

J/S “LIEPAJAS AUTOBUSU PARKS”

Non-revised 3 month Financial Statement of the year 2008

S.I. No 40003015652

Liepaja, 2008. Year

Company information

Company name	Liepajas autobusu parks
Legal status	joint stock company
Registration number, place and date	No.000301565, Riga, 03.09.1991
Address	8/16 Cukura Str., Liepaja, LV3402
Modus operandi of the company	passenger traffic
Names, surnames, held places of the regents	Mr. Gundars Kristapsons – chairman of the Board Mr. Uldis Arnicans – member of the Board Mr. Edgars Dupats – deputy chairman of the Board
Names, surnames, held places of the councilors	Mr. Juris Jirgens – chairman of the council Mr. Andris Brazis – member of the council Mrs. Rita Gailuma – member of the council Mr. Armins Henzels – member of the council
Accounting period	January 1 st – March 31 st , 2008
Name of the auditor	not-revised
Accounting standards	LGS No. 1 – LGS No. 8
Executive	Mrs. Laima Kutuzova – ph.+371 3426790, mob.ph.+371 29468484

Accounting policy

I. General principles

1. The 3 -month financial statement of the year 2008 has been prepared in conformity with generally established accounting principles of the Republic of Latvia.
2. Calculation of the profit and/or losses has been prepared in conformity with the layout of turnover allowance.
3. Cash flow statement has been prepared using the direct method, determining the cash flow of the basic activity.
4. There is the following information provided in the statement of changes of the equity capital –
 - amounts given in the balance of the last period,
 - amounts given in the statement balance at the end of the period and the amounts of changes in division of those types and facts of the economical activity, which has made changes in the equity capital of the company during the statement period.

II. Recognition of incomes and net turnover

5. Value of the provided services without the allowed discounts and value added taxes during the period of financial statement.
6. The rest of the incomes are recognized as follows:
 - 6.1. rent incomes – at the moment when they originate;
 - 6.2. incomes from the penalties and overdue debts – at the moment of entry;
 - 6.3. service incomes – at the moment when they originate;
 - 6.4. insurance indemnity incomes – at the moment of entry.

III. Fixed assets

7. All fixed assets originally estimated at the purchase value. There are following groups of the fixed assets revaluated once per “X” years:
 - 7.1. land;
 - 7.2. buildings and constructions.
8. Increase in value originated as a result of revaluation is presented in the equity capital at the position “Revaluation reserve of the long-term investments”, but depreciation is cancelled from appreciation of the respective fixed assets relegated into mentioned reserve on previous periods, including the exceed into calculation of incomes or losses of the accounting period.
9. Fixed assets presented at their purchasing and revaluation value, deducting wear. Wear and tear is calculated in accordance with a linear method within the period of effective use of the respective basic assets, to write-off the value of basic asset until its calculated residual value at the end of the period of effective use, using the following rates determined by administration:

	(% per year)
Buildings and constructions	5
Technological equipment	10-20
The rest of equipment, utilities and means of transport	10-20

IV. Debts of debtors

10. The debts of debtors in the balance presented in net value, deducting special reserve for debts of doubtful and hopeless debtors from the initial cost. Special reserves for debts of doubtful and hopeless debtors are made, when the administration suggests that the retrieval of these specially marked debts of debtors is doubtful.

V. Reserves

11. Reserves presented in accordance with their purchasing value. Reserves valued using a method of normal-weighted value. Reserves accounted by the method of continuous inventory.

VI. Converting foreign currency into Latvian Lats

12. Accounting in the company is done in Latvian lats. All dealings in foreign currencies are converted into Latvian lats, using the currency rates officially determined by the Bank of Latvia at the day of corresponding deal.
13. Assets and commitments in foreign currency are re-calculated in Latvian lats according to the currency rates of the Bank of Latvia at the last day of the statement period. Profit or loses arisen as a result of exchange rate fluctuations are presented at the calculation of profit or loses of the corresponding period.

	31.03.2008. (Latvian lats)	31.03.2007. (Latvian lats)
1 Euro	0.702804	0.702804
1 Lithuanian lit	0.204	0.204
1 Russian ruble	0.0189	0.0203

VII. Money and its equivalents

14. Money and its equivalents in the Statement of Money flow consist from the money in cash department and the remainders of current accounts.

VIII. Subsidies

15. Subsidies received to cover loses are accounted as incomes of the next periods.

Balance on 31 March, 2008

Assets

ASSET		Note No.	Line code	At the end of the accounting per LVL 31.03.2008	At the end of the accounting per EUR 31.03.2008	At the end of the last per LVL 31.03.2007	At the end of the last per EUR 31.03.2007
1. LONG-TERM INVESTMENTS							
I Immaterial investments							
	1. Research work and company's development costs		010				
	2. Concessions, patents, licenses, trademarks and similar costs		020	1564	2225	2317	3297
	3. Other immaterial investments		021				
	4. Immaterial value of the company		030				
	5. Advance payments for immaterial investments		040				
	I TOTAL		050	1564	2225	2317	3297
II Fixed assets							
	1. Plots, buildings, houses, constructions and perennial plantations		060	1026503	1460582	688751	980004
	2. Long-term investments into leased fixed assets		070				
	3. Technological equipment and machines		080	1105981	1573669	1085766	1544906
	4. The rest of fixed assets and inventory		090	21172	30125	13428	19106
	5. Establishment costs of fixed assets		100	4605	6552	43445	61817
	6. Advance payments for fixed assets		110	49196	70000	7347	10454
157	II TOTAL		120	2207457	3140928	1838738	2616288
III Long-term financial investments							
	1. Participation in the capital of related companies		130				
	2. Loans for related companies		140				
	3. Participation in the capital of relevant companies		150	6000	8537	6000	8537
	4. Loans for relevant companies		160				
	5. The rest of securities and investments		170				
	6. The rest of loans		180				
	7. Own shares and parts		190				
	8. Loans for joint owners and leadership of the company		200				
	III TOTAL		210	6000	8537	6000	8537
1. TOTAL PER SECTION			220	2215021	3151691	1847055	2628122
2. CURRENT ASSETS							
I Reserves							
	1. Raw materials, direct materials and auxiliary materials		230	135304	192520	103483	147243
	2. Unfinished products		240				
	3. Finished products and merchandise		250				
	4. Unfinished orders		260				
	5. Advance payments for merchandise		270				
	6. Working livestock and productive livestock		280				
	I TOTAL		290	135304	192520	103483	147243
II Debtors							
	1. Debts of buyers and customers		300	132635	188723	473059	673102
	2. Debts of related companies		310				
	3. Debts of connected companies		320				
	4. Other debtors		330	25230	35899	20834	29644
	5. Arrears shares into the company's capital		340				
	6. Short-term loans for co-owners and leadership of the company		350				
	7. Costs of the next periods		360	3755	5343	976	1389
			370				
	II TOTAL		380	161620	229965	494868	704134
III Securities and capital-sharing							
	1. Capital-sharing in related companies		390				
	2. Own shares and parts		400				
	3. Rest of securities and capital-sharings		410				
	III TOTAL		420				
IV Monetary instruments			430	205422	292289	314979	448175
2. TOTAL PER SECTION			440	502346	714774	913331	1299553
BALANCE			450	2717367	3866465	2760385	3927674

Balance on 31 March, 2008
Passives

PASSIVE		Note No.	Line code	At the end of the accounting period LVL 31.03.2008	At the end of the accounting period EUR 31.03.2008	At the end of the last period LVL 31.03.2007	At the end of the last period EUR 31.03.2007
1. EQUITY CAPITAL							
1. capital of shares or parts			450	627441	892768	627441	892768
2. Mark-up of the shares' emission			460	230	327	230	327
3. Reserve of revaluation of the long-term investments			470	608693	866092	653369	929660
4. Reserves:							
a) reserves defined by the law			480				
b) reserves for own shares or parts			490				
c) reserves defined in company's statutes			500	5013	7133	5013	7133
d) miscellaneous reserves			510	578567	823227	578567	823227
IV TOTAL			520	583580	830360	583580	830360
5. Non-split profit:							
a) non-split profit of previous years			530	158680	225781	23591	33567
b) non-split profit of the year of account			540	-108334	-154145	133710	190252
1. TOTAL PER SECTION			550	1870290	2661183	2021920	2876933
2. RESERVES							
1. Reserves for pensions and similar liabilities			560				
2. Reserves for expected taxes			570				
3. Other reserves			580				
2. TOTAL PER SECTION			590				
3. CREDITORS							
I Long-term creditors							
1. Loans from the bonds			600				
2. Loans convertible into shares			610				
3. Loans from the credit institutions			620	64050	91135	212009	301662
4. Other loans			630				
5. Advances received from the buyers			640				
6. Debts for the suppliers and contractors			650				
7. Payable bills of exchange			660				
8. Debts for related companies			670				
9. Debts for associated companies			680				
10. Taxes and payments for social insurance			690	217234	309096	130810	186126
11. The rest of the creditors			700				
12. Incomes of the next periods			710				
13. Dividends of the year of account			720				
14. Not paid-out dividends of the last years			730				
I TOTAL			740	281284	400231	342819	487787
II Short-term creditors							
1. Loans against the bonds			750				
2. Loans convertible into shares			760				
3. Loans from the credit institutions			770	110696	157506	110968	157893
4. Other loans			780				
5. Advances received from the buyers			790				
6. Debts for the suppliers and contractors			800	90412	128645	66547	94688
7. Payable bills of exchange			810				
8. Debts for related companies			820				
9. Debts for associated companies			830				
10. Taxes and payments for social insurance			840	111038	157993	48301	68726
11. The rest of the creditors			850	96872	137836	58509	83251
12. Incomes of the next periods			860	72384	102993	77796	110694
13. Dividends of the year of account			870				
14. Amassed liabilities			880	84127	119702	33525	47702
II TOTAL			890	565802	805064	395646	562954
3. TOTAL PER SECTION			900	847086	1205295	738465	1050741
BALANCE			910	2717367	3866465	2760385	3927674

Exchange rate 31.03.2008 EUR 0.702804

Exchange rate 31.03.2007 EUR 0.702804

Money flow statement (direct method)

	31.03.2008. LVL	31.03.2008. EURO	31.03.2007.LV L	31.03.2007. EURO
I. Money flow of the Basic Activity				
1 Incomes from sale of goods and services	1 673 550	2 381 247	4 297 424	6 114 683
2 Payments for suppliers, personnel, rest of the basic activity costs	-1 414 154	-2 012 160	-4 423 296	-6 293 783
3 Rest of incomes or expenses of the company's basic activity	-134 300	-191 092	38 897	55 345
4 Gross money flow of the basic activity	125 096	177 996	-86 975	-123 754
5 Expenses for the interests payments	-2 839	-4 040	-3 790	-5 393
6 Expenses for the company's income-tax	-2 123	-3 021	-1 650	-2 348
7 Money flow before extraordinary posts				
8 Money flow from the extraordinary posts				
9 Net money flow of the Basic Activity	120 134	170 935	-92 415	-131 495
II. Investment activity money flow				
1 Acquisition of the shares or parts of related or associated companies			-2 250	-3 201
2 Incomes from the alienated shares or parts of related or associated companies				
3 Acquisition of fixed assets and immaterial investments	-127 508	-181 428	-61 132	-86 983
4 Incomes from sales of fixed assets and immaterial investments	3 525	5 016	37 932	53 972
5 Issued loans				
6 Incomes from repayment of loans				
7 Received interests	274	390	2 960	4 212
8 Received divvy				
9 Investment money flow	-123 709	-176 022	-22 490	-32 000
III. Money flow of the Financing Activity				
1 Incomes from the emission of stocks and bond or investment of capital participation shares				
2 Received loans				
3 Received subsidies, grants, donations or benefaction				
4 Expenses for repayment of loans	-36 990	-52 632		
5 Expenses for redemption of leased fixed assets				
6 Paid out divvy				
7 Net money flow of the financing activity	-36 990	-52 632		
IV Result of exchange rate fluctuations of the foreign currencies	-67	-95	-773	-1 100
V Net increment or decrease of money and its equivalents	-40 632	-57 814	-115 678	-164 595
VI Balance of money and its equivalents at the beginning of account y	246 054	350 103	430 657	612 770
VII Balance of money and its equivalents at the end of account year	205 422	292 289	314 979	448 175

Currency rate 1EUR = 0,702804 LVL 31.03.2008

Currency rate 1EUR = 0,702804 LVL 31.03.2007

Statement of changes of the equity capital

Type of changes	Capital of shares or parts	Mark-up of shares emission	Revaluation reserve of long- Term investments	Other reserves	Not-split profit of the previous years	Not-split profit of the year of account	Total
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
Balance on 31.03.2007.							
<i>Exchange rate EUR 0.702804</i>	<i>627441</i>	<i>230</i>	<i>653369</i>	<i>583580</i>	<i>23591</i>	<i>133710</i>	<i>2021920</i>
Increase/decrease of shares or parts of the capital							
Increase/decrease of mark-up of the shares emission							
Increase/decrease of revaluation reserve			-44 676				-44676
Profit or losses of the year of account					135089	-108334	
Balance on 31.03.2008.							
<i>Exchange rate EUR 0.702804</i>	<i>627441</i>	<i>230</i>	<i>608693</i>	<i>583580</i>	<i>158680</i>	<i>-108334</i>	<i>1870290</i>

Statement of changes of the equity capital

Type of changes	Capital of shares or parts EUR	Mark-up of shares emission EUR	Revaluation reserve of long- term invest- ments EUR	Other reserves EUR	Profit of previous years EUR	Profit of the year of account EUR	Total EUR
<i>Balance on 31.12.2007. Exchange rate EUR 0.702804</i>	<i>892768</i>	<i>327</i>	<i>929660</i>	<i>830360</i>	<i>33567</i>	<i>190252</i>	<i>2876933</i>
Increase/decrease of shares or parts of the capital							
Increase/decrease of mark-up of the shares emission							
Increase/decrease of revaluation reserve			-63568				
Profit or losses of the year of account					192214	-154145	
<i>Balance on 31.12.2008. Exchange rate EUR 0.702804</i>	<i>892768</i>	<i>327</i>	<i>866092</i>	<i>830360</i>	<i>225781</i>	<i>-154145</i>	<i>2661183</i>

Company name: **A/S "Liepājas autobusu parks"** after UUK

CALCULATION OF PROFIT OR LOSSES

1st January - 31 March, 2008

No.	Name of the indicator	No. of note	Line code	At the end of accounting period LVL 31.03.2008	At the end of accounting period EUR 31.03.2008	At the end of previous period LVL 31.03.2007	At the end of previous period EUR 31.03.2007
	1	2	3	4		5	5
1.	Net turnover		010	1181311	1680854	1048199	1491453
2.	Production costs of the sold output		020	1264877	1799758	914334	1300980
3.	Gross profit or losses (from the turnover)		030	-83566	-118904	133865	190473
5.	Administration costs		050	31737	45158	23337	33206
6.	The rest of company's economical activity costs		060	37517	53382	34780	49487
7.	Other expenses on economical activity of the company		070	19143	27238	230	327
10.	The rest of interest incomes and similar incomes		100	274	390	2960	4212
12.	Interests payments and similar costs		120	2839	4040	3790	5393
13.	Profit or losses before extraordinary posts and taxes		130	-99494	-141567	144248	205246
18.	Liabilities of the Company Income Tax		160	-99494	-141567	144248	205246
19.	The rest of taxes		170	8840	12578	10538	14994
20.	Profit or losses of the accounting period after taxes		180	-108334	-154145	133710	190252
Profit per share						0,21	0,3

Appendices to the annual report

Appendices to the balance

1. Participating interests in other enterprises

Investment in fixed capital of ISC Starppilsetu linijas

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
6000	8537	6000	8537
6000	8537	6000	8537

2. Raw materials, basic materials and auxiliary materials

1) Fuel, lubricants

2) Spare parts

3) Materials

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
42 492	60 461	22 024	31 337
83 339	118 581	74 096	105 429
9 473	13 479	7 363	10 477
135 304	192 520	103 483	147 243

3. Debts of buyers and customers

Registered value of buyers and customers

Net value: debts of buyers and customers

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
132 635	188 723	473 059	673 102
132 635	188 723	473 059	673 102

4. Other debtors

Overpayment of the value added tax

Advance payments in SIT 2008

Debts of the advance paying persons

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
21 670	30 834	18 172	25 856
2 123	3 021	1 649	2 346
1437	2 045	1013	1 441
25 230	35 899	20 834	29 644

5. Payments of the next periods

Holiday pay for April 2007

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
3 755	5 343	976	1 389
3 755	5 343	976	1 389

6. Monetary funds

Cash assets in the cash register

Cash assets on the accounts

Cash assets on the way

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
1 413	2 011	1 072	1 525
197 778	281 413	309 961	441 035
6 231	8 866	3 946	5 615
205 422	292 289	314 979	448 175

7. Information about the aggregate of own stocks and shares of the company

Issued and completely paid fixed capital of the company consists of 627441 stocks of the nominal value Ls

Participan 31.03.2008.	Participants of the company	31.03.2007.
% of stocks	Participants	% of stocks
34,85	Liepāja City Council	34,85
3,54	Agency for State Social Insurance (VSAA)	3,54
61,61	Other physical persons	61,61

100 Total

100

8. Revaluation reserve of the long-term investments

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Decrease on grounds of liquidation			3 000	4 269
On 31.03.2008.	608 693	866 092	653 369	929 660

9. Long-term creditors

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Loans from crediting institutions				
Credit from Hansabanka	64 050	91 135	212 009	301 662
Total	64 050	91 135	212 009	301 662

10. Savings for envisaged taxes

	31.12.08	31.12.08	31.12.07	31.12.07
	Ls	EUR	Ls	EUR
Sum of savings fot social payment	197 091	280 435	129 510	184 276
Obligations for deferred tax on income of the company	20 143	28 661	6 252	8 896
Total	217 234	309 096	135 762	193 172

11. Other creditors

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Latvion Privatisation agency the holding buy				
Wages	96 370	137 122	40 304	57 348
Deductions from wages	502	714	864	1 229
Other creditors (a(incomes from vehicles according to contract)			17 341	24 674
Total	96 872	137	58 509	83 251

12. Incomes of the next periods

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Realization of the monthly tickets for April 2008	72 384	102 993	77 796	110 694
Total	72 384	102 993	77 796	110 694

Appendices to the calculation of profit and losses

13. Net turnover

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Incomes from carriage of passengers	806 261	1 147 206	761 318	1 083 258
Subsidies	375 050	533 648	286 881	408 195
Total	1 181 311	1 680 854	1 048 199	1 491 453

15a. Division of the net turnover according to the kinds of activity and geographical markets

Carriage of passengers – Latvia	1 181 311	1 680 854	1 037 196	1 475 797
Carriage of passengers – Lithuania	6 634	9 439	4 475	6 367
Carriage of passengers – Poland	0	0	1 088	1 548
Carriage of passengers – Russia	5 005	7 121	5 440	7 740
Total	1 181 311	1 680 854	1 048 199	1 491 453

14. Production expenses of the sold products

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Expenses on fuel and lubricants	397 927	566 199	319 768	454 989
Expenses on spare parts and tyres	126 453	179 926	103 470	147 225
Wages and obligatory payments of social insurance	430 606	612 697	257 058	365 761
Wear and tear of the fixed assets	112 915	160 664	88 124	125 389
Materials and current repair of the buses	42 178	60 014	40 322	57 373
Public utilities (electrical energy, heating, water)	22 788	32 424	17 070	24 288
Expenses on business trips	6 572	9 351	5 858	8 335
Services rendered by the cooperation partners	21 644	30 797	17 841	25 385
Insurance of the vehicles	8 137	11 578	6 629	9 432
Other expenses on the economic activity	95 657	136 108	58 194	82 803
Total	1 264 877	1 799 758	914 334	1 300 980

15. Expenses of the administration

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Salaries and obligatory payments of social insurance	27 408	38 998	20 560	29 254
Expenses on transport and business trips	2 015	2 867	760	1 081
Communication expenses	1 389	1 976	1 409	2 005
Attending of seminars	50	71	317	451
Other expenses on administrative activity	875	1 245	291	414
Total	31 737	45 158	23 337	33 206

16. Other incomes from the economic activity of the company

	31,03,08	31,03,08	31,03,07	31,03,07
	LVL	EUR	LVL	EUR
Incomes from lease of fixed assets	15 607	22 207	11 353	16 154
Insurance compensation for damaged vehicles	1 864	2 652	885	1 259
Incomes of the bus station for realization of tickets and use of the bus station	10 856	15 447	7 271	10 346
Income from currency rate deviations	-67	-95	53	75
Incomes from revaluation reserve of the long-term investment			3 000	4 269
Other incomes	9 267	13 186	12 218	17 385
Total	37 517	53 382	34 780	49 487

17. Other expenses on economic activity of the company

Paid fines

Expenses not related to the economic activity

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
19049	27104	30	43
94	134	200	284
19 143	27 238	230	327

18. Other interest incomes and similar incomes

Bank interests

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
274	390	2 960	4 212
274	390	2 960	4 212

19. Interest payment and similar expenses

Payment of credit interests

Payment of interests for purchased land

Total

31,03,08	31,03,08	31,03,07	31,03,07
LVL	EUR	LVL	EUR
2 799	3 983	3 790	5 393
40	57	30	43
2 839	4 040	3 820	5 436

Currency rate 1 EUR = 0,702804 LVL

Information of a directing of "Liepājas autobusu parks"

First three months 2008 of joint-stock company "Liepājas autobusu parks" continues to carry out passenger transportations on city, district, long run, international run, as well as offers bus services for excursions and tourist trips, served one of bus (microbus) routes in city outside of the basic routing network. Offered services of road service station.

Net-turn from 1st of January till 31st of March, 2008 was 1 181 311 LVL. In the accounting period charges under taxes – 108 334 LVL.

The society continued work above modernization of means of production and the equipment, realization of actions on the organization of work and reduction of charges.

For first three months 2008 the following equipment – the brake stand, shake test, the proof-reader of headlights is got.

Considering a prompt rise in prices on fuel, and also essential increase of the prices for spare parts, increase of the salary and other charges, joint-stock company "Liepājas autobusu parks" from 3rd of March, 2008 has raised the prices for tickets in regional transportations.

For first three months 2008 it is got seven used city buses.

Cardinal variations in strategy of entrepreneurial business has not occurred.