SIA "ExpressCredit"

ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2014

AND

CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

PREPARED IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY EU

Translation from Latvian

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Information on the Company

Name of the Company	ExpressCredit SIA
Legal status of the Company	Limited liability company
Number, place and date of registration	4010325854 Commercial Registry Riga, 12 October 2009
Operations as classified by NACE classification code system	NACE2 64.92 Other credit granting
Address	Raunas street 44, Riga, LV-1039 Latvia
Names and addresses of shareholders (from 30.10.2013)	SIA Express Holdings (51%) Hāpsalas street 1 k-1-17, Riga, Latvia SIA Ebility (24,50%) Raunas street 44 k-1, Riga, Latvia SIA AE Consulting (24,50%) Posma street 2, Riga, Latvia
Names and positions of Board members	Agris Evertovskis - Chairman of the Board Edgars Bilinskis - Member of the Board Kristaps Bergmanis - Member of the Board from 11.07.2014 Didzis Admidins - Member of the Board from 11.07.2014 Edgars Turlajs- Chairman of the Council till 02.07.2014. Ieva Judinska-Bandeniece – Chairman of the Council from 10.07.2014. Uldis Judinskis - Deputy Chairman of the Council from 27.06.2014. Ramona Miglāne - Member of the Council from 27.06.2014.
Financial year	1 January - 31 December 2014
Subsidiary	SIA ExpressInkasso (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	22.10.2010
Number, place and date of registration of the subsidiary Address of the subsidiary	40103211998; Riga, 27 January 2009 Raunas Street 44 k-1; Riga, LV 1039
Operations as classified by NACE classification code system of the subsidiary	66.1 Financial support services except insurance and pension accrual
Name and address of the auditor	SIA “Potapoviča un Andersone” Certified Auditors’ Company Licence Nr. 99 Ūdens street 12-45, Riga, LV-1007 Latvia Responsible Certified Auditor Kristīne Potapoviča Certificate Nr. 99

Interim management report

Group's performance during the reporting period

Group has worked successfully over the period from 1 January to 31 December 2014. Total revenue for the period increased by 21% over the 2013 and reached EUR 16 627 992.

Due to implementation of the chosen business strategy, the Group's financial indicators continued to improve in year of 2014:

- During the period, the Loan portfolio of the Group has increased significantly – by 28% - and reached EUR 6.2 million;
- As at 31 December 2014, the amount of the Group's assets equaled EUR 10.9 million ;
- Net profit for 2014 was EUR 1 401 563 (2013 EUR 379 116).

During the reporting period, according to the bond issue prospectus, SIA ExpressCredit has elected and registered Council of the Company in the Register of Enterprises of the Republic of Latvia.

Branches

During the period from 1 January to 31 December 2014 has continued the work on the branch network to increase efficiency, loan volume increase and IT systems development. As at end of the period, the Group had 93 branches in 38 Latvian cities (31.12.2013. - 93 branches in 38 cities in Latvian).

Group's risk exposure

The Group is not exposed to material foreign exchange risk because settlement takes place in euro. The Group has financed assets by bond issue at fixed interest rate, reducing exposure to significant variable interest rate risk. Accurate application of the prudent strategies has allowed the Group to successfully manage its financial risks, particularly, liquidity and credit risk.

Subsequent events

On 12 February 2015, the Group's parent company and the Riga City council has signed a contract for the purchase of SIA "Riga City Pawnshop" 569 148 (100%) shareholding. The right to acquired shareholding rights have been acquired in the auction process. The purchase price of EUR 880 000 was transferred on 18 February 2015. On 23 February 2015, the transaction was registered in the Register of Enterprises of the Republic of Latvia.

Except for the above, there have been no significant events since the reporting date and the date of signing of the report that could significantly affect the results for the year 2014.

Future prospects

In the year 2015 the Group plans to strengthen market leadership and improve the branch network. It is planned that the company's portfolio and profit dynamics will be with upward trend from year 2014 results.

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Agris Evertovskis Chairman of the Board	Edgars Bilinskis Member of the Board
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Kristaps Bergmanis Member of the Board	Didzis Admidins Member of the Board

Riga, ____. ________ 2015

Statement of Management Responsibility

SIA ExpressCredit management is responsible for preparation of the annual and inter-period financial statements.

Based on Company's Board available information, the financial statements have been prepared in accordance with accounting transaction documentation and with the International Financial Reporting Standards and give a true and fair view of the company's assets, liabilities, financial position as at 31 December 2014 and 2014 profits and cash flows.

Management of the Company confirms that an appropriate and consistent accounting policies and management estimates are used. Management of the Company confirms that the financial statements are prepared using precaution principle as well as the going concern assumption.

Management of the Company confirms it's responsibility for providing proper accounting provisioning, as well as asset monitoring, control and conservation policies. The Company's management is responsible for detection and prevention of the error, inaccuracy and / or fraud. The Company's management is responsible for the company's activities to be carried out in compliance with the legislation of the Republic of Latvia.

The management report includes a fair view of the development of the Company's business and results of operation.

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Agris Evertovskis
Chairman of the Board

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Riga, ____. ________ 2015

Profit or loss account for the year ended 31 December 2014

	Parent company 2014 EUR	Group 2014 EUR	Parent company 2013 EUR	Group 2013 EUR
Net sales	7 650 397	7 987 859	6 395 631	6 395 631
Cost of sales	(5 596 572)	(5 881 617)	(4 678 868)	(4 678 868)
Interest income and similar income	8 463 985	8 640 133	7 278 436	7 304 487
Interest expenses and similar expenses	(1 175 458)	(1 216 106)	(1 422 860)	(1 425 319)
Gross profit	**9 342 352**	**9 530 269**	**7 572 339**	**7 595 931**
Selling expenses	(4 812 824)	(4 880 420)	(4 397 795)	(4 405 302)
Administrative expenses	(1 877 951)	(1 883 023)	(1 329 204)	(1 332 376)
Other operating income	56 328	56 328	32 377	32 635
Other operating expenses	(1 225 712)	(1 226 186)	(1 309 495)	(1 312 750)
Profit before taxes	**1 482 193**	**1 596 968**	**568 222**	**578 138**
Corporate income tax for the reporting year	(263 264)	(286 038)	(224 730)	(225 810)
Deferred tax	90 633	90 633	26 788	26 788
Current year's profit	**1 309 562**	**1 401 563**	**370 280**	**379 116**
Earnings per share	**3.07**	**3.28**	**0.87**	**0.89**

Comprehensive income statement for 2013

	2014 EUR	2014 EUR	2013 EUR	2013 EUR
Current year's profit	1 309 562	1 401 563	**370 280**	**379 116**
Other comprehensive income			**-**	**-**
Total comprehensive income	**1 309 562**	**1 401 563**	**370 280**	**379 116**

Notes on pages from 10 to 22 are integral part of these financial statements.

Agris Evertovskis
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Member of the Board

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Member of the Board

Riga, ____. ________ 2015

Balance sheet as at 31 December 2014	Note	Parent company 31.12.2014. EUR	Group 31.12.2014. EUR	Parent company 31.12.2013. EUR	Group 31.12.2013. EUR
Assets					
Long term investments					
Fixed assets and intangible assets	1	393 949	393 949	449 822	449 822
Loans and receivables	4	462 610	462 610	297 709	297 709
Loans to shareholders and management	2	1 295 066	1 295 066	1 942 057	1 942 057
Participating interest in subsidiaries		2 846	-	2 846	-
Deferred tax asset		117 420	117 420	26 787	26 787
Total long-term investments:		**2 271 891**	**2 269 045**	**2 719 221**	**2 716 375**
Current assets					
Finished goods and goods for sale	3	1 345 338	1 345 338	1 012 380	1 012 380
Loans and receivables	4	5 401 363	5 829 700	4 260 989	4 602 466
Receivables from affiliated companies		484 492	208 873	547 606	512 979
Other debtors		82 195	82 335	748 701	755 229
Deferred expenses		27 762	30 089	25 581	29 094
Cash and bank		1 197 128	1 197 718	720 753	790 889
Total current assets:		**8 538 278**	**8 694 053**	**7 316 010**	**7 703 037**
Total assets		**10 810 169**	**10 963 098**	**10 035 231**	**10 419 412**
Liabilities					
Shareholders' funds:					
Share capital	5	426 861	426 861	426 861	426 861
Prior years' retained earnings		279 540	295 703	1 009 260	1 016 586
Current year's profit		1 309 562	1 401 563	370 280	379 117
Total shareholders' funds:		**2 015 963**	**2 124 127**	**1 806 401**	**1 822 564**
Creditors:					
Long-term creditors:					
Bonds issued	6	6 471 466	6 471 466	3 108 191	3 108 191
Other borrowings	7	596 676	596 676	753 094	753 094
Total long-term creditors:		**7 068 142**	**7 068 142**	**3 861 285**	**3 861 285**
Short-term creditors:					
Bonds issued	6	992 436	992 436	984 967	984 967
Other borrowings	7	30 341	30 341	531 723	894 130
Accounts payable to affiliated companies		-	-	2 091 469	2 091 469
Trade creditors and accrued liabilities		435 014	456 100	404 778	407 220
Taxes and social insurance	8	268 273	291 952	354 608	357 777
Total short-term creditors:		**1 726 064**	**1 770 829**	**4 367 545**	**4 735 563**
Total liabilities and shareholders funds		**10 810 169**	**10 963 098**	**10 035 231**	**10 419 412**

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Riga, ____. ________ 2015

Parent Company Statement of changes in equity for the year ended 31 December 2014

	Share capital	Prior years' retained earnings	Current year's profit	Total
	EUR	EUR	EUR	EUR
As at 31 December 2012	**426 861**	**270 692**	**821 652**	**1 519 206**
Dividends paid	-	(83 085)	-	(83 085)
Profit transfer	-	821 652	(821 652)	-
Profit for the year	-	-	370 280	370 280
As at 31 December 2013	**426 861**	**1 009 259**	**370 280**	**1 806 401**
Dividends paid	-	(1 100 000)	-	(1 100 000)
Profit transfer	-	370 280	(370 280)	-
Share capital denomination	(1)	1	-	-
Profit for the year	-	-	1 309 562	1 309 562
As at 31 December 2014	**426 861**	**279 540**	**1 309 562**	**2 015 963**

Group Statement of changes in equity for the year ended 31 December 2014

	Share capital	Prior years' retained earnings	Current year's profit	Total
	EUR	EUR	EUR	EUR
As at 31 December 2012	**426 861**	**278 119**	**821 552**	**1 526 533**
Dividends paid	-	(83 086)	-	(83 086)
Profit transfer	-	821 552	(821 552)	-
Profit for the year	-	-	379 117	379 117
As at 31 December 2013	**426 861**	**1 016 585**	**379 117**	**1 822 564**
Dividends paid	-	(1 100 000)	-	(1 100 000)
Profit transfer	-	379 117	(379 117)	-
Share capital denomination	(1)	1	-	-
Profit for the year	-	-	1 401 563	1 401 563
As at 31 December 2014	**426 861**	**295 703**	**1 401 563**	**2 124 127**

Notes on pages from 10 to 22 are integral part of these financial statements.

Cash flow statement for the year ended 31 December 2014

	Parent company 2014 EUR	Group 2014 EUR	Parent company 2013 EUR	Group 2013 EUR
Cash flow from operating activities				
Profit before extraordinary items and taxes	**1 482 193**	**1 596 968**	**568 222**	**578 138**
Adjustments for:				
a) fixed assets depreciation	249 346	249 346	210 078	210 078
b) intangible assets amortisation	82 313	82 313	3 974	3 974
c) intangible assets amortisation	-	-	84 584	1 298 426
d) write-off of provisions	1 044 659	-	(12 671)	(12 6701)
e) cessation results	(8 463 885)	(8 640 133)	1 210 996	-
f) interest income	1 175 458	1 216 106	(7 278 436)	(7 278 436)
g) interest and similar expense	(15 723)	(15 723)	1 410 451	1 410 451
h) write-off fixed and intangible assets	13 441	13 441	5 767	5 767
Loss before adjustments of working capital and short-term liabilities	**(4 432 198)**	**(5 497 682)**	**(3 797 035)**	**(3 784 273)**
Adjustments for:				
a) increase in consumer loans issued and other debtors	(1 541 030)	(575 657)	(1 185 690)	(1 488 373)
b) stock increase	(381 806)	(381 806)	(67 150)	(67 150)
c) trade creditors' increase	(105 749)	(87 205)	(116 779)	(114 333)
Gross cash flow from operating activities	**(6 460 783)**	**(6 542 350)**	**(5 166 654)**	**(5 454 129)**
Corporate income tax payments	(247 084)	(249 243)	(385 810)	(390 620)
Interest income	8 324 699	8 500 946	7 254 428	7 254 428
Net cash flow from operating activities	**1 616 832**	**1 709 353**	**1 701 964**	**1 409 679**
Cash flow from investing activities				
Acquisition of fixed assets and intangibles	(109 720)	(109 720)	(238 317)	(238 317)
Proceeds from sales of fixed assets and intangibles	54 656	54 656	-	-
Loans issued (other than core business of the Company) (net)	704 714	945 706	(2 045 964)	(2 045 964)
Assets held for sale	-	-	25 572	25 572
Net cash flow from investing activities	**649 650**	**890 642**	**(2 258 709)**	**(2 258 709)**
Cash flow from financing activities				
Loans received and bonds issued (net)	4 340 000	4 340 000	2 953 868	3 316 275
Repayment of bonds	(1 000 000)	(1 000 000)	-	-
Loans repaid	(2 773 743)	(3 136 154)	-	-
Finance lease payments	(58 805)	(58 805)	(16 705)	(16 705)
Dividends paid	(1 100 000)	(1 100 000)	(83 084)	(83 084)
Interest paid	(1 197 559)	(1 238 207)	(1 719 156)	(1 719 156)
Net cash flow from financing activities	**(1 790 107)**	**(2 193 166)**	**1 134 923**	**1 497 330**
Net cash flow of the reporting year	**476 375**	**406 829**	**578 178**	**648 300**
Cash and cash equivalents at the beginning of the reporting year	**720 753**	**790 889**	**142 575**	**142 589**
Cash and cash equivalents at the end of reporting year	**1 197 128**	**1 197 718**	**720 753**	**790 889**

Notes on pages from 10 to 22 are integral part of these financial statements.

Notes

Accounting policies

(a) Basis of preparation

These financial statements have been prepared based on the accounting policies and measurement principles as set out below.

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Having regard to the EU's approval procedure, these Notes also list the standards and interpretations that are not yet approved for application by the EU because the said standards and interpretations, if approved, may affect the Company's financial statements in future periods. The valuation of assets and liabilities and net profit data of the company have not been affected in the result of transfer of IFRS.

The preparation of financial statements in accordance with IFRS requires the use of significant estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the information on contingent assets and liabilities at the balance sheet date and the revenues and costs for the reporting period. Although these estimates are based on the information available to the management regarding the current events and actions, the actual results may differ from the estimates used. Critical assumptions and judgements are described in the relevant sections of the Notes to the financial statements.

Standards, amendments and interpretations that are effective from 1 January 2013 (including those which have not yet been adopted by the EU) and are applicable for the preparation of financial statements for the year ended 31 December 2013. None of these standards apply directly due to the nature of the operations of the Group.

IFRS 10, ‘Consolidated Financial Statements’ (effective for annual periods beginning on or after 1 January 2013 although endorsed by EU for annual periods on or after 1 January 2014);

IFRS 11, ‘Joint arrangements’ (effective for annual periods beginning on or after 1 January 2013 although endorsed by EU for annual periods on or after 1 January 2014);

IFRS 12, ‘Disclosures of interests in other entities’ (effective for annual periods beginning on or after 1 January 2013 although endorsed by EU for annual periods on or after 1 January 2014);

Amendments to IFRS **10, 11 and 12** on transition guidance (effective for annual periods beginning on or after 1 January 2013 although endorsed by EU for annual periods on or after 1 January 2014);

IFRS 13, ‘Fair value measurement’ (effective for annual periods beginning on or after 1 January 2013);

IAS 27 (revised in 2011) ‘Separate financial statements’ (effective for annual periods beginning on or after 1 January 2013 although endorsed by EU for annual periods on or after 1 January 2014);

IAS 28 (revised in 2011) ‘Associates and joint ventures’ (effective for annual periods beginning on or after 1 January 2013 although endorsed by EU for annual periods on or after 1 January 2014);

Annual improvements 2011 (effective for annual periods beginning on or after 1 January 2013):

Amendment to **IFRS 1**, ‘First time adoption’, on government loans (effective for annual periods beginning on or after 1 January 2013);

Amendment to **IFRS 7**, ‘Financial instruments: Disclosures’, on offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2013);

Amendment to **IAS 12**, ‘Income taxes’ on deferred tax (effective for annual periods on or after 1 January 2012 but endorsed by EU for annual periods on or after 1 January 2013);

Amendment to **IAS 19**, ‘Employee benefits’ (effective for annual periods beginning on or after 1 January 2013);

IFRIC 20, ‘Stripping costs in the production phase of a surface mine’ (effective for annual periods beginning on or after 1 January 2013).

Amendment to **IAS 1** „Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2013).

A number of new standards and interpretations have been published and come into force on financial periods beginning on or after 1 January 2014, and do not relate to the Company's operations or are not approved in the European Union.

Amendments to **IAS 32** “Financial instruments: Presentation”, on offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014).

Amendments to **IFRS 10, IFRS 12 and IAS 27** for investment entities (effective for annual periods beginning on or after 1 January 2014).

IFRS 9 “Financial Instruments - Classification and Measurement” (effective date to be determined).

Amendments to **IAS 19** “Employee benefits plans” (effective for annual periods beginning on or after 1 January 2013).

Amendments to **IAS 36** “Impairment of assets” (effective for annual periods beginning on or after 1 January 2014).

Amendments to **IAS 39** “Financial instruments: Recognition and measurement’, on novation of derivatives and hedge accounting (effective for annual periods beginning on or after 1 January 2014).

Notes (continued)
Accounting policies (continued)
(a) Basis of preparation (continued)

Annual improvements 2012 (effective for annual periods beginning on or after 1 July 2014):

These amendments include changes from the 2010-2012 cycle of the annual improvements project that affect 7 standards:

- IFRS 2 'Share-based payment'
- IFRS 3 'Business Combinations'
- IFRS 8 'Operating segments'
- IFRS 13 'Fair value measurement'
- IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets'
- Consequential amendments to IFRS 9, 'Financial instruments',
- IAS 37 'Provisions, contingent liabilities and contingent assets',
- IAS 39 Financial instruments – Recognition and measurement'.

Annual improvements 2013 (effective for annual periods beginning on or after 1 July 2014):
The amendments include changes from the 2011-12-13 cycle of the annual improvements project that affect 4 standards:

- IFRS 1 'First time adoption'
- IFRS 3 'Business combinations'
- IFRS 13 'Fair value measurement' and
- IAS 40 'Investment property'.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 1 January 2014).

(b) Accounting principles applied
The items in the financial statements have been measured based on the following accounting principles:

a) It is assumed that the company will continue as a going concern;
b) The measurement methods applied in the previous reporting year have been used;
c) The measurement of the items has been performed prudently meeting the following criteria:
   - Only profits accruing up to the balance sheet date have been included in the report;
   - All possible contingencies and losses arising in the reporting year or the previous year have been recognised, even if they became known in the period between the balance sheet date and the issuance of the annual report;
   - All impairment and depreciation charges have been calculated and recognised irrespectively of whether the company has operated profitably or not during the reporting year;
d) All income and expenses relating to the accounting year irrespective of the date of the payments made or the dates of receipt or payment of invoices have been recognised. Revenues are matched with expenses in the reporting year.
e) Assets and liabilities are presented at their gross amounts;
f) The opening balances of the reporting period reconcile with the closing balances of the previous reporting period;
g) All items which may materially affect the assessment or decision-making of the users of the financial statements are presented, immaterial items have been aggregated and their breakdown is presented in the Notes;
h) Business transactions are presented based on their economic substance rather than their legal form.

Asset and liability recognition is performed on historical cost basis. All financial assets and liabilities are classified as held to maturity or loans and receivables.

(c) Recognition of revenue and expenses

- Net sales

Net revenue represents the total value of goods sold and services provided during the year net of value added tax.

- Interest income

The Company presents interest income in the section of the Profit and loss account prior to calculation of gross profit, as this income is related to the basic activities of the Company – charging interest for loans issued in return to pledge held as security or loans issued on other conditions. Interest income is recognised using accruals principle. Interest income is not recognised from the moment the recoverability of principal is considered doubtful. Penalty interest is recognised on a cash basis.

- Other income

Other income is recognised based on accruals principle.

- Penalties and similar income

Of collection exists, is recognised based on cash principle.

- ***Expenses***

Expenses are recognised based on accruals principle in the period of origination, irrespective of the moment of payment. Expenses related to financing of loans is recognised in the period of liability origination and included in the profit and loss items „Interest and similar expenses".

Notes (continued)
Accounting policies (continued)

(d) Foreign currency translation into LVL

(d1) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statement items are denominated in euro (EUR), which is the Company's functional and presentation currency.

(d2) Transactions and balances
All transactions in foreign currencies are translated into the functional currency using the exchange rates at the date of the respective transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement of the respective period. At the balance sheet date the rates set by the Bank of Latvia were:

	31.12.2014
	EUR
1 USD	1.21410

(e) Financial instruments – key measurement terms
Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values of financial assets or liabilities, including derivative financial instruments in active markets are based on quoted market prices. If the market for a financial asset or liability is not active (and for unlisted securities) the Group establishes fair value by using valuation techniques. These include the use of discounted cash flow analysis, option pricing models and recent comparative transactions as appropriate and may require the application of management's judgement and estimates. Where, in the opinion of the Management, the fair values of financial assets and liabilities differ materially from their book values such fair values are separately disclosed in the notes to the accounts.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments plus accrued interest and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any) are not presented separately and are included in the carrying values of related items on the balance sheet.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(f) Offsetting of financial assets and liabilities
Financial assets and liabilities are offset and net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(g) Intangible assets and fixed assets
All intangible assets and fixed assets are initially measured at cost. Intangible assets and fixed assets are recorded at historic cost net of depreciation and permanent diminution in value. Depreciation or amortisation is calculated on a straight-line basis to write down each asset to its estimated residual value over its estimated useful life as follows:

	years
Buildings	20
Constructions	5
Intangibles	3 - 5
Other fixed assets	3 - 5
Low value inventory (worth over 71 EUR)	3

The residual values, remaining useful lives and methods of depreciation are reviewed and, if required, adjusted annually. Fixed asset and intangibles recognition is terminated in case of its liquidation or when no future benefits are expected in connection with the utilisation of the respective asset. Any profit or loss connected with the termination of recognition (calculated as difference between the disposal gains and net book value as at the moment of derecognition), is recognised in the profit or loss account in the period when derecognition occurs. Leasehold improvements are written down on a straight-line basis over the shorter of the estimated useful life of the leasehold improvement and the term of the lease. Current repairs and maintenance costs are charged to profit and loss account in the period when the respective costs are incurred.

Notes (continued)

Accounting policies (continued)

(h) Investments in the associated companies
In the financial statements the investments in associated companies are carried at equity method. Under this method the value of the investment at the balance sheet date comprises the value of the equity of the associated company corresponding to the share of investment and the book value of the positive goodwill arising at the acquisition of the investment.

At the year-end the amount of the reported item is increased or decreased by reference to the Company's share in the profit or loss of the associated company during the year (in the post-acquisition period), or other changes in equity, as well as by the reduction of the goodwill arising at acquisition to its recoverable amount. Unrealised profit on inter-company transactions is excluded. Profit distribution is presented in the year following the reporting year in which the shareholders adopt a decision on profit distribution.

(i) Impairment of assets
Intangible assets which are not put into operation or which do not have a useful life are not amortised; their value is reviewed annually. The value of the assets subject to depreciation or amortisation is reviewed whenever any events or circumstances support that their carrying value may not be recoverable. Impairment losses are recognised in the amount representing the difference between the carrying value of the asset and its recoverable value. Recoverable amount is the higher of the respective asset's fair value less the costs to sell and the value in use. In order to determine impairment, assets are grouped based on the smallest group of assets that independently generates cash flow (cash generating units).

(j) Segments
A geographical segment provides products or services within a particular economic environment that is subject to other economic environments characterized by different risks and benefits. A business segment is a share of assets and operations, providing products and services that are subject to other business segments of different risks and benefits.

(k) Inventories
Inventories are stated at the lower of cost or market price. Inventories are measured using the weighted FIFO method. The Company assesses at each balance sheet date whether there is objective evidence that inventories are impaired and makes provisions for slow-moving or damaged inventories. Inventories loss is recognised in the period such loss is identified, writing off the relevant inventory values to the period profit and loss account.

(l) Seized assets
Collateral is repossessed following the foreclosure on loans that are in default. Seized assets are measured at the lower of cost or net realisable value and reported within "Inventories".

(m) Trade and other receivables
Accounts receivable comprise loans and other receivables (other debtors, advances and deposits) that are non-derivative financial assets with fixed or determinable payments. Loans are carried at amortised cost where cost is defined as the fair value of cash consideration given to originate those loans. All loans and receivables are recognised when cash is advanced to borrowers and derecognised on repayments. The Company has granted consumer loans to customers throughout its market area. The economic condition of the market area may have an impact on the borrowers' ability to repay their debts. Restructured loans are no longer considered to be past due unless the loan is past due according to the renegotiated terms.

The Company assesses at each balance sheet date whether there is objective evidence that loans are impaired. If any such evidence exists, the amount of the allowances for loan impairment is assessed as the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from collateral discounted at the original effective interest rate. The assessment of the evidence for impairment and the determination of the amount of allowances for impairment or its reversal requires the application of management's judgement and estimates. Management's judgements and estimates consider relevant factors including but not limited to, the identification of non-performing loans (loan repayment schedule compliance), the estimated value of collateral (if taken) as well as other relevant factors affecting loan and recoverability and collateral values. These judgements and estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known. The Management of the Company have made their best estimates of losses based on objective evidence of impairment and believe those estimates presented in the financial statements are reasonable in light of available information.

When loans cannot be recovered they are written off and charged against allowances for loan impairment losses. They are not written off until all the necessary legal procedures have been completed and the amount of the loss is finally determined.

The provision in the allowance account is reversed if the estimated recovery value exceeds the carrying amount.

In accordance with the provisioning policy developed by the Company (for non-secured consumer loans with the term of repayment up to 2 years) provisions are made based on the payment delay analysis at following rates:

Notes (continued)
Accounting policies (continued)

(m) Trade and other receivables (continued)

Days of delay	Provision made
0	0.3%
1-15	6%
16-30	18%
31-60	32%
61-90	42%
91-180	47%
181-360	67%
360-720	92%
721+	100%

Provisions for interest income debts is made in accordance with the policies set by the management of the Company. In accordance with the provisioning policy for unsecured short term (up to 30 days) loans, the provisions are calculated based on the incurred loss method. In accordance with this method, the loans outstanding for 4 and more months are evaluated for recoverability using discounted cashflow analysis (applicable to expected cashflows from principal, interest and penalty payments) and ratio of inflowing assets to the gross balance sheet values of the respective loans and interest accrued. The provision is calculated for the principal outstanding over 4 months as the difference between the balance sheet value of principal and interest accrued and expected decrease of the balance sheet value in the result of future cashflows. The provision for interest accrued is made in accordance with the provisioning policies set by the management making sure that cashflows from interest receivable are excluded from cashflows used as the basis for principal recoverability testing.

The recoverability of other debtors, advances and deposits paid is valued on individual basis if there are any indications of net book value of the asset exceeding its recoverable amount.

(n) Finance lease

Where the property, plant and equipment are acquired under a finance lease arrangement and the Company takes over the related risks and rewards, the property, plant and equipment items are measured at the value at which they could be purchased for an immediate payment. Leasing interest is charged to the profit and loss in the period in which it arises.

(o) Operating leases

Company is a lessor

The type of lease in which the lessor retains a significant part of the risks and rewards pertaining to ownership, is classified as operating lease. Lease payments and prepayments for a lease (net of any financial incentives received from the lessor) are charged to the profit and loss under a straight-line method over the lease term.

(p) Taxes

The corporate income tax expense is included in the financial statements based on the management's calculations made in accordance with the requirements of Latvian tax legislation. Deferred tax is provided for using liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation of property, plant and equipment at different rates and tax losses carried forward to the future taxation periods. Deferred tax assets are recognised only to the extent that recovery is probable.

(q) Provisions for unused annual leave

The amount of provision for unused annual leave is determined by multiplying the average daily pay of employees during the reporting year by the number of accrued but unused annual leave days the end of the reporting year.

(r) Borrowings

Initially borrowings are recognised at the proceeds received net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost which is determined using the effective interest method. The difference between the proceeds received, net of transaction costs and the redemption value of the borrowing is gradually recognized in the profit and loss account over the term of the borrowing.

(s) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, balances of current accounts with banks and short-term deposits with a maturity term of up to 90 days.

(t) Payment of dividends

Dividends due to the shareholders are recognized in the financial statements as a liability in the period in which the shareholders approve the disbursement of dividends.

(u) Financial risk management

(u1) Financial risk factors

The activities of the Company expose it to different financial risks:
(u1.1) foreign currency risk;
(u1.2) credit risk;
(u1.3) operational risk;
(u1.4) market risk;
(u1.5) liquidity risk;
(u1.6) cash flow and interest rate risk.

Notes (continued)
Accounting policies (continued)
(u) Financial risk management (continued)
(u1) Financial risk factors (continued)

The Company's overall risk management is focused on the uncertainty of financial markets and aims to reduce its adverse effects on the Company's financial indicators. The Finance Director is responsible for risk management. The Finance Director identifies, assesses and seeks to find solutions to avoid financial risks acting in close cooperation with other structural units of the Company.

(u1.1) Foreign exchange risk
The Company operates mainly in the local market and its exposure to foreign exchange risk is low. The Finance Director performs analysis of net open positions of each foreign currency and monitors the currency conversion results. No further risk prevention mechanisms are used on the account that the overall currency risk has been assessed as low.

(u1.2) Credit risk
The Company has a credit risk concentration based on its operational specifics – issuance of loans against pledge, as well as issuance of non-secured loans that is connected with an increased risk of asset recoverability. The risk may result in short-term liquidity problems and issues related to timely coverage of short-term liabilities. The Company's policies are developed in order to ensure maximum control procedures in the process of loan issuance, timely identification of bad and doubtful debts and adequate provisioning for potential loss.

(u1.3) Operational risk
Operational risk is a loss risk due to external factors namely (natural disasters, crimes, etc) or internal ones (IT system crash, fraud, violation of laws or internal regulations, insufficient internal control). Operation of the Company carries a certain operational risk which can be managed using several methods including methods to identify, analyse, report and reduce the operational risk. Also self-assessment of the operational risk is carried out as well as systematic approval of new products is provided to ensure the compliance of the products and processes with the risk environment of the activity.

(u1.4) Market risk
The Company is exposed to market risks, basically related to the fluctuations of interest rates between the loans granted and funding received, as well as demand for the Company's services fluctuations. The Company attempts to limit market risks, adequately planning the expected cashflows, diversifying the product range and fixing funding resource interest rates.

(u1.5)Liquidity risk
The Company complies with the prudence principle in the management of its liquidity risk and maintains sufficient funds. The management of the Company has an oversight responsibility of the liquidity reserves and make current forecasts based on anticipated cash flows. Most of the Company's liabilities are short-term liabilities. The management is of the opinion that the Company will be able to secure sufficient liquidity by its operating activities, however, if required, the management of the Company is certain of financial support to be available from the owners of the Company.

(u1.6) Cash flow interest rate risk
As the Company has borrowings and finance lease obligations, the Company's cash flows related to financing costs to some extent depend on the changes in market rates of interest. The Company's interest payment related cash flows depend on the current market rates of interest. The risk of fluctuating interest rates is partly averted by the fact that a number of loans received have fixed interest rates set. Additional risk minimization measures are not taken because the available bank products do not provide an effective control of risks.

(u2) Accounting for derivative financial instruments
The Company does not actively use derivative financial instruments in its operations. Derivative financial instruments are initially recognized at fair value on the date of the contract, and are thereafter measured at fair value at the balance sheet date. Derivative financial instruments are carried as assets if their fair value is positive and as liabilities if fair value is negative. Any gains or losses arising due to the changes in the fair value of the derivative financial instrument are not classified hedges and are recognized directly in the profit and loss.

(u3) Fair value
The carrying value of financial assets and liabilities approximates their fair value. See also note (e).

(u4) Management of the capital structure
In order to ensure the continuation of the Company's activities, while maximizing the return to stakeholders capital management, optimization of the debt and equity balance is performed. The Company's capital structure consists of borrowings from related persons, third party loans and loans from credit institutions and finance lease liabilities, cash and equity, comprising issued share capital, retained earnings and share premium. At year-end the ratios were as follows:

	Parent company 31.12.2014	**Group 31.12.2014**	**Parent company 31.12.2013**	**Group 31.12.2013**
	EUR	**EUR**	**EUR**	**EUR**
Loan and lease liabilities	8 090 909	8 090 909	7 507 059	7 831 851
Cash and bank	(1 197 128)	(1 197 718)	(720 753)	(790 889)
Net debts	**6 893 781**	**6 893 191**	6 786 306	7 040 962
Equity	2 015 963	2 124 127	1 806 401	1 822 564
Liabilities / equity ratio	**4.01**	**3.81**	**4.16**	**4.30**
Net liabilities / equity ratio	**3.42**	**3.25**	**3.76**	**3.86**

Notes (continued)

Accounting policies (continued)

(v) Significant assumptions and estimates
The preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Latvian law requires the management to rely on estimates and assumptions that affect the reported amounts of assets and liabilities and off-balance sheet assets and liabilities at the date of financial statements, as well as the revenues and expenses reporting in the reporting period. Actual results may differ from these estimates.

The following judgements and key assumptions concerning the future are critical, and other causes of inaccuracies in the calculations as at the date of financial statements, with a significant risk of causing a material change in the balance sheet value of assets and liabilities within the next financial year:

- The Company review the useful lives of it's fixed assets at the end of each reporting period. The management makes estimates and uses assumptions with respect to the useful lives of fixed assets. These assumptions may change and the calculations may therefore change.

- The Company review the value of its fixed assets and intangible assets whenever any events or circumstances support that the carrying value may not be recoverable. Impairment loss is recognised in the amount equalling the difference between the carrying value of the asset and its recoverable value. Recoverable amount is the higher of an asset's fair value less the costs to sell and the value in use. The Company is of the view that considering the anticipated volumes of services no material adjustments due to impairment are required the asset values.

- In measuring inventories the management relies on its expertise, past experience, background information, and potential assumptions and possible future circumstances. In assessing the impairment of the value of inventories consideration is given to the possibility to sell the item of inventories and the net realisable value.

- The Company's management, based on estimates, makes provisions for the impairment of the value of receivables. The Company's management is of the opinion that the provisions for receivables presented in the financial statements accurately reflect the expected cash flows from these receivables and that these estimates have been made based on the best available information.

- The Company is composed with caution savings potential future payment obligations in cases where disputes the validity of such legal obligation, or there are legal disputes about the amount of such liabilities.

(w) Related parties
Related parties include the shareholders, members of the Board of the parent company of the Company, their close family members and companies in which the said persons have control or significant influence.

(x) Subsequent events
Post-period-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

(y) Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

(z) Earnings per share
Earnings per share are calculated by dividing the net profit or loss for the year attributable to the shareholders with the weighted-average number of shares outstanding during the year.

Notes (continued)

(1) Parent company and Group Intangible and Fixed asset

	Concessions, patents, trade marks and similar rights EUR	Land and buildings EUR	Other fixed assets and inventory EUR	Leasehold improvements EUR	Total EUR
Cost					
31.12.2013	13 381	36 995	555 274	247 201	852 851
Additions	4 857	-	188 108	39 441	232 406
Disposals	(1 154)	(35 572)	(45 298)	-	(82 024)
31.12.2014	17 084	1 423	698 084	286 642	1 003 233
Depreciation					
31.12.2013	9 673	8 093	262 890	122 373	403 029
Charge for 2014	2 852	296	185 397	60 801	249 346
Disposals	(1 0620	(6 966)	(35 063)	-	(43 091)
31.12.2014	11 463	1 423	413 224	183 174	609 284
Net book value					
31.12.2014	5 621	-	284 860	103 468	393 949
Net book value					
31.12.2013	**3 708**	**28 902**	**292 384**	**124 828**	**449 822**

As at 30 June 2014 the residual value of the fixed assets acquired under the terms of financial lease was 127 017 *euro* (31.12.2013: 69 960 *euro*). The ownership of those fixed assets will be transferred to the Group only after settlement of all lease liabilities.

(2) Parent Company's investments in subsidiaries

Parent company has an interest (100%) in subsidiary SIA "ExpressInkasso" (reg. No. 40103211998).
SIA “ExpressInkasso” main activity is debt recovery.

(3) Group loans to shareholders and management

	Loans to members EUR
31.12.2013.	1 942 057
Loans issued	8 421
Loan interest paid	66 128
Loans repaid	721 540
31.12.2014.	1 295 066
Net book value as at 31.12.2014	1 295 066
Net book value as at 31.12.2013	1 942 057

Interest on borrowing is 3.50% per annum.

The loan maturity - 31 December 2017.

(4) Parent company and Group stock

	31.12.2014. EUR	31.12.2013. EUR
Goods for sale and pledges taken over	1 158 319	783 109
Gold scrap	349 470	342 875
Gross value of stock	**1 507 789**	**1 125 984**
Provisions for slow moving stock and stock value decrease	(162 451)	(113 604)
	1 345 338	**1 012 380**

Notes (continued)

(4a) Provision for obsolete stock

	2014	2013
	EUR	**EUR**
Provisions for obsolete stock at the beginning of the year	113 604	62 716
Written-off	(33 852)	(25 059)
Additional provisions	82 699	75 947
Provisions for obsolete stock at the end of the year	**162 451**	**113 604**

(5) Loans and receivables

	Parent company	Group	Parent company	Group
	31.12.2014.	**31.12.2014.**	**31.12.2013.**	**31.12.2013.**
	EUR	**EUR**	**EUR**	**EUR**
Long-term loans and receivables				
Debtors for loans issued against pledge	321 288	321 288	229 475	229 475
Debtors for loans issued without pledge	141 322	141 322	68 234	68 234
Long-term loans and receivables, total	**462 610**	**462 610**	**297 709**	**297 709**
Short-term loans and receivables				
Debtors for loans issued against pledge	1 975 203	1 975 203	1 666 949	1 666 949
Debtors for loans issued without pledge	3 496 152	3 924 489	2 687 308	3 028 785
Interest accrued	606 901	606 901	462 322	462 322
Provisions for bad and doubtful trade debtors	(676 893)	(676 893)	(555 590)	(555 590)
Short-term loans and receivables, total	**5 401 363**	**5 829 700**	**4 260 989**	**4 602 466**
Loans and receivables	**5 863 973**	**6 292 310**	**4 558 698**	**4 900 175**

On 31 May 2014 and 5 December 2014 was concluded the agreement with SIA "ExpressInkasso about the cessation of the bad receivables in amount 135 074 EUR and 1 340 650.31 EUR, the amount of compensation- EUR 28 738.63 and EUR 402 326.47. Losses from the cessation of the loans are recognized in the current year income statement.

In 2014 the subsidiary company "ExpressInkasso" signed an agreement with an unrelated debt collection company for bad receivable amount cesion with net balance value of EUR 285 045 for EUR 337 172. The profit from this transaction was recognized in the current year profit loss statement.

Debtors balances in the total amount of EUR 2 296 491 (31.12.2013.:EUR 1 896 424) are secured by the pledged object value.

As the debtors balances of loans issued against pledges are secured by pledges, the estimated value of which is approximately 1.5 times the balance sheet value of the debtors, then no provisions for debts overdue are made. All the pledges received for such debts become the property of the Company upon breach of the term of the repayment by the client and are available for sale in the Company's shops.

All loans and receivables are EUR denominated.

(5a) Provisions for bad and doubtful trade and other receivables

	2014	2014	2013	2013
	EUR	**EUR**	**EUR**	**EUR**
Provisions for bad and doubtful receivables at the beginning of the year	555 590	555 590	448 974	448 974
Written-off	(22 090)	(22 090)	(5 634)	(5 634)
Additional provisions	143 393	143 393	112 250	112 250
Provisions for bad and doubtful receivables at the end of the year	**676 893**	**676 893**	**555 590**	**555 590**

Notes (continued)

(6) Share capital

As at 31 December 2014 the subscribed and fully paid share capital consists of 300 000 ordinary shares with a nominal value of 1Ls each.

On 11 July 2014, the Company registered the denomination of the share capital of one euro. Asa t 31 December 2014 the Company's registered share capital is EUR 426 861, consisting of 426 861 ordinary shares with a nominal value of each share EUR 1. As the result of the conversion of the authorized capital at the official exchange rate of 0.702804 to the euro, the difference of EUR 1 was credited to the Company's previous year retained earnings.

(7) Bonds issued

	Parent company	Group	Parent company	Group
	31.12.2014. EUR	31.12.2013. EUR	31.12.2014. EUR	31.12.2013. EUR
Bonds issued	6 500 000	3 160 000	6 500 000	3 160 000
Bonds commission	(28 534)	(51 809)	(28 534)	(51 809)
Total long-term part of bonds issued	**6 471 466**	**3 108 191**	**6 471 466**	**3 108 191**
Bonds issued	1 000 000	1 000 000	1 000 000	1 000 000
Bonds commission	(24 867)	(25 209)	(24 867)	(25 209)
Interest accrued	17 303	10 176	17 303	10 176
Total short-term part of bonds issued	**992 436**	**984 967**	**992 436**	**984 967**
Bonds issued, total	**7 500 000**	**4 160 000**	**7 500 000**	**4 160 000**
Interest accrued, total	**17 303**	**10 176**	**17 303**	**10 176**
Bonds commission, total	**(53 401)**	**(77 018)**	**(53 401)**	**(77 018)**
Bonds issued net	**7 463 902**	**4 093 158**	**7 463 902**	**4 093 158**

As at the date of signature of the reports the parent company has registered secured bonds (ISIN LV0000801280) by Latvian Central Depository with the following terms - 5 000 financial instruments with a nominal value of € 800, and total nomianl value of 4 000 000 euro. Coupon rate - 14%, coupon is paid once a month on the 25th day. Principal amount is amortised once on a quarterly basis at EUR 50 per bond. The full amortization of principal amount is due on 25 November 2018. As of 28 March 2014, the secured bonds are publicly traded on Baltic list of debt securities of the NASDAQ OMX exchange.

As at the date of signature of the reports the parent company has registered unsecured bonds (ISIN LV0000801322) by Latvian Central Depository with the following terms - 3 500 financial instruments with a nominal value of EUR 1 000, with a total nominal value of 3 500 000 euro. Coupon rate - 15%, coupon is paid once a month on the 25th day. Principal amount is about to be amortised on a quarterly basis starting from 25 March 2019 at EUR 125.00 per bond. The full amortization of principal amount is due on 25 December 2020. As of 14 April 2014, the unsecured bonds are publicly traded on Baltic list of debt securities of the NASDAQ OMX exchange.

The bonds are secured by the commercial pledge of the total assets and shares of the Company and its subsidiary SIA EkspressInkasso as well as future components of these assets. The bonds are also secured by the financial pledge of the cash assets and financial instruments (if existent) of the Company and its subsidiary SIA EkspressInkasso held at AS Reģionālā investīciju banka”. The bond holders have the rights to recover their assets proportionately to their share of investment in case of pledge realisation if the Company has breached the conditions of coupon payment or principal repayment.

The following pledge agreements with the total pledge value of EUR 6 million are concluded. The secured amount of each pledge – in the total value of the pledge amount:

- with the Company and its subsidiary on 100 shares of SIA EkspressInkasso;
- with the Company and its subsidiary on aggregate movable property and future components of these assets:
- with the Company on aggregate movable property and future components of these assets. Leased vehicles are excluded from the pledge listing.

Notes (continued)

(8) Other borrowings

	Parent company 31.12.2014. EUR	Group 31.12.2014. EUR	Parent company 31.12.2013. EUR	Group 31.12.2013. EUR
Long-term finance lease	96 676	96 676	47 818	47 818
Other long-term loans	500 000	500 000	705 276	705 276
Total other long-term loans	**596 676**	**596 676**	**753 094**	**753 094**
Short-term finance lease	30 341	30 341	15 317	15 317
Other short-term loans	-	-	514 048	874 048
Interest accrued on other loans	-	-	2 358	4 765
Total other short-term loans	**30 341**	**30 341**	**531 723**	**894 130**
Total other loans	**627 017**	**627 017**	**1 284 817**	**1 647 224**

The parent company has acquired fixed assets on finance lease. as at 30 June 2014 the interest rate was set as 3 M Euribor + 5.5% and 6M Euribor+3-4.5%.. See Note 1 on balance sheet values of fixed assets acquired under the finance lease conditions

The parent company has received loans from private individuals and legal entities. The interest is charged from 0 to 15 % p.a. The loans are received without security granted.

(9) Parent company taxes and social insurance

	VAT EUR	Corporate income tax EUR	Real estate tax* EUR	Business risk charge EUR	Social insurance EUR	Payroll tax EUR	Vehicles tax EUR	Total EUR
Liabilities 31.12.2013.	**24 374**	**31 364**	**-**	**93**	**156 258**	**140 171**	**2 348**	**354 608**
Charge for 2014	274 657	263 264	381	1 238	1 043 062	615 177	14 334	2 212 113
Penalties calculated for 2014	694	2163	-	1	2 076	11 066	-	16 000
Paid in 2014	(265 741)	(249 246)	(381)	(1 232)	(1 115 748)	(667 530)	(14 570)	(2 314 448)
Liabilities 31.12.2014.	**33 984**	**47 545**	**-**	**100**	**85 648**	**98 884**	**2 112**	**268 273**

Group taxes and social insurance

	VAT EUR	Corporate income tax EUR	Real estate tax* EUR	Business risk charge EUR	Social insurance EUR	Payroll tax EUR	Vehicles tax EUR	Total EUR
Liabilities 31.12.2013.	**24 371**	**32 445**	**-**	**94**	**157 641**	**140 878**	**2 348**	**357 777**
Charge for 2014	274 719	286 038	381	1 255	1 058 382	623 135	14 334	2 258 244
Penalties calculated for 2014	695	2164	-	1	2 121	11 256	-	16 237
Received tax overpayment	1	-	-	-	-	-	-	1
Paid in 2014	(265 806)	(251 407)	(381)	(1 251)	(1 131 182)	(675 710)	(14 570)	(2 340 306)
Liabilities 31.12.2014.	**33 980**	**69 240**	**-**	**99**	**86 962**	**99 559**	**2 112**	**291 952**

* Real estate tax payments are performed also for the leased premises in Riga, Gogoļa street.

Notes (continued)

(10) Average number of employees

	2014	2013
Average number of employees during the reporting year:	**287**	**277**

(11) Management remuneration

	31.12.2014. EUR	31.12.2013. EUR
Board members' remuneration		
· salary expenses	127 668	25 643
· social insurance	27 943	6 178
	155 611	**31 821**

(12) Related party transactions

During the reporting period the Company had transactions with the following related parties

Related party	**Transactions in 2014**	**Transactions in 2013**
Parent company (from 30.10.2013)		
„Express Holdings, SIA, reg. No. 40103718685	X	N/A
„AE Consulting", SIA, reg. No. 40003870736	X	X
„Ebility", SIA, reg. No. 40103720891	X	X
Companies and individuals under common control or significant influence		
Agris Evertovskis, p.k. 081084-10631	X	X
Edgars Bilinskis, p.k.310782-10537	X	X
„Dotcom Enterprises" AS, reg. No. 40103684497	X	-
Subsidiary		
„ExpressInkasso"SIA (previously„Lombards24" SIA), reg. No. 40103211998	X	X
Other related companies		
ABS Holding LIMITED, C41264	X	X
„Infrastructure Investments" AS, reg. No. 40103242023	X	X
„Naudasklubs" SIA, reg. No. 40103303597	X	X
„Inin 7" SIA, reg. No. 42103059064	N/A	X
„A.Kredīts" SIA, reg. No. 40103501494	X	X
„ExpressCreditEesti'' OU, reg. No. 12344733	X	X
„Tigo.lv" SIA , reg. No. 40103653497	X	N/A
„PH investīcijas", SIA, reg. No. 42103057909	X	X

All the transactions have been performed at market rates.

Notes (continued)

Related party transactions (continued)

	2014 EUR	2013 EUR
Transactions with:		
Parent company (from 30.10.2013)		
Interest paid	6915	5 603
Interest received	66 128	-
Loans received	203 775	35 571
Loans repaid	203 775	1 600 897
Loans issued	8421	-
Loan repayment received	721 540	-
Dividends paid	1 100 000	42 373
Companies and individuals under common control or significant influence		
Cession of loans	-	1 942 056
Loans issued	294 875	480 818
Loan repayment received	289 725	-
Loans received	690 000	-
Loans repaid	690 000	259 893
Dividends paid	-	40 711
Interest received	4766	80 456
Interest paid	7963	-
Other related companies		
Goods sold	18 236	17 127
Goods received	24 495	-
Fixed assets received	9 281	-
Fixed assets sold	32 000	141
Services received	139 032	89 075
Services delivered	18 305	15 474
Loans issued	418 913	511 182
Loan repayment received	824 928	310 634
Loans received	95 000	4 840 557
Loans repaid	2 159 600	4 893 557
Interest received	7 142	6107
Interest paid	20 002	990 248
Shares sold	-	2 846

(13) Subsequent events

On 12 February 2015, the Group's parent company and the Riga City council has signed a contract for the purchase of SIA "Riga City Pawnshop" 569 148 (100%) shareholding. The right to acquired shareholding rights have been acquired in the auction process. The purchase price of EUR 880 000 was transferred on 18 February 2015. On 23 February 2015, the transaction was registered in the Register of Enterprises of the Republic of Latvia.

There are no subsequent events since the last date of the reporting year, which would have a significant effect on the financial position of the Company as at 31 December 2014.