



AB Anykščių Vynas

Interim condensed financial statements for the
nine month period ended 30 September 2014

Confirmation of responsible persons

Following the Article No. 22 of Law on Securities of the Republic of Lithuania and Rules on Submission of Periodic and Additional Information approved by Securities of the Republic of Lithuania we, Audrius Zuzevičius, director and Audronė Zemlevičienė, Chief Accountant, hereby confirm that, to the our knowledge, the interim statements for the ended 30 September 2014 have been prepared in accordance with international Financial Reporting Standard as adopted by the European union, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of AB "Anykščių vynas".

Director

Audrius Zuzevičius

Chief Accountant

Audronė Zemlevičienė

Statement of financial position

	30 September 2014	31 December 2013
ASSETS		
Property, plant and equipment	16,876	17,329
Long-term loans	2,900	2,900
Total non-current assets	19,776	20,229
Inventories	4,902	2,880
Trade and other receivables	1,120	2,179
Other assets	48	71
Cash and cash equivalents	66	35
Total current assets	6,136	5,165
Total assets	25,912	25,394
EQUITY		
Share capital	20,000	20,000
Accumulated losses	(7,574)	(7,240)
Total equity attributable to shareholders	12,426	12,760
LIABILITIES		
Employee benefits	171	171
Deferred tax liability	809	809
Total non-current liabilities	980	980
Loans and borrowings	8,244	8,768
Trade and other payables	3,460	1,020
Provisions	-	537
Other liabilities	802	1,329
Total current liabilities	12,506	11,654
Total liabilities	13,486	12,634
Total equity and liabilities	25,912	25,394

The notes on pages 8–17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

Chief Accountant



Audronė Zemlevičienė

Statement of comprehensive income

For the nine month period ended 30 September

	2014	2013
Revenue	9,144	11,307
Cost of sales	(7,471)	(10,463)
Gross profit	1,673	844
Other income	106	971
Selling expenses	(842)	(655)
Administrative expenses	(1,031)	(1,911)
Other expenses	(20)	(16)
Results from operating activities	(114)	(767)
Finance income	65	76
Finance costs	(285)	(332)
Net finance costs	(220)	(256)
Profit/(loss) before income tax	(334)	(1,023)
Profit tax	-	-
Profit/(loss) for the period	(334)	(1,023)
Profit/(loss) per share		
Basic earnings per share (in Litās)	(0,02)	(0,05)

The notes on pages 8–17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

Chief Accountant



Audronė Zemlevičienė

Statement of comprehensive income

For the three month period ended 30 September

	2014	2013
Revenue	3,561	6,294
Cost of sales	(2,850)	(5,532)
Gross profit	711	762
Other income	36	26
Selling expenses	(333)	(282)
Administrative expenses	(327)	(448)
Other expenses	(8)	(6)
Results from operating activities	79	52
Finance income	22	26
Finance costs	(71)	(65)
Net finance costs	(49)	(39)
Profit/(loss) before income tax	30	13
Profit tax	-	-
Profit/(loss) for the period	30	13
Profit/(loss) per share		
Basic earnings per share (in Litās)	-	-

The notes on pages 8–17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

Chief Accountant

Audronė Zemlevičienė

Statement of changes in equity

	Share capital	Accumulated losses	Total equity
Balance at 1 January 2013	20,000	(6,657)	13,343
Profit or Loss for the period ended 30 September 2013		(1,023)	(1,023)
Total comprehensive income for the period		(1,023)	(1,023)
Profit or Loss for the period ended 31 December 2013		440	440
Balance at 31 December 2013	20,000	(7,240)	12,760
Balance at 1 January 2014	20,000	(7,240)	12,760
Profit or Loss for the period ended 30 September 2014		(334)	(334)
Total comprehensive income for the period		(334)	(334)
Balance at 30 September 2014	20,000	(7,574)	12,426

The notes on pages 8–17 are an integral part of these financial statements.

Director



Audrius Zuzevičius

Chief Accountant



Audronė Zemlevičienė

Statement of cash flows

For the nine month period ended 30 September

	2014	2013
Cash flows from operating activities		
Profit (loss) for the period	(334)	(1,023)
Adjustments for:		
Depreciation and amortisation of non-current assets	511	1,427
Gain on sale of property, plant and equipment	-	(705)
Provision for doubtful receivables	43	-
Interest expenses (income), net	143	126
Change in inventories	(2,021)	(2,586)
Change in trade and other receivables	2,075	961
Provisions	-	537
Change in trade and other payables	(185)	(1,695)
Net cash from (used in) operating activities	232	432
Cash flows from investing activities		
Acquisition of property, plant and equipment	(58)	79
Proceeds from sale of property, plant and equipment	-	705
Interest received	65	76
Net cash from (used in) investing activities	7	860
Cash flows from financing activities		
Repayment of loans	-	(1,200)
Interest paid	(208)	(202)
Net cash from (used in) financing activities	(208)	(1,402)
Change in cash and cash equivalents	31	(110)
Cash and cash equivalents at 1 January	35	150
Cash and cash equivalents at 30 September	66	40

The notes on pages 8–17 are an integral part of these financial statements.

Director

Audrius Zuzevičius

Chief Accountant

Audronė Zemlevičienė

Notes to the financial statements

1. Reporting entity

AB Anykščių Vynas (hereinafter "the Company") is incorporated and domiciled in Lithuania. The address of the Company is Dariaus ir Girėno st. 8, LT-29131 Anykščiai, Lithuania.

The Company was established in 1926. It was registered as a state enterprise in 1990 and re-registered as a joint stock company in 1995. The Company produces and sells alcoholic beverages: natural and fortified fruit-berry wine, spirits, cider, and concentrated apple and berry juice.

The Company's shares are listed on the Baltic Secondary List of the Stock Exchange NASDAQ OMX Vilnius.

The controlling shareholder of the Company is Įmonių grupė ALITA, AB, which as at 30 September 2014 holds 18,980 thousand ordinary registered shares, or 94.9% of all shares of the Company.

2. Basis of preparation

2.1. Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

2.2. Basis of measurement and Going Concern

The financial statements have been prepared on the historical cost basis. The Management and the bank on 17 March 2014 the Company reached an agreement with the bank for extending the repayment maturity until 31 December 2014. On the basis of the new repayment maturities and the Management's forecasts, the Management believes that the Company will continue as a going concern in the foreseeable future. In the unlikely event of not reaching an agreement on extension of repayments, it is unlikely that the Company could continue as a going concern.

2.3. Functional and presentation currency

These financial statements are presented in Litas, which is the Company's functional currency. All financial information presented in Litas has been rounded to the nearest thousand, unless indicated otherwise.

2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS, as adopted by the European Union, requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Impairment losses on property, plant and equipment

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable value.

2. Basis of preparation (continued)
2.4. Use of estimates and judgements (continued)

(b) Impairment losses on trade and other receivables

The Company reviews its receivables to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of receivables before the decrease can be identified with an individual receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of debtors, national or local economic conditions that influence the group of the receivables.

The Management evaluates probable cash flows from the debtors based on historical loss experience related to the debtors with a similar credit risk. Methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(c) Useful lives of property, plant and equipment and intangible assets

Useful lives of assets at least once a year and changed when necessary to reflect current thinking on their remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

(d) Production costs

The allocation of fixed production overheads to cost of production is based on the normal capacity of the production facilities. The amount of fixed overhead allocated to each production unit is not increased as a consequence of low production. Unallocated overheads are recognised as an expense in a period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of actual use of the production facilities.

(e) Measurement of defined benefit obligations

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. Estimation of the future benefit involves actuarial assumptions, such as future salary increase and discount rate.

(f) Net realisable value of inventory

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless stated otherwise.

3.1. Foreign currency

Transactions in foreign currencies are translated into Litas at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value or cost are retranslated to the functional currency at the exchange rate at the date that the fair value or cost was determined. Foreign exchange differences arising on translation are recognised in profit or loss.

3.2. Financial instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, trade payables and other liabilities.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Non-derivative financial instruments are recognised initially at fair value plus (except for financial instruments at fair value through profit or loss) any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

3.2. Financial instruments (continued)

(a) Non-derivative financial instruments (continued)

Financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised on the trade date. Financial assets are derecognized if the contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. The Company also derecognizes certain assets when it writes off balances pertaining to the assets deemed to be uncollectible. Financial liabilities are derecognised if the obligations of the Company specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Loans and receivables are non-derivative financial assets and are not quoted in an active market. They are included into current assets except for maturities greater than 12 months. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment losses, if any. Short-term receivables are not discounted.

Loans and borrowings and other financial liabilities, including trade payables are subsequently stated at amortised cost using the effective interest rate method. Short-term liabilities are not discounted.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(b) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.3. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost (or deemed cost – see below) less accumulated depreciation and impairment losses. The buildings were accounted as follows:

- The Company's buildings, acquired before 1 January 1996, were stated at indexed cost less indexed accumulated depreciation and impairment losses.
- The Company's buildings, acquired after 1 January 1996, were stated at acquisition cost less accumulated depreciation and impairment losses.

According to the exception available under IFRS 1, which permits the carrying amount of an item of property, plant and equipment to be measured at the date of transition based on a deemed cost, buildings, acquired before 1 January 1996, were measured at indexed cost less indexed accumulated depreciation and impairment losses evaluated, and these values were used as deemed cost at that date. After 1 January 1996 all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.3. Property, plant and equipment (continued)

Recognition and measurement (continued)

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit or loss and other comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, when incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or deemed cost substituted for cost, less its residual value.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and corresponding periods are as follows:

- Buildings and constructions 8–80 years;
- Plant and machinery 2–50 years;
- Motor vehicles, furniture and fixtures 4–25 years;
- IT equipment 4–5 years.

3.4. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.5. Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the shareholders of the Company. Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

3.6. Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised as a current expense in the period when employees render services. These include salaries and wages, social security contributions, bonuses, paid holidays and other benefits. There are no long-term employee benefits.

Social security contributions

The Company pays social security contributions to the State Social Security Fund (hereinafter referred to as the Fund) on behalf of its employees in accordance with the local legal requirements. The social security contributions are recognised as an expense on an accrual basis and are included within personnel expenses.

3.6. Employee benefits (continued)

Post employment employee benefits

Each employee, according to the collective agreement effective in the Company, upon termination of employment at the retirement age, is entitled to receive a certain compensation. The compensation depends on the duration of the employment. Actuarial calculations have been made to estimate the related liability. The liability is accounted at present value using the market discount rate.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The Company holds no plan assets. The calculation of defined benefit obligations is performed annually using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are recognised as an expense when the Company is committed constructively or legally, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

3.7. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as financial costs. Short-term provisions are not discounted.

3.8. Revenue recognition

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement, however usually transfer occurs when the products are shipped from the company's warehouse and the sales invoice is issued.

Sales of services

Sales of services are recognised on performance of the services.

Rental income

Rental income is recognised in profit of loss on a straight-line basis over the term of the lease.

3.9. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

3.10. Finance income and finance costs

Finance income comprises interest income on funds invested and other financial income. Interest income is recognised in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and other financial expenses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.11. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Management, who are the Company's chief operating decision makers, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information it is available.

The Company has two segments of operations, which are its reportable segments. These divisions offer different products and are managed separately because they require different technologies and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segment	Operations
Alcoholic beverages	Production and sales of various alcoholic beverages
Apple products	Production of apple juice, concentrated apple juice and other apple based non-alcohol products
Unallocated	Sales of raw materials and commodities, sales of products in specialized store and other.

3.12. Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefits are probable.

3.13. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. During the reporting period there were no dilutive potential ordinary shares issued by the Company.

3.14. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Long term loans

The fair value of long term loans receivable is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. Fair value of trade and other receivables with outstanding maturities shorter than six months with no stated interest rate is deemed to approximate their face value on initial recognition and carrying value on any subsequent date as the effect of discounting is immaterial. This fair value is determined for disclosure purposes.

3.14. Determination of fair values (continued)

Trade and other receivable

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. Short term receivables are not discounted. This fair value is determined for disclosure purposes.

Financial liabilities, including loans and borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Short term liabilities are not discounted.

Carrying amount of all financial assets and liabilities of the Company is close to their fair value.

4. Operating segments

Information about reportable segments

For decision taking purposes, the Company is organized into two reportable operating segments that offer different products, and require different technology and marketing strategies. Information, as reviewed by the Chief Operating Decision Maker of the Company, regarding the results of each reportable segment that is used to measure performance of the Company is included below.

For the nine month period ended 30 September

	Alcoholic drinks		Apple products		Not allocated to any specified segment		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales	6,742	7,334	1,770	3,612	632	361	9,144	11,307
Gross profit (loss)	1,217	270	255	416	201	158	1,673	844

For the three month period ended 30 September

	Alcoholic drinks		Apple products		Not allocated to any specified segment		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales	2,067	2,576	1,270	3,573	224	145	3,561	6,294
Gross profit (loss)	405	212	206	483	100	67	711	762

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. All of the Company's assets are located in and all capital investments are made in Lithuania.

For the nine month period ended 30 September

	2014	2013
Sales to Lithuanian customers	7,571	7,659
Sales to foreign customers	1,573	3,648
Total	9,144	11,307

Geographical segments (continued)

For the three month period ended 30 September

	2014	2013
Sales to Lithuanian customers	2,112	2,743
Sales to foreign customers	1,449	3,551
Total	3,561	6,294

5. Property, plant and equipment

As at 30 September 2014, property, plant and equipment with a carrying amount of 16,031 thousand Litas (2013: 16,741 thousand Litas) is pledged to secure the credit line facility.

The carrying amount of insured property, plant and equipment as at 30 September 2014 was 16,032 thousand Litas (2013: 16,742 thousand Litas). Assets are insured against all risks as follows: buildings for value of 69,970 thousand Litas, production equipment for value of 45,122 thousand Litas.

6. Inventories

	30 September 2014	31 December 2013
Finished production	1,133	513
Work in progress	3,035	1,895
Raw materials and consumables	733	472
Carrying amount of inventories at 30 September	4,902	2,880

The Company insured its inventories for 8,000 thousand Litas against fire, natural forces and other damages. The Company has pledged inventories with the amount of 4,902 thousand Litas to the bank. In 2014 the Company had apple season, bought huge amount of apples and made apple juice concentrate, therefore it was a significant increase in inventory balance.

7. Trade and other receivables

	30 September 2014	31 December 2013
Other trade receivables	1,120	2,179
Trade and other receivables, net of impairment losses	1,120	2,179
Trade and other receivables, gross	1,347	2,362
Impairment of trade and other receivables at 30 September	(227)	(183)
Trade and other receivables, net of impairment losses	1,120	2,179
Impairment of trade and other receivables at 1 January	(183)	(183)
Write off of impairment loss	(44)	-
Impairment of trade and other receivables at 30 September	(227)	(183)

In May 2014 a customer of the Company TREVORS LT, UAB filed for insolvency proceedings. The Company had made a provision for doubtful receivable of 44 thousand LTL. These costs had been accounted in the general administrative expenses.

8. Capital and reserves

As at 30 September 2014, the authorised and issued share capital comprised 20,000,000 ordinary shares with a nominal value of 1 Litas each. All issued shares are fully paid.

The holders of ordinary shares are entitled to one vote per share in the General Shareholders' Meeting and receive dividends, when declared, and are entitled to capital repayment in case of reduction of the capital and other rights granted by the law.

9. Earnings per share

For the nine month period ended 30 September

	2014	2013
Profit/(loss) for the period	(334)	(1,023)
Number of shares 1 January (thousand)	20,000	20,000
Number of shares 30 September (thousand)	20,000	20,000
Weighted average number of shares in issue (thousand)	20,000	20,000
Basic and diluted earnings (losses) per share	(0,02)	(0,05)

For the three month period ended 30 September

	2014	2013
Profit/(loss) for the period	30	13
Number of shares 1 July (thousand)	20,000	20,000
Number of shares 30 September (thousand)	20,000	20,000
Weighted average number of shares in issue (thousand)	20,000	20,000
Basic and diluted earnings (losses) per share	0,00	0,00

The Company has no dilutive potential shares or convertibles. The diluted earnings (losses) per share are the same as the basic earnings (losses) per share.

10. Loans and borrowings

The Company has a credit line facility amounting to 7,432 thousand Litas (EUR 2,152 thousand) with Swedbank, AB. The loan was due on 31 December 2014. As at 30 September 2014 7,432 thousand Litas had been drawn (2013: 7,432 thousand Litas). The effective interest rate in the nine month of 2014 was 2,81% (2013: 2,80%).

To secure the repayment of this credit line facility the Company pledged property, plant and equipment with a carrying amount of 16,031 thousand Litas as at 30 September 2014, as well as inventories amounting to 4,902 thousand Litas, all the current and future funds in the main accounts of the bank, and current and future lease rights to 5,6044 ha land plot.

As at 30 September 2014 the parent company Įmonių grupė ALITA issued a suretyship for the Company to Swedbank, AB for the credit line granted amounting to 2,152 thousand EUR (2013: 2,500 thousand EUR).

In June 2014 the Company and the State Tax Inspectorate signed the agreement for the 1,033 thousand Litas tax loan. The final loan maturity date was set to be 30 April 2016, and interest rate was 0.01% per day. As at 30 September 2014, the amount payable under this agreement was 812 thousand Litas. Due to ensure the return of the tax loan the Company Group Alita AB had pledged its real estate for Anykščių vynas AB tax obligations.

On January 2014 with the Group's main bank has been signed an agreement without recourse to factoring the receivables till November 30th, 2014. On the 30 September, 2014. 358 thousand LTL has been used from the Company's factoring limit which amounts to 500 thousand LTL. In 2014 the average variable interest rate was 3.1%.

11. Trade and other payables

	30 September 2014	31 December 2013
Trade payables	2,192	758
Trade payables to related parties	1,268	262
Accrued vacation reserve	129	185
Employment related liabilities	183	115
Other liabilities and other payables	490	1,029
Total trade and other payables	4,262	2,349

12. Contingent assets and liabilities

Guarantees, warranties issued

The Company issued a suretyship to Įmonių grupė ALITA, AB, for loans granted by the bank, amounting to EUR 10,963 thousand. To secure this loan the Company has pledged its trademarks, immovable property, inventories and equipment.

The Company rents 1 land plot from the State with contract maturity on 8 August 2046. The environmental obligations (cleaning, restoration, etc.) are incumbent on the lessee of the rented state land.

13. Litigation and claims

On 23 September 2013 the Company received the announcement from the Panevėžys Regional Court on the claim provided by the shareholder of the Company Plass Investments Limited regarding invalidation of the Agreement on purchase-sale of the boiler house and of the movable and immovable assets related thereto, concluded on 20 June 2013 by and between the Company (the seller) and the buyer, as well as on application of restitution, related to execution of this agreement (the Company and the buyer of the mentioned assets are included as the respondents in the case).

In the opinion of the Company the claim of Plass Investments Limited is ungrounded and should be dismissed.

14. Information about audit

Interim Financial statements was not audited. An audit will be perform for the full financial year 2014.

The comparative information is taken from interim financial statements for the year 2013 and financial statements for the year 2013, which was prepared and audited in accordance with International Reporting Standards as adopted by European Union.

Director



Audrius Zuzevičius

Chief Accountant

Audronė Zemlevičienė