



AB LINAS AGRO GROUP CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE 3 MONTH PERIOD OF THE YEAR 2015/16
(UNAUDITED)**

PREPARED ACCORDING TO
ADDITIONAL INFORMATION PREPARING AND PRESENTATION
INSTRUCTIONS ISSUED BY THE BANK OF LITHUANIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September 2015	As at 30 June 2015
ASSETS			
Non-current assets			
Intangible assets	5	1,145	901
Property, plant and equipment	6	107,064	104,213
Investment property	7	1,520	1,523
Animals and livestock		7,975	8,127
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		904	903
Non-current receivables from related parties	12	1,164	1,175
Total non-current financial assets		2,085	2,095
Deferred income tax asset		1,888	1,955
Total non-current assets		121,677	118,814
Current assets			
Crops		3,579	15,436
Livestock		2,082	1,997
Inventories		137,408	56,415
Prepayments		11,602	8,729
Accounts receivable			
Trade receivables		80,805	96,700
Receivables from related parties	12	112	19
Income tax receivable		481	901
Other accounts receivable		25,203	9,500
Total accounts receivable		106,601	107,120
Other current financial assets		1,720	519
Cash and cash equivalents		8,786	6,680
Total current assets		271,778	196,896
Total assets		393,455	315,710

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The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONT'D)

	Notes	As at 30 September 2015	As at 30 June 2015
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,032	46,032
Share premium	1	23,038	23,038
Legal reserve		2,704	2,704
Reserve for own shares		1,819	1,819
Own shares		(456)	(457)
Foreign currency translation reserve		(22)	(22)
Retained earnings		87,566	84,197
Total equity attributable to equity holders of the parent		160,681	157,311
Non-controlling interest		1,914	1,826
Total equity		162,595	159,137
Liabilities			
Non-current liabilities			
Grants and subsidies		7,100	6,646
Non-current borrowings	8	30,702	22,729
Finance lease obligations		2,049	1,789
Non-current trade payables		183	183
Deferred income tax liability		1,045	1,157
Non-current employee benefits		266	266
Total non-current liabilities		41,345	32,770
Current liabilities			
Current portion of non-current borrowings	8	7,188	13,313
Current portion of finance lease obligations		880	803
Current borrowings	8, 12	119,396	64,256
Trade payables		44,867	28,179
Payables to related parties	12	13	21
Income tax payable		692	303
Derivative financial instruments		–	581
Other current liabilities		16,479	16,347
Total current liabilities		189,515	123,803
Total equity and liabilities		393,455	315,710

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 September)

	Notes	2015/2016 1 Q	2014/2015 1 Q
Sales	4	149,479	130,851
Cost of sales		(137,477)	(121,799)
Gross profit		12,002	9,052
Operating (expenses)	9	(7,741)	(6,623)
Other income	10	358	1,146
Other (expenses)		(159)	(69)
Operating profit		4,460	3,506
Income from financing activities		245	116
(Expenses) from financing activities		(763)	(681)
Profit before tax		3,942	2,941
Income tax		(478)	(706)
Net profit		3,464	2,235
Net profit attributable to:			
Equity holders of the parent		3,363	1,994
Non-controlling interest		101	241
		3,464	2,235
Basic and diluted earnings per share (EUR)		0.02	0.01
Net profit		3,464	2,235
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		–	5
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	5
Total comprehensive income, after tax		3,464	2,240
Total comprehensive income attributable to:			
The shareholders of the Company		3,363	1,999
Non-controlling interest		101	241
		3,464	2,240

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent

Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2014	46,032	(458)	23,038	2,360	1,825	(44)	76,550	149,303	2,790	152,093
Net profit for the year	–	–	–	–	–	–	1,994	1,994	241	2,235
Other comprehensive income	–	–	–	–	–	5	–	5	–	5
Total comprehensive income	–	–	–	–	–	5	1,994	1,999	241	2,240
Transfer of own shares	–	1	–	–	–	–	(1)	–	–	–
Acquisition of minority interest	–	–	–	–	–	–	6	6	(7)	(1)
Balance as at 30 September 2014	46,032	(457)	23,038	2,360	1,825	(39)	78,549	151,308	3,024	154,332
Balance as at 1 July 2015	46,032	(457)	23,038	2,704	1,819	(22)	84,197	157,311	1,826	159,137
Net profit for the year	–	–	–	–	–	–	3,363	3,363	101	3,464
Total comprehensive income	–	–	–	–	–	–	3,363	3,363	101	3,464
Transfer of own shares	–	1	–	–	–	–	(1)	–	–	–
Acquisition of minority interest	–	–	–	–	–	–	7	7	(13)	(6)
Balance as at 30 September 2015	46,032	(456)	23,038	2,704	1,819	(22)	87,566	160,681	1,914	162,595

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The accompanying notes are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2015/2016 1 Q	2014/2015 1 Q
Cash flows from (to) operating activities		3,464	2,235
Net profit			
Adjustments for non-cash items:			
Depreciation and amortisation		2,571	2,479
Subsidies amortisation		(201)	(227)
(Gain) on disposal of property, plant and equipment		(83)	(77)
(Gain) on disposal of other investments		–	(359)
Change in allowance and write-offs for receivables and prepayments		92	68
Inventories write down to net realisable value		5	6
Change in accrued expenses		453	(239)
Change in fair value of biological assets		159	53
Change in deferred income tax		37	199
Current income tax expenses		441	508
Expenses (income) from change in fair value of financial instruments		(604)	568
Dividend (income)		–	(45)
Interest (income)		(245)	(116)
Interest expenses		763	681
		6,852	5 734
Changes in working capital:			
Decrease in biological assets		11,812	11,142
(Increase) in inventories		(81,456)	(57,879)
Decrease (increase) in prepayments		(2,873)	2,093
Decrease in trade and other accounts receivable		(691)	16,199
(Increase) in restricted cash		(192)	(600)
Increase in trade and other accounts payable		19,831	18,151
Income tax (paid)		(73)	(350)
Net cash flows from (to) operating activities		(46,790)	(5,510)

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The accompanying notes are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2015/2016 1 Q	2014/2015 1 Q
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(7,453)	(2,141)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		136	202
(Acquisition) of subsidiaries (less received cash balance in the Group)	3	–	(200)
Disposal of other investments	3	–	434
Prepayments for financial assets		–	–
Loans (granted)		(896)	(1,033)
Repayment of granted loans		1,361	240
Interest received		227	9
Dividends received		–	45
Net cash flows from (to) investing activities		(6,625)	(2,444)
Cash flows from (to) financing activities			
Proceeds from loans		81,682	63,671
(Repayment) of loans		(25,166)	(45,579)
Finance lease (payments)		(228)	(187)
Interest (paid)		(761)	(675)
Acquisition of non-controlling interest		(6)	(1)
Net cash flows from (to) financing activities		55,521	17,229
Net (decrease) increase in cash and cash equivalents		2,106	9,275
Cash and cash equivalents at the beginning of the year		6,680	8,632
Cash and cash equivalents at the end of the year		8,786	17,907
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		270	–
Property, plant and equipment acquisitions financed by finance lease		520	93

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 Panevėžys, Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As at 30 September 2015 and as at 30 June 2015 the shareholders of the Company were:

	As at 30 September 2015		As at 30 June 2015	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	88,984,443	55.99%	88,984,443	55.99%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank AS (Estonia) clients	11,286,816	7.10%	10,720,893	6.75%
SEB AS OMNIBUS (Luxembourg) clients	11,604,207	7.30%	12,026,834	7.57%
Other shareholders (private and institutional investors)	30,014,937	18.88%	30,158,233	18.96%
Total	158,940,398	100.00%	158,940,398	100.00%

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 September 2015 (EUR 0.29 each as at 30 June 2015) and were fully paid as at 30 September 2015 and as at 30 June 2015.

The Company holds 786,972 of its own shares, percentage 0.50%, as at 30 September 2015 (788,972 as at 30 June 2015). Subsidiaries and other related companies did not hold any shares of the Company as at 30 September 2015 and as at 30 June 2015.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As at 30 September 2015 the number of employees of the Group was 2,173 (2,334 as at 30 June 2015).

No changes in share capital occurred during the years ending 30 September 2015 and 30 June 2015.

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2013/2014 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 September 2015 and as at 30 June 2015 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 September 2015	30 June 2015	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuvos Projektai	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	96.53%	96.47%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	96.53%	96.47%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
SIA Erfolg Group	Latvia	96.53%	96.47%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 September 2015	30 June 2015	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.48%	98.48%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.82%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	97.41%	97.41%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.20%	95.20%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	98.64%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Žemės ūkio investicijos	Lithuania	–	100%	Liquidated
Panevėžys district Žibartonių ŽŪB	Lithuania	99.80%	99.80%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuvos Projektai)				
SIA DOTNUVOS PROJEKTAI	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuvos Projektai	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centras	Latvia	100%	100%	Preparation and warehousing of grains for trade
Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)				
Karčemos kooperatinė bendrovė	Lithuania	3.98%*	3.98%*	Preparation and warehousing of grains for trade

* The Group indirectly controls 23.98% of shares of Karčemos kooperatinė bendrovė (through Panevėžys district Žibartonių ŽŪB and UAB Linas Agro Grūdų centras KŪB), however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 3 month period ended 30 September 2015

During 3 month period, ended 30 September 2015, the Group acquired 0.06% AS Putnu fabrika Kekava share capital for EUR 6 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 13 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Changes in the Group during the year ended 30 June 2015

On 1 July 2014 share capital of AS Putnu fabrika Kekava increased from EUR 12,769 thousand to EUR 18,947 thousand by capitalization of payable amounts of AB Linas Agro Group and SIA Lielzeltini. The rest non-controlling shareholders didn't participate in the increasing of share capital, part of the shares owned by the Group increased from 84.36% to 89.46%. The difference of EUR 615 thousand gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

On 27 October 2014 AS Putnu fabrika Kekava acquired 100% of shares of SIA Erfolg Group. SIA Erfolg Group is not engaged in any business activity and its assets are not material to the financial statements.

During 12 month period, ended 30 June 2015, the Company additionally acquired 7.01% AS Putnu fabrika Kekava share capital for EUR 783 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 20 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The effective share of SIA PFK Trader held by the Group increased during 12 month period, ended 30 June 2015, due to acquisitions of AS Putnu fabrika Kekava shares which has 100% ownership of SIA PFK Trader.

During 12 month period, ended 30 June 2015, the Group acquired 1.80% Sidabravo ŽŪB share capital for EUR 13 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 60 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Group acquired 0.49% Panevėžys district Aukštadvario ŽŪB share capital for EUR 1 thousand. The difference of EUR 12 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Also the Group acquired 0.2% ŽŪK Kupiškio grūdai share capital for EUR 4 thousand from the minority shareholders. The consideration transferred was equal to the carrying value of interest acquired.

During 12 month period, ended 30 June 2015, UAB Fossio, not operating entity, was connected up to UAB Linas Agro Grūdų Centras.

During 12 month period, ended 30 June 2015, the Group sold 15.97% minority interest in Karčemos kooperatinė bendrovė for EUR 86 thousand. The consideration received was equal to the carrying value of interest sold.

During 12 month period, ended 30 June 2015, the Company increased share capital of UAB Linas Agro Konsultacijos, UAB Lineliai, Noreikiškių ŽŪB, ŽŪB Landvesta 2 in amount of EUR 1,425 thousand, EUR 87 thousand, EUR 73 thousand, EUR 7 thousand, respectively. The share capital of UAB Linas Agro Konsultacijos was increased by capitalization of the granted loan, interest receivable.

4.SEGMENT INFORMATION

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, vegetable oil, rapecake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes poultry and other food final products;
- the other products and services segment includes sales of biofuel and other products and services.

The Group's chief financial officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 September 2015								
Revenue								
Third parties	95,343	35,591	2,967	15,561	17	–	–	149,479
Intersegment	381	2,752	6,901	–	–	–	(10,034) ¹⁾	–
Total revenue	95,724	38,343	9,868	15,561	17	–	(10,034)¹⁾	149,479
Results								
Operating expenses	(1,868)	(2,964)	(569)	(1,438)	(6)	(896)	–	(7,741)
Segment operating profit (loss)	4,596	992	(454)	194	71	(939)	–	4,460

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 September 2014								
Revenue								
Third parties	85,824	26,753	2,501	15,498	275	–	–	130,851
Intersegment	2,982	1,912	4,091	–	–	–	(8,985) ¹⁾	–
Total revenue	88,806	28,665	6,592	15,498	275	–	(8,985)¹⁾	130,851
Results								
Operating expenses	(1,267)	(2,312)	(451)	(1,710)	(6)	(877)	–	(6,623)
Segment operating profit (loss)	3,788	571	(1,494)	1,065	32	(456)	–	3,506

1) Intersegment revenue is eliminated on consolidation.

4. SEGMENT INFORMATION (CONT'D)

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	3 month period ended	
	30 September 2015	30 September 2014
Lithuania	34,677	36,008
Europe (except for Scandinavian countries, CIS and Lithuania)	76,994	61,617
Scandinavian countries	11,057	18,156
Asia	15,319	11,893
Africa	9,061	–
CIS	2,371	3,177
	149,479	130,851

The revenue information above is based on the location of the customer.

Non-current assets	As at 30 September 2015	As at 30 June 2015
Lithuania	62,449	61,842
Latvia	46,007	43,310
Estonia	1,263	1,474
Denmark	10	11
	109,729	106,637

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Total
Cost:			
Balance as at 30 June 2014	732	96	828
Additions	75	534	609
Write-offs	(3)	(17)	(20)
Balance as at 30 June 2015	804	613	1,417
Additions	7	258	265
Write-offs	–	(11)	(11)
Balance as at 30 September 2015	811	860	1,671
Accumulated amortization:			
Balance as at 30 June 2014	439	23	462
Charge for the year	56	18	74
Write-offs	(3)	(17)	(20)
Balance as at 30 June 2015	492	24	516
Charge for the year	16	5	21
Write-offs	–	(11)	(11)
Balance as at 30 September 2015	508	18	526
Net book value as at 30 September 2015	303	842	1,145
Net book value as at 30 June 2015	312	589	901
Net book value as at 30 June 2014	293	73	366

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the statement of comprehensive income.

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2014	13,196	77,228	34,906	4,884	5,061	1,779	137,054
Additions	47	1,340	3,391	666	872	6,725	13,041
Disposals and write-offs	(9)	(201)	(866)	(566)	(321)	(25)	(1,988)
Transfers from investment property	107	–	–	–	–	–	107
Reclassifications	4	2,121	656	–	(11)	(2,770)	–
Balance as at 30 June 2015	13,345	80,488	38,087	4,984	5,601	5,709	148,214
Additions	20	645	1,264	970	135	2,775	5,809
Disposals and write-offs	(2)	(9)	(495)	(23)	(9)	–	(538)
Reclassifications	–	3,861	1,687	13	20	(5,581)	–
Balance as at 30 September 2015	13,363	84,985	40,543	5,944	5,747	2,903	153,485
Accumulated depreciation:							
Balance as at 30 June 2014	–	15,216	14,855	1,990	2,619	–	34,680
Charge for the year	–	5,156	3,345	850	795	–	10,146
Disposals and write-offs	–	(76)	(443)	(464)	(309)	–	(1,292)
Reclassifications	–	–	6	–	(6)	–	–
Balance as at 30 June 2015	–	20,296	17,763	2,376	3,099	–	43,534
Charge for the year	–	1,395	744	361	219	–	2,719
Disposals and write-offs	–	(20)	(236)	(35)	(8)	–	(299)
Balance as at 30 September 2015	–	21,671	18,271	2,702	3,310	–	45,954
Impairment losses:							
Balance as at 30 June 2014	46	434	11	–	1	–	492
(Reversal) charge for the year	(25)	–	–	–	–	–	(25)
Balance as at 30 June 2015	21	434	11	–	1	–	467
Balance as at 30 September 2015	21	434	11	–	1	–	467
Net book value as at 30 September 2015	13,342	62,880	22,261	3,242	2,436	2,903	107,064
Net book value as at 30 June 2015	13,324	59,758	20,313	2,608	2,501	5,709	104,213
Net book value as at 30 June 2014	13,150	61,578	20,040	2,894	2,441	1,779	101,882

7. INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Cost:	Land	Buildings	Total
Balance as at 30 June 2014	1,431	177	1,608
Additions	5	98	103
Disposals and write-offs	(16)	–	(16)
Transfers to property, plant and equipment	(107)	–	(107)
Balance as at 30 June 2015	1,313	275	1,588
Balance as at 30 September 2015	1,313	275	1,588
Accumulated depreciation:			
Balance as at 30 June 2014	–	49	49
Charge for the year	–	16	16
Balance as at 30 June 2015	–	65	65
Charge for the year	–	3	3
Balance as at 30 September 2015	–	68	68
Impairment losses:			
Balance as at 30 June 2014	–	–	–
Balance as at 30 June 2015	–	–	–
Balance as at 30 September 2015	–	–	–
Net book value as at 30 September 2015	1,313	207	1,520
Net book value as at 30 June 2015	1,313	210	1,523
Net book value as at 30 June 2014	1,431	128	1,559

Investment property of the Company consists of buildings leased out under the operating lease which generates lease income.

8. BORROWINGS

	As at 30 September 2015	As at 30 June 2015
Non-current borrowings		
Bank borrowings secured by the Group assets	30,702	22,729
	30,702	22,729
Current borrowings		
Current portion of non-current bank borrowings	7,188	13,313
Current bank borrowings secured by the Group assets	115,936	55,560
Other current borrowings (Note 12)	3,460	8,696
	126,584	77,569
	157,286	100,298

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	2015/2016 1 Q	2014/2015 1 Q
Wages and salaries and social security	4,642	3,854
Consulting expenses	198	347
Depreciation and amortization	434	423
Other	2,467	1,999
	7,741	6,623

10. OTHER INCOME (EXPENSES)

	2015/2016 1 Q	2014/2015 1 Q
Other income		
Gain from currency exchange	166	109
Rental income from investment property and property, plant and equipment	52	54
Gain from disposal of investment property and property, plant and equipment	90	79
Other income	50	904
	358	1,146
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(43)	(48)
Loss from disposal of property, plant and equipment	(7)	(2)
Other expenses	(109)	(19)
	(159)	(69)

11. COMMITMENTS AND CONTINGENCIES

As at 30 September 2015 the Group is committed to purchase property, plant and equipment for the total amount of EUR 5,823 thousand (EUR 534 thousand as at 30 June 2015).

A few Group companies (Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB and Panevėžys district Žibartonių ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Kėdainių district Labūnavos ŽŪB is committed not to discontinue operations related to agricultural up to the end of 2015, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB – up to 2019. UAB Linas Agro Grūdų Centras KŪB, Karčemos kooperatinė bendrovė received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2018, Karčemos kooperatinė bendrovė – up to 2017.

SIA Lielzeltini, AS Putnu fabrika Kekava, SIA Cerova and SIA Broileks received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products, feedstuffs up to 2016, AS Putnu fabrika Kekava- up to 2017, SIA Cerova – up to 2018 and SIA Broileks – up to 2016.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 4,881 thousand as at 30 September 2015 (EUR 4,528 thousand as at 30 June 2015).

In July 2013 the Group company Linas Agro A/S received a ruling from the Danish Tax Inspection (hereafter- SKAT) stating that SKAT has changed the companies tax assessments for the income year 2007/2009 whereby total taxable payment for period has been increased by EUR 68 thousand (DKK 1,100 thousand). The changes relate to non-approved deduction for inter-group services. The company's management does not concur with SKAT's assessment and the decision is appealed. Accordingly, the Group did not recognize any tax liability or any interest as at 30 September 2015 and 30 June 2015.

In addition Linas Agro A/S received a ruling from SKAT regarding the valuation of customer base which was transferred to the Group company, AB Linas Agro in the year 2011/2012. The decision has a negative effect on the total tax loss carry forward amount which is incorporated into calculation of taxable income for the year 2012/2013. SKAT has ruled that the value of the customer base should have been EUR 4,894 thousand (DKK 36,414 thousand) and not EUR 1,571 thousand (DKK 11,722 thousand) as the value sold in 2011/2012 by Linas Agro A/S to AB Linas Agro. This implies a reduction of the total tax loss carry forward in the amount of EUR 3,323 thousand (DKK 24,692 thousand) (tax value EUR 781 thousand (DKK 6,173 thousand)). Deferred tax asset from the tax loss carry forward from this amount is not recognized by Linas Agro A/S. Linas Agro A/S management does not agree with SKAT and appealed the decision.

During the 3 month period ended 30 September 2015 the management of the Group initiated actions to reach the agreement between Lithuanian and Danish tax authorities. As at financial statements preparation date there were no decisions reached as the investigation might last up to two years.

12. RELATED PARTIES TRANSACTIONS

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 30 September 2015 and 30 June 2015 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
 Vytautas Šidlauskas;
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Prancėvičius;
 Tomas Tumėnas;
 Artūras Pribušauskas.

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
 UAB MESTILLA (same ultimate controlling shareholders).

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).

The Group's transactions with related parties in 3 month period ended 30 September 2015 were as follows:

2015 1 Q	Purchases	Sales	Receivables			Payables	Current payable loans
			Trade receivables	Current loans receivable	Non-current loans receivable		
Akola ApS group companies	164	61	62	–	800	13	1,002
Members of management board	–	4	–	50	364	–	–

As at 30 September 2015 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%. As at 30 June 2015 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%.

As at 30 September 2015 interest rates of the Group for current payable loans to related parties are equal to 4%.

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business and on terms equivalent to arm's length transactions.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were nor due neither impaired as at 30 September 2015 and 30 June 2015.

13. SUBSEQUENT EVENTS

On 22 October 2015 the Annual General Meeting of the Shareholders of the Company approved financial statements of the year 2014/2015, profit (loss) distribution of the financial year 2014/2015.

On 17 November 2015 the Company paid approved EUR 1,202 thousand dividends for the financial year ended 30 June 2015.