance for the year coincides with the previous year's closing balance sheet.
- Listing all items that materially affect the annual general users of the assessment or decision-making, minor items are combined and the detail provided in the annex.
- Economic transactions in the annual report presented in the light of their economic substance and nature, rather than legal form.

### **Long-term investments**

- Evaluated according to their initial value, that is the purchase cost or production cost.
- Acquisition or production costs of the investment object is gradually written off (depreciated) for intended use period, if administration period of object is limited. A plot of land acquisition costs are not subject to write-off (amortization).

### **Current assets**

- Asset evaluation based on the purchase or production cost.
- suitable for the evaluation of the balance sheet date are evaluated according to the lowest market price or production cost
- Debt balances on the balance sheet is shown accordingly to appropriate supporting documents and accounting records, and they are coordinated with their own accounts receivable records at the date of making balance sheet. In dispute cases balances in balance sheet is shown according to the records. The accruals is made for a questionable amount of doubtful debts.

### **Reporting Period**



Reporting period is 12 months from 2015.01.01 till 2015.12.31

**Long-term and short-term positions**

Long-term liabilities is recognized if receipt, payment, or retirement shall be the later of one year after the year end. Amounts receivable, payable or depreciable during the year is presented as a short-term positions.

**(2) Net turnover**

Turnover consists of revenues that the Company gained in the first six months of 2014 from its core business-service provision without VAT

<b>Activity</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Office rent	585 184	619 801
Facilities management and utilities	250 540	226 250
Electricity distribution and servicing	299 521	314 400
Ferrous and non-ferrous metal trading income		0
<b>Total</b>	<b>1 135 245</b>	<b>1 129 393</b>

**Allocation of salesmarkets**

<b>State</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Latvia	1 135 245	1 129 393
<b>Total</b>	<b>1 135 245</b>	<b>Kļūda</b>

**(3) Production costs**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Utility services expenses (energy and other services)	393 631	426 017
Personnel costs and social tax	162 173	173 550
Depreciation	99 673	119 518
Other operating costs	122 654	102 738
Transport expenses	7 836	10 073
Charges for land rent	6 027	6 027
Insurance costs (building)	5 362	5 605
Expenses for telecommunication	1 385	1 594
Depreciation of license	335	392
Bank service	371	249
Travel expenses	0	1 908
Personnel training	229	549
<b>Total</b>	<b>799 676</b>	<b>848 220</b>

**(4) Administration costs**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and social tax for administration	78 079	77 371
Transportation expenses for administration	7 836	10 073
Annual fee RFB	7 114	7 114
Expenses for telecommunication	1 386	1 594
Office expenses	1 042	1 417
Lawyers' service fees	3 768	3 404
Audit costs	1 400	1 281
represent costs (40%)	127	33
<b>Total</b>	<b>100 752</b>	<b>102 287</b>

**(5) Other income from operating activity**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Fines	1 623	2 441
Profit from sale of fixed assets: ( 10283-2617)	0	7 666
Received insurance compensation	0	128
Proceeds from creditor write-off	4 436	528
Other income	36	0
Income from savings for vacations reduction	0	184
<b>Total</b>	<b>6 095</b>	<b>10 947</b>

**(6) Other operating expenses**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Fines payment of income tax	491	12
Insurance compensation	1 359	1 330
Fines by electric energy distribution networks	990	1 917
Offerings to Latvian orphans fund	851	1 103
Bad debts write-off costs	16 867	12 911
Vacation accrual reserve increase	655	0
Accrual expense for doubtful receivables	3 617	0
Other expenses	651	0
represent costs ( 60%)	231	59
<b>Total</b>	<b>25 712</b>	<b>17 332</b>

**(7) Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Bank interest	122 726	148 233
Leasing interest	1 520	2 219
<b>Total</b>	<b>124 246</b>	<b>150 452</b>

**(8) Deferred tax**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Deferred tax at beginning of period	159 698	111 429
Deferred tax at end of period	193 783	159 698
<b>Deferred tax for period</b>	<b>-34 085</b>	<b>-48 269</b>

**(9) Other taxes**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Real estate tax (buildings, land)	21 922	16 981
<b>Total</b>	<b>21 922</b>	<b>16 981</b>



**(10) Intangible assets**

	<b>Concessions, patents, licences, brand names and other rights</b>	<b>Intangible assets total</b>
	<b>EUR</b>	<b>EUR</b>
<b>Aquisition cost</b>		
<b>2014.12.31</b>	<b>2 207</b>	<b>2 207</b>
<b>2015.12.31</b>	<b>2 207</b>	<b>2 207</b>
<b>Depreciation</b>		
<b>2014.12.31</b>	<b>1 700</b>	<b>1 700</b>
Calculated depreciation	335	335
<b>2015.12.31</b>	<b>2 035</b>	<b>2 035</b>
<b>Balance sheet on 2014.12.31</b>	<b>507</b>	<b>507</b>
<b>Balance sheet on 2015.12.31</b>	<b>172</b>	<b>172</b>

**(11) Tangible (fixed) assets**

	<b>Land and buildings **</b>	<b>Tangible assets costs</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Total tangible assets</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Acquisition cost</b>				
<b>2014.12.31</b>	<b>6 126 816</b>	<b>0</b>	<b>239 536</b>	<b>6 366 352</b>
Acquisitions	0	31 400	0	31 400
Overvalued	3 834	0		3 834
<b>2015.12.31</b>	<b>6 130 650</b>	<b>31 400</b>	<b>239 536</b>	<b>6 401 586</b>
<b>Depreciation</b>				
<b>2014.12.31</b>	<b>572 509</b>	<b>0</b>	<b>166 846</b>	<b>739 355</b>
Calculated depreciation	56 888	0	42 785	99 673
<b>2015.12.31</b>	<b>629 397</b>	<b>0</b>	<b>209 631</b>	<b>839 028</b>
<b>Balance sheet on 2013.12.31</b>	<b>5 554 307</b>	<b>0</b>	<b>72 690</b>	<b>5 626 997</b>
<b>Balance sheet on 2015.12.31</b>	<b>5 501 253</b>	<b>31 400</b>	<b>29 905</b>	<b>5 562 558</b>

Note \*

\* The Company still uses fixed assets, that have no balance value, but they are in inventory lists.  
The total acquisition value of such fixed assets is: 16 997 EUR.

**(12) Trade debtors**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Trade debtors	12 901	31 236
<b>Balance value</b>	<b>12901</b>	<b>31236</b>

<b>Allocation of currency:</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
EUR	12 901	31 236
<b>Total</b>	<b>12901</b>	<b>31 236</b>

**(13) Other debtors**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
VAT on advances	8 229	6 978
Advance purchase of fuel	558	317
Advance services provider	22 550	2 364
URDVN tax overpaid	0	24
<b>Total</b>	<b>31 337</b>	<b>9 683</b>

**(14) Deferred expenses**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Ground rent for the 1st quarter in 2015	1 507	1 507
Subscriptions 2015.	299	289
<b>Total</b>	<b>1806</b>	<b>1796</b>

**(15) Cash funds****(31.12.2015)**

<b>Allocation of currency:</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
EUR	83 634	93 619
<b>Total</b>	<b>83634</b>	<b>93619</b>

**(16) Company capital**



Company capital is divided on shares	1 944 637
per value each EUR	1,4
	<b>2 722 492</b>

**(17) Long term investment adjustment reserve**

	2015	2014
	EUR	EUR
Long term investment adjustment reserve	805396	801562
<b>Total</b>	<b>805396</b>	<b>801562</b>

**(18) Undistributed profit/losses:**

Losses of previous years (2013 including)	-1 104 359 EUR
Profit of financial year	34 947 EUR
Losses of financial year	-1 069 412 EUR

**(19) Other provisions**

Type of provision	Residual	Increase	Decrease	Residual
	2014.12.31	2015	2015	2015.12.31
	EUR	EUR	EUR	EUR
Provisions for unused vacation	12 401	655	0	13 056
<b>Total</b>	<b>12 585</b>	<b>655</b>	<b>0</b>	<b>13 056</b>

**(20) Borrowings from credit institutions**

Allocation of currency:	2015	2014
	EUR	EUR
EUR (long term)	2 713 298	2 853 641
EUR (short-term)	140 343	140 343
<b>Total</b>	<b>2 853 641</b>	<b>2 993 984</b>

**Main points of agreement/contract**

Company name / name, surname	Principal amount, EUR	% rate	Term
SEB Banka	4 466 086	2.146	122 726 22.05.2022.

**(21) Deferred income tax liabilities**

2015	2014
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	<b>EUR</b>	<b>EUR</b>
Calculated deferred tax	193 783	159 698

<b>Temporary changes</b>	<b>Residual</b>	<b>Increase</b>	<b>Decrease</b>	<b>Residual</b>
	<b>2014.12.31</b>			<b>2015.12.31</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Fixed assets residual for taxes	1 739 738	0	184 428	1 555 310
Fixed assets residual in finance accounts	-5 138 714	3 834	100 008	-5 042 540
Provisions for unused vacation	12 401	655	0	13 056
Accrual expense for doubtful receivables		3617		3 617
Accrued tax losses	2 321 919	0	143 247	2 178 672
<b>Total</b>	<b>-1 064 656</b>	<b>8 106</b>	<b>427 683</b>	<b>-1 291 885</b>

## (22) Debts to suppliers of goods and services

<b>Allocation of currency:</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
EUR	52 026	54 908
<b>Total</b>	<b>52026</b>	<b>54 908</b>

## (23) Advance payments from customers

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Long term	39 608	38 118
Short term	13 995	5 921
	<b>53 603</b>	<b>44 039</b>

## (24) Taxes and contributions to social security

<b>Type of tax</b>	<b>Residual</b>	<b>Calculated</b>	<b>Paid</b>	<b>Residual</b>
	<b>2014.12.31</b>			<b>2015.12.31</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Value added tax	7 574	127 894	126 021	9447
Social security contributions	5 108	61 213	60 544	5777
Personal income tax	3 247	39 706	36 081	6872
Real estate tax (buildings,land)	0	21 922	21 922	0
State duties	-24	73	43	6
Company car tax	0	1520	1520	0
<b>Total</b>	<b>15 905</b>		<b>373830</b>	<b>22102</b>

During the financial year has been calculated and paid payment penalty: PIT- 490 EUR.



<b>Inter alia:</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Tax overpayment	0	24
Tax debt	22 102	15 929

**(25) Other creditors**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
Salaries for December	10 331	10 303
<b>Total</b>	<b>10 331</b>	<b>10 303</b>

**(27) Other borrowings**

	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>
<b>Swedbanka leasing</b>	<b>8 406</b>	<b>12 911</b>
long term	4 485	8 406
short term	3 921	4 505
<b>SEB Leasing</b>	<b>34 614</b>	<b>49 066</b>
long term	20 338	34 615
short term	14 276	14 451

**(28) Employees**

	<b>2015</b>	<b>2014</b>
Average amount of company's employees during year	17	18

**(29) Information about remuneration to Members of the Board and executives**

The remuneration of Member of the Board during year 2015 was 13 692 EUR.

**(29) Financial risk management**

The significant financial tools of Company are borrowings from credit institutions, legal persons and related parties, finance lease, money and short-term deposits. The main task of these financial tools is to provide Company's economic activity with funding. The Company also faces with other financial tools, such as trade debtors, other debtors, debts to suppliers and other creditors, which result directly from economic activity.

***Interest rate risk***

The Company has interest rate risk mainly because of its borrowings.

***Credit risk***

The Company has credit risk due to its trade debtors, given short-term loans and money and its equivalents. Company controls its credit risk by evaluating constantly debt repayment history of clients and by setting individual terms for each client. Moreover the Company follows non-stop the rest of debtors debts to diminish the possibility of irrecoverable debt emergence.



**Liquidity risk**

Company controls its liquidity risk by keeping appropriate amount of money or money equivalents.

**(30) Information about off- balance liabilities and pledged assets**

None.

**(31) Details of the lease or rent agreements, mortgages, guarantees and other contracts that have an important role for the Company**

The Joint Stock Company "VEF" is a publicly traded company, dealing with management and administration of its real estate, rendering space rental and electrical services to consumers on the VEF territory.

There were signed with the major customers long-term rental agreement.

As well as the Company has rent:

land in the Brivibas str. 214, rental agreement with JSC "Privatizācijas aģentūra" .

Pledge agreement No.KD03702/2 AS SEB banka, registered No.100093834 on 07.07.2015 - the claim secured in amount of EUR 5 386 000.

**(32) Information about remuneration to auditor**

Concluded agreement with DOMA AUDITS Ltd. for 1 400 EUR (not including VAT).

Gints Fenuks Chairman of the Board	_____ signature	23 march, 2016
Tamara Kampane Member of the Board	_____ signature	23 march, 2016