“Liepajas autobusu parks” JSC

NON – REVISED

FINANCIAL STATEMENT

for the period ended on March 31, 2010

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General Information

Name of the Company	JSC “LIEPĀJAS AUTOBUSU PARKS”
Legal status of the Company	Joint Stock Company
Unified registration number, place and date of registration	40003015652 Riga , 3 September 1991
Address	Cukura street 8/16, Liepāja, LV-3402 Latvia
Names and addresses of the shareholders	Liepāja city council (34,85%) Rožu 6, Liepāja, LV-3401 Latvia LTD LAP1R (49.49%) Vaļņu Street 4-5, Ryga , LV-1050 Latvia Other physical persons (15.66%)
Names and positions of the members of the Board	Gundars Kristapsons – chairman of the board Laima Kutuzova – member of the board
Names and positions of the member of the Council	Jānis Leimanis – chairman of the council Ronalds Fricbergs – Deputy chairman of the council Edgars Dupats- member of the council Ivars Muravskis - member of the council Oskars Špickopfs - member of the council
Reporting period	01.01.2010.-31.03.2010.

Management Report of JSC “Liepājas autobusu parks” for the 1st quarter of 2010

During the first three months of 2010 JSC ”Liepājas autobusu parks” continued providing city, region and long-distance public passengers transportations, as well as provided bus services in tourism and excursions transportations, operated one of the non-primary minibus routes in the city. Bus terminal services were also provided.

Net turnover from 1 January 2010 to 31 March 2010 amounted 1 272 743 LVL. Profit of the reporting period is 29 398 LVL.

The Company continued the work on the modernization of the means of production and equipment, realization of work organization and cost reduction measures.

The decrease of the net turnover and profit is connected with the reduction of grants in accordance with the reduced profit interest rate (Regulations issued by the Cabinet of Ministers No. 1226, 2009).

Cardinal changes in the business strategy didn’t happen.

Head of the board G.Kristapsons

Member of the board L.Kutuzova

Liability Report of the Board

The Management of the joint-stock company “Liepājas autobusu parks” (hereafter referred to as “Company”) is responsible for the preparation of the Company’s financial statements.

Financial statements are prepared on the base of accounting records and source documents and give a true and fair view of the Company's financial position on 31 March 2010, performance and cash flows of three months of 2010

The above mentioned financial statements are prepared in accordance with the Law on Accounting and Law on Annual Reports of the Republic of Latvia and Latvian accounting standards, basing on the going concern principle. During the preparation, the appropriate accounting methods were consistently used. During the preparation of financial statements, the decisions and estimates, made by the management, were precautionary and substantiated.

The management of the joint-stock company „Liepājas Autobusu Parks” is responsible for the provision of the appropriate accounting system, maintenance of the Company's assets, as well as for the disclosure and prevention of fraud and other offence in the Company. The management is responsible for the compliance with the requirements of the legislation of the Republic of Latvia

On behalf of the Board,

Chairman of the Board G.Kristapsons

Profit and loss statement for the year from 1 January to 31 March 2010

No.	Name of the indicator	Notes	31.03.2010		31.03.09.	
			LVL	EUR	LVL	EUR
1	Net sales	1	1 272 743	1 810 950	1 714 673	2 439 760
2	Cost of sales	2	1 229 789	1 749 832	1 589 095	2 261 078
3	**Gross profit**		**42 954**	**61 118**	**125 578**	**178 681**
4	Distribution costs	3	293	417	1 777	2 528
5	Administration costs	4	53 010	75 426	49 021	69 751
6	Other operating income	5	62 409	88 800	36 634	52 125
7	Other operating expenses	6	14 717	20 940	2 277	3240
8	Interest and similar income	7	64	91	2 148	3 056
9	Interest and similar expenses	8	5 677	8 078	7 793	11 088
10	**Profit before tax**		**31 730**	**45 148**	**103 492**	**147 256**
11	Other taxes	9	2 332	3 318	10 438	14 852
12	**Net profit**		**29398**	**41 830**	**93 054**	**132 404**
	Profit per share		**0.05**	**0.07**	**0.15**	**0.21**

EUR exchange rate on 31.03.2010. - 0.702804
EUR exchange rate on 31.03.2009. - 0.702804

Balance sheet for the period ended 31 March 2010

ASSETS	Notes	31.03.2010		31.03.09.	
		LVL	EUR	LVL	EUR
LONG-TERM INVESTMENTS					
I Intangible assets					
1. Concessions, patents, licenses, trademarks and similar rights		2 264	3 221	863	1 228
I Total intangible assets:		**2 264**	**3 221**	**863**	**1 228**
II Fixed assets					
1. Land and buildings		939 609	1 336 943	983 088	98 808
3. Equipment and machinery		1 879 262	2 673 949	1 987 303	2 827 677
4. Other fixed assets and inventory		27 167	38 655	15 086	21 465
5. Advance payments for fixed assets		402	572		
II Total fixed assets:		**2 846 440**	**4 050 119**	**2 985 477**	**4 247 951**
TOTAL LONG-TERM INVESTMENTS		**2 848 704**	**4 053 339**	**2 986 340**	**4 249 178**
CURRENT ASSETS					
I.Inventories:					
1.Raw materials and consumables	1	114 594	163 053	111 576	158 758
Total investories:		**114 594**	**163 053**	**111 576**	**158 758**
II.Debtors:					
1.Trade debtors	2	169 230	240 793	192 431	273 805
2.Other debtor	3	120 911	172 041	48 467	68 962
3.Deferre expenses	4	29 555	42 053	13 895	19 771
4.Accrued income		406 045	577 750		
Total debtors:		**725 741**	**1 032 636**	**254 793**	**362 538**
III.Cash	5	**381 269**	**542 497**	**511 962**	**728 456**
TOTAL CURRENT ASSETS:		**1 107 010**	**1 575 133**	**878 331**	**1 249 752**
TOTAL ASSETS		**4 070 308**	**5 791 527**	**3 864 671**	**5 498 931**

EUR exchange rate on 31.03.2010. - 0.702804
EUR exchange rate on 31.03.2009. - 0.702804

Balance sheet for the period ended 31 March 2010

LIABILITIES	Notes	31.03.2010		31.03.09.	
		LVL	EUR	LVL	EUR
EQUITY					
1. Share capital	6	627 441	892 768	627 441	892 768
2. Share premium		230	327	230	327
3. Revalution reserves for long-term investments	7	574 727	817 763	550 642	783 493
4. Reserves:					
a) statutory reserve		5 013	7 133	5 013	7 133
b) other reserves		578 567	823 227	578 567	823 227
5. Retained earnings					
a) prior years' retained earnings		542 509	771 921	584 279	831 354
b) current year's profit		29 398	41 830	93 054	132 404
TOTAL EQUITY		**2 357 885**	**3 354 968**	**2 439 226**	**3 470 706**
CREDITORS					
Long-term creditors:					
1.Loans from credit institutions	8	842 820	1 199 225	721 769	1 026 985
2.Deferre tax liability	9	181 259	257 908	144 124	205 070
Total long-term creditors:		**1 024 079**	**1 457 133**	**865 893**	**1 232 055**
Short-term creditors:					
1. Loans from credit institutions		146 408	208 320	98 969	140 820
2. Debt to suppliers and contractors		238 650	339 568	146 452	208 382
3. Taxes and social insurance payments		66 433	94 526	115 148	163 841
4. Other creditors	10	67 301	95 761	77 335	110 038
5. Deferred income	11	73 856	105 088	70 773	100 701
6. Accrued liabilities		95 696	136 163	50 875	72 389
Total short-term creditors:		**688 344**	**979 425**	**552 238**	**785 764**
TOTAL EQUITY AND LIABILITIES		**4 070 308**	**5 791 527**	**3 864 671**	**5 498 931**

EUR exchange rate on 31.03.2010. - 0.702804
EUR exchange rate on 31.03.2009. - 0.702804

Statement of changes in equity LVL

	Share capital	Share premium	Long-term investments revaluation reserve	Legal reserve	Prior years' retained earnings	Current year's profit	Total
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As at 31.03.2008	**627 441**	**230**	**608 693**	**583 580**	**158 680**	**-108 334**	**1 870 290**
Disposal of revalued fixed assets			-58 051				-58 051
Prior years' retained earnings					425 599	108 334	533 933
Profit for the year						93 054	93 054
As at 31.03.2009	**627 441**	**230**	**550 642**	**583 580**	**584 279**	**93 054**	**2 439 226**
Disposal of revalued fixed assets			24 085				24 085
Prior years' retained earnings					-41 770	-93 054	-134 824
Profit for the year						29 398	29 398
As at 31.03.2010	**67 441**	**230**	**574 727**	**583 580**	**542 509**	**29 398**	**2 357 885**

Statement of changes in equity EUR

	Share capital	Share premium	Long-term investments revaluation reserve	Legal reserve	Prior years' retained earnings	Current year's profit	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 31.03.2008	**892 768**	**327**	**866 092**	**830 360**	**225 781**	**-154 145**	**2 661 183**
Disposal of revalued fixed assets			-82 599				-82 599
Prior years' retained earnings					605 573	154 145	759 718
Profit for the year						132 404	132 404
As at 31.03.2009	**892 768**	**327**	**783 493**	**830 360**	**831 354**	**132 404**	**3 470 706**
Disposal of revalued fixed assets			34 270				34 270
Prior years' retained earnings					-59 433	-132 404	-191 837
Profit for the year						41 830	41 830
As at 31.03.2010	**892 768**	**327**	**817 763**	**830 360**	**771 921**	**41 830**	**3 354 969**

Exchange rate EUR on 31.03.2010 - 0.702804
Exchange rate EUR on 31.03.2009 - 0.702804

Cash flow statement (direct method) for the period ended 31.03.2010

		31.03.2010		31.03.2009	
		LVL	EUR	LVL	EUR
I.	**Cash flow from operating activities**				
1	Cash inflow from sale of goods and services	1 430 760	2 035 788	2 708 550	3 853 919
2	Payments to suppliers, personnel and other operating expenses	-1 330 295	-1 892 839	-2 372 286	-3 375 459
3	Other operating income and expenses	-5 611	-7 984	-7 707	-10 966
4	Gross cash flow from operating activities	94 854	134 965	328 557	467 494
5	Interest paid	-5 677	-8 078	-7 793	-11 088
6	Corporate income tax payments	-23 376	-33261	-12 423	-17 676
7	**Net cash flow from operating activities**	**65 801**	**93 626**	**308 341**	**438 730**
II.	**Cash flow from investing activities**				
1	Cash payments to acquire fixed and intangible assets	-2 895	-4 119	-647 985	-921 999
2	Cash received from sales of fixed and intangible assets	5 012	7 131	222	316
3	Cash flow from interest received	64	91	2 148	3 056
4	**Net cash flow from investing activities**	2 181	3 103	-645 615	-918 627
III.	**Cash flow from financing activities**				
1	Loans received			498 230	708 917
2	Loans repaid	-48 803	-69440	-32 990	-46 941
3	**Net money flow of the financing activity**	**-48 803**	**-69 440**	**465 240**	**661 976**
IV.	**Foreign exchange rate fluctuations**	**-1 399**	**-1 991**	**-3 010**	**-4 283**
V.	**Components of cash and cash equalents net increase or decrease**	**17 780**	**25 299**	**124 956**	**177 796**
VI.	**Components of cash and cash equalents at the beginning of the reporting year**	**363 489**	**517 198**	**387 006**	**550 660**
VII.	**Components of cash and cash equalents at the end of the reporting year**	**381 269**	**542 497**	**511 962**	**728 456**

Exchange rate on 31.03.2010 EUR 0.702804
Exchange rate on 31.03.2009 EUR 0.702804

Notes

1.Inventories	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Fuel, grease	48 846	69 502	37 289	53 057
Spare parts	57 553	81 891	67 125	95 510
Materials	8 195	11 660	7 162	10 191
Total	**114 594**	**163 053**	**111 576**	**158 758**

2.Consumer and customer debts	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Consumer and customer debts book value	169 230	240 793	192 431	273 805
Total	**169 230**	**240 793**	**192 431**	**273 805**

3.Other debtors	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
VAT overpaid	14 474	20 595	35 647	50 721
Corporate Income Tax overpayment	105 433	150 017	12 423	17 676
Advance payment persons debts	1 004	1 429	397	565
Total	**120 911**	**172 041**	**48 467**	**68 962**

4.Deferred expenses	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Leave salary for April	572	814	508	723
Health insurance	12 244	17 422		
Vehicle insurance	16 739	23 817	133 387	19 048
Total				

5.Cash and cash in bank	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Cash	79	112	201	286
Cash in bank	375 718	534 599	506 873	721 215
Cash in the road	5 472	7 786	4 888	6 955
Total	**381 269**	**542 497**	**511 962**	**728 456**

6.Share capital

As at 31.03.2010 the subscribed and fully paid share capital consists of 627 441 ordinary shares with a nominal value of LVL 1,00 each.

Notes (continued)

7. Revalution reserves for long-term investments	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Fixed assets				
Disposals			58 051	82 599
Total at 31.03.2010	**574 727**	**817 763**	**550 642**	**783 493**

8.Loans from credit institutions

	31.03.2010		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Loan from JSC Swedbank- long-term part	589 810	839 224	721 769	1 026 985
Loan from JSC NORDEA - long - term part	253 010	360 001		
Total	**842 820**	**1 199 225**	**721 769**	**1 026 985**

9. Deffered tax liability	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Deffered income tax liability	181 259	257 908	144 124	205 070
Total	**181 259**	**257 908**	**144 124**	**205 070**

10.Other creditors	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Wages	61 970	88 175	75 781	107 827
Deduction from wages	1 117	1 589	1 554	2 211
Bus terminal incomes	4 214	5 996		
Total	**67 301**	**95 761**	**77 335**	**110 038**

11.Deferred income	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Monthly tickets for April 2010	73 856	105 088	70 773	100 701
Total	**73 856**	**105 088**	**70 773**	**100 701**

Notes (Profit and loss Statement)

	31.03.2010		31.03.2009	
1. Net turnover	**LVL**	**EUR**	**LVL**	**EUR**
Income from passenger tramsportation	774 796	1 102 435	884 681	1 258 788
Grants	497 947	708 515	829 992	1 180 972
Total	**1 272 743**	**1 810 950**	**1 714 673**	**2 439 760**

2. Cost of goods sold	31.03.2010		31.03.2009	
	LVL	**EUR**	**LVL**	**EUR**
Fuel and oil costs	352 917	502 156	338 614	481 804
Spare parts, tools and tire costs	73 635	104 773	93 792	133 454
Wages	340 271	484 162	397 300	565 307
State social insurance payments	79 734	113 451	90 303	128 490
Depreciation of the fixed assets	167 640	238 530	164 362	233 866
Bus current repair and materials	18 865	26 842	26 041	37 054
Public utilities	27 572	39 231	35 703	50 801
Business trips and travel expenses	9 298	13 230	5 983	8 514
Partner`s services	47 285	67 280	54 923	78 148
Road transport insurance	9 120	12 977	10 915	15 531
Rental of software licences	4 727	6 726	5 525	7 861
Bus rental	44 431	63 220	64 521	91 805
Other operating expenses	54 294	77 253	301 113	428 443
Total	**1 229 789**	**1 749 832**	**1 589 095**	**2 261 078**

3.Distribution costs	31.03.2010		31.03.2009	
	LVL	**EUR**	**LVL**	**EUR**
Commercial	293	417	1 777	2 528
Total	**293**	**417**	**1 777**	**2 528**

4.Administrative expenses	31.03.2010		31.03.2009	
	LVL	**EUR**	**LVL**	**EUR**
Wages	34 967	49 754	25 988	36 978
State social insurance payments	8 440	12 009	7 983	11 359
Transportation costs and business trips expenses	1 236	1 759	1 554	2 211
Communication expenses	1 197	1 703	1 809	2 574
Workshops visits	45	64	244	347
Other administrative exspenses	7 125	10 137	2 154	3 066
Total	**53 010**	**75 426**	**39 732**	**56 534**

Notes (continued)

5.Other operating income	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Incomes from fixed assets leasing	13 273	18 886	15 067	21 438
Insurance recompense for damaged transport vehicles	375	534	600	854
Incomes from ticket sales and entry the bus terminal	12 122	17 248	10 081	14 344
Net income from exchange rate fluctuations	-1399	-1991	-3 010	-4 283
Income from decrease of the revalution reserves for long-term investments			7 870	11 198
Other income	38 038	54 123	6 026	8 574
Total	**62 409**	**88 800**	**36 634**	**52 125**

6.Other operating expenses	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Expenses not related to the operating activity	1 399	1 991	732	1 365
Fines	700	996		
Expenses from liquidation of the fixed assets	12 618	17 953	1 545	1 875
Total	**14 717**	**20 940**	**2 277**	**3 240**

7.Other Interest incomes and similar incomes	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Bank interest	64	91	2 148	3 056
Total	**64**	**91**	**2 148**	**3 056**

8.Interest payable and similar expenses	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Credit interest payments	5 677	8 078	7 793	11 088
Total	**5 677**	**8 078**	**7 793**	**11 088**

9.Other taxes	**31.03.2010**		**31.03.2009**	
	LVL	**EUR**	**LVL**	**EUR**
Real Estate Tax	2 332	3 318	10 438	14 852
Total	**2 332**	**33 318**	**10 438**	**14 852**

EUR exchange rate on 31.03.2010. - 0.702804
EUR exchange rate on 31.03.2009. - 0.702804