

JSC "TOSMARES KUĢUBŪVĒTAVA"

Financial statements on 12 months of 2015

**Liepājā
2016**

CONTENTS

General Information	2
Statement of the Management's Responsibility	3
Statement of the Board of Directors	4
Income statement	5
Balance Sheet	6-7
Cash flow statement	8
Statement of changes in equity	9
Notes to the financial statement	10-18

General Information

Name of the company	Tosmares kuģubūvētava
Legal status of the company	Joint stock company
Number, place and date of registration	Register of the companies No.210302283 Liepāja, January 03, 2000 Commercial register No.42103022837 Liepāja, May 12, 2004
Address	Ģenerāļa Baloža iela 42/44 Liepāja, LV-3402 Latvia
Type of operations	NACE 3315: Construction and repair of technological equipment, ships, yachts, catamarans, containers, roltrailers; Port services
The Board	
Aleksandrs Vaļums	Chairman of the Board
Vladislavs Blūms	Member of the Board till October 15, 2015
Aleksandrs Murugovs	Member of the Board
The Council	
Vasilijs Meļņiks	Chairman of the Council
Aleksandrs Čerņavskis	Deputy chairman of the Council
Jānis Skvarnovičs	Member of the Council
Henrik Kasesalu	Member of the Council
Viktors Ivanovs	Member of the Council till February 23, 2016
Financial period	January 1, 2015 - December 31, 2015
Auditor's name and address	Natalija Zaiceva Certified auditor (LZRA Certificate. No. 138) "Orients Audit & Finance" Ltd LZRA Licence No. 28 Gunara Astras iela 8B Rīga, LV-1082 Latvia

Statement of the Management's Responsibility

The Management is responsible for the preparation of the financial statements in accordance with the Laws of the Latvian Republic On Accounting and On the Annual Reports. The financial statements give a true and fair view of the financial position of the Company at the end of the reporting period, and the results of its operations and cash flow for the period then ended.

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 6 to page 18 and decisions and assessments were made with proper discretion and prudence. The accounting policies applied have been consistent with the previous period. The Management confirms that the financial statements have been prepared on going concern basis.

The Management is responsible for accounting records and for safeguarding the Company's assets and preventing and detecting of fraud and other irregularities in the Company. It is also responsible for operating in the Company in compliance with the normative acts of the Republic of Latvia.

Chairman of the Board



A.Vaļums

Member of the Board



A.Murugovs

30 March, 2016

Statement of the Board of Directors

In 2015 JSC "Tosmares kuģubūvētava" performed the repair of 44 vessels (in comparison with 2014 – the repair of 38 vessels) and were built 3 steel hulls of catamarans (in comparison with 2014 – 4 steel hulls of catamarans).

In 2015 a total net turnover of JSC "Tosmares kuģubūvētava" was EUR 6 139 677, of which the turnover from ship building was EUR 438 552 and ship repair EUR 5 700 948 (in comparison in 2014 a total net turnover was EUR 4 879 870, including ship building EUR 918 050 and ship repair EUR 3 789 158).

JSC "Tosmares kuģubūvētava" has finished the report period with gross profit in the amount of EUR 1 070 428 (in 2014 gross losses were EUR 16 475), whereas a net profit in 2015 was in the amount of EUR 145 453 (respectively in 2014 there were a net losses in the amount of EUR 362 204).

The achieved results are based on the active marketing work to attract new customers, rational use of manpower and material resources, increase of labour productivity, as well as an active and closer cooperation with customers in implementing the obligations entered into.

The Board of Directors of the Company considering the existing market situation and the resources of the Company continues to increase the effectiveness of activities of the Company, moving to new sectors of production and the market, which should ensure increase of volume of repairable and new building vessels. Also have been restored fixed assets of the Company to increase labour productivity, new working methods are acquired and improved working conditions of the Company's employees.

The Board of Directors of the Company has improved cooperation models with customers in order to make better a financial discipline and prevent the accumulation of debt, which would allow optimizing the cash flow of the Company.

The productions processes of the JSC "Tosmares kuģubūvētava" are carried out in accordance with international standards EN ISO 9001:2008, and according to the standard EN 1090 are ensured the constant quality monitoring, as well as its activities comply with the other existing shipbuilding and repair standards.

The Board of Directors of the Company conducts preliminary works to implement the standard ISO 9001:2015 in 2016, which will enable us to improve the quality system and rational use of natural and material resources

In 2016 the Board of Directors of the Company will continue to improve and develop the initiated economic activities, paying particular attention to environmental preservation measures, by investing in the Company's production facilities, which will contribute to the competitiveness of the Company and promote the development of economic activities.

JSC "Tosmares kuģubūvētava" proposes the net profit of 2015 in the amount of EUR 145 453 to direct for further development of the Company.

In the period between the last day of the reporting period and the date of signing the financial report there were no any events detected, as a result of which this financial report should be corrected or which should be explained.

Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

30 March, 2016

PROFIT OR LOSS STATEMENT
for 12 months period of 2015 and 2014

	Notes	12 months 2015 EUR	12 months 2014 EUR
Net sales	(1)	6 139 677	4 879 870
Cost of sales	(2)	(5 069 249)	(4 896 346)
Gross profit or losses		1 070 428	(16 476)
Distribution expenses	(3)	(8 599)	(3 052)
Administrative expenses	(4)	(336 006)	(261 447)
Other operating income	(5)	236 970	160 969
Other operating expenses	(6)	(539 450)	(112 465)
Interest payments and similar costs	(7)	(121 720)	(109 747)
Profit or losses before taxes		301 623	(342 218)
Corporate income tax	(9)	(118 418)	17 765
Other taxes	(8)	(37 752)	(37 752)
Net profit or losses		145 453	(362 204)
Profit (loss) per share		0.045	(0,113)

Appendixes on pages 10 to 12 are an integral part of this financial report.

Chairman of the Board



A. Vaļums

Member of the Board



A. Murugovs

30 March, 2016

BALANCE SHEET

on December 31, 2015 and December 31, 2014

	Notes	31.12.2015 EUR	31.12.2014. EUR
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets			
Total intangible assets	(9)	275	494
Fixed assets			
Land and buildings	(9)	2 288 012	2 557 332
Equipment and machinery	(9)	3 622 823	3 582 578
Other fixed assets	(9)	18 603	26 364
Fixed assets under construction	(9)	111 291	16 163
Total fixed assets		6 040 729	6 182 437
Investment property		148 083	
Total non-current assets		6 189 087	6 182 931
Current assets			
Inventories			
Raw materials and consumables			
Finished goods and work in progress	(10)	589 214	687 531
Advances paid for materials	(11)	1 409 853	1 409 853
Total inventories		2 028 124	2 097 393
Account receivables			
Trade receivables	(12)	827 161	1 273 128
Other receivables	(13)	104 629	100 868
Related company's debt	(14)	472 203	70 214
Expenses of future periods	(15)	496	21 167
Accrued income	(16)	249 661	365 127
Total receivables		1 654 150	1 830 504
Cash and bank	(17)	194 535	178 138
Total current assets:		3 876 809	4 106 034
		10 065 896	10 288 965

Appendixes on pages 10 to 18 are an integral part of this financial report.

BALANCE SHEET

on December 31, 2015 and December 31, 2014

	Notes	2015.12.31 EUR	31.12.2014. EUR
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Share capital			
Non-current investments revaluation reserve	(18)	4 484 756	4 484 756
Reserves:	(19)	1 338 520	1 338 520
other reserves			
Retained earnings:	(20)	73 267	73 267
previous year's retained earnings (losses)		84 155	(61 298)
current year's profit (losses)		(61 298)	300 906
		145 453	(362 204)
Total equity		5 980 698	5 835 245
Provisions			
Other provision	(21)	59 941	52 927
Total provisions		59 941	52 927
Liabilities			
Non-current liabilities			
Other borrowings	(22)	1 500 000	1 566 000
Leasing liabilities	(23)	506 977	507 425
Deferred income tax liabilities	(24)	583 432	505 983
Next period income	(25)	265 449	313 454
Total non-current liabilities		2 855 858	2 892 862
Current liabilities			
Other borrowings	(27)	23 000	16 684
Leasing liabilities	(28)	105 133	81 755
Advances from customers	(29)	31 015	205 951
Trade payables	(30)	742 266	962 923
Payables to related companies	(31)		5 902
Taxes and social insurance payments	(32)	147 447	124 004
Other liabilities	(33)	77 310	71 992
Deferred income		41 322	35 154
Dividends unpaid		6	6
Accrued liabilities		1 900	3 560
Total current liabilities:		1 169 399	1 507 931
Total liabilities:		4 025 257	4 400 793
Total equity, provisions and liabilities		10 065 896	10 288 965

Appendixes on pages 10 to 16 are an integral part of this financial report.

Chairman of the Board

A. Vaļums

Member of the Board

A. Murugovs

30 March, 2016

CASH FLOW STATEMENT

for 12 months of 2015 and 2014 (according to direct method)

	12 months of 2015 EUR	12 months of 2014 EUR
Cash flow from operating activities		
Sales and service income	6 277 034	5 563 795
Cash to suppliers, personnel and others primary activity costs	(5 755 667)	(4 873 887)
Gross cash flow generated from operating activities	521 367	689 908
Interest paid	(109 159)	0
Corporate income tax paid	(10 000)	(74 537)
Cash flow before extraordinary items	402 208	(54 500)
Net cash flow generated from operating activities	402 208	(54 500)
Cash flow from investment activity		
Acquisition of fixed and intangible assets	(138 762)	(91 578)
Proceeds from sales of fixed assets and intangible assets	6 100	4 299
Granted loans	(62 475)	
Proceeds from the loan repayment	9000	
Net cash flow generated from investing activities	(186 137)	(87 279)
Cash flow from financing activities		
Loans received		1 566 000
Expenses on repayment of loan	(66 000)	(1 855 966)
Leased assets redemption expenses	(133 674)	(71 670)
Net cash flow generated from financing activities	(199 674)	(361 636)
Net foreign exchange gains/losses		
Net increase / (decrease) in cash and cash equivalents	16 397	11 956
Cash and cash equivalents at the beginning of the financial year	178 138	66 182
Cash and Cash equivalents at the end of the financial year	194 535	78 138

Appendixes on pages 10 to 13 are an integral part of this financial report.

Chairman of the Board

A. Vaļums

Member of the Board

A. Murugovs

30 March, 2016

STATEMENT OF CHANGES IN EQUITY
for 12 months period of 2015 and 2014

	Share capital	Revaluation reserve of Non-current investments	Retained earnings	Other reserves	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 31.12.2013	4 558 023	1 338 520	300 906		6 197 449
Reserves drawn up in the result of the denomination	(73 267)			73 267	0
Profit or losses for the financial year			(362 204)		(362 204)
Balance as at 31.12.2014	4 484 756	1 338 520	(61 298)	73 267	5 835 245
Profit or losses for the financial year			145 453		145 453
Balance as at 31.12.2015	4 484 756	1 338 520	84 155	73 267	5 980 698

Appendixes on pages 10 to 18 are an integral part of this financial report.

Chairman of the Board

A. Vaļums

Member of the Board

A. Murugovs

30 March, 2016

NOTES

ACCOUNTING POLICIES

(1) General principles

Financial statements are prepared in accordance with the Laws of the Latvian Republic On Accounting and On the Annual reports and the Regulations of Cabinet of Ministers No.488 "Provisions of Law enforcement on Annual report " and No. 481 "Regulations on the cash flow statement and statement of changes in equity contents and order of preparation" As the best practice are applied the Latvian accounting standards.

The income statement is prepared in accordance with the turnover method.

The Cash flow statement has been prepared under the direct cash flow method.

The financial statements are prepared based on going concept and according to the historical cost accounting principle.

In comparison with the previous financial period, the accounting and evaluation methods used by the Company has not been changed.

In connection with the Latvian official currency exchange from 1 January 2014, the Company's functional and reporting currency is the euro, which replaced the national currency Latvian lats. Prior period financial information that has been presented in Latvian lats, have been converted into euro using the official currency exchange rate of LVL 0.702804 against EUR 1. Since the Latvian lats had previously been pegged to the euro with the same exchange rate, the functional and reporting currency change had no effect on Company's financial statement, financial results and cash flows.

The accompanying financial statements have been drawn up in the Latvian national currency - the euro (EUR).

(2) Income recognition and net sales

Net sales contain the total value of goods and services sold during the year excluding discounts value added tax and costs related to sales.

In accordance to the Regulations of Cabinet of Ministers, revenue from ship repair work is recognized when the customer has accepted the executed repair work.

Other income are recognized as following:

- rent income – in the moment of appearance;
- income from fines and penalties – in the moment of its receipt;
- dividends – at the moment when the legal rights on them arise.

(3) Long-term agreements

Agreement costs are recognized when incurred. When the outcome of an agreement cannot be estimated reliably, agreement revenue is recognized only to the extent of agreement costs incurred that are likely to be recoverable. When the outcome of an agreement can be estimated reliably and it is possible that the agreement will be profitable, agreement revenue is recognized over the period of the agreement. When it is probable that total costs will exceed total agreement revenue, the expected loss is recognized as an expense immediately.

The Company apply the percentage of completion method to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the agreement costs uncured up to balance sheet date as a percentage of total estimated costs for each agreement or carrying out surveys of work performed to date. Costs incurred in the year in connection with future activity on an agreement are excluded from agreement in determining the stage of completion. They are presented as inventories or other assets, depending on their nature.

(4) Intangible investments

Intangible assets are valued as per initial cost excluding accumulated amortization. Amortization is calculated on a straight-line method useful life and determined as 4 years.

(5) Fixed assets and low-grade material

Fixed assets are estimated according to their initial expense value or reestimated initial value, excluding accrued depreciation. Depreciation is calculated according to (linear) method, using the rates of fixed assets depreciation calculation, that are based on the evaluation of fixed assets useful service duration:

	<u>Years</u>	<u>%</u>
Buildings	33.3	3
Equipment and technical utilities	10	10
Rolling stock, seacraft transport, power plant	14.3	7
Furniture and office machines	10	10
Computers and facilities	4	25
Vehicles	5	20
Instruments and inventory	10	10

The depreciation of fixed assets is started to calculate with the first day of next month after its commissioning and is finished with the first day of next month after its exclusion from fixed assets.

Company capitalizes fixed assets whose value exceeds EUR 142,29 and the period of useful utilization exceeds 1 year. Reestimating the fixed assets, their value increase is reflected in non-current investment reestimation reserve. To incomes in profit or loss statement is applied to fixed assets liquidation.

Net gains or losses from disposal of fixed assets is calculated, as the difference between the carrying amount of the fixed asset, write-off of related assets revaluation reserve (if any) and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

Low-grade stock booked at the purchase prices and costs was 100% written off after commissioning.

(6) Non-current investments in leased fixes assets

Expenses of leased fixed assets overhaul are written off according to linear method rate in time of the period.

(7) Rent with ransom (financial leasing)

In cases when fixed assets that are obtained in lease with ransom (financial leasing) in relation to what all risks and liabilities pass over to the company, that is characteristic to ownership, is considered as company's actives at such value as they could be acquired for spot cash. Leasing interest payments and similar payments are included in profit or loss statement of the period when they have arisen.

(8) Lease without rights of ransom (operative leasing)

In cases when fixed assets are leased on lease provisions without rights on ransom, lease payments and prepayments for lease are included in profit or loss statement according to linear method in the period of lease.

(9) Inventories

Inventories are stated at the lower of purchase or production cost and net realizable value. Purchase costs consists of purchase value and overheads, which have been acquired, by delivering inventories at their current position and value. The costs of materials and other expenses that are directly connected with the production of the appropriate item as well as a respective part of overhead expenses are included in the production cost of inventories. Selling expenses has not included in cost. Cost is stated on the weighted average method. When the net realizable value of inventories is lower than its costs, the difference is recognized as provisions for the decrease of value.

Inventories are reflected at the lowest market or purchase value, using the FIFO (weighted average) method. In case of necessity the value of obsolete, slow turnover or damaged stock is written off.

In prime costs of produces goods are included the costs of used raw materials and materials, and other expenses that are directly connected with production of corresponding object.

(10) Accounts receivable

Account receivable in the balance sheet have been shown at the net value, obtained deducting provisions for doubtful debts from the total amount of Account receivable. Account receivable's actual sum complies with contracts and other accounting basic documents. The comparison of account's receivable debts has been performed and the bad debts has been written-off.

(11) Other investments

Non-current investments, excluding investments in subsidiaries and associates, are stated at purchased value, adjusted in cases of their permanent value increase or decrease.

(12) Cash and cash equivalents

In the report of cash flow consist of the money in cash-box, remnants of active bank cont and demand deposits in the credit institutions with term to 90 days.

(13) Accrued liabilities for unused annual leave

Amount of accumulated unused annual leave is determined by multiplying the average day rate og employees for the last six monts of the financial year by the amount of accrued but unused annual leave at the end of the reporting year.

(14) Corporate income tax

Corporate income tax was calculated according to Latvia Republic tax laws. According to effective provisions of the normative acts the tax rate is 15%.

(15) Deffered tax

Deffered tax is calculated according to the liability method with respect to all temporary differences between the values of assets and liabilities in the financial statements and their tax basis. The deferred tax liability is calculated based on the tax rates that are expected to be applied when the temporary differences reverse. The temporary differences arise from different fixed asset depreciation rates, as well as from tax losses carried to the next taxation periods. In cases, when the total result of the deferred tax calculation is to be reflected as assets, it is recognized in the financial statement only if a future taxable profit will be available against which the temporary differences can be utilised.

(16) Grants

For fixed assets formation received grants are regarded as next periods incomes, that gradually includes the in incomes received of for grants acquired fixed assets in useful utilization time of period. Other grants are related to results of the year of account in the period of grant receipt.

(17) Use of calculations

Preparing the financial statements, company's management has to make calculations and assumptions that influence the actives and passives shown in statements and off-balance for the day of statement preparation, as well as shown incomes and expenses of accounting period. The actual results can differ from these calculations.

(18) Related parties

Related parties are considered to be related companies, the members of the Council and the Board of Directors, the employees of the Internal Audit and/or members of the audit committee, the chief accountant, as well as other employees of the Company, who are authorized to carry out the economic activity planning, management and control, and whose decisions may have an impact on the operation and development of the Company, spouses, children and other relatives under the auspices of the mentioned persons, whose for at least a year is a common household with the person, as well as by commercial companies, which are managed or controlled by the persons referred to above.

Notes to Income Statement

(1) Net sales

	EUR	EUR
	<u>12 months of 2015</u>	<u>12 months of 2014</u>
Income from ship building	438 552	918 050
Income from ship repair services	5 700 948	3 789 158
Other income	177	172 662
Total	<u>6 139 677</u>	<u>4 879 870</u>

By location

Income from sales of service in Latvia	545 814	179 986
Income from sales of service in		
Fareo Islands	438 552	863 200
Russia	2 613 781	791 501
Lithuania	595 393	921 245
Estonia	48 327	126 862
Beliza	69 824	
Cyprus	49 448	35 456
Netherlands	1 336 348	661 235
Malta	99 760	227 763
Germany	131 782	37 321
Gibraltar	91 034	8 215
Poland	28 750	11 817
Cambodia		130 955
Marshall Islans		24 360
Norway		402 230
Panama	90 864	457 159
Cambodia		565
	<u>6 139 677</u>	<u>4 879 870</u>

(2) Cost of sales

Material purchase costs	723 848	835 386
Employees salary	1 108 117	1 037 102
Social insurance costs	248 307	237 924
Electricity costs	433 254	361 579
Depreciation of fixed assets	429 705	435 798
Contagent's services	1 748 387	1 648 768
Services from outside	60 096	
Current overhaul of buildings	17 103	
Security	99 032	
Services of other Companies	108 855	279 341
Lease payment	72 791	54 749
Other costs	19 754	5 698
Total	<u>5 069 249</u>	<u>4 896 345</u>

(3) Distribution expenses

Media advertising expenditures	647	533
Business trips	7 952	2 519
Total	<u>8 599</u>	<u>3 052</u>

(4) Administrative expenses

Communication costs	1 575	1 341
Reward for the board and council	207 068	162 080
Social insurance costs	44 479	37 568
Office maintenance costs	5 937	4 420
Stock exchange costs	6 667	7 501
Lawyer's services	22 345	17 168
Expenses for the audit	3 800	3 560
Transport costs, business trips	17 034	10 065
Bank services	4 185	8 173
Representation expenses	7 226	4 031
Other costs	15 690	5 540
Total	<u>336 006</u>	<u>261 447</u>

(5) Other operating income	EUR	
	12 months of 2015	12 months 2014
Income from realization of materials	11 277	42 615
Income from rent	73 028	59 343
Income from tugboat's services	73 900	34 811
Income from exchange rate fluctuations		42
Other income	78 765	24 158
Total	236 970	160 969

(6) Other operating expenses	EUR	
	12 months of 2015	12 months 2014
Provisions for bad and doubtful debts	389 030	2 370
Accrued liabilities (holiday reserves)	7 013	4 628
Fixed assets exclusion expenses		1 452
Material purchase expenses	6 826	36 175
Personnel expenses (material assistance)	1 667	2 062
Tugboat's services expenses	119 730	63 929
Donations	860	
Maintenance costs of leased fixed assets	874	376
Other expenses	13 450	
Total	539 450	110 992

(7) Interest and similar expenses	EUR	
	12 months of 2015	12 months 2014
Interest charge	115 474	55 609
Penalties paid	6 246	54 138
Total	121 720	109 747

(8) Other taxes	EUR	
	12 months of 2015	12 months 2014
Real estate tax for land	14 490	14 490
Real estate tax for buildings	23 262	23 262
Total	37 752	37 752

(9) Company income tax on financial period	EUR	
	12 months of 2015	12 months of 2014
(9 a) Essential components of the company income tax		
Profit and loss		
Deferred tax	(77 448)	17 765
Company income tax on financial period	(40 970)	
Total	(118 418)	17 765

Calculation of deferred tax liabilities

Deferred tax liabilities:		
The difference between the residual value of fixed assets in book-keeping and for tax purposes:	2 383 724	2 270 202
Deferred tax assets:		
Accruals for annual leave	(59 940)	(52 927)
Accruals for stocks	(8 967)	
Other interim differences		
Accruals for tax losses		(418 780)
Total interim differences:	2 314 817	1 798 495
Rate of deferred tax liabilities (assets) 15%	347 223	269 774
Unrecognized deferred tax asset		
Deferred tax liabilities	347 223	269 774
A deferred tax liability of the revaluation reserve for long-term investment	236 209	236 209
Total deferred tax liabilities:	583 432	505 983

(10) Intangible assets and fixed assets

	Other intangible assets (software)	Lands and buildings	Equipment and machines	Other fixed assets	Fixed assets under construction	Investment property	Total
	EUR	EUR	EUR	EUR	EUR		EUR
Cost/revaluation							
31.12.2014	10 465	3 940 137	5 514 494	133 124	16 163		9 614 383
Additions		16 413	320 615	4 349	95 128		436 505
Disposals			54 572	2 982			57 554
Revaluation		(234 837)				234 837	0
31.12.2015	10 465	3 721 713	5 780 537	134 491	111 291	234 837	9 993 334
Depreciation							
31.12.2014	9 971	1 382 805	1 931 916	106 760			3 431 452
Calculated	219	137 650	279 731	12 105			429 705
Disposals			53 933	2 977			56 910
Reclassified		(86 754)				86 754	
31.12.2015	10 190	1 433 701	2 157 714	115 888		86 754	3 804 247
31.12.2014	494	2 557 332	3 582 578	26 364	16 163		6 182 931
31.12.2015	275	2 288 012	3 622 823	18 603	111 291	148 083	6 189 087

Cadastral value

Cadastral value of freehold land as at December 31, 2015 is EUR 966 006, cadastral value for the building is EUR 1 550 784.

	EUR	EUR
	12 months of 2015	12 months 2014
(11) Raw materials and consumables		
Metal	293 428	353 704
Abrasive	2 384	621
Pipes	113 427	140 973
Non-ferrous metals	53 385	56 254
Products of technical rubber	36 319	37 599
Other expenses	99 238	98 380
Accruals for non-liquids	(8967)	
Total	589 214	687 531
(12) Finished goods		
Yacht's hull	890 000	890 000
Equipment for yacht	519 853	519 853
Total	1 409 853	1 409 853
(13) Trade receivables		
Book value of trade receivables	827 161	1 273 128
Net worth of trade receivables	827 161	1 273 128
(14) Other receivables		
In budget advance paid and overpaid VAT tax	43 008	22 984
Corporate income tax advance payments		44 491
Advance payments for services	8 146	33 393
Loan to private individual *	53 475	
Total	104 629	100 868
* The Loan is granted to a private individual with annual interest rate of 6% until December 31, 2016. Interest for use of the loan or part thereof shall be paid simultaneously with the specified repayment period of the loan.		
(15) Related company debt		
AS "Rīgas kuģu būvētava" debt for the loan	472 203	70 214
Total	472 203	70 214
For the use of the loan is paid 6% per annum.		
(16) Expenses of future periods		
Press Subscription	42	567
Insurance expenses	454	3 580
Other expenses		17 020
Total	496	21 167
(17) Accrued income		
	EUR	EUR
	12 months of 2015	12 months 2014
Shipbuilding	49 418	265 948
Ship repair	200 243	99 179
Total	249 661	365 127
(18) Cash and Bank		
Cash at bank on current accounts	194 535	178 138
Total	194 535	178 138

(19) Information about company's own shares and total stock

AS "Tosmares kuģubūvētava" was established in 2000 with share capital EUR 2 281 428 that consist of 1 603 397 common shares, nominal value of share is EUR 1,40.

The joint-stock company is public and its shares are quoted with the stock exchange. All shares give equal rights to receipt of dividends, receipt of liquidation quotas and right to vote in the shareholders meeting. One share gives the right to 1 vote in the shareholders meeting. The Company has no shares that are held by the Company itself or by third persons for its assignment.

Modifications in Statutes:

- 1 In 2001 an increase of share capital of the company up to EUR 3 704 300.
- 2 In 2002 an increase of share capital of the company up to EUR 4 558 023.
- 3 In 2011 the 2 562 660 shares were determined as registered shares, and 640 737 shares as bearer shares; all shares are non-certificated shares/book-entry shares.
- 4 Equity capital is EUR 4 484 756 after denomination. Equity capital of JSC "Tosmares kuģubūvētava" consist of 3 203 397 stocks. Value of one stock is 1.40 EUR.

(20) Non-current investments revaluation reserve

	EUR	EUR
	12 months of 2015	12 months 2014
Investment revaluation of floating dock was on December, 2011	1 338 520	1 338 520
Total	1 338 520	1 338 520

The assessment of floating dock was carried out by certified technical expert SIA "Baltic Kontor".

(21) Other reserves

Reserves from resulting of the denomination of the share in accordance with the shareholders' decision.

	73 267	73267
Total	73 267	73 267

(22) Other accruals

Accruals for annual leave

	59 941	52 927
Total	59 941	52 927

(23) Other borrowings

Total 1 500 000

Loan is received from the legal person with 6 % annual rate with the deadline of return in 2019.

As security for the loan liabilities accomplishment the Company's fixed assets are pledged. The value of the pledged fixed assets is EUR 833 471.

(24) Non-current leasing liabilities

Overhead cranes	364 759	431 379
Automobile	142 218	76 046
Total	506 977	507 425

Liabilities under the finance leases are repayable within 2-5 years.

The company has purchased cargo cranes by financial lease from SIA "SEB lizings." Interest payments are set at 3,45% + 3 months EURIBOR.

The automobile has been purchased by financial lease from SIA "Citadele lizings un faktoringas". Interest payments are set at 5% + 6 months EURIBOR.

(25) Deferred tax liabilities

	EUR	EUR
	12 month of 2015	12 month 2014
Deferred tax liabilities at the beginning of year	505 983	523 749
Deferred tax liability increase in the financial year	77 449	(17765)
Liabilities in the end of a period	583 432	505 983

(26) Next period income (non-current part)

Revenue as a result of the reverse leasing	265 449	313 454
Total	265 449	313 454

(27) Other borrowings

Interests unpaid	23 000	16 684
Total	23 000	16 684

(28) Current leasing liabilities

Automobile	38 512	17 434
Overhead cranes	66 621	64 321
Total	105 133	81 755

(29) Advances from customers

Ship building	31 015	201 096
Other		4 855
Total	31 015	205 951

(30) Trade payables

Debts for materials	97 243	146 560
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AS "Tosmares kuģubūvētava"
report for the 12 month period ended on December 31, 2015

Debts for services	100 526	155 386
Debts for ship building and ship repair	532 685	627 730
Debts for fixed assets	11 812	33 247
Total	<u>742 266</u>	<u>962 923</u>

(31) Payables to related companies

Debt to the AS "Rīgas kuģu būvētava" for the materials and services		5 902
Total	<u>0</u>	<u>5 902</u>

(32) Movement of tax liabilities for 12 months of 2015

	01.01.2015.	Calculated for 2015	Calculated penalty and delay fees	(Paid) / repaid	Transferred to other taxes	31.12.2015
	EUR	EUR	EUR	EUR	EUR	EUR
Value added tax	(22 984)	(288 414)		27 689	240 701	(43 008)
Personal income tax	36 863	251 400	3 230	(197 000)	(35 202)	59 291
Social insurance payments	65 631	449 184	63	(209 000)	(251 368)	54 510
Corporate income tax	(44 491)	40 970		(10 000)	45 800	32 279
Real estate tax (land)	8 315	14 490	427	(23 230)		2
Real estate tax (building)	12 350	23 262	1 633	(37 242)		3
Natural resources tax	785	4 438		(3 985)	68	1 306
Risk duty	60	751		(756)		55
Total	56 529	505 016	5 353	(453 524)	(8 935)	104 439

Tax debt	124 004	147 447
Tax overpayment	(67 475)	(43 008)

(33) Other liabilities

	EUR	
	12 months of 2015	12 months 2014
Salaries	76 702	71 108
Retention from salaries	531	506
Other liabilities	77	378
Total	<u>77 310</u>	<u>71 992</u>

The remuneration of the commercial company of sworn auditors for the audit of the annual report is EUR 3 800.

General notes

(34) Average number of people employed

Average number of people employed by the Company in the financial year

12 month of 2015	12 month 2014
<u>179</u>	<u>193</u>

(35) Personnel salary

- salaries	1 397 178	1 243 952
- social insurance payments	317 015	284 116

including:

Personnel salary (production department)		1 328 420
- salaries	1 190 110	1 081 872
- social insurance payments	272 536	246 548
Remuneration to the Board	115 938	103 581
- remuneration	95 109	83 810
- social insurance payments	20 829	19 771
Remuneration to the Council	135 609	96 067
- remuneration	111 959	78 270
- social insurance payments	23 650	17 797

Chairman of the Board

A. Vajums

Member of the Board

A. Murugovs

30 March, 2016