

J/S “LIEPAJAS AUTOBUSU PARKS”

Revised 12 month Financial Statement of the year 2007

S.I. No 40003015652

Liepaja 2007. Year

NOTIFICATION BY INDEPENDENT AUDITORS

to the founders of the joint-stock company (AS) „Liepājas autobusu parks”

Notification about financial statement

We have performed auditing of the financial statement enclosed to the annual report of „Liepājas autobusu parks” for the year of 2007, what is reflected on pages from 1 to 9. The audited financial statement cover the balance of 31 December 2007, calculation of profit and losses for 2007, statement of changes in equity capital and statement of funds flow, as well as a summary of significant accounting principles and other explanatory information in the appendix.

Responsibility of the Administration for preparation of the financial statement

The Administration is responsible for preparation of the financial statement and correct reflection of information pursuant to the Republic of Latvia Law of Annual Reports. This responsibility includes creation and support of internal control that provides preparation and correct reflection of the financial statement without essential discrepancies caused by fraud or mistakes, choice and use of applicable accounting policy, as well as preparation of correspondent accounting calculations.

Responsibility of the auditor

We are responsible for the conclusion on this financial statement inferred on grounds of our auditing. We performed the auditing according to the international auditing standards accepted in Latvia. These standards specify that we must observe ethic requirements, plan and perform auditing in order to get enough convictions that financial statements do not contain essential discrepancies.

Auditing contains procedures that help to get evidences of auditing in relation to information specified in the financial statement. Procedures are chosen on grounds of professional evaluation of the auditor, including evaluation of risk of essential discrepancies caused by fraud or mistakes in the financial statement. While performing risk evaluation, the auditor takes into consideration internal control that is created in order to provide preparation of the financial statement and correct reflection of information therein, with the aim to define auditing procedures applicable for

certain conditions, but not in order to give any conclusion about efficiency of this control. Auditing also includes the accounting principle applied hereto, as well as general evaluation of information given in the financial statement.

We consider, that evidences received during our auditing, are sufficient and appropriate for our conclusion on the auditing.

Conclusion

To our opinion the above mentioned financial statement provides true and clear idea about financial condition of AS „Liepājas autobusu parks” on 31 December 2007, as well as about financial results of its activity and funds flow in the year of 2007 pursuant to the Republic of Latvia Law of Annual Reports.

Notification about conformity of the report of the Administration

We have perused with the report of the Administration about the year of 2007, which is shown on page 19, and we have not found essential discrepancies between information given in the report by the Administration and in the financial statement for the year of 2007.

LLC (SIA) „Revidentu serviss”
Commercial company of sworn auditors
Licence No.15

/signature/
Aivars Rutkis, Mag.sc.soc.
Sworn auditor, certificate No.18
Chairman of the Board

Rīga, Latvia, 10 April 2008
Branch ”RS Rīga”, Nometņu Street 9-6, LV-1048

SEAL: Aivars Rutkis
Mag.sc.soc.
Sworn auditor
Certificate No.18
1994-2007

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	Rūdulfs Embūtnieks – chairman of the Board (to 14.06.2007) Mr. Gundars Kristapsons – chairman of the Board (from 14.06.2007) Mr. Uldis Arnicans – member of the Board Mr. Edgars Dupalts – 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 –December 30 st , 2007
Name of the auditor	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 12-month financial statement of the year 2007 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.

	31.12.2007. (Latvian lats)	31.12.2006. (Latvian lats)
1 Euro	0.702804	0.702804
1 Lithuanian lit	0.204	0.204
1 Russian ruble	0.0197	0.0201

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 December, 2007
Assets

ASSET		Note No.	Line code	At the end of the accounting per LVL 31.12.2007	At the end of the accounting per EUR 31.12.2007	At the end of the last per LVL 31.12.2006	At the end of the last per EUR 31.12.2006
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	1752	2493	2429	3456
	3. Other immaterial investments		021				
	4. Immaterial value of the company		030				
	5. Advance payments for immaterial investments		040				
	I TOTAL		050	1752	2493	2429	3456
II Fixed assets							
	1. Plots, buildings, houses, constructions and perennial plantations		060	1037373	1476049	727897	1035704
	2. Long-term investments into leased fixed assets		070				
	3. Technological equipment and machines		080	1151954	1639083	1099068	1563833
	4. The rest of fixed assets and inventory		090	12775	18177	12568	17883
	5. Establishment costs of fixed assets		100	4605	6552	105847	150607
	6. Advance payments for fixed assets		110	5035	7164		
157	II TOTAL		120	2211742	3147025	1945380	2768026
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	3750	5336
	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	3750	5336
1. TOTAL PER SECTION			220	2219494	3158055	1951559	2776818
2. CURRENT ASSETS							
I Reserves							
	1. Raw materials, direct materials and auxiliary materials		230	137397	195498	116350	165551
	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	137397	195498	116350	165551
II Debtors							
	1. Debts of buyers and customers		300	127718	181726	96959	137960
	2. Debts of related companies		310				
	3. Debts of connected companies		320				
	4. Other debtors		330	22614	32177	16475	23442
	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	8332	11855	9570	13617
			370				
	II TOTAL		380	158664	225759	123003	175018
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	246054	350103	430657	612770
2. TOTAL PER SECTION			440	542115	771360	670011	953340
BALANCE			450	2761609	3929416	2621569	3730157

Balance on 31 December, 2007
Passives

PASSIVE		Note No.	Line code	At the end of the accounting period LVL 31.12.2007	At the end of the accounting period EUR 31.12.2007	At the end of the last period LVL 31.12.2006	At the end of the last period EUR 31.12.2006
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	656369	933929
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	23591	33567	21980	31275
b) non-split profit of the year of account			540	135089	192214	1611	2292
1. TOTAL PER SECTION			550	1978624	2815328	1891211	2690951
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				0
11. The rest of the creditors			700				
12. Incomes of the next periods			710				
13. Dividends of the year of account			720				
14. Accumulation on provided taxes			730	197091,00	280435	130810	153844,00
I TOTAL			740	261141	371570	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	147959	210527	147958	210525
4. Other loans			780				
5. Advances received from the buyers			790				
6. Debts for the suppliers and contractors			800	27264	38793	43252	61542
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	85957	122306	40043	56976
11. The rest of the creditors			850	79400	112976	41148	58548
12. Incomes of the next periods			860	74145	105499	80635	114733
13. Dividends of the year of account			870				
14. Amassed liabilities			880	107120	152418	34504	49095
II TOTAL			890	521845	742519	387540	551420
3. TOTAL PER SECTION			900	782986	1114089	730359	1039207
BALANCE			910	2761609	3929416	2621569	3730157

Exchange rate 31.12.2007 EUR 0.702804

Exchange rate 31.12.2006 EUR 0.702804

Company name:

A/S "Liepājas autobusu parks"

after UUK

CALCULATION OF PROFIT OR LOSSES

1st January - 31 December, 2007

No.	Name of the indicator	No. of note	Line code	At the end of accounting period LVL 31.12.2007	At the end of accounting period EUR 31.12.2007	At the end of previous period LVL 31.12.2006	At the end of previous period EUR 31.2006
	1	2	3	4		5	5
1.	Net turnover		010	4261976	6064246	3576290	5088602
2.	Production costs of the sold output		020	4107482	5844420	3490955	4967181
3.	Gross profit or losses (from the turnover)		030	154494	219825	85335	121421
5.	Administration costs		050	102375	145667	98818	140605
6.	The rest of company's economical activity costs		060	211438	300849	155951	221898
7.	Other expenses on economic activity of the company		070	4414	6281	2113	3007
10.	The rest of interest incomes and similar incomes		100	10608	15094	3478	4949
12.	Interests payments and similar costs		120	14277	20314	13699	19492
13.	Profit or losses before extraordinary posts and taxes		130	255474	363507	130134	185164
16.	Profit or losses before taxes		160	255474	363507	130134	185164
17.	Company's income tax of the accounting period		170	43550	61966	7951	11313
18.	Liabilities of the Company Income Tax		180	66281	94309	109422	155693
19.	The rest of taxes		190	10554	15017	11150	15865
20.	Profit or losses of the accounting period after taxes		2 00	135089	192214	1611	2292

Money flow statement (direct method)

	31.12.2007. LVL	31.12.2007. EURO	31.12.2006. LVL	31.12.2006. EURO
I. Money flow of the Basic Activity				
1 Incomes from sale of goods and services	12 424 601	17 678 615	8 760 672	12 465 313
2 Payments for suppliers, personnel, rest of the basic activity costs	-11 518 812	-16 389 793	-8 212 598	-11 685 474
3 Rest of incomes or expenses of the company's basic activity	100 340	142 771	548 074	779 839
4 Gross money flow of the basic activity	1 006 129	1 431 593	-72 141	-102 647
5 Expenses for the interests payments	-14 277	-20 314	-13 699	-19 492
6 Expenses for the company's income-tax	-8 492	-12 083	-6 599	-9 390
7 Money flow before extraordinary posts		0		0
8 Money flow from the extraordinary posts		0		0
9 Net money flow of the Basic Activity	983 360	1 399 195	455 635	648 310
II. Investment activity money flow				
1 Acquisition of the shares or parts of related or associated companies	-2 250	-3 201	-3 750	-5 336
2 Incomes from the alienated shares or parts of related or associated companies				0
3 Acquisition of fixed assets and immaterial investments	-1 064 898	-1 515 213	-579 228	-824 167
4 Incomes from sales of fixed assets and immaterial investments	39 198	55 774	92 288	131 314
5 Issued loans				0
6 Incomes from repayment of loans				0
7 Received interests	9 727	13 840	3 478	4 949
8 Received divvy				0
9 Investment money flow	-1 018 223	-1 448 801	-487 212	-693 240
III. Money flow of the Financing Activity				0
1 Incomes from the emission of stocks and bond or investment of capital participation shares				0
2 Received loans			470 936	670 082
3 Received subsidies, grants, donations or benefaction				0
4 Expenses for repayment of loans	-147 959	-210 527	-110 969	-157 895
5 Expenses for redemption of leased fixed assets				0
6 Paid out divvy				0
7 Net money flow of the financing activity	-147 959	-210 527	359 967	512 187
IV Result of exchange rate fluctuations of the foreign currencies	-1 781	-2 534	84	120
V Net increment or decrease of money and its equivalents	-184 603	-262 666	328 474	467 376
VI Balance of money and its equivalents at the beginning of account year	430 657	612 770	102 183	145 393
VII Balance of money and its equivalents at the end of account year	246 054	350 103	430 657	612 770

Exchange rate 31.12.2007 EUR 0.702804

Exchange rate 31.12.2006 EUR 0.702804

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	Total
	LVL	LVL	LVL	LVL	LVL	LVL
Balance on 31.12.2006.						
<i>Exchange rate EUR 0.702804</i>	<i>627441</i>	<i>230</i>	<i>656369</i>	<i>583580</i>	<i>23591</i>	<i>1891210</i>
Increase/decrease of shares or parts of the capital						
Increase/decrease of mark-up of the shares emission						
Increase/decrease of revaluation reserve			-47 676			-47676
Profit or losses of the year of account					135089	135089
Balance on 31.12.2007.						
<i>Exchange rate EUR 0.702804</i>	<i>627441</i>	<i>230</i>	<i>608693</i>	<i>583580</i>	<i>158680</i>	<i>1978624</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
Balance on 31.12.2006. Exchange rate EUR 0.702804	892768	327	933929	830360	33567		2690949
Increase/decrease of shares or parts of the capital							
Increase/decrease of mark-up of the shares emission							
Increase/decrease of revaluation reserve				-67837			-67837
Profit or losses of the year of account						186073	186073
Balance on 31.12.2007. Exchange rate EUR 0.702804	892768	327	866092	830360	33567	186073	2809187

Appendices to the annual report

Appendices to the balance

1. Participating interests in other enterprises

	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Investment of a basic capital in AS Starppilsetu lines	6000	8537	3750	5336
Total	6000	8537	3750	5336

2. Raw materials, basic materials and auxiliary materials

	31.12.07.	31.12.07.	31.12.06.	31.12.2006
	LVL	EUR	LVL	EUR
1) Fuel, lubricants	50 348	71 639	39 348	55 987
2) Spare parts	79 448	113 044	66 235	94 244
3) Materials	7 601	10 815	10 767	15 320
Total	137 397	195 498	116 350	165 551

3. Debts of buyers and customers

	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Registered value of buyers and customers	127 718	181 726	96 959	137 960
Net value: debts of buyers and customers	127 718	181 726	96 959	137 960

4. Other debtors

	31.12.07.	31.12.07.	31.12.06.	31.12.2006
	LVL	EUR	LVL	EUR
Overpayment of the value added tax	21 670	30 834	15 003	21 347
Overpayment of the tax on the real estate	0	0	748	1 064
Debts of the advance paying persons	944	1 343	724	1030
Total	22 614	32 177	16 475	23 442

5. Payments of the next periods

	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Subscription for the press	193	275	155	221
Insurance of the vehicle	3449	4907	3 119	4 438
Licences for January for carriage of passengers	424	603	424	603
Subscription for communication services in January	3	4	184	262
Tickets, monthly tickets for 2008	640	911	1 307	1 860
Land rent for the 1-st quarter of 2007	0	0	850	1209
Holiday pay for January 2008	3623	5155	3 244	4 616
Total	8 332	11 855	9 570	13 617

6. Monetary funds

	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Cash assets in the cash register	872	1 241	1 080	1 537
Cash assets on the accounts	242 648	345 257	427 745	608 626
Cash assets on the way	2 534	3 606	1 832	2 607
Total	246 054	350 103	430 657	612 770

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 31.12.2007.		Participants of the company	31.12.2006.
% 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					
The basic means					
		31.12.07.	31.12.07.	31.12.06.	31.12.06.
		LVL	EUR	LVL	EUR
Decrease on grounds of liquidation		47 676	67 837	59 283	84 352
On 31.12.2007.		47 676	67 837	656 369	933 929
9. Long-term creditors					
Loans from crediting institutions					
Credit from Hansabanka		64 050	91 135	359 967	512 187
Total		64 050	91 135	359 967	512 187
10. Savings for envisaged taxes					
Obligations for deferred tax on income of the company		197 091	280 435	129 510	184 276
Sum of savings fot social payment		20 143	28 661	6 252	8 896
Total		217234	309096	135 762	193 172
11. Short-term creditors					
A/S Hansabank change to the long terms creditors		147 958	210 525	147 958	210 525
Total		147 958	210 525	147 958	210 525
12. Debts to suppliers and contractors					
Short-term creditors for the received spare parts and materials		23 883	33 982	34 038	48 432
Short-term creditors for the rendered services according to the contracts		3 381	4 811	9 214	13 110
Total		27 264	38 793	43 252	61 542
13. Other creditors					
Wages		78 328	111 451	35 818	50 964
Deductions from wages		1072	1 525	950	1 352
Other creditors (a(incomes from vehicles according to contract)		0	0	4 380	6 232
Total		79 400	112 976	41 148	58 548
14. Incomes of the next periods					
Realization of the monthly tickets for January 2008		74 145	105 499	80 635	114 733
Total		74 145	105 499	80 635	114 733

15. Accumulated liabilities

Savings for holiday pays

Expenses that appeared during the report year, but an invoice was not received

Total

31.12.07.	31.12.07.	31.12.06.	31.12.06.
LVL	EUR	LVL	EUR
83 616	118 973	25 953	36 928
3 361	2 591	979	1 393
86 977	121 564	26 932	38 321

Appendices to the calculation of profit and losses

16. Net turnover

Incomes from carriage of passengers

Subsidies

Total

31.12.07.	31.12.07.	31.12.06.	31.12.06.
LVL	EUR	LVL	EUR
3 164 280	4 502 365	2 763 764	3 932 482
1 097 696	1 561 881	812 526	1 156 120
4 261 976	6 064 246	3 576 290	5 088 602

16a. Division of the net turnover according to the kinds of activity and geographical markets

Carriage of passengers – Latvia

Carriage of passengers – Lithuania

Carriage of passengers – Poland

Carriage of passengers – Russia

Irregular passenger transportation

Total

4 159 800	5 918 862	3 524 913	5 015 499
21 205	30 172	20 037	28 510
6 696	9 528	5 138	7 311
27 901	39 700	26 202	37 282
46 374	65 984	11 217	15 960
4 261 976	6 064 246	3 576 290	5 088 602

17. Production expenses of the sold products

Expenses on fuel and lubricants

Expenses on spare parts and tyres

Wages and obligatory payments of social insurance

Wear and tear of the fixed assets

Materials and current repair of the buses

Public utilities (electrical energy, heating, water)

Expenses on business trips

Services rendered by the cooperation partners

Insurance of the vehicles

Realization of tickets and monthly tickets for the bus

Other expenses on the economic activity

Total

31.12.07.	31.12.07.	31.12.06.	31.12.06.
LVL	EUR	LVL	EUR
1 378 464	1 961 378	1 319 700	1 877 764
432 572	615 495	374 062	532 242
1 332 637	1 896 172	967 573	1 376 732
392 227	558 089	344 889	490 732
148 814	211 743	100 162	142 518
57 653	82 033	53 113	75 573
35 202	50 088	26 332	37 467
65 120	92 657	53 782	76 525
20 639	29 367	18 256	25 976
24 096	34 286	21 276	30 273
220 058	313 114	211 810	301 378
4 107 482	5 844 420	3 490 955	4 967 181

18. Expenses of the administration

Salaries and obligatory payments of social insurance

Expenses on transport and business trips

Communication expenses

Attending of seminars

Other expenses on administrative activity

Total

31.12.07.	31.12.07.	31.12.06.	31.12.06.
LVL	EUR	LVL	EUR
86 121	122 539	85 243	121 290
4 506	6 411	2 051	2 918
6 850	9 747	5 986	8 517
874	1 244	352	501
4 024	5 726	5 186	7 379
102 375	145 667	98 818	140 605

19. Other incomes from the economic activity of the company	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Incomes from lease of fixed assets	52 585	74 822	36 333	51 697
Insurance compensation for damaged vehicles	58 695	83 515	1 535	2 184
Incomes of the bus station for realization of tickets and use of the bus station	34 844	49 579	33 321	47 412
Income from currency rate deviations	705	1 003	847	1 205
Incomes from revaluation reserve of the long-term investment	47 676	67 837	59 283	84 352
Other incomes	16 933	24 093	24 632	35 049
Total	211 438	300 849	155 951	221 898

20. Other expenses on economic activity of the company	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Paid fines	1419	2019	295	420
Expenses not related to the economic activity	2 995	4 262	1 818	2 587
Total	4 414	6 281	2 113	3 007

21. Other interest incomes and similar incomes	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Bank interests	9 727	13 840	3 478	4 949
Total	9 727	13 840	3 478	4 949

22. Interest payment and similar expenses	31.12.07.	31.12.07.	31.12.06.	31.12.06.
	LVL	EUR	LVL	EUR
Payment of credit interests	14 277	20 314	12 159	17 301
Payment of interests for purchased land	0	0	1 540	2 191
Total	14 277	20 314	13 699	19 492

Currency rate 1 EUR = 0,702804 LVL

A/S „Liepājas autobusu parks” Report by the Administration

A/S “Liepājas autobusu parks” performed carriage of passengers in the city, regional, long distance and international routes, offered coaches for tourism and excursions, served one of the taxi routes in the city, as well as rendered services to transport companies.

Net turnover in the year of 2007 was 4 261 976 lats, what in comparison with the year of 2006 increased by 685 686 Ls, or 19.17%.

Total incomes from carriages of passengers in the year of 2007 were 4 261 976 Ls, including direct incomes from carriages of passengers that were 3 164 280 Ls. In its turn, in the year of 2006 the above mentioned showings were 3 576 290 Ls and 2 763 764 respectively, i.e. the increase is by 19.17% and 14,49%.

At the same time, production costs of the sold output increased by 17.66%, mostly the increase of wages and obligatory social payments, as well as wear and tear of fixed assets and increase of prices on fuel. Production costs of the sold output in the year of 2007 were 4 107 481 Ls.

The financial status of the company is still negatively influenced by illegal carriage of the passengers on the route Liepāja – Rīga. This problem unsuccessfully solve both the Association of Auto Carriers and the administration since 1995. The first positive results appeared in the year of 2007 when certain co-ordinated and purposeful steps were taken to solve the above mentioned problem in co-operation with the Ministry of Home Affairs and Ministry of Traffic.

In 2007 the company continued working on modernization of industrial means and equipment, as well as modernization of work management, especially emphasizing the events relating to proper preparation of the company for competition for the rights to perform carriage of passengers.

In the beginning of 2007 “Liepājas autobusu parks” joined the unified ticket selling programme “Baltic Line”.

The year of 2007 was a year of intensive work in order to put into operation the unified software “Microsoft Navision” in the company.

On 13 July 2007 Gundars Kristapsons was officially appointed as the Chairman of the Board of A/S “Liepājas autobusu parks”.

In March 2008 the company purchased seven used buses for carriages in the city and until the end of April 2008 eight more of such buses shall be purchased additionally.

In 2008 the joint-stock company "Liepājas autobusu parks" shall accomplish introduction of the software Microsoft Navision, shall install the new processing line (break test bench, shaker, tyre mounting rig, headlight adjuster), and shall continue to renew the vehicles.

Administration of A/S "Liepājas autobusu parks" regards as necessary to invest 135 089 Ls of the profit gained in 2007 for purchase of buses.

A/S "Liepājas autobusu parks"

Chairman of the Board

G.Kristapsons

Member of the Board

U.Arnicaņš

Deputy Chairman of the Board

E.Dupats