AS "Moda Kapitāls"

Unaudited Interim Financial Statements for the period 01.01.2014.-30.06.2014.,
prepared in accordance with the International Financial Reporting Standards
as adopted in European Union

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MANAGEMENT

Names and positions of the Council members	Andris Banders - member of the Council Inese Kanneniece - member of the Council Aleksandrs Sirmais - member of the Council Verners Skrastiņš - member of the Council Diāna Zvīne - member of the Council
Names and positions of the Board members	Ilvars Sirmais - member of the Board Guntars Zvīnis - member of the Board

REPORT OF THE MANAGEMENT

Type of operations

The basic activity of AS Moda Kapitāls (further - Company) is issuing of short-term loans against a pledge of movable and immovable property and trading of a wide range of home appliances, electronics and items made of precious metals.

Performance during the financial year and financial situation of the Company

In the first half of 2014 AS Moda Kapitāls has closed two branches - in Cesis and Riga. Locations of branches were changed in some cities and their new locations are considered to be geographically more advantageous for the present Company's clients, as well as give an advantage for the attraction of new clients.

Taking into account increasing competition and current market situation, the Company's priority will not be launching new branches but to increase the effectiveness of operation and profitability of the existing branches.

Continuously are being improved the qualification of employees and improved the system of the Company's customer service, as well as will continue improvement and modernization of branches premises, developing assortment of goods for sale.

In the first half of 2014 was observed moderate increase in customer activity and demand for AS Moda Kapitāls services rendered and it continued to increase gradually. At the same time growing the circle of clients who regularly use the Company's services, as concluding loans, as well as purchasing traded commodities.

Starting from second half of 2013 and in the first half of 2014 continues the changes in the structure of the Company's credit portfolio, by decreasing the proportion of small loans, including the loans secured with moveable property pledges. That has given the negative effect to Company's financial results and revenues. The Company predicts that the similar process could be continued, therefore, other types of credit services has been actively developed and the impact f it could be appraisable starting from the second half of 2014.

Compared with the previous year, in a large part of the Company's branches are observed further development, in terms of credit portfolio and revenue. As in previous years, major attention is being paid to the payment discipline of clients and individual work with clients, in order the delayed payment problem would be solved through co-operation. Work on offering of a higher quality loan services to clients continued. The business line of trading of home appliance and jewelry shows in the increase in the operation of the Company.

Company's branches

Currently tventy eigth pawnshop branches are operating in: Aizkraukle, Alūksne, Balvi, Bauska, Cēsis , Dobele, Daugavpils (two branches), Gulbene, Jēkabpils (two branches), Jelgava, Krāslava, Kuldīga, Liepāja, Limbaži, Madona, Ogre, Rēzekne, Riga, Saldus, Talsi, Valmiera, Ventspils, Tukums, Preiļi, Ludza, Valka, and an office in Riga.

Events after the end of financial year

During the time period from the last day of the financial year, no significant events have occurred that would significantly affect the financial condition of the Company at 30 June 2014.

Future development plans

We forecast that in 2014 revenue will stay in 2013 year level. Taking into account the changes in the structure of credit portfolio, that has given the impact to the Company's financial indicators, we plan that no profit will be earned in 2014. The Company's internal reorganization will help the improve the financial results in the second half of 2014 and the whole year will be finished without the significant losses.

Guntars Zvīnis
Member of the Board

Riga, 29 August, 2014

STATEMENT OF THE MANAGEMENT RESPONSIBILITY

The Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted the EU. The financial statements give a true and fair view of the financial position of the Company as at 30 June 2014, and the results of its operations and cash flow for the period then ended.

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 5 to page 16 and decisions and assessments were made with proper discretion and prudence. The accounting policies applied have been consistent with the previous period. The Management confirms that the financial statements have been prepared on going concern basis.

The Management is responsible for accounting records and for safeguarding the Company's assets and preventing and detecting of fraud and other irregularities in the Company. It is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

Guntars Zvīnis
Member of the Board

Riga, 29 August, 2014

STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01.2014-30.06.2014 EUR	01.01.2013-30.06.2013 EUR
Revenue		418,886	903,923
Finance income		697,508	749,861
Cost of sales		(301,442)	(731,438)
Finance costs		(203,114)	(189,455)
Gross profit		**611,838**	**732,891**
Distribution expenses		(477,475)	(423,414)
Administrative expenses		(179,202)	(210,047)
Other income		10,715	3,409
Other expenses		(23,152)	(15,914)
Profit before tax		**(57,276)**	**86,925**
Corporate income tax		(2,570)	(9,161)
Net profit		**(59,846)**	**77,764**
Other comprehensive income / (loss)		**0**	**0**
Total comprehensive income		**(59,846)**	**77,764**

Notes on pages 10 to 17 are an integral part of these financial statements.

Guntars Zvīnis
Member of the Board

Riga, 29 August, 2014

STATEMENT OF FINANCIAL POSITION

	Notes	30.06.2014. EUR	31.12.2013. EUR
ASSETS			
Non-current assets			
Intangible assets		42,559	43,827
Property, plant and equipment	(1)	813,553	792,171
Other non-current assets		142	142
Total non-current assets:		**856,254**	**836,140**
Current assets			
Inventories		750,628	711,407
Loans and trade receivables	(2)	2,666,040	2,581,066
Other current assets		144,611	163,151
Corporate income tax		6,436	7,445
Cash and cash equivalents		107,622	312,423
Total current assets:		**3,675,337**	**3,775,493**
Total assets		**4,531,591**	**4,611,633**

EQUITY AND LIABILITIES		30.06.2014. EUR	31.12.2013. EUR
Equity			
Share capital		426,862	426,862
Revaluation reserves of non-current assets	(1)	133,288	133,288
Retained earnings		(58,333)	1,513
Total equity:		**501,817**	**561,663**
Liabilities:			
Non-current liabilities:			
Borrowings	(3)	3,690,154	3,324,365
Deferred income tax liabilities		59,435	54,069
Total non-current liabilities:		**3,749,589**	**3,378,434**
Current liabilities:			
Borrowings	(3)	90,160	448,841
Trade and other payables		190,025	222,695
Total current liabilities:		**280,185**	**671,537**
Total liabilities:		**4,029,774**	**4,049,970**
Total equity and liabilities:		**4,531,591**	**4,611,633**

Notes on pages 10 to 17 are an integral part of these financial statements.

Guntars Zvīnis
Member of the Board

Riga, 29 August, 2014

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserves of non-current assets	Retained earnings	Total
	EUR	EUR	EUR	EUR
01.01.2013.	**426,862**	**133,288**	**70,065**	**630,215**
Calculated dividends	-	-	(92,488)	(92,488)
Net profit	-	-	23,936	23,936
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income	**-**	**-**	**23,936**	**23,936**
31.12.2013.	**426,862**	**133,288**	**1,513**	**561,663**
Net profit	-	-	(59,846)	(59,846)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income	**-**	**-**	**(59,846)**	**(59,846)**
30.06.2014.	**426,862**	**133,288**	**(58,333)**	**501,817**

CASH FLOW STATEMENT

	Notes	01.01.2014-30.06.2014 EUR	01.01.2013-30.06.2013 EUR
Cash flow from operating activities			
Profit before corporate income tax		(57,276)	86,926
Adjustments for:			
depreciation and amortization	(1)	52,399	104,181
loss / (profit) from disposal of property, plant and equipment		3,136	17,036
Changes in working capital			
inventories		(39,221)	25,466
receivables		(65,425)	(75,565)
liabilities		(29,872)	(14,923)
Cash flow from operating activities		**(136,259)**	**143,121**
Cash flow from investing activities			
Acquisition of property, plant and equipment and intangible assets	(1)	(75,650)	(146,267)
Net cash flow generated from investing activities from continuing operations		**(75,650)**	**(146,267)**
Cash flow from financing activities			
Proceeds from bond issuance		435,000	0
Loans received	(3)	168,914	198,049
Borrowings repaid	(3)	(581,357)	(121,785)
Dividends paid		0	(92,487)
Paid on finance lease agreements		(15,449)	(12,590)
Net cash flow generated from financing activities from continuing operations		**7,108**	**(28,813)**
Net increase / (decrease) in cash and cash equivalents		**(204,801)**	**(31,959)**
Cash and cash equivalents at the beginning of the financial year		**312,423**	**121,425**
Cash and Cash equivalents at the end of the financial year		**107,622**	**89,466**

Notes on pages 10 to 17 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

AS Moda Kapitals (further - Company) main activity is the issuing of short-term loans against pledge of movable and immovable property. AS Moda Kapitals is a joint stock company founded and operating in Latvia. Registered address of the Company is at Ganibu dambis 40A-34, Riga, LV-1005.

These interim financial statements covers the period from 1 January 2014 till 30 June 2014. Interim financial statements are prepared in accordance with International Accounting Standard No.34 (IAS) "Interim Financial Statements". These interim financial statements shall be read together with the Company's latest annual financial statements for the period ended 31 December 2013, that have been prepared in accordance with International Financial Reporting Standards, as endorced by EU.

II. ACCOUNTING POLICIES

(1) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union (IFRS).

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the following notes.

The financial statements are presented in accordance with IAS 1 Presentation of Financial Statements (Revised 2007). The Company has elected to present the ‘Statement of comprehensive income’ in one statement.

(3) Foreign currencies

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

(b) Transactions and balances
All foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement for the period.

Exchange rates used at the year-end are as follows:

	30.06.2014.	**31.12.2013.**
	EUR	**Ls**
1 USD	1.32	0.531
1 EUR	1	0.702804

(4) Revenue recognition

Income is recognised to such extent, for which substantial measurement is feasible and there is a reason to consider that the Company will gain economic advantage related thereof. Income is evaluated in the fair value of remuneration received, less sale discounts and the value added tax. The Company assesses its income gaining operations according to certain criteria, in order to establish whether it acts as the parent company or a representation. The Company considers that in all income gaining operations it acts as the parent company. Before income recognition the following preconditions shall be fulfilled:

Sales of goods
Sales income shall be recognised if the Company has transferred to the customer significant risks related to the goods ownership and remunerations, usually at the moment of delivery of goods.

Mediation income
The Company gains income from mediation services for pledged goods. Mediation services refer to the Company basic type of operations, so these income is included in the income statement as revenue. Income from such services are gained when the Company sells to a client the respective pledged goods.

Interest income and expense
For all financial instruments booked in their amortised acquisition value and financial assets, for which interest is calculated and which are classified as available for sale, the interest income and expenses are registered using the effective interest rate, namely, the rate which actually discounts the estimated monetary income through the whole useful life period of the financial instrument or - depending on the circumstances may be - a shorter time period until the balance sheet value of the respective financial asset or liability is reached.

Other income
Income from penalties charged from clients is recognised at the moment of receipt. Penalties mainly consist of fines imposed on clients for the delay in payment.

(5) Property, plant and equipment (PPE)

Buildings are recognised at their fair value on the basis of assessment made by independent valuator from time to time less accumulated depreciation. Accumulated depreciation is liquidated as of revaluation date, net sum is charged to the revaluated cost. Land is recognised at their fair value on the basis of assessment made by independent valuator from time to time. Other assets are recognised at their acquisition value less accumulated depreciation. Acquisition value includes the costs directly related to acquisition of the asset.

Subsequent costs are recognised in the asset's carrying amount or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other repairs and maintenance are recognised as an expense during the financial period when they are incurred.

Increase in value arising on revaluation is recognised in equity under “Revaluation reserve of non - current assets”, but decrease that offsets a previous increase of the same asset' s value (net of deferred tax) recognised in the said reserve is charged against that reserve; any further decrease is recognised in other comprehensive income for the year incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revaluated amounts to their residual values over their estimated useful live, as follows:

	Years
Buildings	20 - 30
Computer equipment	3 - 5
Other machinery and equipment	4 - 10

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the financial year.

(6) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual obligations of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured at fair value.

The Company categories its financial assets, except derivative financial instruments if any, under loans and receivables. The categorization depends on the purpose for which the financial assets were acquired. Management determines the categorization of its financial assets at initial recognition.

The Company's financial liabilities include borrowings, trade and other payables and obligations arising from derivative financial instruments (if formed).

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed (including transaction costs) or determinable payments that are not quoted in an active market. They are included in current assets, except financial assets with maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Upon recognition loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of loans and receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the loans and receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and recoverable value. The changes of the provision are recognised in the statement of comprehensive income. Loans and receivables carrying amount is reduced through the use of the provision account. Loss of the provision are recognized in the statement of comprehensive income as other operating expenses. When a loan or receivable is uncollectible, it is written off against the provision account for loans and receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in the statement of comprehensive income.

Borrowings

Borrowings are recognised initially at the amount of proceeds, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is gradually recognised in profit and loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

III. OTHER NOTES

(1) Intangible assets and Property, plant and equipment (PPE)

	Land and buildings	Leasehold improvements	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Cost/revaluation						
31.12.2013.	357,995	16,207	605,001	642	56,129	1,035,974
Additions	-	1,030	53,833	3,045	25,679	83,587
Disposals	-	0	-	-	(8,104)	(8,104)
30.06.2014.	357,995	17,237	658,834	3,687	73,704	**1,111,457**
Depreciation						
31.12.2013.	(29,589)	(6,320)	(207,892)	-	-	(243,801)
Calculated	(5,918)	(3,136)	(45,049)	-	-	(54,103)
Disposals	-	0	-	-	-	0
30.06.2014.	(35,507)	(9,456)	(252,941)	-	-	**(297,904)**
Net carrying amount 31.12.2013.	**328,406**	**9,886**	**397,109**	**642**	**56,129**	**792,173**
Net carrying amount 30.06.2014.	**322,488**	**7,781**	**405,893**	**3,687**	**73,704**	**813,553**

a) Revaluation of land and building and fair value techniques used

As at 31 December 2004 the Company made first revaluation of real estate. As a result of revaluation, a revaluation reserve of non-current assets in the amount of 37 620 LVL (53 528 EUR) was booked, where 15% of the reserve was attributed to deferred corporate income tax liabilities. Initially calculated revaluation reserve was corrected in 2011 decreasing it by 7 777 Ls (11 066 EUR) to 28 843 Ls (41 040 EUR).

In June 2011 certified real estate valuator M. Vilnitis who was appointed by the Board of Company, appraised the market value of real estate classified under Land & Buildings. As a result of revaluation a revaluation reserve of non-current assets was increased by 77 158 Ls (109 786 EUR), where 15% or 11 574 Ls (16 468 EUR) of the reserve was attributed to the liabilities of deferred corporate income tax liabilities.

(2) Loans and trade receivables

	30.06.2014. EUR	31.12.2013. EUR
Short-term loans secured with pledges	1,990,525	2,023,683
Client debts brought to court	588,783	500,460
Short-term loans not secured with pledges	106,372	76,563
Provisions for impairment of trade receivables	(19,640)	(19,640)
	2,666,040	**2,581,066**

Issued short-term loans interest rates:

	2014 % per year	2013 % per year
Loans against hand pledge till 427 EUR	60 - 240	60 - 240
Loans against hand pledge over 427 EUR	60 - 180	60 - 180
Loans against transport, which remains available to customers	30 - 180	30 - 180
Loans against real estate	24 - 96	24 - 96

(3) Borrowings

	Note	30.06.2014. EUR	31.12.2013. EUR
Non-current			
Non-convertible bonds	b)	3,295,000	2,860,000
Bank borrowings	c)	-	12,545
Other loans	d)	322,500	383,000
Finance lease liabilities	e)	72,655	68,820
		3,690,154	**3,324,365**
Current			
Bank borrowings	c)	66,115	70,327
Other loans	d)	-	350,000
Finance lease liabilities	e)	24,045	28,514
		90,160	**448,841**
Borrowings total:		**3,780,315**	**3,773,204**

a) Fair value of borrowings

Considering that the variable interest rate is applied to loans from credit institutions and financial leasing agreements, fair value is not materially different from the carrying value. The management assesses, that also carrying value of other borrowings is not materially different from their fair value.

During the reporting and previous year with the Company's bonds were not made transactions for which is available public information to assess their market value.

b) Bonds

On 24 November 2010 the Company issued 1 700 corporate bonds with nominal value of EUR 1 000 or totally EUR 1 700 000 (LVL 1 194 767). Coupon interest is set at 12% and maturity date is 25 October 2015. Coupon interest is payable quarterly. In the first half of 2011 the Company issued in addition 500 corporate bonds with nominal value of EUR 1 000 or totally EUR 500 000 (LVL 351 402). In 2012 the Company issued in addition 660 corporate bonds with nominal value of EUR 1 000 or totally EUR 660 000 (LVL 463 851), which is reflected in this report, taking into account with issuance of the bonds associated costs. In the Annual report, bonds are stated at its fair value taking into account listing expenses. In 2014 were issued in addition 450 corporate bonds with nominal value of EUR 1 000 or nominal value of EUR 450 000 (LVL 316 269).

	2014		2013	
	number of bonds	EUR	number of bonds	EUR
At beginning of the year	2,860	2,860,000	2,860	2,860,000
Issued during the year	450	450,000	-	-
Paid during the year	435	435,000	-	-
At the end of the year	**3,745**	**3,295,000**	**2,860**	**2,860,000**

c) Bank borrowings

The Company uses ABLV bank granted credit line with a maximum limit of EUR 65 000, with maturity date till February 2015 and interest rate of 5% + 6 months EURIBOR. The company also received a loan of EUR 200 000, with a maturity date until March 2015 and interest rate of 6.5% + 6 months EURIBOR.

Loans are secured by a mortgage on the Company's immovable properties with a total book value of EUR 328 406.

	2013 EUR	2012 EUR
At beginning of the year	82,871	70,853
Borrowings received in the year	122,500	266,500
Repaid borrowings in the year	(139,256)	(254,482)
At the end of the year	**66,115**	**82,871**

d) Other loans

During the reporting and previous years, the Company has received loans from related and unrelated parties (see Note (4)). Borrowing interest rates range from 6% to 9% per year.

	2013 EUR	2012 EUR
At beginning of the year	733,000	435,000
Borrowings received in the year	31,600	381,830
Repaid borrowings in the year	(442,100)	(83,830)
At the end of the year	**322,500**	**733,000**

e) Finance lease liabilities

The Company has acquired fixed assets under finance lease. Interest payments are 2.5% + 3 M EURIBOR payable due on monthly basis.

In accordance with the agreements the minimum finance lease payments are:	30.06.2014. EUR	31.12.2013. EUR
Payable within 1 year	31,524	28,514
Payable from 2 to 5 years	70,309	73,884
Finance lease gross liability	**101,833**	**102,398**
Future finance costs	(5,133)	(5,064)
Present value of finance lease liability	**96,700**	**97,334**

(4) Transactions with related parties

In 2014 the Company had economic transactions with the following entities that are directly or indirectly controlled by the Company's shareholders and members of the Board: Orheja SIA, Trezors SIA and Premium Finance Group SIA.

(a) Loans balances and interest expenses

	Loans balances		Interest expenses	
	30.06.2014	31.12.2013	01.01.2014- 30.06.2014	2013
	EUR	EUR	EUR	EUR
Orheja SIA	2,500	-	486	304
Trezors SIA	20,000	2,000	1,008	2,479
Premium Finance Group SIA	-	-	8,125	13,163
	22,500	**215,000**	**9,619**	**15,946**
The non-current part of the loans	22,500	-		
The current part of the loans	-	200,000		
	22,500	**233,000**		

(5) Financial and capital risk management

The Company's activity is exposed to various financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Management of the Company seeks to minimize potential adverse effects of the financial risks on the Company's financial position. The Company uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Interest rate risks

The Company is exposed to interest rate risk as the part of the liabilities are interest-bearing borrowings with the variable interest rate (Note (2)), as well as the Company's interest bearing assets have fixed interest rate.

	30.06.2014.	**31.12.2013.**
	EUR	**EUR**
Financial liabilities with variable interest rate	162,815	180,205
Open position, net	**162,815**	**180,205**

Taking into account insignificant proportion of financial liabilities with variable interest rate in total financial liabilities, possible changes of interest and interest rate does not leave significant effect on the Company's profit before tax.

(ii) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate due to other market factors. The Company's management monitors the market fluctuations on a continuous basis and acts accordingly but does not enter into any hedging transactions.

(b) Credit risk

Financial assets, which potentially subject the Company to a certain degree of credit risk concentration are primarily cash, trade receivables and loans. For the bank transactions only the local and foreign financial institutions with appropriate ranking is accepted.

Maximum exposure to credit risk	**30.06.2014.**	**31.12.2013.**
	EUR	**EUR**
Loans and trade receivables	2,666,040	2,581,066
Other current assets	144,611	163,151
Cash and cash equivalents	107,622	312,423
	2,918,273	**3,056,640**

Within the Company the credit risk is managed using centralized procedures and control. The main credit risk occurs in connection with outstanding loans issued. To reduce these risks the Company applies a conservative credit policy – the sum of issued loans is much smaller than the value of pledged movable and immovable property. Such policy allows the Company to reduce its credit risk to minimum. Information about the structure of the loan portfolio is provided in Note 2.

The Company is not subjected to income concentration risk because the Company gains income from many clients
where the total payment of interest income or commission fees is formed by small sums.

(c) Liquidity risk

Company pursues a prudent liquidity risk management and maintain a sufficient quantity of cash and ensure the availability of financial funds through bonds emission, loans provided by banks and related parties. Company's management monitors the operational forecasting of liquidity reserves, based on estimated cash flows.

Financial and capital risk management (continuation)

(d) Capital Management

According to the Latvian Commercial Law requirements if the Company's losses exceed half of the share capital, the Board is required to address shareholders to make decisions on Company's going concern. Equity of the Company meets the Latvian legal requirements. Company's management manages the capital structure on going concern basis. During the reporting period there were no changes in capital management objectives, policies or processes.

	30.06.2014. EUR	31.12.2013. EUR
Total borrowings	3,780,314	3,773,206
Less cash and its equivalents	(107,622)	(312,423)
Net debt	3,672,692	3,460,783
Equity	501,817	561,663
Total capital	4,174,509	4,022,446
Total assets	4,531,591	4,611,633
Net debt to equity	732%	616%
Equity ratio on total assets	11%	12%