

JSC "VEF Radiotekhnika RRR"
Unified Registration No. 40003286712
Address: Kurzemes prospekts 3, Riga, LV-1067

Measurement units: Ls (LVL)

2013 3 Months Report

Submission date: _____

Date of receipt: _____

Riga, Latvia

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JSC "VEF Radiotehnika RRR"
unified Reg.Nr.40003286712
Financial Statements for the period from 01.01.2012 to 31.12.2012.

INFORMATION about the COMPANY

Full name of the Company	<i>JSC "VEF Radiotehnika RRR"</i>		
Legal status of the Company	<i>Public Joint-Stock Company</i>		
Unified Registration Nr., place and date of issue	<i>40003286712 11.12.1998</i>		
Legal address of the Company	<i>Kurzemes prospekts 3, Riga, LV-1067</i>		
Telephone	<i>67418087</i>		
Postal address	<i>Kurzemes prospekts 3, Riga, LV-1067</i>		
Bank name and Company's bank accounts	<i>JSC "SEB Latvijas Unibanka" LV57UNLA0050006466330 (LVL) LV55UNLA0050006466366 (EUR) Nordea bank Finland PLC LV06NDEA0000082922737 JSC GE Money Bank LV49BATR0051701822200</i>		
Council members of the JSC			
Chairman of the Council	<i>Janis Salenieks</i>		
Council Member	<i>Jurijs Malejevs</i>		
Council Member	<i>Inga Spruga</i>		
Council Member	<i>Ausma Smiltneice</i>		
Council Member	<i>Vjaceslavs Mihailovins</i>		
Boar members of the JSC			
Chairman of the Board	<i>Eduards Malejevs</i>		
Board Member	<i>Boriss Livca</i>		till 01.05.2013
Board Member	<i>Ēriks Ertmanis</i>		
Reporting year	<i>from</i>	<i>01.01.2013</i>	<i>till 31.03.2013</i>
Previous reporting period	<i>from</i>	<i>01.01.2012</i>	<i>till 31.12.2012</i>
Chief Accountant	<i>Olga Romanko</i>		
Telephone:	<i>67852054</i>		
Auditor:	JSC BDO Reg.No.40003035771 Pulkveža Brieža street 19, Riga Licence No 112		
	Aivars Putniņš Certified auditor Certificate Nr.123	Valda Zītare Certified auditor Certificate Nr.62	

Management Report

Principal activities

During the first 3 months of 2013, the main JSC "VEF Radiotekhnika RRR" activities were:

1. Purchase and sales of acoustic systems and their enclosures;
2. Purchase and sales of electronic assemblies and nodes;
3. Purchase and sales of printed pallets, galvanization services;
4. Real estate renting services.

All of the above-mentioned activities have been performed also in year 2011. New types of activities have not been acquired.

Due to encashment order from State Revenue Service, in the second half-year of the 2012 the manufacturing process was stopped and the Company dealt exclusively with renting of real estate property and equipment. In December 2012 the State Revenue Service encashment order was canceled.

During the second quarter of 2013 it is planned to restore the developing of acoustic systems and their enclosures and to restore the organizing the production, producing and selling.

Current year activities of the Company

The current year results of the Company are the following:

Result before extraordinary items and taxes:	17986 LVL
Other taxes:	-15967 LVL
Net result:	2019 LVL

Net turnover in year 2012 was LVL 1 017 690 and it has fallen by 23% in comparison with the year 2011.

There were no other significant events which could directly influence performance for the reporting period.

The company's current liabilities exceeded its current assets.

Total liabilities did not exceed total assets of the Company.

Company's profitability:

Gross profit margin (%)	0.63
Operating profit margin (%)	9.69
Gross profit margin (%)	16.83

Financial profitability (%)

Return on capital	0.16
Return on equity	0.03

2012 was a year of significant challenges for JSC "VEF Radiotekhnika RRR" when a decision was made to make important adjustments of the results of the previous years to create solid foundations for sustainable growth in future.

Significant losses incurred due to recognizing impairment of Company's assets as loss.

Future prospects and going concern

As mentioned above, the result of the year 2012 is loss in amount of LVL 491 683, which is associated with a significant reduction in the sales market sector, as well as recognizing impairment of the Company's assets. At the end of the year current liabilities of the Company exceeded current assets by LVL 1 410 107. The management of the Company considers that the existing situation is temporary and takes actions to restore the income in the previous level. If the current situation becomes permanent and will not be dissolved, the Company may be forced to sell non-profile assets.

To absorb the losses and settle with the creditors, the possibility of selling the company-owned non-profile assets that are engaged in

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business but the possession of which increases the real estate tax burden, will be considered. Non-profile assets are now considered the administrative building, warehouses, land. The sales of non-profile assets would stabilize the Company and will enable further development of the Company in chosen directions.

The repayment of loan from SEB bank with the maturity date of the principal amount on 30 June 2013 is planned to be extended till it will be possible to refinance the loan with another bank. Negotiations with other banks are in process.

In year 2013 it is planned to complete the clearance process - putting into operation - of the fixed assets under construction.

JSC "VEF Radiotekhnika RRR" largest creditors are State Revenue Service and JSC "Latvenergo". Taking into account that during the year 2012 the Company has paid LVL 108 867 to the state budget, on 21 December 2012 the Company and the State Revenue Service agreed on a schedule of repayment of the delayed tax payments, and JSC "VEF Radiotekhnika RRR" is fulfilling the obligations on timely basis. Repayment plan of debts to JSC "Latvenergo" is at the stage of negotiating.

The Annual Report has been prepared considering the going concern principle because in year 2012 JSC "VEF Radiotekhnika RRR" has signed contracts for the sale of the acoustic systems with several companies: Russian electronics trading company "MediaMarkt-Saturn", Byelorussian company "Patio" that serves the electronics shops "5.Elements". Cooperation in production of enclosures with the Italian company RCF Spa has been revoked.

Post balance sheet events

From the end of the During the period from the last day of the financial year to the date of signing this report there have been no significant events having impact on the year-end results.

Proposals concerning covering of loss

The loss for year 2012 will be covered by future profits from the sales of non-profile assets.

Chairman of the Board

Eduards Malejevs

Member of the Board

Ēriks Ertmanis

2013.31.05

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Notification of management's responsibility

Company's management is responsible for the preparation of the financial statements for each reporting period on the basis of the accounting principles and which reflect true and fair view of the company's financial situation as well as operating results.

The management confirms that in preparation of the report for the period ended March 31, 2013, the corresponding accounting principles have been applied, their use was consistent and the protective and logical decisions had been made.

Management is responsible for application of the necessary accounting principles, safeguarding company's assets as well as protection from misrepresentation and unlawful activities.

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Member of the Board

Ēriks Ertmanis

2013.31.05

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BALANCE SHEET as at 31.03.2013.

ASSETS		Note	2013	2013	2012	2012
		nr.	LVL	EUR	LVL	EUR
1. Non-current assets						
I. Intangible assets:						
Concessions, patents, licenses, trade marks and similar rights	12			-		-
Total intangible assets:			-	-	-	-
II. Fixed assets:						
Land, buildings and constructions			3 178 945	4 523 231	3 179 812	4 524 465
Equipment and vehicles			1 152 797	1 640 282	1 188 124	1 690 548
Other fixed assets			41 313	58 783	43 763	62 269
Construction of fixed assets and unfinished construction objects			973 767	1 385 546	973 767	1 385 546
Total fixed assets:			13	5 346 822	7 607 842	5 385 466
V. Long-term financial investments:			14	2 655 659	3 778 662	2 663 596
Other loans and other long-term debtors			197 760	281 387	197 760	281 387
Other long-term receivables (PR. 12000075)			118 088	168 024	118 088	168 024
Deferred taxation assets			17 328	24 656	17 328	24 656
Total long-term financial investments:			15	333 176	474 067	333 176
Total non-current assets:				8 335 657	11 860 571	8 382 238
2. Current assets						
I. Inventory:						
Raw materials	16		177 963	253 219	185 865	264 462
Work in process	17		-	-	-	-
Finished goods	17		110 018	156 542	115 579	164 454
Advance payments for materials	18		9 383	13 351	6 215	8 843
Total inventory:				297 364	423 112	307 659
III. Receivables:						
Trade receivables	19		282 703	402 250	187 418	266 672
Associate company debts	20		251 600	357 995	254 907	362 700
Other receivables	21		125 713	178 873	125 713	178 873
Deferred expenses	22		24 690	35 131	29 146	41 471
Total receivables:				684 706	974 249	597 184
V. Cash			23	40 132	57 103	429
Total currents assets:				1 022 202	1 454 464	905 272
TOTAL ASSETS:				9 357 859	13 315 034	9 287 510

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BALANCE SHEET as at 31.03.2013.

LIABILITIES AND SHAREHOLDERS' EQUITY	Note nr.	2013	2013	2012	2012
		LVL	EUR	LVL	EUR
1. Shareholders' equity:					
Share capital	24	2 549 084	3 627 020	2 549 084	3 627 020
Reserves:	26	5 089 982	7 242 392	5 089 982	7 242 392
Retained earnings:					
a) previous years' retained earnings	25	- 840 090 -	1 195 340 -	348 407 -	495 738
b) current year profit/(loss)	25	2 019	2 873 -	491 683 -	491 683
Total shareholders' equity:		6 800 995	9 676 945	6 798 976	9 674 071
2. Provisions:					
Other provisions		12 427	17 682	12 427	17 682
Total provisions:		12 427	17 682	12 427	17 682
3. Liabilities:					
I. Non-current liabilities:					
Loans from lending institutions	27	-	-	-	-
Other loans	28	-	-	-	-
Deferred income	29	160 728	228 695	160 728	228 695
Total non-current liabilities:		160 728	228 695	160 728	228 695
II. Current liabilities:					
Loans from lending institutions	30	1 434 031	2 040 442	1 441 377	2 050 895
Other loans	31	-	-	9 665	13 752
Advances from customers	32	1 258	1 790	866	1 232
Trade accounts payable	33	417 419	593 934	455 239	647 747
Debt to associated companies	34	241 788	344 033	94 390	134 305
Taxes and social security liabilities	35	222 228	316 202	243 408	346 338
Other liabilities	36	24 100	34 291	26 323	37 454
Deferred income	37	-	-	-	-
Accrued liabilities	38	42 885	61 020	44 111	62 764
Total current liabilities:		2 383 709	3 391 712	2 315 379	3 294 487
Total liabilities:		2 544 437	3 620 407	2 476 107	3 523 182
TOTAL LIABILITIES :		9 357 859	13 315 034	9 287 510	13 214 936

Attachments from 12 to 28 pages are an integral part of these financial statements

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CASH FLOW STATEMENT FOR THE PERIOD ENDED
31.03.2013 (indirect method)

I. Cash flow from operating activities

Profit or loss before extraordinary items and taxes

Adjustments for:

- a) depreciation of fixed assets
- b) depreciation current assets.
- c) savings (excluding provisions for unsecured receivables)
- d) gains or losses from foreign currency exchange rate
- d) profit or loss from the exchange rate fluctuations
- f) income from subsidies, grants, gifts or donations
- g) other income from interest or similar income
- h) profit/loss from sale of fixed assets
- i) interest payments and similar activities
- k) proceeds from fixed asset depreciation of revalued

Profit or loss before current assets and

short-term liabilities corrections

Adjustments for:

- a) trade receivables increase (-) or decrease (+)
- b) inventory increase (-) or decrease (+)
- c) accounts payable to suppliers and other creditors
increase (+) or decrease (-)

Gross cash flow from operating activities

Interest payments

Expenses in the company's tax payments:

Cash flow before extraordinary items

Net cash flow from operating activity

II. Cash flow from investing activities

Fixed assets and intangible investments acquisitions

Income from fixed assets sale

Interest received

Net cash flow from investing activities

III. Cash flow from financing activities

Loans received

Loans repaid

Rented asset buy-out expenses

Net cash flow from financing activities

IV. Foreign exchange rate differences

V. Net cash flow for the year

VI. Cash and cash equivalents at the beginning of the period

VII. Cash and cash equivalents at the end of the period

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
	17 986	25 592 -	424 853 -	604 511
	46 581	66 279	185 048	263 300
	-	-	1	1
	-	-	4 463	6 350
	188	267	1 586	2 257
	-	-	-	-
	-	-	(46 798)	(66 588)
	(7)	(10)	(369)	(525)
	-	-	(80 541)	(114 600)
	13 308	18 936	66 452	94 553
	-	-	(27 928)	(39 738)
	78 056	111 064	(322 939)	(459 500)
	(87 522)	(124 533)	240 852	342 702
	10 295	14 648	60 565	86 176
	97 223	138 336	103 511	147 283
	98 052	139 516	81 989	116 660
	(13 290)	(18 910)	(72 814)	(103 605)
	(28 055)	(39 919)	(21 000)	(29 880)
	56 707	80 688	(11 825)	(16 825)
	56 707	80 688	(11 825)	(16 825)
	-	-	(49 129)	(69 904)
	-	-	99 677	141 828
	7	10	366	521
	7	10	50 914	72 444
	-	-	38 800	55 207
	-	-	(149 901)	(213 290)
	(17 011)	(24 204)	(24 644)	(35 065)
	(17 011)	(24 204)	(135 745)	(193 148)
	-	-	-	-
	39 703	56 493	(96 656)	(137 529)
	429	610	97 085	138 140
	40 132	57 103	429	610

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STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR 2013 3 months Report

	Subscribed share capital	Investment revaluation reserve	Statutory reserves	Profit for the year	Previous year's retained earnings	Total share capital and reserves
	LVL	LVL	LVL	LVL	LVL	LVL
Balance as on December 31, 2011	2 549 084	5 117 910		4 947	- 353 354	7 318 587
Profit carried over				- 4 947	4 947	
Profit for the year				- 491 683		- 491 683
Fixed assets revaluation reserve		- 27 928				- 27 928
Balance as on December 31, 2012	2 549 084	5 089 982	-	- 491 683	- 348 407	6 798 976
Profit carried over						
Profit for the year				2 019		2 019
Fixed assets revaluation reserve						
Balance as on March 31, 2013	2 549 084	5 089 982	-	- 489 664	- 348 407	6 800 995

	Subscribed share capital	Investment revaluation reserve	Statutory reserves	Profit for the year	Previous year's retained earnings	Total share capital and reserves
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as on December 31, 2011	3 627 020	7 282 130		7 039	559 116	3 100 289
Profit carried over				- 7 039	7 039	
Profit for the year				- 699 602		- 699 602
Fixed assets revaluation reserve		- 39 738				
Balance as on December 31, 2012	3 627 020	7 242 392	-	- 699 602	- 552 077	2 400 687
Profit carried over						
Profit for the year				2 873		2 873
Fixed assets revaluation reserve						
Balance as on March 31, 2013	3 627 020	7 242 392	-	- 696 729	- 495 738	9 676 945

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Notes to the Financial Statements

1. Accounting Policies

Data in the Financial Statements is in the national currency of Latvian Republic - Lats (LVL), shortened - Ls.

General Principles

The Annual Report is prepared in accordance with the Republic of Latvia

"Law On Accounting" and "Law on Annual Reports", the Cabinet Regulation No 488 "Application of Law on Annual Reports" the Cabinet Regulation No 481 "Contents and procedure for the preparation of the cash flow report and report of changes in shareholders' equity"

Profit and Loss Statement is prepared using turnover (period) costs method.

Cash Flow Statement is prepared using indirect method.

Financial Statements provides true and fair view of the Company's assets, liabilities, financial standing and profits or losses.

Accounting policies ensure that the Financial Statements provide information, which is:

1. Acceptable to Financial Statements' users for making decisions;

2. Is valid in the way that it:

* correctly reflects Company's results and financial standing - not only the legal form but also the economic nature, is neutral,

i.e. non-biased nor deliberate;

* fully represents all real aspects.

Changes to the accounting policies

Compared to the previous year, the accounting policy has not changed.

Should the application of the new external legislation and the Latvian Accounting Standard requirements' or voluntary accounting policy affect the reporting period or any previous periods, the LAS Nr.4 shall be applied.

Changes to the accounting policy are to be applied with reversed date effect, thus the Company shall change every balance entry of affected share capital item for all previous periods shown in the Financial Statements, as well as in other comparative tables for all shown periods in a way, as if the new accounting policy had always been used, except when it is not practically possible to evaluate the influence of the change in the accounting policy for the previous period or its overall influence.

Error correction

Literal errors for the previous periods are to be corrected by the Company with reversed date effect in the first financial statement after the error has been discovered:

1) by correcting comparable indicators for the periods in which the error has occurred; or

2) should the error get discovered prior the latter financial reporting period, by amending the asset, liability and share capital starting figures for the latter reporting period's.

Adapted accounting principles

Items of the Annual Report are valued in accordance with the following accounting principles:

a) it is assumed that the Company continues operations;

b) the same valuation methods as for the previous reporting year shall be used;

c) item valuation is performed with due attention, taking into account the following provisions:

- only profit received prior to the Balance Sheet date is used;

- all foreseen risk amounts and losses which have arisen in the reporting year or in the previous years, are included, even when they became known between the Balance Sheet date and the Annual Report preparation date;

- all value depreciations and reductions are considered and calculated regardless of whether the reporting year had profits or losses;

d) all incomes and expenses related to the reporting year are included in the Profit and Loss Statement regardless of payment date, invoice receipt or issuance dates. Expenses are compared with incomes in the corresponding reporting period;

e) assets and liabilities items are valued separately;

f) reporting year's beginning balance is matching the previous year's ending balance;

g) all items which may influence Annual Report's users decision making or valuation, are included;

h) operating activities for the reporting period are reflected taking into account their economic meaning and contents, not legal form.

Reporting period: from 01.01.2013. to 31.03.2013

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Financial Statements for the period from 01.01.2012 to 31.12.2012

Transactions in foreign currency

Data in the Financial Statements is in the national currency of Latvian Republic - Lats (LVL).

All monetary assets and liabilities are translated at the Bank of Latvia rate of exchange on last day of the reporting year.

Differences in exchange rates, arising from foreign currency transactions or when representing asset and liability items, between the exchange rate originally recorded, are to be reflected by their starting net value in the Profit and Loss Statement. Profit or loss, resulted due to the fluctuation of the foreign currency rate, is reflected in the Profit and Loss Statement for the corresponding period.

Currency rates at the last reporting date for the past two years have been the following:

	31.03.2013	31.12.2012	31.12.2011
USD	0.547	0.531	0.544
EUR	0.702804	0.702804	0.702804

Long-term and short-term items

The following amount are shown in the current assets:

- * that shall be used or realised during the usual working cycle of the Company;
- * that are mainly for trading purposes or are of short-term nature and can be realised within 12 months after the Balance Sheet date;
- * that are cash or cash equivalents, possessing unlimited usage options.

Other assets are classified as long-term.

The following current liabilities are shown:

- * that will be paid off during the usual working cycle of the Company;
- * that will be paid off within 12 months after the Balance Sheet date;

Other liabilities are classified as long-term.

Company's non-current liabilities (long-term liabilities) are also those which pay-off term is less than one year but:

- * original liability term was longer than one year;

Intangible assets and fixed assets depreciation

Intangible asset is an asset that:

is believed to bring operating benefits to the Company, related to this asset; which costs can be evaluated.

Only acquired for reward/compensation "concessions, patents, licenses, trade marks and similar rights" can be shown.

In the Balance Sheet all intangible assets are shown at the historical cost less depreciation.

Depreciation is calculated by straight-line method, using the following depreciation rates:

Intangible assets

Software	20-35	%
Licenses	20	%
Trade Marks	20	%
Non-material value	20	%

Intangible asset with specified useful life is systematically depreciated during the rounded up useful life period.

Intangible asset with unlimited useful life is checked for value decrease every year.

Computer software and licenses, commercial licenses, trade marks, patents, certificates and advance payments for the non-material investments are considered as intangible assets. Intangible assets are shown using their net value, computer software used together with licenses and ownership rights.

Fixed Assets:

Fixed assets are physical objects with useful life over 12 calendar months and acquisition value of 50,- LVL and more.

Work tools, production accessories and obligatory work clothes, shoes and other items are not classified as fixed assets, regardless of their acquisition value or useful life.

All fixed assets are valued by their acquisition value.

Fixed assets are shown using their acquisition or revaluations value, less depreciation. Depreciation is calculated using the straight-line method, reducing the net book value of the asset at the end of useful life using the following rates:

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* Buildings and constructions	1-5	%
* Technological equipment	10-20	%
* Transport vehicles	10-20	%
* Furniture	10-20	%
* Other fixed assets	10-20	%
* Mobile phones	35	%
* Computers and other data storage units	15-35	%
* Depreciation on land plots is not calculated.		

Unfinished construction object's historic cost is increased by the interest paid on the loan taken for construction of the fixed asset and on other costs arising in relation to the given object until it is completed and accepted for usage.

Unfinished construction object's historic cost is, however, not increased by the interest paid on the loan taken for construction of the fixed asset should the construction work during the periods when the construction is not taking place.

Rent

In cases when fixed assets are rented, repair and improvement costs are reflected in the account "Long-term investments in rented fixed assets" and are gradually written off during the rental period.

Hire-purchase (Financial leasing)

In cases when fixed asset are taken on financial lease basis along with risks and returns, these fixed assets are recorded in immediate purchase cost basis. Leasing interest payment and related costs are included in the Profit and Loss Statement for the corresponding period, when they occurred.

Long-term financial investments

Long-term financial investments are purchase of a company (or shares of it), long-term loans, long-term investments. Long-term investments are investments with pay-off date of over one year and are outside the reporting year.

Investments in subsidiaries and related Company shareholding.

Investments in subsidiaries and in capital of the related companies are treated as costs. Company recognises incomes only when they are received from the related company as distribution of its profits. Should the investment exceed the profit received, then it is reflected as investment expenditure reduction. Should there be sufficient ground to believe that the capital value of the company has decreased, then losses from the decrease are calculated as the difference between the original investment and the ending value of the investment. The ending value is calculated as the larger of the following indicators: investment's true value, form which the sales costs are deducted and company's usage value. Losses resulting from investment value's decrease can be reversed, if after the last time the losses from value decrease were recognised they have changed which was used for determining the decreased value.

Inventory valuation

Received and issued goods management is performed with help of computer software "IC". Uninterrupted inventory method is applied in monitoring wholesale movement of goods. During the reporting year, warehouse management software reflected every movement of inventory- sale, internal movement, return of goods to the supplier, return of goods from buyers. The goal of annual inventory is to check the correctness of inventory movement management system. Inventories are valued using FIFO method. In case of necessity, outdated, slow turnover or damaged inventories' values decrease is written-off, or provisions are made. Unused material values and stocks at the end of reporting period are valued on historic cost basis, with addition of additional costs (Customs' duties, transport costs, delivery services etc) proportion which is related to the stocks valued.

Write-off of purchased inventory's values:

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Inventory items are recorded in the actual volumes at historical cost in the sub account specially dedicated for these purposes.
Inventory balances are checked during annual inventory.

Debtors

Accounts receivable are valued on precautionary basis in the balance sheet, showing only real debtors. Actual accounts receivable amounts comply with the contracts and other documents presented. The accounts receivable comparison is performed and bad debts are written off as well as provisions for doubtful debts have been made, based on evaluation of individual client's financial standing and operating activity analysis.

Accounts receivables are shown in the Balance Sheet on a net (purchase) value, with special provisions for doubtful debts subtracted.

The necessary amount of provisions has been set by analysing each debtor and by performing debt comparison.

Bad debts are written off when the likelihood of recovering the debt becomes unrealistic and impossible.

Debtor and creditor liabilities are checked in the 4th quarter of every reporting year, and reconciliation statement is issued.

The debtor and creditor mutual reconciliation has been performed with mutual reconciliation acts.

Differences, discovered during comparison of accounting data are to be resolved in the annual report for the reporting year.

Net turnover

Turnover is the total of goods sold during the year less Value Added Tax.

Income and expenses acknowledgement

1. Income from sale of goods is recognised when the transaction complies with the following requirements:

- a) The Company has handed over to the buyer distinctive risks and rewards together with ownership rights of the goods;
- b) The Company no longer executes holding rights or control related to the ownership rights over the goods sold;
- c) can credibly evaluate the income amount;
- d) it is believed that as a result of the transaction, the Company will receive commercial benefits;
- e) can credibly evaluate costs arisen or arising related to the transaction.

Sale of goods is reflected, considering transaction's economic nature, not only legal form.

2. Result of the service supply transaction can credibly calculate, if the following conditions are met:

- a) can credibly evaluate the income amount;
- b) it is believed that as a result of the transaction, the Company will receive commercial benefits;
- c) can credibly evaluate, what is service supply volume in percentage at the Balance Sheet date;
- d) can credibly evaluate costs arisen or arising related to the transaction.

3. Incomes which arise if other parties use Company's assets and thus receive interest, royalties or dividends, can be recognised using the following methods, if:

- a) it is believed that as a result of the transaction, the Company will receive commercial benefits;
- b) can credibly evaluate the income amount;

Incomes are recognised, using the following methods:

- * interest, based on the proportional division of time, taking into account actual profitability;
- * royalties are recognised in accordance with accumulation principle in connection with the corresponding agreement;
- * dividends are recognised when the Company has legal grounds to receive them.

4. Incomes from rent - at the moment of coming into existence;

All significant cost items are processed per accumulation principle.

Cash and cash equivalents

Cash and cash equivalents consist from cash on hand and current balances in the bank accounts.

Financial Asset's or Liability's real value

The real value of financial assets and liabilities reflect the cash quantity, for which the asset can be sold or liabilities can be paid off between two independent parties. Should in Management's view, financial asset and liability real value is different from the Balance Sheet values, then that real value of assets and liabilities can be separately reflected in the Notes to the Financial Statements.

Accounts Payable

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Accounts payable are shown in the Balance Sheet on the basis of corresponding documents and entries in the accounting registers, which are compared with creditors' own data.

These liabilities are correspondingly separated into long-term debts (liabilities) and short-term liabilities. Short-term liabilities - liabilities which arise during the usual operating of the company and which should be settled not later than 12 months after the Balance Sheet date. Long-term liabilities - liabilities, settlement of which should start not earlier than one year after end of the reporting year. Loan or leasing liabilities are divided accordingly into short-term and long-term parts.

Reserves

Reserves are formed in order to cover certain liabilities, which are related to the reporting period or previous periods, can be foreseen at the time of preparation of the Annual Report or known not to exceed these amounts. The level of the reserves is set in accordance with the methods, adopted by the Company.

Provisions for unused vacations

Amount of the provisions is calculated by dividing the total salaries for 2012 by 12 months.

Loans received and loans issued

Loans received and loans issued are initially shown in their original amount, which is stated in corresponding Loan Agreement at the transaction date.

Amounts of loans issued from the lending institutions are to be compared with the written statements with acceptance from lending institutions at the end of the reporting year. For loans received in foreign currency, the remaining principal amount is calculated per Bank of Latvia exchange rate on the last day of the reporting year.

Deferred Liabilities

All invoices, received or issues after the reporting year yet related to the expenses which have arisen during the reporting year, the costs of which are known at the end of the reporting year, are treated as deferred liabilities.

Deferred liabilities are shown in the Balance Sheet in a separate row.

Taxes

Corporate Income Tax for the reporting year is included in the Financial Statements, based on the known tax rates at the date of the Balance Sheet, in accordance with calculations performed in compliance with the tax legislation of the Republic of Latvia.

Deferred tax is calculated in accordance with the liabilities method in relation to all temporary discrepancies between assets and liability amounts in the Financial Statements and their values for the purpose of tax calculations. Tax rate used for calculation of deferred tax, is a rate which is expected to be during the period in which the temporary discrepancies are resolved based on the tax rates effective on the date of the Balance Sheet. Temporary discrepancies mainly arise due to usage of different fixed asset depreciation rates, as well as from tax losses, which are transferred to the future taxation periods.

The total deferred tax result is shown in the Asset part of the Balance Sheet and is to be entered in the Financial Statements only in cases when the return of the tax is definite.

The reconciliation of tax liability data with State Revenue Service is performed.

Calculations

Preparation of the Financial Statements Management is basing on the known calculations and approaches, which affect certain definitions and amounts in the Financial Statements. Thus actual results may differ from these calculations.

Legislation of the Republic of Latvia states that when preparing Financial Statements, Company's management has to evaluate and to draft assumptions, which affect both Balance Sheet and off-Balance Sheet assets and liabilities on the Balance Sheet date, as well as shown incomes and expenses for the reporting period. Actual results may differ from these assumptions (for example, deferred Corporate Income Tax liabilities, vacation provisions etc).

Possible liabilities and assets

In these Financial Statements possible liabilities are not displayed but are reflected in the Notes to Financial Statements. As liabilities are recognised only when, if possibility that the funds will be paid out becomes founded. Possible assets in

these Financial Statements are not recognised. Possible assets are shown in the Financial Statements only when there is enough proof that the economical benefits will reach the company.

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Events after the end of the reporting year

Certain events which give additional information about Company's financial standing at the Balance Sheet date (correcting factors) have been considered during the preparation of the Financial Statements. If post Balance Sheet date events are not correcting factors, they are included in the Financial Statements only if they are substantial.

Related parties

The following sides are treated as "related parties": shareholders of the Company, Board Members, their close family members and companies which are under control or significant influence to the aforementioned related parties.

Reclassification of subjects (items)

In 2012, due to changes in legislation and opinion of management, no changes have been made in classification of items in comparison with 2011.report.

Chairman of the Board

Eduards Malejevs

Member of the Board

Ēriks Ertmanis

2013.31.05

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2. Notes to the Profit and Loss statement entries

Note Nr.1

Net Turnover

Net turnover is income from main activity of the Company, sale of goods and supply of services from which trade discounts and other assigned discounts are subtracted, as well as value added tax and other taxes directly related to sales.

Type of activity	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Income from exports of finished goods	5 440	7 740	151 703	215 854
Income from rent of premises	37 520	53 386	262 015	372 814
Income from sale of finished goods in the local market	78 424	111 587	52 315	74 438
Income from utility services	181 416	258 132	476 394	677 848
Income from sale of materials	20 001	28 459	75 263	107 090
Total	322 801	459 302	1 017 690	1 448 042

Division of net turnover by geographical markets

LV	317 361	451 563	865 987	1 232 188
EE	-	-	1 599	2 275
DE	-	-	38	54
RU	5 440	7 740	21 990	31 289
PL	-	-	-	-
FI	-	-	5 620	7 997
IT	-	-	63 355	90 146
BY	-	-	8 153	11 601
CZ	-	-	49 679	70 687
GB	-	-	1 269	1 806
LT	-	-	-	-
	322 801	459 302	1 017 690	1 448 042

Note Nr. 2

Cost of goods sold

Costs of production or purchasing in order to perform sale of goods or supply of services

Cost type

Cost type	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Personnel costs	5 473	7 787	21 592	30 723
Provisions for leave and social security	-	-	938	1 335
Depreciation of fixed assets	19 308	27 473	75 955	108 074
Depreciation of fixed assets (project 124000075)	27 273	38 806	109 093	155 225
Write-off of cost of turnaround means	-	-	40 697	57 907
Changes in finished goods inventory	20 389	29 011	194 458	276 689
Changes in purchased materials and goods inventory	5 840	8 310	75	107
Services for productions	520	740	2 854	4 061
Ongoing maintenance and repair	106	151	31 164	44 342
Real estate property maintenance	188 951	268 853	531 389	756 098
Other costs	605	861	15 711	22 355
Total	268 465	381 991	1 023 926	1 456 915

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Notes to the Profit and Loss statement entries (continued)

Note Nr. 3

Sales costs

Cost type

Commissions paid

Goods' transport costs

Sales costs

Advertising costs

Total

2013	2013	2012	2012
LVL	EUR	LVL	EUR
-	-	-	-
2 896	4 121	13 939	19 833
-	-	7 421	10 559
2 161	3 075	1 772	2 521
5 057	7 195	23 132	32 914

Note Nr. 4

Administrative costs

Cost type

Personnel costs

Provisions for leave and social security

Representation costs

Office expenses

Communication expenses

Bank expenses

Transport costs

Accounting and legal expenses

Consulting services

Other administrative costs

Total

2013	2013	2012	2012
LVL	EUR	LVL	EUR
11 397	16 216	57 529	81 856
-	-	3 525	5 016
41	58	1 284	1 827
584	831	3 496	4 974
1 624	2 311	7 679	10 926
175	249	12 066	17 168
1 013	1 441	13 055	18 576
60	85	3 557	5 061
-	-	3 340	4 752
911	1 296	7 699	10 955
15 805	22 488	113 230	161 112

Note Nr. 5

Other incomes from operating activity

Type on income

Receivables from grant financing (project 124000075)

Sale of fixed assets (neto income0)

Other income

Debt write-off

Revenue from goods are posted to

Total

2013	2013	2012	2012
LVL	EUR	LVL	EUR
-	-	46 798	66 588
-	-	80 541	114 600
826	1 175	29 754	42 336
-	-	-	-
-	-	13 318	18 950
826	1 174	170 411	242 473

Note Nr. 6

Other incomes/expenses from operating activity

Type of income/expense

Net profits from Exchange rate fluctuations on net

Net profit from the net of the exchange rate of purchase/sales

Net interest

Provisions for unsecured debts

Previous years ' expenditure

With economic activity related expenditure

With economic activity in the associated costs (losses)

Total

2013	2013	2012	2012
LVL	EUR	LVL	EUR
188	267	2 716	3 865
2 825	4 020	109 753	156 164
-	-	145 040	206 373
-	-	16 827	23 943
-	-	16 277	23 160
-	-	684	973
-	-	95 286	135 580
3 013	4 287	386 583	550 058

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Notes to the Profit and Loss statement entries (continued)

Note Nr. 7

Other interest and similar income

Type of income

Interest received on account balances

Total

2013	2013	2012	2012
LVL	EUR	LVL	EUR
7	10	369	525
7	10	369	525

Note Nr. 8

Other interest and similar expenses

Type of expense

The rest of the securities

Total

2013	2013	2012	2012
LVL	EUR	LVL	EUR
-	-	-	-
-	-	-	-

Note Nr. 9

Deferred Corporate Income Tax

Loan interest paid

Total:

2013	2013	2012	2012
LVL	EUR	LVL	EUR
13 308	18 936	66 452	94 553
13 308	18 936	66 452	94 553

Note Nr. 10

Other taxes

Deferred corporate income tax

Total:

2013	2013	2012	2012
LVL	EUR	LVL	EUR
-	-	-	-
-	-	-	-

FA and intangible assets net book value financial accounting

FA and intangible assets net book value for tax purposes

Vacation accruals

Tax deductible losses

Temporary difference

The difference from last year

Total:

2012	2012	2012	2012
LVL	EUR	LVL	EUR
1 703 753	2 424 222	1 703 753	2 424 222
-323 955	-460 946	-323 955	-460 946
1 379 798	1 963 276	1 379 798	1 963 276
-12 427	-17 682	-12 427	-17 682
-1 468 035	-2 088 826	-1 468 035	-2 088 826
-100 664	-143 232	-100 664	-143 232
x 15%	x 15%	x 15%	x 15%
-15100	-21485	-15100	-21485
2228	3171	2228	3171
2013	2013	2012	2012
LVL	EUR	LVL	EUR
2 205	3 137	11 815	16 811
13 762	19 582	55 015	78 279
15 967	22 720	66 830	95 091

Note Nr. 11

Real estate tax, land

Real estate tax for buildings and structures

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Notes to the Financial Statements

Notes to the Balance Sheet as on March 31, 2013.

12. Intangible assets

	Computer software	Patents and trade marks	Other licenses	Pre-payments for intangible assets	Intangible assets total, LVL	Intangible assets total, EUR
Historical cost						
31.12.2012.	7 363	-	-	-	7 363	10 477
Purchased	-	-	-	-	-	-
Relocated	-	-	-	-	-	-
Written-off	-	-	-	-	-	-
31.03.2013	7 363	-	-	-	7 363	10 477
Depreciation						
31.12.2012.	7 362	-	-	-	7 362	10 475
Calculated	1	-	-	-	1	1
Written-off	-	-	-	-	-	-
31.03.2013	7 363	-	-	-	7 363	10 477
Net book value						
31.12.2012.	-	-	-	-	-	-
Net book value						
31.03.2013		-	-	-		

Intangible assets are shown in the Balances Sheet as per their net book value.

13. Fixed Assets

	Land	Buildings and constructions	Technological equipment	Other fixed assets	Total LVL	Total EUR
Historical cost						
31.12.2012.	3 052 811	175 161	470 851	217 650	3 916 473	5 572 639
Reclassified						
Purchased						
Written-off						
31.03.2013	3 052 811	175 161	470 851	217 650	3 916 473	5 572 639
Depreciation						
31.03.2013		48 160	264 565	173 888	486 613	16 178
Calculated		867	8 054	2 449	11 370	
Purchased						
Written-off						
31.03.2013		49 027	272 619	176 337	497 983	708 566
Net book value						
31.12.2012.	3 052 811	2 742 937	225 427	50 848	6 072 023	8 639 711
Net book value						
31.03.2013	3 052 811	126 134	198 232	41 314	3 418 490	4 864 074

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Notes to the Balance Sheet (continued)

	Technological equipment (project 124000075)		Pre-payments for fixed assets	construction of fixed assets	Total LVL	Total EUR
Historical cost						
31.12.2012.	1 827 372	-	-	973 767	2 801 139	3 985 662
Purchased	-	-	-	-	-	-
Written-off	-	-	-	-	-	-
31.03.2013	1 827 372	-	-	973 767	2 801 139	3 985 662
Depreciation						
31.12.2012.	736 441	-	-	-	736 441	1 047 861
Calculated	109 093	-	-	-	109 093	155 225
Written-off	-	-	-	-	-	-
31.03.2013	845 534	-	-	-	845 534	1 203 086
Net book value						
31.12.2012.	1 090 931	-	-	973 767	2 064 698	2 937 801
Net book value						
31.03.2013	981 838	-	-	973 767	1 955 605	2 782 575

Assets in the balance sheet are presented in the remainder of the value of the real estate cadastre value 4 517871 LVL.

According to 30.06.2011 g. Ober Haus Real State Company report on real estate market values were revalued fixed .

assets: land and buildings

Residue of fixed assets on December 31, 2012 were checked during inventory January 14, 2013.

Buildings, constructions, technological equipment and cars are insured.

Financial leasing: the fixed assets

FA name	The lessor shall	FA original value	FA net book value	A leasing contract is not paid, the amount	The leasing period
A/m Jaguar Daimler Super Eight	Citadele Līzings	67 898	18 147		10.01.2013

Dismantled and scrapped, sold, fixed assets and intangible investments result:

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Original value	-	-	168 457	239 693
Accumulated depreciation	-	-	134 218	190 975
Net book value	-	-	34 239	48 718
Sales income	-	-	80 541	114 600

14. Investment properties:

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Original value				
Reclassified	3 067 516	4 364 682	3 067 516	4 364 682
31.03.2013	3 067 516	4 364 682	3 067 516	4 364 682
Depreciation	403 920	574 726	403 920	574 726
calculated	7 937	11 293		
31.03.2013	411 857	586 020	403 920	574 726
Balance sheet value 31.12.2012	2 663 596	3 789 956	2 663 596	3 789 956
Balance sheet value 31.03.2013	2 655 659	3 778 662		

Investment properties 31.12.2012.g. reclassified from fixed assets (land, buildings), since these assets are transferred to hiring a manufacturing firm, which by VEF Radiotehnika RRR order is producing.

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Financial Statements for the period from 01.01.2012 to 31.12.2012.

Notes to the Balance Sheet (continued)

15. Long-term financial investments

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Expenses for disposal of project No. 124000075	197 760	281 387	197 760	281 387
Other loans	118 088	168 024	118 088	168 024
Deferred tax assets	17 328	24 656	17 328	24 656
Total	333 176	474 067	333 176	474 067

16. Raw materials

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Raw materials	64 303	91 495	72 296	102 868
Inventory in use	113 660	161 724	113 569	161 594
	177 963	253 219	185 865	264 462

17. Stock

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Unfinished goods	-	-	-	-
Finished goods and goods in warehouse	110 018	156 542	115 579	164 454
Total	110 018	156 542	115 579	164 454

18. Advance payments for goods

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Advance payments for materials	3 641	5 181	1 946	2 769
Advance payments to non-residents	5 742	8 170	4 269	6 074
Goods in bonded storage	-	-	-	-
Total	9 383	13 351	6 215	8 843

19. Trade receivables

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Receivables (non-residents)	21 454	30 526	16 013	22 784
Receivables (residents)	311 286	442 920	221 442	315 084
The savings are not safe for customers	- 50 037	- 71 196	- 50 037	- 71 196
Book value of purchases and customers, total	282 703	402 250	187 418	266 672
Provisions for doubtful debts	-	-	-	-
Net trade receivables, total	282 703	402 250	187 418	266 672

20. Associated companies debts

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Trade accounts payable	-	-	9 556	13 597
Loans	229 307	326 274	229 307	326 274
Advance payments for services	22 293	31 721	16 044	22 829
Total	251 600	357 995	254 907	362 700

21. Other receivables

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Settlements with employees	18 180	25 868	11 915	16 954
Tax pre-payments for customs procedures	-	-	-	-
Loans to employees	5 094	7 248	5 094	7 248
Provisions for loan officers	- 5 094	- 7 248	- 5 094	- 7 248
Other loans	107 324	152 708	113 798	161 920
Others	209	297	-	-
Total	125 713	178 872	125 713	178 873

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Notes to the Balance Sheet (continued)

22. Deferred expenses

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Insurance expenses	5 325	7 577	3 326	4 732
Expenses for implementation of project Nr.124000075	19 365	27 554	25 820	36 739
Other expenses	-	-	-	-
Total	24 690	35 131	29 146	41 471

23. Cash and cash equivalents

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Cash on hand	16	23	16	23
Cash in bank accounts	40 116	57 081	413	588
Total	40 132	57 103	429	610

24. Information about company's share capital

On 31.03.2013 company's share capital consisted of 2549084 registered and fully paid shares with nominal value of 1 Ls.

Larges shareholders of JSC "VEF Radiotehnika RRR" are:

Shareholders	Number of shares		Value			
			LVL		EUR	
	2013.03.31.	2012.12.31.	2013.03.31.	2012.12.31.	2013.03.31.	2012.12.31.
Baltlains Intern Ltd.	0	622338	0	0	0	1
Jekaterina Malejeva	270000	270000	270000	270000	384175	384174
Eduards Malejevs	941880	715282	941880	715282	1340175	1340175
Jurijs Malejevs	864512	531006	864512	531006	1230090	1230090
Inga Sprūga	330086	267852	330086	267852	469670	469670
Others (<5%)	142606	142606	142606	142606	202910	202910
Total:	2549084	2549084	2549084	1926746	3627020	3627020

25. Retained earnings/losses

In accordance with decisions of Shareholders' meetings, losses of previous year remain uncovered, those shall be covered from the next years' profits.

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Previous years' retained earnings/losses	-840 090 -	1 195 340	-348 407 -	495 738
Current year profit/loss	2 019	2 872	-491 683 -	699 603
Total	- 838 071 -	1 192 469 -	840 090 -	1 195 341

26. Long term investment revaluation reserve

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Preliminary value	5 117 910	7 282 130	5 117 910	7 282 130
proceeds of the revalued asset depreciation	-27 928	-39 738	-27 928	-39 738
Total	5 089 982	7 242 392	5 089 982	7 242 392

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Notes to the Balance Sheet (continued)

27. Long-term loans from lending institutions

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Loan from JSC SEB Banka (EUR)	-	-		
Total	-	-		-

In accordance with Loan Agreement Nr.KD04277 from 24.11.2005, obligations are secured with primary pledge of the real estate property located in Riga at the address Kurzemes prospekts 3 (Landbook section Nr.18732) and primary commercial pledge on fixed assets, purchased under Project Nr.124000075 for the amount of 1813461 LVL.

28. Other loans (long-term)

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Financial lease from SIA CITADELE Lizins un Faktoringas	-	-		
Total	-	-		

29. Deferred income (long-term)

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Individual income tax	45000	64029	45000	64029
State social security payments	55572	79072	55572	79072
Real estate tax	58682	83497	58682	83497
Natural resources tax	1 474	2 097	1 474	2 097
Total	160 728	228 695	160 728	228 695

30. Short-term loans from lending institutions

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Credit line from JSC SEB Banka (LVL)	-	-	7 346	10 452
Loan from JSC SEB Banka (EUR)	1 434 031	2 040 442	1 434 031	2 040 442
Total	1 434 031	2 040 442	1 441 377	2 050 894

In accordance with Loan Agreement Nr.KD04277AND kd08128, obligations are secured with primary pledge of the real estate property located in Riga at the address Kurzemes prospekts 3 (Landbook section Nr.18732) and primary commercial pledge on fixed assets, purchased under Project Nr.124000075 for the amount of 1813461 LVL.

31. Other loans (short-term)

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Financial lease from SIA CITADELE Lizins un Faktoringas	-	-	9 665	13 752
Total	-	-	9 665	13 752

32. Advances from customers

	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Advances from non-residents	45	64	45	64
Advances from residents	1 213	1 726	821	1 168
Total	1 258	1 790	866	1 232

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Notes to the Balance Sheet (continued)

33. Due to suppliers and providers (short-term)	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Trade accounts payable to non-residents	21 163	30 112	14 286	20 327
Trade accounts payable to residents	396 256	563 821	440 953	627 420
Total	417 419	593 933	455 239	647 747

34. the Debt to associated companies	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Advance payments received from customers	155 712	221 558	8 314	11 830
Loans	38 800	55 207	38 800	55 207
Payment for services	47 276	67 268	47 276	67 268
Kopā	241 788	344 033	94 390	134 305

Notes to the Balance Sheet (continued)

35. Taxes and social insurance payments	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Personal Income Tax	7 542	10 731	9 085	12 927
State Social Insurance payments	9 764	13 893	11 027	15 690
Value Added Tax	77 022	109 592	83 023	118 131
Real estate tax for building and constructions	127 435	181 324	139 523	198 523
Nature resources tax	453	645	746	1 061
Corporate risk tax	12	17	4	6
Total	222 228	316 202	243 408	346 338

36. Other liabilities	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Salaries	12 455	17 722	11 745	16 712
Advance settlement amounts	-	-	795	1 131
Security	11 645	16 569	11 507	16 373
Other creditores	-	-	2 276	3 238
Total	24 100	34 291	26 323	37 454

37. Deferred income (short-term)	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Income from grant financing (project Nr.124000075)	-	-	-	-
Total	-	-	-	-

38. Accumulated obligated	2013	2013	2012	2012
	LVL	EUR	LVL	EUR
Current expense	42 885	61 020	44 111	62 764
	42 885	61 020	44 111	62 764

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Notes to the Financial Statements

General Notes

1. Average number of employees during the year

Average number of employees during the year

Year 2013	Year 2012
24	24

2. Total personnel costs

- salaries
- Social security payments
- Corporate risk tax

- including:

Management salaries

- salaries
- Social security payments
- Corporate risk tax

- total:

2013	2013	2012	2012
LVL	EUR	LVL	EUR
16 870	24 005	79 121	112 579
13 696	19 488	64 291	91 478
3 156	4 491	14 759	21 000
18	26	71	101
3 000	4 269	16 989	24 173
1 003	1 427	5 686	8 090
2	3	9	13
4 005	5 699	22 684	32 276

3. taxes, duties and compulsory social insurance contributions in motion

Type of tax	(-) underpayment, (+) overpayment			(-) underpayment, (+) overpayment	
	31.12.2012.	Correction	Calculated	Paid	NAP long 31.03.2013.
Value added tax	58290		290	6 290	52 290
delay's money	24733		-		24 733
Personal income tax	5238		2 587	4 129	3 696
delay's money	3847				3 847
State social security obligatory payments	9426		4 597	5 861	8 162
delay's money	1601				1 601
Business risk duty	4		18	10	12
delay's money	0				-
Nature resources tax	488			293	195
delay's money	258				258
Real estate tax	123076		15 967	28 055	110 987
delay's money	16447				16 447
	243 408		23 459	44 638	- 222 228
Tax debt	243 408 -		-	-	222 228
The penalty is calculated	46 886				46 886

4. transactions with related parties

Related persons are society's subsidiary and associated companies, as well as its members/shareholders, who can control the company or which have significant impact on society, with core business decisions, the company or its parent the company's senior management officials and any of the aforementioned individuals a close family member, as well as the company, which is controlled by that person, or which have a significant impact on them.

The company's shareholders is significant impact on the, SIA "Baltlain" ID.No 40003173740, SIA "Imanta Retail Park" TRK. No 40103265172, SIA "albatross" and "reg. No. 40003761361.

The goods are sold to related parties and bought from associated person of normal market based prices. Outstanding commitments at the end of the year is no way of ensuring, and settlement is made in cash. For any related party receivables is delivered or received any of the warranty in 2012

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Related party		Sales to related parties	Purchases from related parties	Loans provided	Loans received	Amounts owed by related parties	Amounts owed to related parties
The company, which have a significant impact of the company:							
SIA Imanta Retail Park"	2012	201 720	41 700	217 279	-	242 879	-
	2013 03.31.	58 403	59 736	217 279	-	233 321	-
	2012	-	442	12 028	-	12 028	-
SIA "Baltlains"	2013 03.31.	-	442	18 279	-	18 279	-
SIA "Albatross un parteri"	2012	52 764		-	12 943	3 479	46 180
	2013 03.31.	14 516	53 497	-	186 198	-	241 788
TOTAL	2012	254 484	41 700	2 553	12 943	246 358	46 180
TOTAL	2013 03.31.	72 919	113 675	235 558	186 198	251 600	241 788

Information on the reimbursement of certified auditors commercial company total in the reference year
AS BDO
For annual year 2012- 2 100 LVL
Together 2 100 LVL

Annual report is accepted and signed from page 1 till 28

Chairman of the Board

Eduards Malejevs

Member of the Board

Ēriks Ertmanis

2013.31.05