

**AS "Daugavpils Lokomotīvu Remonta Rūpnīca"**

**Consolidated Interim Financial Statements**

**for the 12 month period ended 31 December 2015**

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**CONTENTS**

Management	3
Report of the Management	4
Statement of the management responsibility	5
Financial statements	
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10 - 16

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**MANAGEMENT**

Names and positions of the Council members

Oleg Ossinovski - Chairman of the Council

Sergei Jakovlev - Member of the Council

Lauri Reinhold - Member of the Council

Mihhail Terentjev - Member of the Council

Roman Zahharov - Member of the Council

Names and positions of the Board members

Aivar Keskula - Chairmen of the Board

Natālija Petrova - Member of the Board

Vladimirs Kirsanovs - Member of the Board

## **REPORT OF THE MANAGEMENT**

### **Type of operations**

Basic activity of AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA" is railway rolling stock overhaul repair, maintenance and upgrade, manufacturing and repair of its spare parts. AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA" provides a repair services of all types of railway rolling stock - diesel - electric locomotives and electric trains.

### **Performance of the Group during the financial year**

During the 12 month period in 2015 the consolidated net sales of the Group amounted to 14,8 million EUR (26,4 % decrease in respect of net sales in the respective period in 2014).

The Group completed the 12 month period in 2015 with a loss of 2,5 million EUR. During the period the Group exported its products to 9 countries, the total export volume amounted to 11,9 million EUR (in similar period in 2014 - 18,0 million EUR). The main directions of export in reporting period were EU countries: Estonia, Poland and Lithuania, and the third countries: Russia, Belarus, Uzbekistan.

On 2nd of March 2015 the company implemented the ERAF project; the new equipment is placed in service and the final report of LIAA is handed over. 30th of June 2015 the company received ES funds and a partial debt reimbursement to the bank.

Big losses are related first of all to the closure of project in Russian rubles, as well as the reason was that the company was not provided with orders to full capacity, therefore, to increase the company's operations economic efficiency the companies has a reorganization, proceedings processes optimization and the reduce of current spending were being carried out. In the meanwhile, the Company has been actively participating in a variety of marketing events such as thematic fairs, conferences and mass media advertising. These events have been done to learn new technological practices and to approach clients. As of now, the company has acquired the first orders that have been processed and sent out to an orderer. Even though we are now fully occupied by work it is still not enough to subsidise the Russian trade scope. Our purpose - to increase scope of production (sales) outside the Russian market to avoid currency risk; to continue elaborating company's efficiency and keep production optimisation in balance.

Natālija Petrova  
Member of the Board

Daugavpils, 25 February 2016

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**STATEMENT OF THE MANAGEMENT RESPONSIBILITY**

The Board of Directors of AS "Daugavpils Lokomotīvu Remonta Rūpnīca" is responsible for the preparation of the consolidated financial statements of the Group.

The consolidated interim financial statements on pages 6 to 16 are prepared in accordance with the accounting records and source documents and present fairly the financial position of the Group as of 31 December 2015 and the results of its operations for the 12 months period ended 31 December 2015 and cash flows for the period then ended.

The condensed consolidated interim financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted in the European Union on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. Prudent and reasonable judgments and estimates have been made by the Board of Directors in the preparation of the condensed consolidated interim financial statements.

The Board of Directors of AS "Daugavpils Lokomotīvu Remonta Rūpnīca" is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group. The Board of Directors is also responsible for operating the Group in compliance with the legislation of the Republic of Latvia.

---

Natālija Petrova  
Member of the Board

Daugavpils, 25 February 2016

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	01.01.2015 - 31.12.2015 EUR	01.01.2014 - 31.12.2014 EUR
Net sales	(1)	14 771 246	20 068 041
Cost of sales	(2)	(15 347 248)	(18 673 012)
<b>Gross profit (loss)</b>		<b>(576 002)</b>	<b>1 395 029</b>
Distribution expenses	(2)	(218 761)	(398 964)
Administrative expenses	(2)	(1 728 337)	(1 901 530)
Other income		215 191	99 430
Other expenses		(33 551)	(79 723)
Net finance income and loss		(162 462)	(356 510)
<b>Profit (loss) before tax</b>		<b>(2 503 922)</b>	<b>(1 242 268)</b>
Corporate income tax		<u>0</u>	<u>(1 057)</u>
<b>Net profit (loss)</b>		<b><u>(2 503 922)</u></b>	<b><u>(1 243 325)</u></b>
<b>Attributable to:</b>			
Equity holders of a parent company		(2 503 922)	(1 243 325)
Minority interest		-	-
<b>Earnings per share (in cents)</b>			
Basic		(0.30)	(0.15)
Diluted		(0.30)	(0.15)
<b>Total comprehensive income (expense)</b>		<b><u>(2 503 922)</u></b>	<b><u>(1 243 325)</u></b>
<b>Attributable to:</b>			
Equity holders of a parent company		(2 503 922)	(1 243 325)
Minority interest		-	-

Notes on pages 10 to 16 are an integral part of these financial statements.

\_\_\_\_\_  
Natālija Petrova  
Member of the Board

Daugavpils, 25 February 2016

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**STATEMENT OF FINANCIAL POSITION**

	Notes	31.12.2015. EUR	31.12.2014. EUR
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Intangible assets	(3)	19 230	22 212
Property, plant and equipment	(3)	14 808 172	16 024 673
<b>Total non-current assets:</b>		<b>14 827 402</b>	<b>16 046 885</b>
<b>Current assets</b>			
Inventories	(4)	3 345 688	3 763 521
Trade receivables		2 721 047	2 610 649
Accrued income	(5)	7 186 705	2 359 509
Corporate income tax overpaid		11 448	71 584
Other current assets		2 767 351	2 407 864
Cash and cash equivalents		890 650	27 811
<b>Total current assets:</b>		<b>16 922 889</b>	<b>11 240 938</b>
<b><u>Total assets</u></b>		<b><u>31 750 291</u></b>	<b><u>27 287 823</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital		11 801 610	11 801 610
Retained losses of the previous years		(3 163 985)	(1 920 660)
Current year profit (losses)		(2 503 922)	(1 243 325)
<b>Total equity:</b>		<b>6 133 703</b>	<b>8 637 625</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Borrowings	(6)	3 711 937	3 520 256
Deferred income tax liabilities		660 101	660 101
Deferred income		1 542 651	572 688
Other liabilities	(8)	122 834	122 834
<b>Total non-current liabilities:</b>		<b>6 037 523</b>	<b>4 875 879</b>
<b>Current liabilities:</b>			
Borrowings	(6)	3 962 027	5 601 224
Trade payables		6 077 991	3 852 075
Deferred income		292 671	37 742
Corporate income tax payables	(7)	155 997	200 178
Provisions	(8)	9 090 379	4 083 100
<b>Total current liabilities:</b>		<b>19 579 065</b>	<b>13 774 319</b>
<b>Total liabilities:</b>		<b>25 616 588</b>	<b>18 650 198</b>
<b><u>Total equity and liabilities:</u></b>		<b><u>31 750 291</u></b>	<b><u>27 287 823</u></b>

Notes on pages 10 to 16 are an integral part of these financial statements.

\_\_\_\_\_  
Natālija Petrova  
Member of the Board

Daugavpils, 25 February 2016

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
<b>31.12.2012.</b>	<b>11 801 610</b>	<b>(1 678 584)</b>	<b>10 123 026</b>
Loss of the reporting period	-	(242 076)	(242 076)
Total comprehensive income	-	(242 076)	(242 076)
<b>31.12.2013.</b>	<b>11 801 610</b>	<b>(1 920 660)</b>	<b>9 880 950</b>
Loss of the reporting period	-	(1 243 325)	(1 243 325)
Total comprehensive income	-	(1 243 325)	(1 243 325)
<b>31.12.2014.</b>	<b>11 801 610</b>	<b>(3 163 985)</b>	<b>8 637 625</b>
Loss of the reporting period	-	(2 503 922)	(2 503 922)
Total comprehensive income	-	(2 503 922)	(2 503 922)
<b>30.09.2015.</b>	<b>11 801 610</b>	<b>(5 667 907)</b>	<b>6 133 703</b>

Notes on pages 10 to 16 are an integral part of these financial statements.



AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**CASH FLOW STATEMENT**

	<b>01.01.2015 - 31.12.2015 EUR</b>	<b>01.01.2014 - 31.12.2014 EUR</b>
<b>Cash flow from operating activities</b>		
Profit or losses before income tax	(2 503 922)	(1 242 268)
<u>Adjustments for:</u>		
depreciation and amortization	1 539 647	1 022 994
profit from sales of property, plant and equipment	(2 000)	(21 200)
changes in provisions	(44 181)	(66 614)
(gains) or losses from exchange rate fluctuations	55 449	65 876
interest expenses	101 602	262 657
<b>Cash flow prior to changes in current assets</b>	<b>(853 405)</b>	<b>21 445</b>
Inventory (increase)/decrease	417 833	(1 422 699)
Account receivable (increase)/decrease	(6 032 045)	512 451
Account payable increase/(decrease)	7 495 091	(30 501)
<b>Gross cash flow generated from operating activities</b>	<b>1 027 474</b>	<b>(919 304)</b>
Interest paid	(126 898)	(137 498)
Corporate income tax paid		(15 330)
<b>Net cash flow generated from operating activities</b>	<b>900 576</b>	<b>(1 072 132)</b>
 <b>Cash flow from investing activities</b>		
Acquisition of tangible assets	(1 118 248)	(3 207 962)
Proceeds from sales of property, plant and equipment	2 000	21 200
<b>Net cash flow generated from investing activities</b>	<b>(1 116 248)</b>	<b>(3 186 762)</b>
 <b>Cash flow from financing activities</b>		
Grants received	1 533 048	96 203
Loans repaid	2 857 402	(1 072 702)
Loans received	(3 311 939)	5 046 324
<b>Net cash flow generated from financing activities</b>	<b>1 078 511</b>	<b>4 069 825</b>
 <b>Net increase / (decrease) in cash and cash equivalents</b>	<b>862 839</b>	<b>(189 069)</b>
 <b>Cash and cash equivalents at the beginning of the financial year</b>	<b>27 811</b>	<b>216 880</b>
 <b>Cash and Cash equivalents at the end of the financial year</b>	<b>890 650</b>	<b>27 811</b>

Notes on pages 10 to 16 are an integral part of these financial statements.

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**NOTES TO THE FINANCIAL STATEMENTS**

**I. GENERAL INFORMATION**

AS "DAUGAVPILS LOKOMOTIVJU REMONTA RUPNICA" (further in text - the Company) is registered in Enterprise register of Republic of Latvia in Daugavpils on 3 October 1991 and in Commercial register of the Republic of Latvia in Daugavpils on 8 June 2004. The legal address of the Company is 1 Marijas Street, Daugavpils, LV-5404, Latvia.

The Company is open joint stock company and it's shares are quoted in AS NASDAQ OMX Secondary list, Latvia.

Basic activity is repair, maintenance and modernization of railway rolling stocks, production, repair and sale of their spare parts.

The Group financial year is from 1 January 2015 till 31 December 2015, these consolidated interim financial statements cover the period from 1 January 2015 till 31 December 2015.

These financial statements are consolidated financial statements of the Company. The Company is the parent company of the Group. Under the Group, there are 9 subsidiary companies where we hold 100% of stake in each.

**II. ACCOUNTING POLICIES**

**(1) Basis of preparation**

These condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in EU.

**(2) Ārvalstu valūtu pārvērtēšana**

**(a) Functional and presentation currency**

Items are shown in the financial statements of the Group as measured using the currency of the primary economic environment in which the Group operates (the functional currency). Financial statements are presented in euro (EUR), which is the Group's functional and presentation currency.

**(b) Transactions and balances**

All foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 statement of comprehensive income for the period.

Exchange rates used at the balance sheet date are as follows:

	<b>31.12.2015.</b>	<b>31.12.2014.</b>
	<b>EUR</b>	<b>EUR</b>
1 USD	0.915	0.824
1 RUB	0.0125	0.0138

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**(3) Income recognition**

Net sales represent the total of goods and services sold during the year net of discounts, value added tax. Main operation of the Group are repair and modernization of railway rolling stock. Taking into account the type of repair and modernization work and complicity of the order the period of provisioning the services could reach 3-6 months.

Income related to repair and modernization services are recognised on the basis of completion. Expenses connected with repair service agreement are recognized in the moment when occurred. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense at recognition.

The Group apply the stage of completion method to determine the correct amount of revenues to be recognized in a given period. The stage of completion is measured by reference to the contract costs incurred up to balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories or other assets, depending on their nature.

The Group presents as an asset the gross amount due from the customers for contract work for all contracts in progress for which costs incurred plus recognized profit (less recognized losses) subtracting progress billings. Progress billings not yet paid by customers and retention are included within "Trade receivables".

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profit (less recognized losses). Advances received from customers are disclosed under "Other liabilities".

Income from sales of goods in Latvia is recognized when the customer has accepted the goods. Income from sales of goods outside Latvia is recognized in accordance with the terms of delivery. Income from provision of other services is recognized by reference to the stage of completion of the services.

Interest income or expenses are recognized in the statement of comprehensive income for all loans and borrowings assessed at amortized cost applying the effective interest rate method.

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**III. OTHER NOTES**

**(1) Segment Information**

**(a) Operation and reportable segment**

Basic activity of the Group is repair and modernization of railway rolling stock, as well as producing, repair and sale of spare parts. The Group repairs and modernizes any kind railways rolling stocks (diesel-electric locomotives and electric trains), as well as producing and repairing large amount of spare parts and knots of rolling stocks. Since the Group's main activity is repair of railway rolling stocks and sale of related goods, the Group has only one reporting business segment. Operation segment is reported in a manner consistent with the internal reporting provided to the Company's chief operating decision maker being the Board.

**(b) Geographical markets**

The Group operates in Latvia by selling repair services and spare parts in domestic market, as well as exporting these services and spare parts.

The operations of the Group can be divided into several geographical segments, which are sales in Latvia, export of services segregated by registration place of railway rolling stock and sales of goods divided by the country of the residence of the client. Distribution of sales among these segments is as follows:

	<b>01.01.2015 - 31.12.2015</b>	<b>01.01.2014 - 31.12.2014</b>
	<b>EUR</b>	<b>EUR</b>
Russia	4 688 756	9 491 364
Other ES countries	6 549 005	6 295 775
Latvia	2 847 718	2 066 805
Belarus	537 600	808 120
Other countries	64 626	962 490
Uzbekistan	83 541	443 487
	<b><u>14 771 246</u></b>	<b><u>20 068 041</u></b>

**(c) Major customers**

Split of the net sales among the customers amount to 10 percent or more of total revenues are:

Customer Nr.1	5 197 373	4 801 245
Customer Nr.2	2 809 269	4 493 969
Customer Nr.3	1 793 049	3 084 079
Customer Nr.4	824 449	2 559 734
Other clients	4 147 106	5 129 014
	<b><u>14 771 246</u></b>	<b><u>20 068 041</u></b>

**(d) Revenue by types**

Income from railway rolling stock repair and upgrade services	14 590 444	19 171 121
Other income	180 802	896 920
	<b><u>14 771 246</u></b>	<b><u>20 068 041</u></b>

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
 Consolidated Interim Financial Statements  
 for the 12 month period ended 31 Dec  
 ember 2015

(2) **Expenses by Nature**

	<b>01.01.2015 - 31.12.2015 EUR</b>	<b>01.01.2014 - 31.12.2014 EUR</b>
Costs of raw materials and consumables	7 021 818	9 142 400
Salary expenses	4 074 895	6 382 670
Utility costs	1 032 451	1 652 373
Mandatory state social insurance contributions	954 300	1 490 593
Other expenses	591 278	1 038 070
Depreciation of property, plant and equipment	1 539 647	1 022 985
Brokerage costs	66 686	38 097
Transportation expenses	1 704 312	203 029
Office expenses	68 972	55 192
Increase in provisions for expected losses	-	(110 236)
Increase in provisions for inventories and receivables	(51 274)	86 283
Increase in provisions for warranty and other contingent liabilities	171 823	(54 863)
Professional services costs	119 438	26 913
	<b><u>17 294 346</u></b>	<b><u>20 973 506</u></b>

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 December 2015

(3) Intangible assets and property, plant and equipment

	Intangible assets	Property, plant and equipment				Total property, plant and equipment
		Lands and buildings	Equipment and machinery	Other assets	Assets under construction and advances	
	EUR	EUR	EUR	EUR	EUR	EUR
<b>01.01.2014.</b>						
Initial cost	45 727	9 385 567	11 129 681	846 774	1 749 460	23 111 482
Accumulated depreciation	(27 767)	(2 045 359)	(7 282 495)	(764 407)	-	(10 092 261)
<b>Net book value</b>	<b>17 960</b>	<b>7 340 208</b>	<b>3 847 186</b>	<b>82 367</b>	<b>1 749 460</b>	<b>13 019 221</b>
<b>2014</b>						
Acquisition cost	17 960	7 340 208	3 847 186	82 367	1 749 460	13 019 221
Acquired	-	-	-	-	4 032 689	4 032 689
Reclassified	14 886	672 963	4 069 623	32 947	(4 790 419)	(14 886)
Amortized	(10 634)	(303 021)	(673 720)	(35 610)	0	(1 012 351)
<b>Closing book value</b>	<b>22 212</b>	<b>7 710 150</b>	<b>7 243 089</b>	<b>79 704</b>	<b>991 730</b>	<b>16 024 673</b>
<b>31.12.2014.</b>						
Initial cost	60 612	10 058 530	15 178 338	873 673	991 730	27 102 271
Accumulated depreciation	(38 400)	(2 348 380)	(7 935 249)	(793 969)	-	(11 077 598)
<b>Net book value</b>	<b>22 212</b>	<b>7 710 150</b>	<b>7 243 089</b>	<b>79 704</b>	<b>991 730</b>	<b>16 024 673</b>
<b>2015</b>						
Acquisition cost	22 212	7 710 150	7 243 089	79 704	991 730	16 024 673
Acquired	-	-	-	-	245 271	245 271
Reclassified	4 962	44 311	1 021 904	47 071	(1 142 460)	(29 174)
Written off	-	(12 065)	(273)	-	-	(12 338)
Amortized	(7 944)	(310 334)	(1 197 268)	(32 045)	-	(1 539 647)
<b>Closing book value</b>	<b>19 230</b>	<b>7 432 062</b>	<b>7 067 452</b>	<b>94 730</b>	<b>94 541</b>	<b>14 688 785</b>
<b>31.12.2015.</b>						
Initial cost	65 574	10 090 776	16 199 969	920 744	94 541	27 306 030
Accumulated depreciation	(46 344)	(2 658 714)	(9 132 517)	(826 014)	-	(12 617 245)
<b>Net book value</b>	<b>19 230</b>	<b>7 432 062</b>	<b>7 067 452</b>	<b>94 730</b>	<b>94 541</b>	<b>14 688 785</b>

(4) Inventories

	31.12.2015. EUR	31.12.2014. EUR
Raw materials	2 561 154	2 845 554
Work-in-progress	131 187	156 355
Finished goods	602 073	936 203
(Provisions for impairment of inventories)	51 274	(174 591)
	<b>3 345 688</b>	<b>3 763 521</b>

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
 Consolidated Interim Financial Statements  
 for the 12 month period ended 31 Dec  
 ember 2015

**(5) Accrued income**

	<b>31.12.2015.</b>	<b>31.12.2014.</b>
	<b>EUR</b>	<b>EUR</b>
Accrued income for repair and modernization contracts	7 186 705	2 368 047
Expected losses		(8 538)
Gross amount of work-in-progress	<u><b>7 186 705</b></u>	<u><b>2 359 509</b></u>
where:		
Amount due from customers	<u>7 186 705</u>	<u>2 359 509</u>
	<u><b>7 186 705</b></u>	<u><b>2 359 509</b></u>

**(6) Borrowings**

In 2015 the Company received additional loans from related company in the amount of EUR 2 523 000. Part of the loan in the amount of EUR 397 000 was repaid. Loans are with interest rate 12% respectively, and repayment from 01 January 2016.

**(7) Provisions**

In accordance with signed agreements, the Group provides free of charge warranty repairs to customers under the general provisions of the repair. Taking into account that the rolling stock repairs actually are carried out by the subsidiaries of the Company, which estimates the provisions for warranty repairs in its individual financial statements, the provision in financial statements of the Group valued as the total amount of provisions of the Company and subsidiaries.

	<b>31.12.2015.</b>	<b>31.12.2014.</b>
	<b>EUR</b>	<b>EUR</b>
At beginning of the year	200 178	255 041
Used during the year	(216 004)	(88 635)
Additional provisions	<u>171 823</u>	<u>33 772</u>
At the end of the year	<u><b>155 997</b></u>	<u><b>200 178</b></u>

AS "Daugavpils Lokomotīvu Remonta Rūpnīca"  
Consolidated Interim Financial Statements  
for the 12 month period ended 31 Dec  
ember 2015

**(8) Other liabilities**

	<b>31.12.2015.</b>	<b>31.12.2014.</b>
	<b>EUR</b>	<b>EUR</b>
<b>Non-current</b>		
Accrued liabilities to post-employment benefits (non-current part)	122 834	122 834
	<b><u>122 834</u></b>	<b><u>122 834</u></b>
<b>Current</b>		
Advances received	7 194 137	2 260 761
Other liabilities	182 242	286 322
Payroll liabilities	224 889	276 181
Accrued liabilities for unused annual leave	272 213	272 213
Mandatory State social contributions liabilities	484 859	512 480
Personnel income tax liabilities	336 168	465 534
Value-added tax	387 508	-
Other deferred income	1 565	2 811
Accrued liabilities for post-employment benefits (current part)	6 798	6 798
	<b><u>9 090 379</u></b>	<b><u>4 083 100</u></b>

**(9) Transactions with related parties**

The biggest shareholders of the Company AS Skinest Rail (Estonia) and AS Spacecom (Estonia) have a significant influence in Group's policy and decision making. Disclosed below is information on transactions with these companies as well as with other companies, which are under AS Skinest Rail (Estonia) and AS Spacecom (Estonia) control.

**a) claims and liabilities**

	<b>31.12.2015.</b>		<b>31.12.2014.</b>	
	<b>Receivables</b>	<b>Payables</b>	<b>Receivables</b>	<b>Payables</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<i>Related parties with significant influence</i>				
Trade receivables / payables	1 232 374	4 992 599	642 248	1 275 623
Borrowings	-	4 877 240	-	2 751 240
<i>Jointly Controlled Entities:</i>				
Other current assets / liabilities	2 242 459	6 787 127	1 739 005	827 991
	<b><u>3 474 833</u></b>	<b><u>16 656 966</u></b>	<b><u>2 381 253</u></b>	<b><u>4 854 854</u></b>

**b) transactions**

	<b>01.01.2015 -</b>	<b>01.01.2014 -</b>
	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>EUR</b>	<b>EUR</b>
<i>Related parties with significant influence</i>		
Repair services of railway rolling stock	8 970 644	7 158 469
Purchase of raw materials	3 945 915	3 126 859
Sale of other goods	300 866	604 488
Services received	409 904	284 905
	<b><u>13 627 329</u></b>	<b><u>11 174 721</u></b>