



AB Anykščių Vynas

Interim condensed financial statements for the
nine month period ended 30 September 2013

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 Lithuanian we, Audrius Zuzevičius, director and Audronė Zemlevičienė, Chief Accountant, hereby confirm that, to the our knowledge, the interim statements for the ended 30 September 2013 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 2013	31 December 2012
ASSETS		
Property, plant and equipment	17,505	18,573
Intangible assets	-	438
Long-term loans	2,900	2,900
Total non-current assets	20,405	21,911
Inventories	4,614	2,028
Trade and other receivables	2,470	2,068
Other assets	50	45
Cash and cash equivalents	40	150
Total current assets	7,174	4,291
Total assets	27,579	26,202
EQUITY		
Share capital	20,000	20,000
Accumulated losses	(7,680)	(6,657)
Total equity attributable to shareholders	12,320	13,343
LIABILITIES		
Provisions	537	-
Deferred tax liability	861	861
Total non-current liabilities	1,398	861
Loans and borrowings	9,014	8,632
Trade and other payables	3,151	536
Other liabilities	1,696	2,830
Total current liabilities	13,861	11,998
Total liabilities	15,259	12,859
Total equity and liabilities	27,579	26,202

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

	<u>2013</u>	<u>2012</u>
Revenue	11,307	8,172
Cost of sales	(10,463)	(7,947)
Gross profit	844	225
Other income	971	93
Selling expenses	(655)	(478)
Administrative expenses	(1,911)	(1,749)
Other expenses	(16)	(23)
Results from operating activities	(767)	(1,932)
Finance income	76	94
Finance costs	(332)	(368)
Net finance costs	(256)	(274)
Loss before income tax	-	-
Loss for the period	(1,023)	(2,206)
Loss per share		
Basic earnings per share (in Litas)	(0,05)	(0,07)

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

	<u>2013</u>	<u>2012</u>
Revenue	6,294	3,901
Cost of sales	(5,532)	(3,382)
Gross profit	<u>762</u>	<u>519</u>
Other income	25	25
Selling expenses	(282)	(118)
Administrative expenses	(448)	(562)
Other expenses	(6)	(5)
Results from operating activities	<u>51</u>	<u>(141)</u>
Finance income	26	30
Finance costs	(65)	(143)
Net finance costs	<u>(39)</u>	<u>(113)</u>
Loss before income tax	<u>-</u>	<u>-</u>
Loss for the period	<u>12</u>	<u>(254)</u>
Loss per share		
Basic earnings per share (in Litās)	<u>-</u>	<u>(0,01)</u>

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 2012	37,000	(21,326)	15,674
Loss for the period		(2,206)	(2,206)
Total comprehensive income for the period	-	(2,206)	(2,206)
Reduction of the share capital	(17,000)	17,000	-
Balance at 30 September 2012	20,000	(6,532)	13,468
Loss for the period		(125)	(125)
Total comprehensive income for the period	-	(125)	(125)
Balance at 31 December 2012	20,000	(6,657)	13,343
Balance at 1 January 2013	20,000	(6,657)	13,343
Loss for the period		(1,023)	(1,023)
Total comprehensive income for the period		(1,023)	(1,023)
Balance at 30 September 2013	20,000	(7,680)	12,320

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

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Profit (loss) for the period	(1,023)	(2,206)
Adjustments for:		
Depreciation and amortisation of non-current assets	989	1,180
Gain on sale of property, plant and equipment	(705)	-
Interest expenses (income), net	126	224
Change in inventories	(2,586)	1,443
Change in trade and other receivables	(407)	1,768
Change in trade and other payables	3,063	(2,072)
Change in provisions	537	-
Net cash from (used in) operating activities	<u>(6)</u>	<u>337</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(81)	-
Proceeds from sale of property, plant and equipment	1,303	-
Loans granted by the Company	-	(100)
Interest received	76	94
Net cash from (used in) investing activities	<u>1,298</u>	<u>(6)</u>
Cash flows from financing activities		
Repayment of loans	(1,200)	-
Interest paid	(202)	(318)
Net cash from (used in) financing activities	<u>(1,402)</u>	<u>(318)</u>
Change in cash and cash equivalents	<u>(110)</u>	<u>13</u>
Cash and cash equivalents at 1 January	<u>150</u>	<u>45</u>
Cash and cash equivalents at 30 September	<u>40</u>	<u>58</u>

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 referred to as the Company) is incorporated and domiciled in Lithuania. The address of the Company is Dariaus ir Girėno st. 8, Anykščiai LT-29131, 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 2013 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 condensed 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 agreed on the extension of deadlines for repayment of credit line facility by the end of December 2013. It is expected that in December the Company will reach an agreement with the bank regarding new repayment schedules.

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 judgments, 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.

(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.

Notes to the financial statements

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 the statement of comprehensive income, the Company makes judgments 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.

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.

3.2. Financial instruments

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.

Notes to the financial statements

3. Significant accounting policies (continued)

3.3. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated 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.

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 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 the statement of comprehensive income, 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 is recognised in the statement of comprehensive income 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.

Notes to the financial statements

3. Significant accounting policies (continued)

3.3. Property, plant and equipment (continued)

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

- Buildings and plant 8–80 years;
- Machinery and equipment 4–50 years;
- Vehicles 4–25 years;
- Other equipment and tools 3–11 years.

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

3.4. Intangible assets

Intangible assets comprising trademarks, computer software and software licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses are recognised in the statement of comprehensive income, when incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and corresponding periods are 1–3 years.

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

3.5. 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.

3.6. 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.

Notes to the financial statements

3. Significant accounting policies (continued)

3.7. 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.

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.

3.8. 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.

3.9. 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 the statement of comprehensive income on a straight-line basis over the term of the lease.

Notes to the financial statements

3. Significant accounting policies (continued)

3.10. Lease payments

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

3.11. 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.

3.12. 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.

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.

4. 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 defined as the estimated amount for which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. 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. This fair value is determined for disclosure purposes.

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.

Notes to the financial statements

5. 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Sales	7,334	5,917	3,612	1,936	361	319	11,307	8,172
Gross profit (loss)	270	(133)	416	239	158	119	844	225

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

	2013	2012
Sales to Lithuanian customers	7,659	8,121
Sales to foreign customers	3,648	51
Total	11,307	8,172

For the three month period ended 30 September

	Alcoholic drinks		Apple products		Not allocated to any specified segment		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Sales	2,576	1,948	3,573	1,835	145	118	6,294	3,901
Gross profit (loss)	212	107	483	369	67	43	762	519

For the three month period ended 30 September

	2013	2012
Sales to Lithuanian customers	2,743	3,889
Sales to foreign customers	3,551	12
Total	6,294	3,901

Notes to the financial statements

6. Property, plant and equipment (continued)

As at 30 September 2013, property, plant and equipment with a carrying amount of 16,595 thousand Litas (2012: 17,524 thousand Litas) is pledged to secure the credit line facility. The Company signed the purchase-sale agreement with „Anykščių Šiluma” UAB for the sale of the part of the boiler building that is not used.

The carrying amount of insured property, plant and equipment as at 30 September 2013 was 16,596 thousand Litas (2012: 17,527 thousand Litas). Assets are insured against all risks as follows: buildings for value of 72,781 thousand Litas, production equipment for value of 43,122 thousand Litas.

7. Inventories

	30 September 2013	31 December 2012
Finished production	1,162	1,202
Work in progress	2,682	368
Raw materials and consumables	770	458
Carrying amount of inventories at 30 September	4,614	2,028

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 4,614 thousand Litas to the bank. In 2013 the Company had apple season, bought huge amount of apples and made apple juice concentrate, therefore it was a significant increase in inventory balance.

8. Trade and other receivables

	30 September 2013	31 December 2012
Trade receivables due from related parties	921	93
Other trade receivables	1,549	1,975
Trade and other receivables, net of impairment losses	2,470	2,068
Trade and other receivables, gross	2,653	2,251
Impairment of trade and other receivables at 30 September	(183)	(183)
Trade and other receivables, net of impairment losses	2,470	2,068
Impairment of trade and other receivables at 1 January	(183)	(183)
Write off of impairment loss	-	-
Impairment of trade and other receivables at 30 September	(183)	(183)

9. Capital and reserves

As at 30 September 2013, 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.

Notes to the financial statements

10. Earnings per share

For the nine month period ended 30 September

	2013	2012
Loss for the period	(1,023)	(2,206)
Number of shares 1 January (thousand)	20,000	37,000
Number of shares 30 September (thousand)	20,000	20,000
Weighted average number of shares in issue (thousand)	20,000	33,222
Basic and diluted earnings (losses) per share	(0,05)	(0,07)

Earnings per share

For the three month period ended 30 September

	2013	2012
Loss for the period	12	(254)
Number of shares 1 July (thousand)	20,000	37,000
Number of shares 30 September (thousand)	20,000	20,000
Weighted average number of shares in issue (thousand)	20,000	25,667
Basic and diluted earnings (losses) per share	-	(0,01)

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.

11. Provisions

In 2012 the State Tax Inspectorate performed a tax inspection in the Company, during which an additional VAT payable to the budget in the amount of 413 thousand Litas, as well as late payment interest, amounting to 83 thousand Litas and 41 thousand Litas of penalties were calculated for the year 2010.

The Company does not agree to the decision at State Tax Inspectorate, therefore has filed a case to revoke the decision.

In June 2013 Vilnius District Administrative Court rejected a claim of the Company regarding the decision of the State Tax Inspectorate to pay VAT to the budget. On 25 June 2013 the Company appealed this decision to Supreme Administrative Court of Lithuania. Under conservative approach, the Company has made provision amounting to 537 thousand Litas for the possibly unpaid VAT. Accumulated costs are recognized under general and administrative expenses.

12. Loans and borrowings

The Company has a credit line facility amounting to 8,632 thousand Litas (EUR 2,500 thousand) with Swedbank, AB. In June, 2013, after the sale of the boiler buildings, 1,200 thousand of LTL were reimbursed to the bank, that's why the parties signed an agreement on July 4, 2013 where the credit limit was decreased to 7,432 thousand of LTL (2,152 thousand of EURO).

The bank and the Company agreed a deferral of the repayment date to 31 December 2013. As at 30 September 2013 7,432 thousand Litas had been drawn (2012: 8,632 thousand Litas). The effective interest rate in the nine month of 2013 was 2,8% (2012: 3,7%).

To secure the repayment of this credit line facility the Company pledged property, plant and equipment with a carrying amount of 16,595 thousand Litas as at 30 September 2013, as well as inventories amounting to 4,614 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.

Notes to the financial statements

12. Loans and borrowings (continued)

In September 2013 the Company and the State Tax Inspectorate had signed the tax payment deferral agreement for the amount of 1.651 thousand Litass with the interest rate 0.01% where the excise tax payment is set out till April 30, 2014. In December, 2013 the Company will end paying the tax payment deferral agreement for the amount of 2.423 thousand Litass which had been signed in August, 2012

13. Trade and other payables

	30 September 2013	31 December 2012
Trade payables	1,781	500
Trade payables to related parties	1,369	-
Accrued vacation reserve	155	155
Employment related liabilities	201	96
Other liabilities and other payables	1,495	2,615
Total trade and other payables	5,652	3,366

14. Contingent liabilities

AB Anykščių Vynas issued a guarantee to Įmonių grupė ALITA, AB for loans granted by the bank, amounting to EUR 13,647 thousand. To secure the guarantee 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.

15. Litigation and claims

On 23 September 2013 AB „ANYKŠČIŲ VYNAS“ (hereinafter, 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).

According to the Company the claim of Plass Investment Limited is unfounded.

16. Information about audit

Interim Financial statements was not audited. An audit will be perform for the full financial year 2013.

The comparative information is taken from interim financial statements for the year 2012 and financial statements for the year 2012, which was prepared and audited in accordance with International Reporting Standards as adopted by European Union.

Director



Audrius Zuzevičius

Chief Accountant

Audronė Zemlevičienė