



AB“ANYKŠČIŲ VYNAS“

INTERIM STATEMENTS

FOR THE ENDED 31 MARCH 2008

**AB „Anykščių vynuogynas“**

Interim statements for the ended 31 March 2008

The interim statements for the ended 31 March 2008 have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union. We consider that the accounting policies used are appropriate and that the interim statements thus give a true and fair view.

Director



Marius Gudauskas

Accountant-general



Audronė Zemlevičienė

**AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

**BALANCE SHEET****ASSETS**

thousand Litas

2008.03.312007.12.31**NON-CURRENT ASSETS**

Intangible non-current assets

15

22

Property, plant and equipment

25,570

26,145

**TOTAL NON-CURRENT ASSETS**25,58526,167**CURRENT ASSETS**

Inventories

20,589

20,030

Trade receivables

4,435

9,708

Alita groups receivables

3,048

1,886

Other assets

178

119

Alita groups loans

3,796

2,880

Cash and cash equivalents

2,764

281

**TOTAL CURRENT ASSETS**34,81034,904**TOTAL ASSETS**60,39561,071

**AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

**BALANCE SHEET (CONT'D)****EQUITY AND LIABILITIES**

thousand Litas	<u>2008.03.31</u>	<u>2007.12.31</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	49,081	49,081
Accumulated losses	<u>(10,675)</u>	<u>(9,892)</u>
Total capital and reserves	<u>38,406</u>	<u>39,189</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liability	<u>616</u>	<u>616</u>
Total non-current liabilities	<u>616</u>	<u>616</u>
<b>CURRENT LIABILITIES</b>		
Current portion of long-term	8,632	5,110
Liabilities to suppliers	4,641	3,891
Liabilities to Alita groups	81	377
Other liabilities and accrued expenses	<u>8,019</u>	<u>11,888</u>
Total current liabilities	<u>21,373</u>	<u>21,266</u>
Total liabilities	<u>21,969</u>	<u>21,882</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>60,395</b></u>	<u><b>61,071</b></u>

AB "Anykščių vynas" Director



Marius Gudauskas

**AB „Anykščių vynas“**Interim statements for the ended 31 March  
2008**INCOME STATEMENT**

thousand Litas

	2008 03 31	2007 03 31
<b>Revenue</b>	<b>7,761</b>	<b>10,296</b>
Cost of sales	(5,900)	(8,248)
<b>Gross profit</b>	<b>1,861</b>	<b>2,048</b>
Other income	69	153
Sales expenses	(1,485)	(956)
General and administrative expenses	(1,099)	(1,106)
Other expenses	(37)	(95)
<b>Operating result</b>	<b>(691)</b>	<b>44</b>
Finance income	27	24
Finance expenses	(119)	(26)
<b>Result before tax</b>	<b>(783)</b>	<b>42</b>
Tax for the year	-	-
<b>Result for the year</b>	<b>(783)</b>	<b>42</b>
Earnings per share (in Litas)	(0,02)	0,00

AB "Anykščių vynas" Director

Marius Gudauskas

**AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

**STATEMENT OF CHANGES IN SHAREHOLDERS'  
EQUITY**

thousand Lit

	Share capital	Legal reserve	Other reserve	Accumula ted losses	Total
<b>Capital and reserves at 31 December 2006</b>	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(10,619)</u>	<u>38,462</u>
Net profit for I quarter 2007				42	42
<b>Capital and reserves at 31 March 2007</b>	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(10,577)</u>	<u>38,504</u>
Net profit for 2007				685	685
<b>Capital and reserves at 31 December 2007</b>	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(9,892)</u>	<u>39,189</u>
Net profit for I quarter 2008				(783)	(783)
<b>Capital and reserves at 31 March 2008</b>	<u>49,081</u>	<u>-</u>	<u>-</u>	<u>(10,675)</u>	<u>38,406</u>

AB "Anykščių vynas" Director



Marius Gudauskas

**AB „Anykščių vynos“**

Interim statements for the ended 31 March 2008

**CASH FLOW STATEMENT**

thousand Lit

<b>Cash flow from (to) operating activities:</b>	<b>2008.03.31</b>	<b>2007.03.31</b>
Result after tax	(783)	42
Adjustments for:		
Depreciation and amortization	675	779
Write-off of property, plant and equipment	-	4
Profit (loss) from disposal of non-current assets	(6)	(72)
Interest expenses	114	25
Interest income	(22)	(3)
Write-off of inventories	1	5
	<u>(21)</u>	<u>780</u>
Change in current assets and short-term liabilities:		
Change in inventories	(560)	2,082
Change in receivables	5,273	195
Change in parent company's receivables	(1,458)	26
Change in prepayments and deferred expenses	(48)	(45)
Change in other receivables	(11)	1
Change in trade receivables and accrued liabilities	(3,119)	(3,110)
Net cash inflow from ordinary activities	<u>56</u>	<u>(71)</u>
<b>Net cash flow from (to) investing activities:</b>		
Acquisition of property, plant and equipment	(93)	(52)
Sales of property, plant and equipment	6	72
Loans provided by the company	(2,900)	-
Portion of loans returned to the company	1,984	-
Interest received	22	3
Net cash (used in) investing activities:	<u>(981)</u>	<u>23</u>
<b>Net cash flow from (to) financing activity:</b>		
Loans received	3,522	2,659
(Repayment) of loans	-	(4,074)
Interest (paid)	(114)	(25)
Net cash flow (used in) financing activity	<u>3,408</u>	<u>(1,440)</u>
<b>Change in cash and cash equivalents</b>	<b>2,483</b>	<b>(1,488)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>281</b>	<b>3,384</b>
<b>Cash and cash equivalents at 31 March</b>	<b><u>2,764</u></b>	<b><u>1,896</u></b>

AB "Anykščių vynos" Director



Marius Gudauskas

## **AB"Anykščių vynos"**

Interim statements for the ended 31 March 2008

### **NOTES**

#### **1. Reporting entity**

AB Anykščių Vynos (the Company) is a publicly listed joint stock company. 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 alcohol beverages: fruit-berry wine, strong alcohol beverages, cider, sparkling wine and also other fruit and berry products.

#### **2. Statement of compliance**

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

#### **Basis of preparation**

The financial statements are presented in thousand Litas; Litas is the national currency and the functional currency of the Company. The financial statements are prepared on the historical cost basis, as modified by the historic indexation of certain property, plant and equipment.

#### **3. Significant accounting policies**

##### **Foreign currency**

##### *Translation of amounts in foreign currencies into the national currency*

Transactions in foreign currencies are translated into Litas at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

##### **Financial instruments**

##### *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.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial instruments are recognized on the day of the transaction. Financial assets are derecognised if the Company's 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.



## **AB „Anykščių vynos“**

Interim statements for the ended 31 March 2008

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

### ***Non-derivative financial instruments (cont'd)***

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 basis. Short-term liabilities are not discounted.

The effective interest method is a method of calculating the amortised 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 discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### ***Derivative financial instruments***

Derivatives are recognized initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for in the income statement.

## **Property, plant and equipment**

### ***Recognition and measurement***

Items of property, plant and equipment acquired on 1 January 1996 or later are stated at cost as deemed cost less accumulated depreciation and impairment losses. Items of property, plant and equipment acquired before 1 January 1996 are stated at cost less accumulated depreciation adjusted by revaluations made following rates specified by the Government of the Republic of Lithuania for separate assets groups. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

### ***Leased assets***

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

### ***Subsequent costs***

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item or major overhaul when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in the income statement in the period in which they are incurred.

## **AB „Anykščių vynos“**

Interim statements for the ended 31 March 2008

### ***Depreciation***

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Buildings and constructions 8–80 years;
- Machinery and equipment 4–50 years;
- Transport vehicles 4–25 years;
- Other equipment and tools 3–11 years.

Depreciation methods, residual values and useful lives are reassessed annually.

### **Intangible assets**

Intangible assets, comprising computer software and software licenses that are acquired by the Company are stated at cost less accumulated amortization and impairment losses. The assets are amortized using the straight-line method over a 1-3 years' period. Depreciation methods and useful lives are reassessed annually.

### ***Subsequent expenditure***

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

### **Inventories**

Inventories, including work in process, are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

The cost of inventories is determined based on FIFO (First-In, First-Out) principle.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Auxiliary materials and supplies are expensed at the time they are taken into use or booked to the cost of finished goods if used in production.

### **Impairment**

A financial asset is impaired if there is objective evidence that certain event or events could have an adverse impact on asset-related cash flows in the future. Significant financial assets must be tested for impairment on an individual basis. The remaining financial assets are grouped according to their credit risk and the impairment for those groups is measured on a portfolio basis. An asset the impairment of which is tested on an individual basis and its impairment loss is continually recognised cannot be included in any group of assets that are tested for impairment on a portfolio basis.

The carrying amounts of the Company's non-financial assets other than inventories and deferred income tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

## **AB „Anykščių vynos“**

Interim statements for the ended 31 March 2008

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

### ***Calculation of recoverable amount***

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at the initial recognition of these financial assets). Receivables with short duration are not discounted.

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset.

### ***Reversals of impairment***

An impairment loss in respect of receivables booked at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In case of certain changes in events or circumstances, on the basis of which the recoverable value of non-financial assets was calculated, indicating that carrying value on non-financial assets can be recoverable, impairment loss is reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

### **Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Sales of services**

Sales of services are recognised on performance of the services.

Interest income is recognized on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

## **AB „Anykščių vynos“**

Interim statements for the ended 31 March 2008

### **Expenses**

#### ***Operating lease payments***

Payments made under operating lease are recognised in the income statement on a straight-line basis over the term of lease.

#### ***Finance income and expenses***

Finance income comprises interest income, gain on the sale of financial assets as well as foreign currency exchange gain. Interest income is recognised as it accrues in the income statement, using the effective interest method.

Finance expenses comprise interest expense, accrued using effective interest rate method, loss on the sale of financial assets as well as foreign currency exchange loss. Component of interest costs of finance lease payments is recognised in the income statement using the effective interest method.

### **Segment reporting**

Segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

### **Related parties**

Related parties are defined as shareholders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the reporting entity, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

### **Fair value of financial instruments**

Fair value is defined as the amount at 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.

Carrying amount of trade amounts receivable, amounts payable and short-term credit lines is close to their fair value. The fair value of the long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The fair value of non-current loans, borrowings and other payables with variable interest rates approximates their carrying amounts.

## **AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

### **4. Significant accounting estimates and judgements**

Estimates and assumptions are continually reviewed and are based on historical experience and other factors, representing the current situation and reasonable expected future events.

The Company makes estimates and assumptions concerning future events, therefore accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

#### **Impairment losses on 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 income statement, 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.

### **5 Financial risk management**

The Company has exposure to the following risks:

- credit risk,
- liquidity risk,
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these annual accounts.

The Board of Directors has responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

## **AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### **Interest rate risk**

The Company's borrowings are subject to variable interest rates related to LIBOR. As at 31 March 2008, the Company did not use any financial instruments to hedge its exposure to the cash flow risk related to debt instruments with variable interest rates or price risk related to debt instruments with fixed interest rates.

### **Currency risk**

The functional currency of the Company is Litas (LTL). The Company faces foreign currency risk on purchases and borrowings as well as on sales and amounts receivable that are denominated in currencies other than Litas and EUR. The risk related to transactions in EUR is considered to be insignificant as the Lithuanian Litas is pegged to EUR at a fixed rate. The Company does not have any material exposure to other foreign currencies as at 31 December 2007 and 31 March 2008.

**AB „Anykščių vynu“**

Interim statements for the ended 31 March 2008

**Business and geographical segments****Business segments**

thousand Litas	Hard drinks		Wines		Fruit-berries products and others		Total	
	2008	2007	2008	2007	2008	2007	2008 03	2007 03
	03 31	03 31	03 31	03 31	03 31	03 31	31	31
Sales	3,959	4,097	2,229	2,008	1,573	4,191	7,761	10,296
Cost	(2,458)	(3,230)	(2,206)	(1,811)	(1,236)	(3,207)	(5,900)	(8,248)
Gross profit	1,501	867	23	197	337	984	1,861	2,048

**Geographical segments**

thousand Litas	Sales		Total assets		Acquisitions of non- current assets	
	2008 03 31	2007 03 31	2008 03 31	2007 12 31	2008 03 31	2007 03 31
Lithuania	7,341	7,049	60,395	61,071	93	52
Germany	-	2,899				
Latvia	167	173				
Estonia	197	151				
Great Britain	28	14				
Other countries	28	10				
<b>Total</b>	<b>7,761</b>	<b>10,296</b>	<b>60,395</b>	<b>61,071</b>	<b>93</b>	<b>52</b>

**AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

**Other operating income and expenses**

thousand Litas	2008 03 31	2007 03 31
Income from rent and provided services	30	24
Income from sale of current assets	33	34
Income from sale of property, plant and equipment	6	72
Other operating income	-	23
<b>Total other operating income</b>	<b>69</b>	<b>153</b>
Cost of rent and provided services	(7)	(67)
Cost of sale of current assets	(30)	(28)
Other operating expenses	-	-
<b>Total other operating expenses</b>	<b>(37)</b>	<b>(95)</b>

**Selling expenses**

thousand Litas	2008 03 31	2007 03 31
Advertising	(745)	(540)
Staff cost	(238)	(199)
Transportation	(82)	(60)
Distribution	(164)	(82)
Other	(256)	(75)
<b>Total</b>	<b>(1,485)</b>	<b>(956)</b>

**General and administrative expenses**

thousand Litas	2008 03 31	2007 03 31
Staff costs	(340)	(334)
Taxes and fees	(195)	(244)
Depreciation and amortization	(75)	(87)
Security	(50)	(50)
Communications	(18)	(18)
Other	(421)	(373)
<b>Total</b>	<b>(1,099)</b>	<b>(1,106)</b>



**AB „Anykščių vynas“**

Interim statements for the ended 31 March 2008

**Finance income and expenses**

thousand Litas	2008 03 31	2007 03 31
Interest income	22	3
Delinquency charges	5	20
Other finance income	-	1
	<hr/>	<hr/>
<b>Total</b>	<b>27</b>	<b>24</b>
	<hr/>	<hr/>
Interest expenses for loans	(114)	(25)
Influence of foreign currency exchange	-	(1)
Other finance income	(5)	-
	<hr/>	<hr/>
	(119)	(26)
	<hr/>	<hr/>
	<b>(92)</b>	<b>(2)</b>
	<hr/>	<hr/>

The Company provided loans with the interest to the related parties. During I quarter 2008, interest income amounted to 22 thousand Litas.

**Inventories**

thousand Litas	2008 03 31	2007 12 31
Raw materials	2,317	1,735
Work in progress	3,632	3,103
Saturated apple juice	12,097	13,725
Finished goods	2,495	1,419
Goods for resale	48	48
	<hr/>	<hr/>
<b>Total</b>	<b>20,589</b>	<b>20,030</b>
	<hr/>	<hr/>

**Trade receivables**

thousand Litas	2008 03 31	2007 12 31
Trade receivables for production	3,473	8,746
Alita Group amounts	3,048	1,886
Receivable for heating (discussed below)	962	962
	<hr/>	<hr/>
<b>Total</b>	<b>7,483</b>	<b>11,594</b>
	<hr/>	<hr/>

**AB "Anykščių vynas"**

Interim statements for the ended 31 March 2008

**Other amounts receivable**

thousand Litas	2008 03 31	2007 12 31
Alita Group loans	3,796	2,880
Prepayments and costs of the future periods	124	76
Other current assets	1	43
	<u>3,921</u>	<u>2,999</u>

The Company has issued loans of 3,796 thousand Litas to Alita group companies. The loans carry annual interest rate of 6%; the maturity term of the loans was 31 December 2008.

**Cash and cash equivalents**

thousand Litas	2008 03 31	2007 12 31
Cash at bank	2,753	268
Cash in hand	11	13
	<u>2,764</u>	<u>281</u>

As at 31 March 2008, cash balances, amounting to 2,507 thousand Litas, as well as inflows into the main accounts of the Bank were pledged to secure repayment of the loans provided by the Bank.

**Loans**

thousand Litas	2008 03 31	2007 12 31
Short term credit line	8,632	5,110
<b>Total current liabilities</b>	<u>8,632</u>	<u>5,110</u>

AB Anykščių Vynas has a credit line up to 8,632 thousand Litas (2,500 thousand EUR) with the Bank. 8,632 thousand Litas has been used as at 31 March 2008. The average annual variable interest rate in I quarter 2008 was 5,46%.

**AB"Anykščių vynas"**

Interim statements for the ended 31 March 2008

**Other liabilities and accrued expenses**

thousand Litas	2008 03 31	2007 12 31
Excise duty payable	1,484	6,957
Value added tax payable	833	2,882
Salaries and insurance	648	298
Other liabilities and accrued charges	154	1,393
	<b>3,119</b>	<b>11,888</b>

**Related party transactions**

During the year the Company had transactions with the following related parties:

- AB Alita – the parent company,
- UAB Alita Distribution – the company controlled by AB Alita.

Transactions during the year and balances outstanding at the end of the year with the above mentioned companies are summarised below”:

thousand Litas	2008 03 31	2007 12 31
<b>Transactions with related parties</b>		
Sales to related companies	3,189	1,711
Purchases from related companies	409	2,039
<b>Amounts receivable from related parties</b>		
Trade receivable from related parties	3,048	1,886
Loans receivable from related parties	3,796	2,880
<b>Amounts payable to related parties</b>		
Trade payable to related parties	81	377

**Legal claims**

The Company is not involved in any litigation where it acts as a defendant.

**Subsequent events**

No significant events occurred after the balance sheet date, which would require adjustments to these financial statements.