

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

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

**CONSOLIDATED ANNUAL REPORT FOR 9 MONTHS
OF THE YEAR 2015
(NON-AUDITED)**

DRAWN-UP IN COMPLIANCE WITH THE INTERNATIONAL FINANCIAL REPORTING
STANDARDS

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INFORMATION ABOUT THE PARENT COMPANY

Name of the Company	AS (Joint Stock Company) "Rīgas elektromašīnbūves rūpnīca" (AS "RER")	
Legal status of the Company	Joint Stock Company	
Registration No. in the Register of Enterprises, date and place of registration	No. 000304200, Riga, 29 November 1991	
Unified Registration No. in the Commercial Register, date and place of registration	No. 40003042006, Riga, 29 September 2004	
Registered office	Ganību dambis 31, Riga, LV-1005, the Republic of Latvia	
Institution in charge of the Company	General meeting of shareholders	
The parent Company Council :		
Chairperson of the Council	Andrey Petrov Oleg Domskiy	from 11.11.15. until 11.11.15.
Vice-Chairperson of the Council	Andrey Petrov Kirills Nužins	until 11.11.15. from 11.11.15.
Council Members	Andrey Isaev Ekaterina Chamkina Sergey Goncharov Andrey Sarkisov Natalia Sarkisova Ivgeny Sokolsky	until 15.07.15. until 15.07.15. until 15.07.15. from 15.07.15. from 15.07.15. from 15.07.15.
The parent Company Board:		
Chairperson of the Board	Nikolajs Erohovs	from 15.03.11.
Board Members	Olga Pētersone Aleksandrs Popadins Nikolajs Čudinovs Ilja Šestakovs Aleksandrs Suvorkins Maxim Savenkov	from 27.06.12. from 08.11.13. from 30.01.15. from 30.01.15. until 30.01.15. until 30.01.15.
Accounting period	1 January 2015 – 30 September 2015	
Auditor	SIA "Rīgas audits", licence No. 103 Skolas iela 11-501, Riga, LV-1010, Latvia Certified auditor J. Mežiels Certified auditor's certificate No. 127	
Subsidiary (daughter) companies	AS „Latvo”, reģ. Nr. 40003184975 Ganību dambis 31, Riga, the Republic of Latvia Fixed capital EUR 5 495 420 Shares – 98.5 %	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 9 MONTHS OF THE YEAR 2015

No.	Items	Note	30.09.15. EUR	30.09.14. EUR
1	Net turnover	1	9287987	26632358
2	Production costs of the goods sold	2	(8844566)	(21848679)
3	Gross profit or loss		443421	4783679
4	Selling expenses	3	(251884)	(644796)
5	Administration expenses	4	(1344988)	(2253414)
6	Other operating income	5	1757230	198054
7	Other operating expenses	6	(393652)	(125782)
8	Other interest income and similar income		41	27
9	Other interest payments and similar expenses	7	(309909)	(322705)
10	Profit or loss before extraordinary items and taxes		(99741)	1635063
11	Profit or loss before tax		(99741)	1635063
12	Other taxes	8	(99004)	(102580)
13	Profit or loss of the accounting period		(198745)	1532483

EPS (earnings per share)	(0.03)	0.26
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 9 MONTHS OF THE YEAR 2015

A S S E T S	Note	30.09.15. EUR	30.09.14. EUR
1. LONG-TERM INVESTMENTS			
I. Intangible investments	9		
1. Development costs		2201034	877208
2. Concessions, licences and similar rights		430481	347285
3. Other intangible investments		5479	27393
I. Total		2636994	1251886
II. Fixed assets	9		
1. Land plots, buildings, constructions		11888442	13157006
2. Equipment and machinery		8055521	4807023
3. Other fixed assets and inventory		193190	251228
4. Creation of fixed assets		563482	652806
5. Advance payments for fixed assets			393833
II. Total		20700635	19261896
III. Long-term financial investments			
1. Own shares		14551	14551
2. Other long-term debtors	10	7535706	7042568
III. Total		7550257	7057119
I. PART TOTAL AMOUNT		30887886	27570901
2. CURRENT ASSETS			
I. Stocks			
1. Raw materials, direct materials and auxiliary materials		2707748	3503858
2. Unfinished products		2309268	2238877
3. Finished products and goods for sale		310715	598118
4. Prepayments for goods		191709	596287
I. Total		5519440	6937140
II. Long-term investments for sale		194787	
III. Debtors			
1. Debts of buyers and customers	11	3061421	4342986
2. Other debtors	12	184426	267900
3. Deferred expenses	13	18740	9606
II. Total		3264587	4620492
IV. Cash	14	2658	1894
II. PART TOTAL AMOUNT		8981472	11559526
B A L A N C E		39869358	39130427

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 9 MONTHS OF THE YEAR 2015

LIABILITIES	Note	30.09.15. EUR	30.09.14. EUR
1. SHAREHOLDERS' EQUITY			
1. Share capital (capital stock)	15	8118607	8118607
2. Reserve for revaluation of long-term investments	16	6515556	6892268
3. Other provisions		407137	407137
4. Undivided profit:			
a) Undivided profit of previous years		4765821	4113439
b) Undivided profit of the accounting year		(198745)	1532483
1. PART TOTAL AMOUNT		19608376	21063934
2. PROVISIONS			
1. Other provisions	17	201510	407577
2. PART TOTAL AMOUNT		201510	407577
3. CREDITORS			
I. Long-term creditors			
1. Loans from credit institutions	18	7852923	6745112
2. Other loans	19		489000
3. Debts to suppliers and contractors	20	519534	
4. Other creditors	21	1047234	1093199
5. Deferred income	22	1260309	
6. Deferred tax liabilities		1618339	1622639
I. Total		12298339	9949950
II. Short-term creditors			
1. Loans from credit institutions	18	3609143	3194672
2. Advance payments received from buyers	23	20383	15277
3. Debts to suppliers and contractors	20	1887556	3067344
4. Taxes and social security payments	24	1759056	719129
5. Other creditors	21	484995	712544
II. Total		7761133	7708966
3. PART TOTAL AMOUNT		20059472	17658916
BALANCE		39869358	39130427

CONSOLIDATED CASH FLOW STATEMENT FOR 9 MONTHS OF 2015 (prepared by indirect method)

I. Cash flow from operating activities

	Items	30.09.15. EUR	30.09.14. EUR
1	Profit or loss before extraordinary items and taxes	(99741)	1635063
	ADJUSTMENTS		
	Depreciation of fixed assets	1300337	1237419
	Amortization of intangible investment value	317600	70318
	Income from sales of fixed assets	(228354)	(4876)
	Profit or loss from fluctuations of currency exchange rates	(905954)	(82077)
	Amounts written off fixed assets	252363	
	Reserve for revaluation of long-term investments	(318145)	(298)
2	Profit or loss before adjustments influenced by changes of balance of current assets and short-term liabilities	318106	2855549
	ADJUSTMENTS		
	Increase or decrease of balance of receivables	745232	(1236465)
	Increase or decrease of balance of inventories	436988	34958
	Increase or decrease of balance of debts to be paid to suppliers, contractors and other creditors	630934	804054
	Increase or decrease of accruals	(199807)	
	Expenses for tax payments	(77003)	(102580)
3	Gross cash flow from operating activities	1854450	2355516
4	Expenses from company tax payments	(133900)	(37794)
5	Cash flow before extraordinary items	1720550	2317722
I	NET CASH FLOW FROM OPERATING ACTIVITIES	1720550	2317722

II. Cash flow from investing activities

	Items	30.09.15. EUR	30.09.14. EUR
1	Purchase of fixed assets and intangible investments	(3554973)	(2244003)
2	Income from sales of fixed assets and intangible investments	228354	4876
3	Income from repayment of loans		198015
II	NET CASH FLOW FROM INVESTING ACTIVITIES	(3326619)	(2041112)

III. Cash flow from financing activities

	Items	30.09.15. EUR	30.09.14. EUR
1	Loans received	1804435	895753
2	Expenses for repayment of loans	(1018899)	(1113000)
III	NET CASH FLOW FROM FINANCING ACTIVITIES	785536	(217247)

IV. Summary of cash inflow and outflow

	Items	30.09.15. EUR	30.09.14. EUR
I	Net cash flow from operating activities	1720550	2317722
II	Net cash flow from investing activities	(3326619)	(2041112)
III	Net cash flow from financing activities	785536	(217247)
	Result of fluctuations of currency exchange rates	787322	(70824)
	Net cash flow of the accounting period	(33211)	(11461)
	Cash and its equivalents in the beginning of the accounting period	35869	13355
	Cash and its equivalents at the end of the accounting period	2658	1894

**CONSOLIDATED STATEMENT OF CHANGES OF SHAREHOLDERS' EQUITY
FOR 9 MONTHS OF 2015, EUR**

Kind of changes	Share capital	Reserve for revaluation of long-term investments	Other provisions	Undivided profit	Total
1. Balance as of 31.12.2013.g.	8251241	6892566	274503	4113439	19531749
2. Long-term investment revaluation reserve decrease		(298)			(298)
3. Share denomination from lat to euro	(132634)		132634		
4. Income or loss of the accounting period in accordance with the profit and loss account				1532483	1532483
5. Balance as of 30.09.2014.g.	8118607	6892268	407137	5645922	21063934
6. Balance as of 31.12.2014.g.	8118607	6787883	407137	4765821	20079448
7. Long-term investment revaluation reserve decrease		(272327)			(272327)
8. Income or loss of the accounting period in accordance with the profit and loss account				(198745)	(198745)
9. Balance as of 30.09.2015.g.	8118607	6515556	407137	4567076	19608376

NOTES

GENERAL INFORMATION

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

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

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

ACCOUNTING POLICY

Principles of preparing the financial statement

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

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

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

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

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

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

Accounting principles applied

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

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

Income recognition and net turnover

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

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

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

Capital assets and intangible assets

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

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

Intangible assets:

- Development costs	33.3% - 20%
- Licences	20%
- Software	50%

Capital assets:

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

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

Unfinished construction and costs of capital asset creation

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

	30.09.2015., EUR	30.09.2014., EUR
Unfinished construction objects	57818	252605
Costs of capital asset creation	505664	400201
Total	563482	652806

Financial leasing

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

Receivables

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

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

Remaining amounts of finished products and unfinished products have been assessed according to their cost prices.

Provisions for stocks of slow-turnover are individually made for every type of stocks.

Debts of debtors

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

Currency unit and recalculation of foreign currency

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

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

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

Long-term and short-term items

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

Other securities

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

Long-term investment revaluation reserve

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

Provisions

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

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

Provisions for warranty repairs. A warranty period of the Company's basic products is 2 - 3 years. In 2014 warranty repair costs accounted is only 0.09% of the net turnover. Since amount of the warranty repair costs is of no high importance, provisions for warranty repairs are not created.

Deferred tax

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

Risk management

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

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

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

Notes to the consolidated financial statements (cont.)

Currency risk

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

Interest rate risk

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

Liquidity risk

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

Credit risk

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

NOTES TO CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR 9 MONTHS OF THE YEAR 2015

Note No. 1 – Net turnover

Country	30.09.15. EUR	30.09.14. EUR
Latvia	295436	449314
Russia	7938148	25699986
Ukraine	31320	73080
Byelorussia	82201	168492
Slovakia	28906	106441
Azerbaijan		84788
Kazakhstan		13773
Poland	46523	7023
Germany		29189
Uzbekistan	841450	
Other	24003	272
Total	9287987	26632358

Note No. 2 – Production costs of products sold

Indicators	30.09.15. EUR	30.09.14. EUR
Salaries	2018670	5136269
Social insurance contributions	460365	1188173
Costs of materials	4237487	11805149
Energy resources	535882	1070509
Depreciation of capital assets and intangible assets, write-off of intangible investments value	1245196	1060013
Business trip costs	43308	61839
Repair costs and remuneration for works from outside	219255	198192
Costs of production quality control		1094314
Losses due to rejects	4271	50641
Environmental protection costs	6789	13000
Other costs	73343	170580
Total	8844566	21848679

Notes to consolidated comprehensive income statement (cont.)

Note No. 3 – Selling costs

Indicators	30.09.15. EUR	30.09.14. EUR
Packing material and package	34190	98229
Transportation expenses	136458	388400
Salaries	61450	122582
Social insurance contributions	14216	28496
Other selling costs	5570	7089
Total	251884	644796

Note No. 4 – Administrative costs

Indicators	30.09.15. EUR	30.09.14. EUR
Communications costs	17236	19881
Reimbursement for legal services	1278	5222
Cash circulation and expense and extra costs	25929	34847
Transportation expenses	15861	20776
Representation expenses	2620	4919
Salaries	819993	1304648
Social insurance contributions	164661	274368
Energy resources	16570	43284
Depreciation of capital assets	210767	227517
Business trip costs	27133	23223
Security services	11349	143259
Inspection audit services		17332
Consulting services for the projects of the European funds	4987	56686
Other administrative costs	26604	77452
Total	1344988	2253414

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

Indicators	30.09.15. EUR	30.09.14. EUR
Profit gained as a result of other sales (lease, other)	67082	83879
Sale of capital assets	228354	4876
Income related to maintenance of social sphere	18545	22256
Decrease in revaluation reserve of capital assets	318145	298
Income from fluctuations of exchange rates	905954	82077
Decrease in holiday provision	199807	
Other income	19343	4668
Total	1757230	198054

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

Indicators	30.09.15. EUR	30.09.14. EUR
Penalty and contractual penalties	39969	6408
Costs related to maintenance of social sphere	34927	51322
Costs not related to operating activities of the Company	47271	66485
Removal of capital assets	252363	
Other costs	19122	1567
Total	393652	125782

Notes to the consolidated financial statements (cont.)

Note No. 7 – Other interest payments and similar costs

Indicator	30.09.15. EUR	30.09.14. EUR
Loan agreements	233657	257085
Credit line agreements	66708	64912
Other	9544	708
Total	309909	322705

Note No. 8 – Other taxes

Indicators	30.09.15. EUR	30.09.14. EUR
Real estate tax on premises (buildings)	83974	88075
Real estate tax on land	15030	14505
Total	99004	102580

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

	Intangible investments			Capital assets				
	Development costs	Licences and similar rights	Other intangible investments	Land, premises, buildings*	Equipment and machinery	Other capital assets	Creation of capital assets	Prepayments for capital assets
Initial value								
Remaining amount as at 01.01.15.	1997102	634447	80384	13779279	10200603	670297	1273371	1013049
Purchase	409994				4046580	3075	3530234	
Removed				(238453)	(254706)	(3873)	(4240123)	(1013049)
Write-off of value	(206062)							
Remaining amount as at 30.09.15.	2201034	634447	80384	13540826	13992477	669499	563482	
Depreciation								
Remaining amount as at 01.01.15.		108863	58470	1020823	5555675	433483		
Calculated		95103	16435	635659	617979	46699		
Removed				(4098)	(236698)	(3873)		
Remaining amount as at 30.09.15.		203966	74905	1652384	5936956	476309		
Remaining value								
01.01.15.	1997102	525584	21914	12758456	4644928	236814	1273371	1013049
30.09.15.	2201034	430481	5479	11888442	8055521	193190	563482	0

* In 2015 assessed value of the premises accounted EUR 7 464 275, assessed value of the plot accounted for EUR 2 004 062.

Note No. 10 – Other long-term debtors

Rādītāji	30.09.15. EUR	30.09.14. EUR
Long-term loan of the subsidiary (daughter) company (until 31.12.17.)	7535706	7042568
Total	7535706	7042568

Note No. 11 – Debts of customers and clients

Indicators	30.09.15. EUR	30.09.14. EUR
Debts of customers and clients (for the goods and services)	3061421	4342986
Total	3061421	4342986

Notes to the consolidated financial statements (cont.)

Note No. 12 – Other debtors

Indicators	30.09.15. EUR	30.09.14. EUR
Taxes paid in advance	2114	51091
Overpaid taxes	85620	163301
Rental debts	7306	5891
Processing of goods	70017	44017
Other	19369	3600
Total	184426	267900

Note No. 13 – Costs of the following periods

Indicators	30.09.15. EUR	30.09.14. EUR
Insurance	1813	2936
Payment for use of design documentation	11648	
Computer's network service		2401
Sertification	3025	3802
Other	2254	467
Total	18740	9606

Note No. 14 – Cash

Indicators	30.09.15. EUR	30.09.14. EUR
Current accounts in banks	2658	1894

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

Total number of stocks of AS "RER" is 5 799 005 shares. A nominal value of each share is EUR 1.40. The Company's fixed capital is EUR 8 118 607, which is split into: 5 799 005 regular voting shares. Composition of shareholders according to the database of the Latvian Central Depository:

Indicators	30.09.15. EUR	30.09.14. EUR
Residents, including	270938	274111
- physical entities	233135	237567
- legal entities	37803	36544
Non-residents, including	7847669	7844496
- Russia	5149997	1415438
- Canada	7167	7167
- British Virgin Islands	814829	4549388
- Belize	1867279	1867279
- Lithuania	2446	3823
- Estonia	5951	1401
Total	8118607	8118607

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

In 2013 the parent Company carried out revaluation of immovable property. Immovable property was evaluated according to its market value. Evaluation was carried out by independent evaluator BIZNESA KONSULTANTU GRUPA (BUSINESS CONSULTING GROUP) Ltd. Market value of immovable property was determined by means of income method. Revaluation is processed for whole group of capital assets 'Land plots, buildings and constructions'.

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

Notes to the consolidated financial statements (cont.)

Note No. 17 – Other provisions

Indicators	30.09.15. EUR	30.09.14. EUR
Holiday provisions	192594	397853
Other provisions	8916	9724
Total	201510	407577

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

Indicators	30.09.15. EUR	30.09.14. EUR
Latvian credit institutions, loan agreement, including	8479412	7371601
Long-term debt	7852923	6745112
Short-term debt	626489	626489
Latvian credit institutions, credit line agreement, including	2982654	2568183
Short-term debt	2982654	2568183

As on 30/09/2015 all assets of parent Company have been pledged as security for a loan.

Note No. 19 – Other loans

Indicators	30.09.15. EUR	30.09.14. EUR
Other loans, including		489000
Long-term debt		489000

Note No. 20 – Debts to suppliers and contractors

Indicators	30.09.15. EUR	30.09.14. EUR
Long-term creditors, including	519534	
Foreign suppliers	519534	
Short-term creditors, including	1887556	3067344
Local suppliers	1124678	1494439
Foreign suppliers	762878	1572905

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

Indicators	30.09.15. EUR	30.09.14. EUR
Long-term creditors, including	1047234	1093199
Other creditors		45965
Settlement of the debts of other companies	1047234	1047234
Short-term creditors, including	484995	712544
Salary debt	357604	582118
Support payments	1963	4680
Trade union membership fee	399	879
Earnest	112885	120000
Other	12144	4867

Notes to the consolidated financial statements (cont.)

Note No. 22 – Deferred income

Indicators	30.09.15. EUR	30.09.14. EUR
Support for the project implementation in the frames of the Centre of Competence	134495	
Support for the project implementation in the frames of the European Regional Fund of Development (ERAF) "Investments of high-level added value"	1125814	
Total	1260309	

Note No. 23 – Advances received from customers

Indicators	30.09.15. EUR	30.09.14. EUR
Local customers	5267	1336
Foreign customers	15116	13941
Total	20383	15277

Note No. 24 – Taxes and social insurance contributions

Indicators	30.09.15. EUR	30.09.14. EUR
Personal income tax	773888	277802
Mandatory social insurance contributions	961397	249888
Income tax		188975
Natural resources tax	1600	2139
Real estate tax on land	3340	
Real estate tax on premises (buildings)	18661	
State business risk fee	170	325
Total	1759056	719129

As for 30.09.2015 the Holding Company has no current tax debts. Tax liabilities have been restructured.

On behalf of the Holding Company,

Chairperson of the Board

Nikolajs Erohovs

30 November 2015