



JSC VEF, Brīvības gatve 214, Rīga, LV-1039

JOINT STOCK COMPANY VEF
(Unified registration number 40003001328)

NON- AUDITED FINANCIAL STATEMENTS
For the period ended on December 31, 2015



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GENERAL INFORMATION

Title of enterprise	Joint stock company VEF
Legal type of enterprise	Public joint stock company
Registered:	On April 15, 1991 in the Register of Enterprises of the Republic of Latvia, re-registered on December 7, 2000 with Nbr. 000300132 On April 14, 2004 registered in the Commercial Register, Nbr. 40003001328
Taxpayers' Reg. Nbr.	LV 40003001328
Legal address	Brīvības gatve 214, Rīga, LV-1039, Republic of Latvia Phone: 7270618.
Equity capital ¹ :	EUR 2 722 492 paid and registered equity capital.
Core businesses:	*Power supply - distribution of power; *Letting and renting of real-estate property
Name of the holder of shares and share capital (%)	As on December 31, 2015: *VEF KOMUNIKĀCIJU SERVISS SIA - 45.52 % ; * Laila Līduma - 6.31 % ; * Tamāra Kampāne - 10.0 % ; * Gints Feņuks -24.49 % ; *Other shareholders - 13.68 % .
Chief executive officer:	Chairman of the Board of the Company: GINTS FENUKS
Members of the Board:	TAMĀRA KAMPĀNE MARTINS CAUNA MODRIS ZOMMERS
Members of the Supervisory Council:	ANDRIS DENINŠ INTS KALNINŠ GUNTIS LIPINŠ ARNIS ZEKUNDE
Period of account:	01.01.2015. - 31.12.2015.
Qualified auditor:	Aleksejs Litvinovs. Certificate Nbr.190

¹ Paid-up and registered equity capital 2 722 492 common shares
The company's capital consists of the 623 528 bearer shares and 1 321 109 registered shares
Nominal value of a common share is EUR 1.40.



Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the twelve months of 2015.

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the middle-term financial statements of the Company. The middle-term financial statements are not audited.

Middle-term financial statements are prepared based on justifying documents and represent true and clear overview on the Company's Assets and Equity and Liabilities, its financial standing and results of activity as well as cash flows within the reporting period ended on December 31, 2015.

Accounting principles used in preparation of the middle-term financial statements have not been changed comparing to the previous reporting period. During preparation of the middle-term financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded.

The Management Board of the Company is responsible for ensuring the corresponding accounting system, securing the assets of the Company, as well as for prevention and exposure of fraud and other violation within the Company.

On behalf of the Management Board of JSC „VEF”,

Gints Feņuks
Chairman of the Management Board



Management Report

JSV VEF is a publicly traded joint stock venture that is involved in property and facility management, and real estate rental businesses, also providing electricity distribution services to end-customers at the VEF territory.

JSV's net revenues in the twelve months of 2015 reached 1 135 245 EUR that is for 2% lower against the previous reported period. Despite lower net revenues, during the reported period JSV's management has managed to optimize costs and as the result the JSV ended the year with the unaudited income of 36 084 EUR. Management proposes to use this income and cover losses from previous years. Currently the JSV continues to provide services at the full extent.

JSV VEF management follows the annual strategic plans of the company according to the economic situation in the State and also following developments in the real estate rental and energy resource distribution markets.

On behalf of the Management Board of JSC „VEF”,

Gints Feņuks
Chairman of the Management Board



ASSETS		
	EUR	EUR
	31.12.2015	31.12.2014
LONG-TERM INVESTMENTS		
Intangible assets		
Concessions, patents, licences	172	507
Total intangible assets	172	507
Fixed Assets		
Land, buildings and other property	5 501 253	5 554 307
Other fixed assets and inventory	29 905	72 690
Advance payments for fixed asset	31 400	0
Total fixed assets	5 562 558	5 626 997
Total long-term investments	5 562 730	5 627 504
Current assets		
Debtors		
Customers and client debts	12 897	31 236
Other debtors	31 897	9 683
Future period expenses	1 806	1 796
Future period income	52 107	53 573
Total debtors	98 707	96 288
Cash	83 634	93 619
Total Current assets	182 341	189 907
TOTAL ASSETS	5 745 071	5 817 411



LIABILITIES		
	EUR	EUR
	31.12.2015	31.12.2014
Stockholder's Equity		
Common stock	2 722 492	2 766 969
Long-term investments revaluation reserve	805 436	801 562
Other reserves	44 477	
Total accumulation		
Retained earnings from the previous years	-1 092 216	-1 092 216
Retained earnings of the financial years	36 084	-2 143
Total stockholder's equity	2 504 130	2 464 172
PROVISIONS		
Other provisions	13 056	12 401
Total provisions	13 056	12 401
LIABILITIES		
Long-term liabilities		
Borrowings from credit institutions	2 713 298	2 853 641
Prepayments from buyers	39 604	38 118
Other liabilities	24 823	43 021
Deferred tax liability	193 182	159 698
Total long-term liabilities	2 970 907	3 094 478
Current liabilities		
Borrowings from credit institutions	140 343	140 343
Accounts payable	52 026	54 908
Taxes and social security payments	22 085	15 929
Other liabilities	10 331	10 303
Prepayments from buyers	13 995	5 921
Other loans	18 198	18 956
Total current liabilities	256 978	246 360
Total liabilities	3 227 885	3 340 838
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 745 071	5 817 411

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON DECEMBER
31.2015.**

		EUR 31.12.2015	EUR 31.12.2014
1	2	4	4
Net turnover	1	1 135 245	1 160 451
Cost of goods sold	2	-799 672	-848 220
Gross profit		335 573	312 231
Administrative expenses	3	-100 752	-102 287
Other income from operations	4	6 053	10 947
Other expenses from operations	5	-25 138	-17 332
Financial services expenses	6	-124 246	-150 452
Profit before taxes		91 490	53 107
Other taxes	7	-21 922	-16 981
Deferred tax	8	-33 484	-48 269
Net profit		36 084	-12 143

Earnings per share (EPS)
on 31.12.2015-0.0186 EUR

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampane

**CASH FLOW STATEMENT FOR YEAR THAT ENDS ON DECEMBER 31, 2015**

	2015 31.12.	2014 31.12.
	EUR	EUR
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before outstanding items and taxes (+)	91 490	53 107
<i>Adjustments:</i>		
fixed assets depreciation (+)	99 673	119 518
intangible assets depreciation (+)	335	392
increase/decrease in provisions	655	-184
Fixed asset income		-7 666
financial services income	124 246	150 452
<i>Profit or losses before adjustments from current assets and liabilities</i>	316 399	315 619
<i>Adjustments:</i>		
debtors : increase (-); decrease (+)	-2 419	950
liabilities: increase (-); decrease (+)	-9 020	-18 234
<i>Gross cash provide by operating activities</i>	304 960	298 335
Payments for financial	-124 246	-150 452
<i>Net cash provided by operating activities before outstanding items:</i>	180 714	147 883
Cash flow from outstanding items (-/+)		
Net cash provided by operating activities :	180 714	147 883
II. CASH FLOWS FROM INVESTING ACTIVITIES :		
Fixed assets purchase	-31 400	10 283
Interest received	0	128
Net cash used in investing activities :	-31 400	10 411
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Expenses for borrowings repayment	-140 343	-66 781
Payment SEB Līzings, Swedlīzings	-18 956	-6 394
Net cash provided by financing activities :	-159 299	-73 175
IV. Exchange rate fluctuation result :	0	0
Net cash flom	-9 985	85 119
CASH AT BEGINNING OF YEAR	93 619	8 500
CASH AT END OF YEAR	83 634	93 619



**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
DECEMBER 31, 2015**

	31.12.2015 EUR	31.12.2014 EUR
Stockholder's equity		
Balance at the beginning of the financial year	2 766 969	2 766 969
Increase from		
Decrease from	-44 477	
Balance at the end of the financial year	2 722 492	2 766 969
Long-term investments revaluation reserve		
Balance at the beginning of the financial year	801 562	801 562
Increase from	3 874	
Decrease from		
Balance at the end of the financial year	805 436	801 562
Accumulations		
Balance at the beginning of the financial year	0	0
Increase from	44 477	0
Decrease from		
Balance at the end of the financial year	44 477	0
Retained earnings		
Balance at the beginning of the financial year	-1 104 359	-1 092 219
Profit or losses of the financial year	36 084	-12 143
Dividends		
Included in accumulations		
Balance at the end of the financial year	-1 068 275	-1 104 359
Stockholder's equity (total)		
Balance at the beginning of the financial year	2 464 172	2 476 312
Balance at the end of the financial year	2 504 130	2 464 172

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first twelve months of 2015 from its core business-service provision without VAT

Type of commercial operations	2015.12.31	2014.12.31
	EUR	EUR
Electricity distribution and servicing	301 061	314 400
office renting service	585 184	619 801
Facilities management and utilities	249 000	249 000
Total	1 135 245	1 160 451

Distribution of net turnover by geographical markets

Country	2015.12.31	2014.12.31
	EUR	EUR
Latvia	1 135 245	1 160 451
Total	1 135 245	1 160 451

(2) Cost of sales

	2015.12.31	2014.12.31
	EUR	EUR
Personnel costs and social tax	161 172	173 550
depreciation	99 673	119 518
transport	7 863	10 073
residential services (electricity, water)	393 631	426 017
personnel training	229	549
telecommunication service	1 386	1 594
other costs tied to commercial operations	122 650	102 738
insurance costs (buildings)	5 362	5 605
land rent to LPA	6 027	6 027
bank charges	371	249
depreciation of license	335	392
travel expenses	0	1 908
Total	798 672	848 220



(3) Costs of administration	2015.12.31	2014.12.31
	EUR	EUR
Salaries and social tax for administration	78 079	77 371
telecommunication service	1 386	1 594
office supplies	1 042	1 417
transport expenses for administrative needs	7 836	10 073
representative expenses	127	33
audit cost	1 400	1 281
legal assistance or raid	3 768	3 404
RFB annual fee	7 114	7 114
Total	100 752	102 287

(4) Other revenues from commercial operation	2015.12.31	2014.12.31
	EUR	EUR
finances	1 623	2 441
profit from sale of fixed assets (10283-2617)	0	7 666
Income from savings for vacations reduction	0	184
Other income	4 430	528
insurance recompense	0	128
Total	6 053	10 947

(5) Other costs of commercial operations	2015.12.31	2014.12.31
	EUR	EUR
60% of representative costs	231	59
donations to Latvian orphans fund	851	1 103
other expenses	2 582	1 330
Bad debts write-off costs	20 484	12 911
finances	990	1 929
exchange losses	0	0
Total	25 138	17 332

**Payments of interest and similar expenses**

(6)		2015.12.31	2014.12.31
		EUR	EUR
	credit interests	122 726	148 233
	Swedbank līzings	393	584
	SEB Līzings	1 127	1 635
	Total	124 246	150 452

(7)	Deferred tax	2015.12.31	2014.12.31
		EUR	EUR
	Deferred tax at beginning of period	159 698	111 429
	Deferred tax at end of period	193 182	159 698
	Total	-33 484	-48 269

(8)	Other taxes	2015.12.31	2014.12.31
		EUR	EUR
	real estate tax (buildings,land)	21 922	16 981
	Total	21 922	16 981