

INDEPENDENT AUDITORS' REPORT

To the Shareholders of AS "VEF"

Report on the Financial Statements

We have audited the accompanying financial statements of AS "VEF" set out on pages 6. to 24. of the accompanying annual report, which comprise the balance sheet as of 31 December 2013 and the profit and loss account and the statements of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law of the Republic of Latvia on Annual Reports, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AS "VEF" as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Law of the Republic of Latvia on Annual Reports.

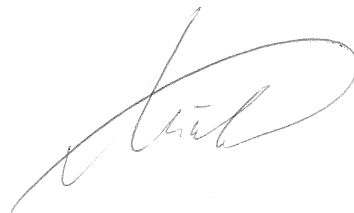
Report on Other Legal and Regulatory Requirements

We have read the management report for 2013 set out on page 5 of the accompanying annual report for 2013 and did not identify material inconsistencies between the financial information contained in the management report and that contained in the financial statements for 2013.

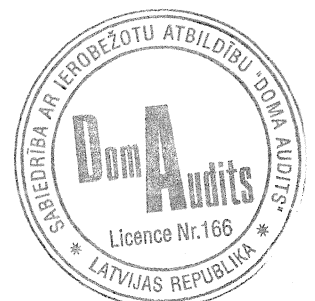
SIA „DOMA AUDITS”
Licence No. 166

Aleksejs Ļitvinovs
Chairman of the Board

Rīga,
April 8, 2014



Aleksejs Ļitvinovs
Certified auditor of Latvia
Certificate No. 190





**Joint Stock Company
VEF
(Latvian Unified registration number 4003001328)**

**Financial Statement
for year 2013
in accordance with the Law of the Republic of Latvia**

Audited

**Riga
2014**



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**INFORMATION ABOUT THE COMPANY**

Company name	Joint Stock Company "VEF"
Legal status	Joint Stock Company
Registration number, place and date	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
Legal address	Brivibas str.8, Riga, LV-1039, Latvia
Post address	Brivibas str.8, Riga, LV-1039, Latvia
NACE code	68.20; 35.13;
Chairman of the Board	Gints Fenuks
Member of the Board	Martins Cauna Tamara Kampane
Members of the Council	Gints Lipins Andris Denins Ints Kalnins Modris Zommers Arnis Zekunde
Financial year	from 2013.01.01 till 2013.12.31
Information about shareholders	Fixed capital in amount of 1.944.637 LVL (registered payment 30.04.2009)
Information about shareholders	VEF Komunikaciju Serviss Ltd. - (45,52%); Laila Liduma - (6.31 %); Tamara Kampane - (9,50 %); Gints Fenuks - (24.44 %); Other shareholders together - (14.23 %).
Auditor:	Qualified (sworn) auditor Aleksejs Litvinovs Certificate No. 190 Qualified auditors company Ltd. "DOMA AUDITS " Licence No. 166



MANAGEMENT REPORT

The Joint Stock Company “VEF” is a publicly traded company, dealing with management and administration of its real estate, rendering space rental and electrical services to consumers on the VEF territory.

According to the balance statement of the Company, the revenue from the economic activity in 2013 makes LVL 793 742 (1 129 393 EUR) it is less than LVL 72 673 (103 404 EUR), that is higher than the previous reporting period.

The Board of Joint Stock Company “VEF” follows the Company’s strategic plans of the previous year, guiding from the economic situation in the country and in particular from the situation in the space rental market. This year the plan is to enhance the monitoring of the market in the rental segment and to react to the changes of the situation, to take also an active tenant attraction for the free spaces within the property of the Company, through enlargement and renovation of the area without any additional fund borrowing.

The Board of the Company decided that these profits in amount of 1 030 LVL (1 446 EUR) to cover the losses of previous year.

The company’s capital is 1 944.637 LVL. That consists of the 623.528 bearer shares and 1.321.109 registered shares. Nominal value of a common share is 1 LVL (one Latvian lat).

The Company's customer interested public location, representative state buildings, as well as the legendary company's "good name". The Company's development depends from real estate market trends and the bank's credit policies.

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

Gints Feņuks
Chairman of the Management Board

The annual report was approved at the Shareholders' meeting on 25 april, 2014



Report on the Management Board's responsibility to the audited financial statement of JSC „VEF” for the twelve months of 2013

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the financial statements of the Company. The financial statements audited.

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, 2013.

Accounting principles used in preparation of the financial statements have not been changed comparing to the previous reporting period. During preparation of the financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded. The information included in the management's report is true.

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



PROFIT AND LOSS CALCULATION FOR THE PERIOD, WHICH ENDS ON THE
2013.12.31 (turnover method)

	Appendix	2013	2012	2013	2012
		LVL	LVL	EUR	EUR
Net turnover	2	793 742	866 415	1 129 393	1 232 797
Production costs	3	-574 472	-617 372	-817 400	-878 441
Gross profit		219 270	249 043	311 993	354 356
Administration costs	4	-73 201	-61 749	-104 156	-87 861
Other income from operating activity	5	31 940	1 924	45 447	2 738
Other operating expenses	6	-11 624	-7 407	-16 539	-10 539
Other interests receivable and similar income	7	0	2	0	3
Interest payable and similar charges	8	-112 902	-124 297	-160 645	-176 859
Profit or loss from economic activity before taxes		53 483	57 516	76 099	81 838
Corporate income tax for financial year	8				
Deferred tax	9	-42 359	-17 961	-60 271	-25 556
Other taxes	10	-10 094	-14 219	-14 362	-20 232
Profit or loss of the financial year		1 030	25 336	1 466	36 050

Appendix from 11 till 24 page is an integral part of this financial statement.

Gints Fenuks
Chairman of the Board _____
signature

08 April, 2014

Tamara Kampane
Member of the Board _____
signature

08 April, 2014

**BALANCE SHEET ON THE** **2013.12.31**

ASSETS	Appendix	2013	2012	2013	2012
		LVL	LVL	EUR	EUR
Fixed assets					
Intangible assets					
Concessions, patents, licences,		632	927	899	1319
Intangible assets total	11	632	927	899	1319
Tangible (fixed) assets					
Land and buildings		3943528	3983467	5611135	5667963
Other fixtures and fittings, tools and equipment		96984	88763	137996	126298
Total tangible assets	12	4040512	4072230	5749131	5794261
Fixed Assets total		4041144	4073157	5750030	5795580
Current assets					
Debtors					
Trade debtors	13	28074	23440	39946	33116
Other debtors	14	4451	11115	6333	16051
Deferred expenses	15	1164	1505	1656	2141
Accrued income		34650	34068	49303	48474
Total debtors		68339	70128	97238	99783
Cash funds	16	5974	10259	8500	14597
Current Assets total		74313	80387	105738	114380
Total assets		4115457	4153544	5855768	5909961

**BALANCE SHEET ON THE 2013.12.31**

LIABILITIES	Appendix	2013	2012	2013	2012
		LVL	LVL	EUR	EUR
Equity capital					
Company capital	17	1944637	1944637	2766969	2766969
Long term investment adjustment reserve	18	563341	563341	801562	801562
Undistributed profit/losses:	19				
a) losses from prior years		-768646	-793982	-1093685	-1129735
b) profit of financial year		1030	25336	1466	36050
Equity capital total		1740362	1739332	2476312	2474846
Provisions					
Other provisions	20	8845	10193	12585	14503
Provisions total		8845	10193	12585	14503
Creditors					
Long term creditors					
Borrowings from credit institutions	21	2104184	2151118	2993984	3060765
Advance payments from customers		22564	25103	32106	35718
Other borrowings		43558	0	61977	0
Deferred income tax liabilities	22	78313	35954	111429	51158
Long term creditors total		2248619	2194214	3199497	3122085
Short term creditors					
Borrowings from credit institutions	21	46934	84336	66781	119999
Other borrowings		13054	15787	16202	23053
Debts to suppliers of goods and services	23	33549	34861	47736	49603
Advance payments from customers	24	6814	34840	9695	49573
Taxes and contributions to social security	25	10419	17037	14825	24241
Other creditors	26	6861	4983	9762	7090
Short term creditors total		117631	191844	167374	272969
Creditors total		2366250	2386058	3366870	3395055
Total liabilities		4115457	4153544	5855768	5909961

Appendix from 11 till 24 page is an integral part of this financial statement.

Gints Fenuks
Chairman of the Board

signature

08 April, 2014

Tamara Kampane
Member of the Board

signature

08 April, 2014



CASH FLOW FOR THE PERIOD, WHICH ENDS ON THE
2012.12.31 (indirect method)

	Appendix	2013 LVL	2012 LVL	2013 EUR	2012 EUR
Cash flow from operating activities					
Profit or loss from operating activity before extraordinary items and taxes		53 483	57 516	76 099	81 838
Adjustments:					
tangible asset depreciation and amortization (+)	12	84 285	75 907	119 927	108 006
intangible asset depreciation (+)	11	295	295	420	420
increase in provision (except provision for doubtful accounts) (+)		-1 348	1 008	-1 918	1 434
profit or loss from currency rate fluctuations (-/+)		676	1 121	962	1 595
other interests receivable and similar income	7	0	-2	0	-3
interest payable and similar charges	8	112 902	124 297	160 645	176 859
Profit or loss before adjustments of current assets and short term liabilities		250 293	260 142	356 135	370 149
Adjustments:					
adjustments of debtors: increase (-); decrease (+)		1 789	-1 330	2 546	-1 892
adjustments of creditors: increase (-); decrease (+)		-39 615	-37 395	-56 367	-53 208
Cash flow from operating activities		212 467	221 417	302 313	315 048
Interest paid	8	-112 902	-124 297	-160 645	-176 859
Cash flow before extraordinary items		99 565	97 120	141 668	138 189
Net operating cash flow		99 565	97 120	141 668	138 189
Investing cash flow (expenses "-"):					
Acquisition of tangible and intangible assets	12	-826	-17 134	-1 175	-24 379
Received insurance compensation		1 246	0	1 773	0
Received interest	7	0	2	0	3
Net investing cash flow		420	-17 132	598	-24 377
Financing cash flow (expenses "-"):					
Repaid borrowings		-84 336	-73 494	-119 999	-104 573
Expenditure on lease liabilities		-19 258	-13 104	-18 645	-18 645
Net financing cash flow		-103 594	-86 598	-147 401	-123 218
Result from exchange rate fluctuations		-676	-1 121	-962	-1 595
Net cash flow of financial year		-4 285	-7 731	-6 097	-11 000
Cash and its equivalents at beginning of period		10 259	17 990	14 597	25 597
Cash and its equivalents at end of period	16	5 974	10 259	8 500	14 597

Appendix from 10 till 22 page is an integral part of this financial statement.

Gints Fenuks
Chairman of the Board

signature

08 April, 2014

Tamara Kampane
Member of the Board

signature

08 April, 2014



REPORT OF CHANGES IN EQUITY CAPITAL
for period ending on 2013.12.31

	Company capital	Long term investment adjustment reserve	Profit or losses from prior years	Profit or losses of financial year	Equity capital total
	LVL	LVL	LVL	LVL	LVL
2011.12.31	1 944 637	563 341	-860 928	66 946	1 713 996
2011 financial year result moved to profit or losses from prior years	0	0	66 946	-66 946	0
Profit or losses of financial year	0	0	0	25 336	25 336
2012.12.31	1 944 637	563 341	-793 982	25 336	1 739 332
2012 financial year result moved to profit or losses from prior years	0	0	25 336	-25 336	0
Profit or losses of financial year	0	0	0	1 030	1 030
2013.12.31	1 944 637	563 341	-768 646	1 030	1 740 362

	Company capital	Long term investment adjustment reserve	Profit or losses from prior years	Profit or losses of financial year	Equity capital total
	EUR	EUR	EUR	EUR	EUR
2011.12.31	2 766 969	623 773	-1 224 990	95 256	2 261 007
2011 financial year result moved to profit or losses from prior years	0	0	95 256	-95 256	0
Profit or losses of financial year	0	0	0	36 050	36 050
2012.12.31	2 766 969	801 562	-1 129 735	36 050	2 474 846
2012 financial year result moved to profit or losses from prior years	0	0	36 050	-36 050	0
Profit or losses of financial year	0	0	0	1 466	1 466
2013.12.31	2 766 969	801 562	-1 093 685	1 466	2 476 312

Appendix from 11 till 24 page is an integral part of this financial statement.

Gints Fenuks
Chairman of the Board

signature

08 April, 2014

Tamara Kampane
Member of the Board

signature

08 April, 2014



ACCOUNTING POLICY

General principles

Annual Report prepared in accordance with generally accepted accounting principles in Latvia, the law "On accountancy", the law "Annual reports law" and Regulations issued by the Cabinet of Ministers on 21.06.2011 No.488 and No.481 and JSC "VEF" regulations "About making year statement".

Profit and loss statement have been prepared in accordance with the turnover cost approach.

The cash flow statement prepared on the operating cash flow as measured by indirect method.

Compared with the previous reporting year, the used accounting and valuation methods are changed. (Year 2013 balance and year 2012 balance are classified according to the principles of year 2013 and are comparable).

Revenue recognition and net sales

Net turnover is the total value of the sold production (services) during the year without discounts and value added tax.

Other revenues are recognized as follows:

- revenue from rents - as they were incurred;
- revenue from penalties and default fees - at the time of receipt.

Fixed assets

Fixed assets are presented in the acquisition or revaluation cost less depreciation. Depreciation is calculated on a straight-line method over the asset's useful period of usage. The following rates of depreciation is set by management, to write down fixed asset value to its estimated residual value at the useful end of period:

	(the year)
Buildings and structures	100
Other fixtures and fittings, tools and vehicles	4

The increase in value because of revaluation is reflected in equity capital item "*Long term investment adjustment reserve*", but decrease in value is written-off from the increase of this reserve made in previous years regarding the corresponding fixed asset, the excess is included in profit or loss statement of the period.

Debtors

Accounts receivable in balance sheet are stated in net worth from the initial value minus reserves for doubtful and bad debts. Specific provision for doubtful and bad debts are created when management believes that the recovery of these specially segregated receivables are doubtful.

Corporate income tax

The year of account corporate income tax expenses are calculated in accordance with Latvia laws and regulations.

Deferred tax is calculated according to the liability method according to all temporary differences between assets and liabilities in the financial statements and their values for the tax calculation purposes. In deferred tax calculations is used the tax rate which is expected during periods when temporary differences levels off. Temporary differences arise mainly from using different rates of depreciation of fixed assets, as well as from the tax losses to be carried over to future tax periods. In cases where the total deferred tax result would be reflected in the balance sheet assets, its included in financial statements only if there is prospective that there will be available taxable profits, which will be subject to the deductible temporary differences that created deferred tax assets.

Estimated time of using fixed assets

Fixed assets are presented in the acquisition or revaluation cost less depreciation. Depreciation is calculated on a straight-line method over the asset's useful period of usage. The following rates of depreciation is set by management, to write down fixed asset value to its estimated residual value at the useful end of period.

**Provisions**

Provision for doubtful debtors is formed as an calculation, applying to each debtor's individual valuation method or use the percentage assessment method depending on when the debt was incurred.

Provision for employee leave is formed as an calculation, based on unused vacation time of the reporting year and norms of social security contributions.

Foreign currency revaluation in lats

Accounting in company is made in lats. All transactions in foreign currencies are revaluated into lats by the Bank of Latvia official exchange rate at the date of the transaction.

The resources and liabilities denominated in foreign currencies are translated to lats by the Bank of Latvia fixed-rate on the last day annual report period. Foreign currency exchange rate fluctuations in the profits or losses are reflected in the profit or loss.

	31.12.2013. (lats)	31.12.2012. (lats)
1 Euro	0,702804	0,702804

Cash and cash equivalents

Cash and cash equivalents in cash flow statement consists of cash in hand, current account balances.

The annual review key points is assessed accounting to principles:

- The assumption is that the company will operate in the future.
- Used the same methods as used in the previous year.
- Assessment carried out with the proper precautions:
 - report includes only the profit on the balance sheet date;
 - is taken into account all the expected risks and the losses incurred in the reporting year or previous years, even if they become known during the period between the annual reports ending date and the date of making the annual report;
 - calculated and taken into consideration any reduction in value and depreciation amounts, regardless of whether the reporting year is closed with profit or losses.
- Taken into consideration with the current year revenues and related expenses, regardless of the date of payment and receipt of an invoice or the date of the statement. Cost-ordinated with revenues during the reporting period.
- Active and passive components of items valued separately.
- Beginning balance for the year coincides with the previous year's closing balance sheet.
- Listing all items that materially affect the annual general users of the assessment or decision-making, minor items are combined and the detail provided in the annex.
- Economic transactions in the annual report presented in the light of their economic substance and nature, rather than legal form.

Long-term investments

- Evaluated according to their initial value, that is the purchase cost or production cost.
- Acquisition or production costs of the investment object is gradually written off (depreciated) for intended use period, if administration period of object is limited. A plot of land acquisition costs are not subject to write-off (amortization).

Current assets

- Asset evaluation based on the purchase or production cost.



- suitable for the evaluation of the balance sheet date are evaluated according to the lowest market price or production cost
- Debt balances on the balance sheet is shown accordingly to appropriate supporting documents and accounting records, and they are coordinated with their own accounts receivable records at the date of making balance sheet. In dispute cases balances in balance sheet is shown according to the records. The accruals is made for a questionable amount of doubtful debts.

Reporting Period

Reporting period is 12 months from 2013.01.01 till 2013.12.31

Long-term and short-term positions

Long-term liabilities is recognized if receipt, payment, or retirement shall be the later of one year after the year end. Amounts receivable, payable or depreciable during the year is presented as a short-term positions.

(2) Net turnover

Turnover consists of revenues that the Company gained in the first six months of 2013 from its core business-service provision without VAT

Activity	2013	2012
	LVL	LVL
Office rent	429 394	409 337
Facilities management and utilities	188 284	186 905
Electricity distribution and servicing	176 049	149 865
Ferrous and non-ferrous metal trading income	15	120 308
Total	793 742	866 415

Allocation of salesmarkets

State	2013	2012
	LVL	LVL
Latvia	793 742	866 415
Total	793 742	866 415

(3) Production costs

	2013	2011
	LVL	LVL
Utility services expenses (energy and other services)	276 090	243 103
Personnel costs and social tax	123 639	112 150
Metal purchasing and delivery expenses of materials	13	91 014
Depreciation	84 285	75 907
Other operating costs	71 402	76 537
Transport expenses	9 450	7 550
Charges for land rent	4 236	5 250
Insurance costs (building)	3 678	3 730
Expenses for telecommunication	993	1 108
Depreciation of license	295	295
Bank charges	192	194
Travel expenses	0	378
Personnel training	199	156
Total	574 472	617 372

(4) Administration costs

	2013	2012
	LVL	LVL
Salaries and social tax for administration	53 467	44 852
Transportation expenses for administration	9 450	7 550
Annual fee RFB	5 000	5 000
Expenses for telecommunication	994	1 108
Office expenses	1 324	1 174
Lawyers' service fees	2 037	1 084
Audit costs	900	900
Other administration expenses 40%	29	81
Total	73 201	61 749

(5) Other income from operating activity

	2013	2012
	LVL	LVL
Fines	1 744	1 239
Profit from sale of fixed assets: 2261-1617	0	644
Received insurance compensation	1 246	41
Proceeds from creditor write-off	27 602	0
Income from savings for vacations reduction	1 348	0
Total	31 940	1 924

(6) Other operating expenses

	2013	2012
	LVL	LVL
Fines payment of income tax	38	3 190
Exchange losses	676	1 121
Increase in provisions for vacation	0	1 009
Insurance compensation	907	701
Fines by electric energy distribution networks	1 443	625
Offerings to Latvian orphans fund	253	467
Bad debts write-off costs	8 210	0
Other expenses	44	150
60% Representation expenses	53	144
Total	11 624	7 407

(7) Other interests receiveable and similar income

	2013	2012
	LVL	LVL
Income from investment in reserve fund	0	2
Total	0	2

(8) Interest payable and similar charges

	2013	2012
	LVL	LVL
Bank interest	111 379	123 851
Leasing interest	1 523	446
Total	112 902	124 297

(9) Deferred tax

	2013	2012
	LVL	LVL
Deferred tax at beginning of period	35 954	17 993
Deferred tax at end of period	78 313	35 954
Deferred tax for period	-42 359	-17 961

(10) Other taxes

	2013	2012
	LVL	LVL
Real estate tax (buildings, land)	10 094	14 219
Total	10 094	14 219

**(11) Intangible assets**

	Concessions, patents, licences, brand names and other rights	Intangible assets total
	LVL	LVL
Aquisition cost		
2012.12.31	1 551	1 551
2013.12.31	1 551	1 551
Depreciation		
2012.12.31	624	329
Calculated depreciation	295	295
2013.12.31	919	624
Balance sheet on 2012.12.31	927	1 222
Balance sheet on 2013.12.31	632	927



(12) Tangible (fixed) assets

	Land and buildings **	Machinery, equipment and vehicles	Other fixtures and fittings, tools and equipment	Total tangible assets
	LVL	LVL	LVL	LVL
Acquisition cost				
2012.12.31	4 305 951	0	163 000	4 468 951
Acquisitions	0	0	52 567	52 567
Written-off	0	0	-9 976	-9 976
2013.12.31	4 305 951	0	205 591	4 511 542
Depreciation				
2012.12.31	322 483	0	74 238	396 721
Calculated depreciation	39 940	0	44 345	84 285
Written-off depreciation	0	0	-9 976	-9 976
2013.12.31	362 423	0	108 607	471 030
Balance sheet on 2012.12.31	3 983 468	0	88 762	4 072 230
Balance sheet on 2013.12.31	3 943 528	0	96 984	4 040 512

Note *

Address of property **	Number of cadastre	Cadastral value
Riga, Unijas str. 4 (land)	01000702408	Ls 70 007
Riga, Unijas str. 8b (land)	01000702413	Ls 153
Riga, Berzaunes str. 7a (land)	01000702397	Ls 77 749
Riga, Berzaunes str. 11 (land)	01000702423	Ls 28 671
Riga, Brivibas str. 214, Nr.1	01000702344002	Ls 375 691
Riga, Brivibas str. 214, Nr.1a	01000702344003	Ls 41 904
Riga, Unijas str. 4, building Nr.5	01000702397003	Ls 48 047
Riga, Unijas str. 4, building Nr.7	01000702397004	Ls 47 100
Riga, Berzaunes str. 7a, building Nr.19	01000702397002	Ls 505
Riga, Berzaunes str. 11, warehouse	01000702423001	Ls 2 190
Riga, Brivibas str. 214 transformer substation	01000702397005	Ls 2 168

* The Company still uses fixed assets, that have no balance value, but they are in inventory lists.
The total acquisition value of such fixed assets is: 11 946 LVL.

**(13) Trade debtors**

	2013	2012
	LVL	LVL
Trade debtors	28 074	23 440
Balance value	28074	23440

Allocation of currency:

	2013		2012	
	Valūta	LVL	Valūta	LVL
LVL	X	28 074	X	23440
Total		28074		23440

(14) Other debtors

	2013	2012
	LVL	LVL
Calculated VAT for received, but unpaid services	0	1863
VAT on advances	4405	9199
SIA "Latvija Statoil	23	49
SIA "Neste Latvija"	4	0
URDVN tax overpaid	19	4
Total	4451	11115

(15) Deferred expenses

	2013	2012
	LVL	LVL
Ground rent for the 1st quarter in 2014	1059	1313
Subscriptions 2014.	105	192
Total	1164	1505

(16) Cash funds**(31.12.2013)****Allocation of currency:**

	2013		2012	
	Currency	LVL	Currency	LVL
LVL	X	1664	X	3610
EUR	6133	4310	9461	6649
Total		5974		10259

**(17) Company capital**

Company capital is divided on shares	1 944 637
per value each LVL	1

(18) Long term investment adjustment reserve

	2013	2012
	LVL	LVL
Long term investment adjustment reserve	563341	563341
Total	563341	563341

(19) Undistributed profit/losses:

Losses of previous years 2011 (including)	-793 982 LVL
Profit of previous 2012 year	25 336 LVL
Profit of financial year	1030 LVL
Losses of financial year	-767 616 LVL

(20) Other provisions

Type of provision	Residual	Increase	Decrease	Residual
	2012.12.31	2013	2013	2013.12.31
	LVL	LVL	LVL	LVL
Provisions for unused vacation	10 193	0	1 348	8 845
Total	10 193	0	1 348	8 845

(21) Borrowings from credit institutions

Allocation of currency:	2013		2012	
	Currency	LVL	Currency	LVL
EUR (long term)	2993984	2104184	3060765	2151118
EUR (short-term)	66781	46934	119999	84336
Total		2151118		2235454

Main points of agreement/contract

Company name / name, surname	Principal amount, EUR	% rate	Term
SEB Banka	3 060 765	3.7638%	111 379 22.05.2022.

**(22) Deferred income tax liabilities**

	2013	2012
	LVL	LVL
Calculated deferred tax	78 313	35 954

Temporary changes	Residual	Increase	Decrease	Residual
	2012.12.31	2013	2013	2013.12.31
	LVL	LVL	LVL	LVL
Fixed assets residual for taxes	1 494 451	52 567	171 747	1 375 271
Fixed assets residual in finance accounts	-3 729 634	52 567	84 580	-3 697 621
Provisions for unused vacation	10 193	0	1 348	8 845
Accrued tax losses	1 985 750	34 936	229 265	1 791 421
Total	-239 240	140 070	475 423	-522 084

(23) Debts to suppliers of goods and services

Allocation of currency:	2013		2012	
	Currency	LVL	Currency	LVL
LVL	X	33 549	X	34 861
Total		33549		34861

(24) Advance payments from customers

	2013	2012
	LVL	LVL
Long term	22 564	25 103
Short term	6 814	34 840
	29 378	59 943

(25) Taxes and contributions to social security

Type of tax	Residual	Calculated	Paid	Residual
	2012.12.31			2013.12.31
	LVL	LVL	LVL	LVL
Value added tax	7 008	78 278	81 473	3813
Social security contributions	4 127	48 576	48 789	3914
Personal income tax	2 860	29 028	29 196	2692
Real estate tax (buildings,land)	3 042	10 094	13 136	0
State duties	-3	64	80	-19
Total	56517	166040	172674	10400



During the financial year has been calculated and paid payment penalty: 38 LVL PIT.

Inter alia:	2013	2012
	LVL	LVL
Tax overpayment	-19	-3
Tax debt	10 419	17037

(26) Other creditors

	2013	2012
	LVL	LVL
Salaries for December	6 817	4 925
Deductions from wages	44	58
Total	6861	5625

(27) Other borrowings

	2013	2012
	LVL	LVL
Swedbanka leasing	12 116	15 039
long term	9 074	0
short term	3 042	15 039
SEB Leasing	44 496	748
long term	34 484	0
short term	10 012	748
	56 612	15 787

(28) Employees

	2013	2012
Average amount of company's employees during year	22	24

(29) Information about remuneration to Members of the Board and executives

The remuneration of Member of the Board during year 2013 was 21.600 LVL.

(30) Financial risk management

The significant financial tools of Company are borrowings from credit institutions, legal persons and related parties, finance lease, money and short-term deposits. The main task of these financial tools is to provide Company's economic activity with funding. The Company also faces with other financial tools, such as trade debtors, other debtors, debts to suppliers and other creditors, which result directly from economic activity.

Currency risk

The Company has no currency fluctuation risk, because all transactions are made in euros or lats. And since 1st January 2005 lats have been fixed to euros by the Bank of Latvia with official rate of exchange 0.702804. Thereby future profit or losses of the Company from currency rate fluctuations shall be insignificant, as long as Bank of Latvia keeps the mentioned fixed exchange rate.



Interest rate risk

The Company has interest rate risk mainly because of its borrowings.

Credit risk

The Company has credit risk due to its trade debtors, given short-term loans and money and its equivalents. Company controls its credit risk by evaluating constantly debt repayment history of clients and by setting individual terms for each client. Moreover the Company follows non-stop the rest of debtors debts to diminish the possibility of irrecoverable debt emergence.

Liquidity risk

Company controls its liquidity risk by keeping appropriate amount of money or money equivalents.

(31) Information about off- balance liabilities and pledged assets

None.

(32) Details of the lease or rent agreements, mortgages, guarantees and other contracts that have an important role for the Company

The Joint Stock Company “VEF” is a publicly traded company, dealing with management and administration of its real estate, rendering space rental and electrical services to consumers on the VEF territory.

There were signed with the major customers long-term rental agreement.

As well as the Company has rent:

land in the Brivibas str. 214, rental agreement with JSC "Privatizācijas aģentūra" .

Pledge agreement No.KD03702/2 AS SEB banka, registered No.100093834 on 18.10.2006 - the claim secured in amount of LVL 4 080 418.

(33) Information about remuneration to auditor

Concluded agreement with DOMA AUDITS Ltd. for 900 LVL (not including VAT).

Gints Fenuks Chairman of the Board	_____ signature	08 April, 2014
Tamara Kampane Member of the Board	_____ signature	08 April, 2014