Rīga, February 24, 2017

AS "Moda Kapitāls"

Annual report for the year 2016

Prepared in accordance with EU approved
International Financial Reporting Standards

CONTENTS

MANAGEMENT

	Name, Surname	Position
Members of the board	Guntars Zvīnis	member of the Board
	Ilvars Sirmais	member of the Board
Members of the Council	Verners Skrastiņš	Chairman of the Council
	Andris Banders	Deputy of the Chairman of the Board
	Inese Kanneniece	member of the Council
	Diāna Zvīne	member of the Council
	Aleksandrs Sirmais	member of the Council

MANAGEMENT REPORT

Type of operations
The principal activity of AS Moda Kapitāls (further - Company) is non-bank issuance of loans services, including issuance of short-term loans against a pledge of movable property, a pledge of vehicles, real estate and issuance of consumer loans.

Performance during the financial year and financial situation of the Company
In 2016 there was no change for AS "Moda Kapitāls" branch structure.
Given the current market situation, the company's priority is not the opening of new branches, but the improvement of branch operations and increasing of profitability. The Company considers to change the location for several branch premises to be able to improve the quality of services offered and increase the customer service area.

There is continuous improves of the qualification of employees and improvements in the Company's customer service system. Improvements and modernization of branch premises continues. The Company actively develops the range of goods for sale by offering to its customers different types of used electrical items. In order to improve the quality of the work there were staff turnover and recruitment of new workers.

In 2016 as well as in previous years there was no significant overall customer growth activity and demand for AS Moda Kapitāls provided loan services rendered. By analyzing the statistical data of 2016 observed that several types of loans have been increased, others decreased. The most significant drop in turnover was for loans against real estate pledge. At the same time growth in customer activity was observed concerning to trade of goods. There is growing base of clients who regularly use the Company's services, both in borrowing and the purchase of goods traded.

In 2016 the turnover growth was observed in loans against a pledge movable property and in consumer loans. The Company issues loans only in their branches. Company estimates that substantial proportion of the company's loan portfolio will take consumer loans without collateral.

Compared with the previous year, in the small part of the Company's branches further development of both the loan portfolio and income growth is observed. As in previous years, major attention is being paid to the payment discipline of clients and individual work with clients, that the delayed payment problem would be solved through co-operation. Work on offering of a higher quality loan services to clients continued.

Future prospects and future development
We expect that 2017 sales will be about the same level as in 2016. According to the company plan, in 2017 we plan to significantly improve the results of trade and increase in trade of goods offer.
In 2017 we expect a considerable increase in customer activity in online stores www.emoda.lv and in www.e-moda.lv which will give the company additional income.

Significant events since the year end
During the time period from the last day of the financial year till singing of this report, no significant events have occurred that would have significantly affected the financial position of the Company at 31 December 2016.

Company’s branches
Currently there are twenty-seven branches: Aizkraukle, Alūksne, Balvi, Bauska, Cesis, Dobele, Daugavpils, Gulbene, Jekabpils (two branches), Jelgava, Kraslava, Kuldiga, Liepaja, Limbazi, Madona, Ogre, Rezekne, Riga, Saldus, Talsi, Valmiera, Ventspils, Tukums, Preili, Ludza and Valka.

Guntars Zvīnis ____________________ February 24, 2017

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Ilvars Sirmais ____________________

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STATEMENT OF THE MANAGEMENT RESPONSIBILITY

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

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 6 to page 26 and decisions and assessments were made with proper discretion and prudence. The accounting policies applied have been consistent with the previous period. The Management confirms that the financial statements have been prepared on going concern basis.

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

Guntars Zvīnis ______________________ February 24, 2016

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Ilvars Sirmais ______________________

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2016	2015
		EUR	EUR
Net turnover	3	1 20 62 60	1 09 59 64
Finance income	3	1 28 12 50	1 37 37 17
Cost of sales	4	-99 29 68	-90 03 96
Finance costs	5	-41 81 97	-42 89 37
Gross profit		**1 07 63 45**	**1 14 03 48**
Selling costs	6	-78 75 45	-79 58 82
Administrative expenses	7	-30 37 08	-33 72 83
Other income	8	2 28 91	1 55 57
Other expenses	9	-6 54 40	-14 60 45
Profit or loss before corporate income tax		**-5 74 57**	**-12 33 05**
Corporate income tax	11	-3 35 58	1 52 48
Net profit or loss		**-9 10 15**	**-10 80 57**
Other comprehensive income / (loss)		8 19 99	0
Total comprehensive income		**-90 16**	**-10 80 57**

Notes 10 to 26 are an integral part of these financial statements.

Guntars Zvīnis ______________ February 24, 2017

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Ilvars Sirmais ______________

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STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31.12.2016 EUR	31.12.2015 EUR
Non-current assets			
Intangible assets	12	5 13 59	4 47 39
Fixed assets	12	58 76 66	58 71 28
Other non-current assets		1 42	1 42
Total non-current assets		**63 91 67**	**63 20 09**
Current assets			
Inventories	13	98 36 02	1 10 53 87
Loans and receivables	14	2 28 71 18	2 21 28 07
Other current assets	15	4 16 96	4 40 86
Cash and its equivalents	16	24 03 94	28 52 18
Total current assets		**3 55 28 10**	**3 64 74 98**
TOATAL ASSETS		**4 19 19 77**	**4 27 95 07**

EQUITY AND LIABILITIES	Notes	31.12.2016 EUR	31.12.2015 EUR
Equity			
Share capital	18	42 68 62	42 68 62
Revaluation reserves of non-current assets	12	15 60 93	6 18 20
Retained earnings/ (accumulated deficit)		-27 37 19	-16 82 49
Total equity		**30 92 36**	**32 04 33**
Liabilities			
Non-current liabilities			
Borrowings	19	3 32 31 52	3 33 91 72
Deferred income tax liabilities	11	5 44 35	70 49
Total non-current liabilities:		**3 37 75 87**	**3 34 62 21**
Current liabilities			
Borrowings	19	36 93 17	49 46 31
Trade and other payables	20	13 58 37	11 82 22
Total current liabilities		**50 51 54**	**61 28 53**
Total liabilties		**3 88 27 41**	**3 95 90 74**
TOTAL EQUITY AND LIABILITIES		**4 19 19 77**	**4 27 95 07**

Notes 10 to 26 are an integral part of these financial statements.

Guntars Zvīnis ______________ February 24, 2017

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Ilvars Sirmais ______________

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CASH FLOW STATEMENT

	Notes	2016	2015
		EUR	EUR
Cash flow from operating activities			
Profit/ loss before corporate income tax		**-5 74 57**	**-12 33 05**
Adjustments for:			
Depreciation and amortization	12	9 30 97	10 50 21
loss / (profit) from disposal of fixed assets		-27 17	21 00
Changes in provisions			11 25 57
Interest payments		41 81 97	42 89 37
Changes in working capital:			
Inventories		12 17 85	-17 75 93
Receivables		-7 19 21	21 60 41
Liabilties		1 76 15	1 05 92
		51 85 99	**57 43 50**
Corporate income tax paid		0	0
Cash flow from operating activities		**51 85 99**	**57 43 50**
Cash flow from investing activities			
Acquisition of fixed assets and intangible investments	12	-69 13	-94 19
Net cash flow from investing activities		**-69 13**	**-94 19**
Cash flow from financing activities			
Proceeds from the share and bond issues		0	1 50 00
Income from the sale of fixed assets and intangible investments		35 57	9 51 42
Loand received, neto	19	0	2 71 73
Borrowings repaid, neto	19	-11 65 00	0
Interest payments		-41 87 33	-45 41 43
Payments for financial leasing contracts		-2 48 34	-3 83 07
Net cahs flow from financing activities		**-55 65 10**	**-35 51 35**
Net increase / (decrease) in cash and cash equivalents		**-4 48 24**	**20 97 96**
Cash and cash equivalents at beginning of the financial year		**28 52 18**	**7 54 22**
Cash and cash equivalents at the end of the financial year		**24 03 94**	**28 52 18**

Notes 10 to 26 are an integral part of these financial statements.

Guntars Zvīnis ____________________ February 24, 2017

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Ilvars Sirmais ____________________

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserves of non-current assets	Retained earning/ (accumulated deficit)	Total
	EUR	EUR	EUR	EUR
Balance at 01.01.2015	**42 68 62**	**13 32 88**	**-12 94 79**	**43 06 71**
Dividends calculated				**0**
Other comprehensive income / (loss)			-11 02 38	**-11 02 38**
Net profit/loss			**-11 02 38**	
Balance at 01.01.2016	**42 68 62**	**13 32 88**	**-23 97 17**	**32 04 33**
Retrospective effect of accounting error correction		**-7 14 68**	**7 14 68**	**0**
Balance at 01.01.2016 after correction	**42 68 62**	**6 18 20**	**-16 82 49**	**32 04 33**
Recognized gain from asset appreciation in the result of revaluation		9 64 54		**9 64 54**
Deferred income tax liabilities attributable to the revaluation reserve			-1 44 55	**-1 44 55**
Depreciation of fixed assets attributable to the revaluation reserve		-21 81		**-21 81**
Profit for the financial year			-9 10 15	**-9 10 15**
Balance at 31.12.2016	**42 68 62**	**15 60 93**	**-27 37 19**	**30 92 36**

Notes 10 to 26 are an integral part of these financial statements.

Guntars Zvīnis ______________________ February 24, 2017

signature

Ilvars Sirmais ______________________

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NOTES TO THE FINANCIAL STATEMENTS

(1) GENERAL INFORMATION

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

This financial statement is approved by the Board on February 28, 2017 and it's been signed by the Member of the Board Guntis Zvīnis on behalf of the Board.

The auditor of the Company is SIA "DONOWAY ASSURANCE".

Reporting period

The reporting period is 12 months from 01.01.2016 to 31.12.2016

(2) ACCOUNTING POLICIES

Basis of preparation

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

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

Preparation of the financial statements in compliance with the IFRS requires critical assumptions. Moreover, preparation of the statements requires from the Management to make estimates and judgments applying the accounting policies adopted by the Company. Critical estimates and judgments are as follows.

a) Standards, amendments and interpretations effective in the current year and have no impact on the Company's financial statements

Amendments to IAS No 16 "Fixed Assets" and IAS No 41 "Agriculture": Bearer plants
Amendments to IFRS No 10 and IAS No 28 - Sale of assets or investing in transactions between the investor and its associate or jointly controlled entity
Amendments to IFRS No 11 "Joint agreements": Participation in joint activities of purchase accounting
IAS No 27 "Separate Financial Statements" - the equity method in the separate financial statements.

b) Standards that have been issued but not yet effective

Standards that have been issued but not yet effective or are not approved by the EU and which have not been applied before the effective date.

The Company has not applied the following IFRS and IFRIC Interpretations that have been issued for the approval day of financial statements, but not yet effective:

IFRS No 15 "Revenue from contracts that have been entered into with customers" (effective once adopted by the EU for annual periods beginning on 1 January 2017 or later).
IFRS No 9 "Financial Instruments" (effective once adopted by the EU for annual periods beginning on 1 January 2018 or later).

The Company is in the process of assessing the impact of the guidance on the financial position or performance of the Company. The Company plan to adopt the above mentioned standards and interpretations on their effectiveness date.

Foreign currencies

The company's functional currency and presentation currency is the Latvian national currency Euro (EUR).

Foreign currency transactions are translated into euro at the European Central Bank's official exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the European Central Bank's official exchange rate at the period end. Exchange rate differences arising from foreign currency transactions or financial assets and liabilities using the exchange rates that differ from the initial transaction accounting rates are recognized in profit or loss in net worth.

	31.12.2016	31.12.2015
USD		1.0887

Segment disclosure

An operation segment is a component of entity which qualifies for the following criteria: (i) engages in business activities from which it may earn revenues and incur expenses; (ii) whose operation results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and (iii) for which discrete financial information is

Revenue recognition

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

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

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

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

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

Intangible assets and fixed assets

Intangible assets, in general, consist of licenses and patents. Intangible assets are recognised at the cost of acquisition less accumulated amortisation. Amortisation is calculated from the moment the assets are available to use. Amortisation of intangible assets is calculated using the straight-line method to allocate amounts to their residual values over their estimated useful lives, as follows:

Intangible assets:	Years
Licenses and patents	3-5

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

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

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

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

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

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

Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill, if any, is allocated to such cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest budget.

An impairment charge is reversed if the cash-generating unit’s recoverable amount exceeds its carrying amount. A reversal of an impairment loss for a cash-generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of: (a) its recoverable amount (if determinable) and (b) the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

Lease-to-buy (financial lease)

In cases when leased assets are received with lease-to-buy (financial lease) conditions, under which all risks and rewards of ownership are transferred to the Company, are recognized as Company's assets. Assets under the finance lease are recognized at the inception of lease at the lower of fair value of the leased assets or the present value of the minimum lease payments. Lease interest payments are included in the statement of comprehensive income by method to produce a constant periodic rate of interest on the remaining balance of the liability.

Inventories

The inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of inventories is lower than their cost, provisions are created to reduce the value of inventories to their net realizable value.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual obligations of the financial instrui
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or
Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured at fair value.

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

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

Loans and other receivables

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

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

Borrowings

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

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

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and the balances of the current bank account.

Share capital and dividends

Ordinary shares are classified as equity. Dividends to be paid to shareholders of the Company are represented as liabilities during the financial period of the Company, when shareholders of the Company approve the dividends.

Employee benefits

Short-term employee benefits, including salaries, social security contributions and bonuses are included in the statement of profit or loss on an accrual basis.

The Company pays social security contributions for state pension insurance and to the state funded pension scheme in accordance with Latvian laws. State funded pension scheme is a defined contribution plan under which the Company pays fixed contributions determined by the law and they will have no legal or constructive obligations to pay further contributions if the state pension insurance system or state funded pension scheme are not able to settle their liabilities to employees. The social security contributions are recognised as an expense on an accrual basis and are included in the staff costs.

Corporate income tax

Corporate income tax is calculated in accordance with tax laws of the Republic of Latvia. Effective laws provide for 15% tax rate.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, where the deferred income tax arise from recognition of the assets and obligations resulted from transactions, which are not the business dilution, and at the moment of transaction do not affect profit or loss neither in the financial statements nor for the taxation purposes, the deferred income tax is not recognised.

Deferred income tax is determined using tax rates (and laws) that have been enacted by the year-end and are expected to apply when the deferred income tax is settled.

The principal temporary differences, in general, arise from different tangible assets depreciation rates as well as provisions for slow-circulating goods, accruals for unused annual leave and accruals for bonuses. Where an overall deferred income tax arises it is only recognised to the extent it is probable which the temporary differences can be utilised.

Fair value estimation

In respect of financial assets and liabilities held in the balance sheet at carrying amounts other than fair values, the fair values are disclosed separately in notes.

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments unless there is information on market prices.

Related parties

Related parties are defined as shareholders of the Company, who have a significant influence or control over the Company, members of the Board and the Council, their close relatives and companies, in which they have a significant influence or control. Also companies located in ultimate control or significant influence by the controlling member are related parties.

Critical accounting estimates and judgments

In order to prepare financial statements in accordance with IFRS it is necessary to make critical estimates. Therefore, preparing these financial statements the Management must make estimates and judgments applying the accounting policies adopted by the Company.

Preparation of financial statements in compliance with IFRS require estimates and assumptions affecting value of assets and liabilities recognised in the financial statements, and disclosures in the notes at the year-end as well as income and expenditures recognised in the reporting period. Actual results may differ from these estimates. Scopes, the most-affected by assumptions are revaluation of the land and building and determination of their useful life period, determination of revaluation regularity, as well as recoverable amount of receivables and inventories as disclosed in the relevant notes.

Revaluation of land and buildings

Management of the Company determines fair value of the assets based on assessment made by independent certified valuators in accordance with the property valuation standards and based on observable market price as well as future cash flow and construction costs methods.

The Management believes that assets must be revaluated at least once in 5 years or earlier if any indicators show the potential material changes in market values. By the management estimates, in the reporting year the factors that indicate a potentially significant changes in the value of those assets has not been identified, and, as a result, fair value measurement procedures has not been made. Last evolution of land and buildings was carried out in 2016 on preparation of financial statements.

Recoverability of receivables

The calculation of recoverable value is assessed for every customer individually. Should individual approach to each customer be impossible due to great number of the customers only bigger receivables shall be assessed individually. Receivables not assessed individually are arranged in groups with similar indicators of credit risks and are assessed jointly considering historical losses experience. Historical losses experience is adjusted on the basis of current data to reflex effect of the current conditions that did not exist at acquisition of the historical loss, effect and of conditions in the past that do not exist at the moment. Information on amount and structure of receivables is disclosed in Note (14) of the financial statements.

Prior period errors

During the preparation of annual report for the year 2016, it was found that in 2011 the long-term revaluation reserve was incorrectly calculated and disclosed.

In accordance with the International Accounting Standard No 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company accounted the adjustments in year 2016, but in the annual report it was disclosed retrospectively.

After making adjustments to prior period errors, changes have been occurred in the following financial report items:

Item adjusted	Annual report for the year 2015 before adjustments	Adjustment	Annual report for the year 2015 after adjustments
Adjustment to Balance Sheet as at 31.12.2015			
Long-term investments revaluation reserve	13 32 88	-6 16 54	7 16 34
Retained earnings form previous financial periods	-23 97 17	7 14 68	-16 82 49
Adjustments to the income statement for the 2016			
Depreciation of revalued fixed assets, which are recognized in equity	-11 02 38	21 81	-10 80 57

Due to adjustments Company's profit for the year 2015 was increased by 2181 EUR; the share equity as of 31.12.2015 was decreased by 9814 EUR and makes 320 433 EUR.

(3) Segment Information and net sales

Operation and reportable segment

Core activity of the Company is the issuing of short-term loans against pledge of movable and immovable property and the realization of the pledged property. As the Company's other business lines, including other commodity trade is irrelevant, the Company has only one operation and reportable segment. Operation segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision maker being the Board.

Geographical markets

Currently there are twenty-seven branches: Aizkraukle, Alūksne, Balvi, Bauska, Cesis, Dobele, Daugavpils, Gulbene, Jekabpils (two branches), Jelgava, Kraslava, Kuldiga, Liepaja, Limbazi, Madona, Ogre, Rezekne, Riga, Saldus, Talsi, Valmiera, Ventspils, Tukums, Preili, Ludza, and Valka.

(3) Types of net turnover

	2016	2015
	EUR	EUR
Income from sales of pledged assets	94 05 75	84 44 89
Income from other goods sales	26 56 85	25 14 75
Total	**1 20 62 60**	**1 09 59 64**

Finance income

	2016	2015
	EUR	EUR
Interest income on loans	1 13 84 48	1 18 96 77
Income from penalties, fines	14 28 02	18 40 40
Total	**1 28 12 50**	**1 37 37 17**

(4) Cost of sales

	2016	2015
	EUR	EUR
Cost of sold pledges	75 72 99	66 79 58
Cost of goods purchased for resale	23 56 69	23 24 38
Total	**99 29 68**	**90 03 96**

(5) Finance costs

	2016	2015
	EUR	EUR
Interest on loans and bonds	41 81 97	42 89 37
Total	**41 81 97**	**42 89 37**

(6) Selling costs

	2016	2015
	EUR	EUR
Personal costs	42 10 45	43 22 50
Rent of premises and maintenance costs	15 25 28	15 56 84
Depreciation of fixed assets	9 30 97	10 50 21
Non-deductible VAT	1 37 55	81 94
License expenses	1 42 28	1 42 29
Advertising expenses	35 12	27 67
Write-off of low value inventory and fixed asset	13 01	18 71
Other distribution expenses	8 80 79	7 58 66
Total	**78 75 45**	**79 58 82**

(7) Administrative expenses

	2016 EUR	2015 EUR
Personal costs	20 75 94	22 29 57
Transport costs	3 76 12	4 27 12
Communication expenses	2 37 49	2 70 48
Professional service costs	1 91 07	1 90 52
Office expenses	63 50	1 41 87
Leasing interest	8 70	17 84
Bank charges	40 10	46 90
Representation costs	24 33	31 25
Donations	14	18
Business trip expenses	2 07	3 71
Other administrative expenses	17 62	13 39
Total	**30 37 08**	**33 72 83**

(8) Other income

	2016 EUR	2015 EUR
Income from exchange rate fluctuations		9
Net gain on disposal and sales of fixed assets	35 57	73 40
Other income	1 93 34	82 08
Total	**2 28 91**	**1 55 57**

(9) Other expenses

	2016 EUR	2015 EUR
Provisions for inventories (real estate – loan collateral owned by the Company, see Note 13)	1 97 20	1 00 00
Provisions for inventories (goods)	13 82	1 36 11
Provisions for impairment of loans (see Note 14)	2 96 62	9 15 37
Provisions for doubtful receivables	61 46	88 10
Loss on sale of inventories (real estate)	8 40	94 40
Real estate tax	49 45	46 59
Other expenses	27 45	79 88
Total	**6 54 40**	**14 60 45**

(10) Expenses by Nature

	2016 EUR	2015 EUR
Purchase cost of goods sold	99 29 68	90 03 96
Personnel costs	62 86 39	65 52 07
Interest paid on credits, borrowings	41 81 97	42 89 37
Rent of premises and maintenance costs	15 25 28	15 56 84
Depreciation of fixed assets	9 30 97	10 72 02
Transport costs	3 76 12	4 27 12
Non-deductible VAT	1 37 55	81 94
Other expenses	23 09 72	31 23 92
Total	**2 56 77 68**	**2 61 07 24**

(11) Corporate income tax

Components of corporate income tax	2016 EUR	2015 EUR
Changes in deferred income tax	-32931	-15248
Corporate income tax according to the tax declaration	-627	0
Total	**-33558**	**-15248**

Reconciliation of accounting profit to income tax charges

The actual corporate tax expenses consisting of corporate income tax as per tax return and changes in deferred tax differ from the theoretically calculated tax amount for:

Corporate income tax:	2016 EUR	2015 EUR
Profit or loss before taxes	-5 74 57	-12 33 05
Theoretically calculated tax at 15% tax rate	**-86 19**	**-1 84 96**
Tax effects on:		
Non-deductible expenses for tax purposes	5 87 44	35 75
Total corporate tax charge	**5 01 25**	**-1 49 21**

Movement and components of deferred tax	2016 EUR	2015 EUR
Deferred tax liabilities (asset) at the beginning of the financial year	70 49	2 22 97
Deferred tax changes charged to the income statement	3 29 31	-1 52 48
On equity attributable deferred tax liability from revaluation included in other revenues	1 44 55	
Deferred tax liabilities at the end of the financial year	**5 44 35**	**70 49**

The deferred company income tax has been calculated from the following temporary differences between value of assets and liabilities in the financial statements and their tax base (tax effect 15% from temporary differences):

	2016 EUR	2015 EUR
Temporary difference on depreciation of fixed assets and intangible assets	3 99 53	3 23 06
Temporary difference on revaluation reserve	2 34 14	1 99 93
Gross deferred tax liabilities	**6 33 67**	**5 22 99**
Temporary difference on accruals for annual leave	0	-21 20
Tax loss carried forward	0	-24 20
Temporary differences on accruals	-89 32	-4 07 10
Gross deferred tax assets	**-89 32**	**-4 52 50**
Net deferred tax liability (assets)	**5 44 35**	**70 49**

The Company offsets the deferred tax assets and the deferred tax liabilities only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax is related to the same taxation authority.

The movement of deferred tax assets and liabilities during the reporting year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Accelerated depreciation of fixed assets	Accruals for unused annual leave	Accruals / tax losses	Total
	EUR	EUR	EUR	EUR
31.12.2015	**5 22 99**	**-21 20**	**-4 31 30**	**70 49**
Charged / (credited) to income statement	-33 87	21 20	3 41 98	3 29 31
31.12.2016	**6 33 67**	**0**	**-89 32**	**5 44 35**

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

		Intangible assets - licences	Fixed assets: Lands and buildings	Leasehold improvements	Other fixed assets	Advances and development costs	Total fixed assets
		EUR	EUR	EUR	EUR	EUR	EUR
Initial value	**01.01.2015**	**6 79 77**	**35 79 95**	**1 72 37**	**67 95 68**	**1 69 00**	**1 07 17 00**
Acquired					53 51	40 68	**94 19**
Disposed			-2 13 43	-10 30	-4 16 53	-9 97	**-6 50 23**
Reclassified					79 11	-79 11	**0**
Initial value	**31.12.2015**	**6 79 77**	**33 66 52**	**1 62 07**	**65 11 77**	**1 20 60**	**1 01 60 96**
Accumulated depreciation	**01.01.2015**	**1 88 71**	**4 14 24**	**1 32 34**	**30 31 29**	**0**	**35 77 87**
Calculated depreciation		43 67	1 17 17	9 52	9 01 67		**10 28 36**
Depreciation of disposed fixed assets			-30 83	-10 30	-2 75 42		**-3 16 55**
Accumulated depreciation	**31.12.2015**	**2 32 38**	**5 00 58**	**1 31 56**	**36 57 54**	**0**	**42 89 68**
The residual value	**01.01.2015**	**4 91 06**	**31 65 71**	**40 03**	**37 64 39**	**1 69 00**	**71 39 13**
The residual value	**31.12.2015**	**4 47 39**	**28 65 94**	**30 51**	**28 54 23**	**1 20 60**	**58 71 28**
Initial value	**01.01.2016**	**6 79 77**	**33 66 52**	**1 62 07**	**65 11 77**	**1 20 60**	**1 01 60 96**
Acquired					69 13		**69 13**
Disposed					-73 61		**-73 61**
Reclassified		1 10 99				-1 10 99	**-1 10 99**
Overvalued			9 63 64				**9 63 64**
Initial value	**31.12.2016**	**7 90 76**	**43 30 16**	**1 62 07**	**65 07 29**	**9 61**	**1 10 09 13**
Accumulated depreciation	**01.01.2016**	**2 32 38**	**5 00 58**	**1 31 56**	**36 57 54**	**0**	**42 89 68**
Calculated depreciation		44 79	1 11 24	6 76	7 90 00		**9 08 00**
Depreciation of disposed fixed assets					-65 21		**-65 21**
Accumulated depreciation	**31.12.2016**	**2 77 17**	**6 11 82**	**1 38 32**	**43 82 33**	**0**	**51 32 47**
The residual value	**01.01.2016**	**4 47 39**	**28 65 94**	**30 51**	**28 54 23**	**1 20 60**	**58 71 28**
The residual value	**31.12.2016**	**5 13 59**	**37 18 34**	**23 75**	**21 24 96**	**9 61**	**58 76 66**

At the December 31, 2016 The Company had 490 intangible assets and fixed assets with the residual value of 0 EUR. The purchase cost of these assets was 136640 EUR.

Revaluation of fixed assets and fair value techniques used

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

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

In November 2016 certified real estate valuator A. Vedike who was appointed by the Board of Company, appraised the market value of real estate classified under Land & Buildings. As a result of revaluation a revaluation reserve of non-current assets was increased by 96 364 EUR, where 15% or 14 455 EUR of the reserve was attributed to the liabilities of deferred corporate income tax liabilities. The valuation was determined by three valuation techniques:

1) Under cost approach - the value was calculated which would have been required to purchase an equivalent piece of land and to build a similar quality application building. Construction costs would have been adjusted with the factors that characterize the loss of the value of the building under infulence of physical depreciation, functional loss of use, and regional economic situation.

2) Under market approach - the value was calculated, that characterizes appraises property compared to comparable properties, which are known in their market value.

3) Under income approach - the expected cash flow has been estimated based on the rental income for the similar properties. The projected future rental income less operational running costs and necessary investments has been discounted to present value.

Total revaluation surplus of fixed assets on 31 December 2016 was EUR 168 088 (31.12.2015 - EUR 71 634). Revaluation amount less the attributable deferred income tax liabilities is recognizes in equity under “Revaluation reserve of non-current assets”.

Revaluation reserve can not be reclassified to other equity items, except at the disposal of assets, and paid to the shareholders as dividends.

Other Notes

All of the Company's fixed assets - real estate is mortgaged under the Mortgage and Commercial pledge agreements as security for loans in favor of the lending bank (see Note 17).

(13) Inventories

	31.12.2016	31.12.2015
	EUR	EUR
Real estate - loan collateral owned by the Company	36 83 53	40 58 03
Advances paid (Real estate – loan collateral owned by the Company)	5 42 21	8 14 97
Provision for inventories - loan collateral owned by the Company	-5 90 62	-3 60 00
Goods purchased for sales purposes	20 22 53	28 44 28
Advances for goods	1 83 74	94 05
Provisions for goods	-1 02 69	-1 36 11
Other collateral owned by the Company	40 97 32	37 38 65
Total	**98 36 02**	**1 10 53 87**

According to the loan agreements, failure to comply with terms of the contract, the Company is entitled to take over ownership of the pledged assets. These assets are held and available for sale.

Movement in provisions for impairment of inventories:

	31.12.2016	31.12.2015
	EUR	EUR
Provisions at the beginning of the year	**4 96 11**	**2 60 00**
Created/(reduced) provisions for real estate	2 30 62	1 00 00
Created provisions for slow moving and damaged goods	-33 42	1 36 11
Provisions at the end of the year	**6 93 31**	**4 96 11**

(14) Loans and trade receivables

	31.12.2016	31.12.2015
	EUR	EUR
Short-term loans secured with pledges	2 10 72 68	2 09 12 30
Provisions for impairment for loans secured with pledges	-16 36 40	-14 11 85
Consumer loans (Short-term loans without pledge)	26 80 17	20 39 51
Provisions for impairment of short-term loans not secured with pledges	-6 66 29	-5 94 21
Accrued interest payments	14 21 02	11 82 32
Total	**2 28 71 18**	**2 21 28 07**

Movement in provisions for impairment of accounts receivable:

	Individual impairment	Portfolio impairment	Total
	EUR	EUR	EUR
Provisions at the beginning of the year 2015	**8 40 69**	**2 50 00**	**10 90 69**
Charged/(reduced) provisions in 2015	6 55 11	2 60 26	9 15 37
Provisions at the end of the year 2015	**14 95 80**	**5 10 26**	**20 06 06**
Charged/(reduced) provisions in 2016	2 31 88	64 75	2 96 63
Provisions at the end of the year 2016	**17 27 68**	**5 75 01**	**23 02 69**

	2016 % per month	2015 % per month
Loans against hand pledge	3-21%	2-21%
Loans against ore	3-21%	2-21%
Loans without collateral (consumer credit)	1,5-8,8%	1-20%
Loans against transport	>2,5 %	>4%
Loans against real estate	>2%	>3%

Issued short-term loans quality analysis:

	Loans secured with pledges	Loans not secured with pledges	Total
	EUR	s	EUR
Neither past due nor impaired loans	**1 07 52 89**	**12 58 82**	**1 20 11 71**
Past due but not impaired loans:	**1 03 19 79**	**14 21 35**	**1 17 41 14**
less than 30 days	15 60 85	1 16 58	16 77 43
31 to 59 days	7 65 33	57 33	8 22 66
60 to 89 days	2 19 57	25 44	2 45 01
more than 90 days	44 37 20	10 68 92	55 06 12
Impaired loans	33 36 84	1 53 08	34 89 92
Total gross loans	**2 10 72 68**	**26 80 17**	**2 37 52 85**
Impairment allowance	-16 36 40	-6 66 29	-23 02 69
Total net loans	**1 94 36 28**	**20 13 88**	**2 14 50 16**

*The gross amount of loans does not include accrued interest payments of EUR 142 102.

(15) Other current assets

	31.12.2016	31.12.2015
Financial assets:	EUR	EUR
Other receivables, neto	3 20 34	3 16 36
Provisions for other receivables (items confiscated by police)	-2 15 40	-1 67 40
Settlements for services	1 09 37	82 99
Provisions for settlements for services	-57 90	-44 43
Overpaid taxes	18 65	18 65
Total	**1 75 06**	**2 06 17**
Non-financial assets:		
Prepaid expense	2 41 90	2 34 69
Total	**4 16 96**	**4 40 86**

Movement in provisions for impairment of other accounts receivable:

	31.12.2016	31.12.2015
	EUR	EUR
Provisions at the beginning of the year	**2 11 83**	**1 23 71**
Created/(reduced) provisions	61 47	88 12
Provisions at the end of the year	**2 73 30**	**2 11 83**

(16) Cash and its equivalents

	31.12.2016	31.12.2015
	EUR	EUR
Cash at bank on current accounts	19 17 49	24 79 96
Cash on hand	4 86 45	3 72 22
Total	**24 03 94**	**28 52 18**

(17) Financial instruments by category

All financial assets of the Company amounting at the year end to EUR 2 229 967 (31.12.2015 - EUR 2 233 424) fell under the category of loans and receivables.

All financial liabilities of the Company amounting to EUR 3 828 306 (31.12.2015 - EUR 3 952 025) fell under the category of other financial liabilities, there are no liabilities at fair value through profit or loss.

(18) Share capital

As by 31 December 2016, the share capital has been completely paid. It consists of 6 000 shares with the nominal value of 71.14 (71.1435905316) EUR and the total value of 426 862 EUR.

(19) Borrowings

		31.12.2016	31.12.2015
Non-current	**Note**	EUR	EUR
Non-convertible bonds	b)	3 31 00 00	3 31 00 00
Other loans	c)	1 00 00	1 00 00
Finance lease liabilities	d)	31 52	1 91 72
Total non-current		**3 32 31 52**	**3 33 91 72**
Current			
Non-convertible bonds	b)	5 32 97	5 32 97
Other loans	c)	30 00 00	41 65 00
Finance lease liabilities	d)	1 60 20	2 48 34
Total current		**36 93 17**	**49 46 31**
Borrowings total		**3 69 24 69**	**3 83 38 03**

a) Fair value of borrowings

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

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

b) Bonds

11 November 2015, the Company made the refinancing of the bonds with a new bond issue. The total number of issued bonds under refinancing emission was 3310, denominations of bonds is 1 000 EUR, the coupon rate is 12%. Bond are maturing on 15 November 2020.

Bonds are included in Baltic bond list of NASDAQ OMX Riga AS stock exchange.

	2016		2015	
	Number of bonds	EUR	Nubmer of bondds	EUR
At beginning of the reporting year	33 10	3 31 00 00	32 95	3 29 50 00
Issued during the year	0	0	15	1 50 00
At the end of the year	**33 10**	**3 31 00 00**	**33 10**	**3 31 00 00**

c) Other loans

During the reporting and previous years, the Company has received loans from related and unrelated parties (see Note (21)). Borrowing interest rates range from 6% to 10% per year.

	31.12.2016	31.12.2015
	EUR	EUR
At beginning of the year	**42 65 00**	**36 50 00**
Borrowings received in the year		12 65 00
Repaid borrowings in the year	**-11 65 00**	-6 50 00
At the end of the year	**31 00 00**	**42 65 00**

d) Finance lease liabilities

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

In accordance with the agreements the minimum finance lease payments are:

	31.12.2016	31.12.2015
	EUR	EUR
Payable within 1 year	1 63 09	2 59 04
Payable from 2 to 5 years	32 25	1 98 35
Finance lease gross liability	**1 95 34**	**4 57 39**
Future finance costs	-3 62	-17 33
Present value of finance lease liability	**1 91 72**	**4 40 06**

(20) Trade and other payables

	31.12.2016	31.12.2015
	EUR	EUR
Salaries	3 26 39	3 03 47
Accruals for unused annual leave	1 40 17	1 41 35
Value Added Tax	12 77	41 33
Mandatory State social insurance contributions	1 58 93	1 42 48
Trade payables	1 01 17	67 80
Accrued liabilities	1 44 23	81 55
Personal income tax	67 57	69 40
Advances from customers	3 90 62	3 20 73
Other payables	10 25	14 11
Corporate Income tax	6 27	
Total	**13 58 37**	**11 82 22**

The carrying values of trade and other payables approximate their fair values due to their short term nature. Trade and other payables carry no interest.

(21) Transactions with related parties

In 2016 and 2015 the Company had economic transactions with the following entities that are directly or indirectly controlled by the Company's shareholders and members of the Board: Orheja SIA, Trezors SIA, Lielie rīta buļļi SIA and Premium Finance Group SIA.

Loans and interest payments

	Loans balances		Interest expense	
	31.12.2016	31.12.2015	2016	2015
	EUR	EUR	EUR	EUR
Orheja SIA				
Trezors SIA	1 00 00	1 00 00	17 63	10 82
Lielie rīta buļļi SIA	0	11 50 00	63 81	1 24 68
Premium Finance Group SIA	0	0		0
Total	**1 00 00**	**12 50 00**	**81 44**	**1 35 50**
The non-current part of the loans	1 00 00	1 00 00		
The non-current part of the loans	0	11 50 00		
	1 00 00	**12 50 00**		

Remuneration to the management	Remuneration to Council members		Remuneration to Board members	
	2016	2015	2016	2015
	EUR	EUR	EUR	EUR
Salaries			8 91 33	8 88 52
Social security contributions			2 10 27	2 09 60
Other expenses			0	0
	0	**0**	**11 01 60**	**10 98 12**

(22) Number of employees

	2016	2015
The average number of persons employed by the company	53	52

(23) Operating leases - the Group as lessee

During the financial year was in effect a number of agreements of premises rent. Lease payments recognised as an expense during the reporting period amount to EUR 99 981(2015: EUR 103 512). No sublease payments or contingent rent payments were made or received.

(24) Financial and capital risk management

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

Market risk

a)Foreign exchange risks

The Company's main financial assets and liabilities are in Euro (EUR). Revenues are collected in EUR. Daily purchases primarily are incurred in EUR. The Company is not exposed to foreign exchange risk.

b) Interest rate risks

The Company is exposed to interest rate risk as the part of the liabilities are interest-bearing borrowings with the variable interest rate (Note (19)), as well as the Company's interest bearing assets have fixed interest rate.

	31.12.2016	31.12.2015
	EUR	EUR
	1 91 72	4 40 06
Financial liabilities with variable interest rate	**1 91 72**	**4 40 06**

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

c) Other price risk

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

Credit risk

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

Maximum exposure to credit risk	31.12.2016	31.12.2015
	EUR	EUR
Loans and trade receivables	2 28 71 18	2 21 28 07
Other current assets	4 16 96	4 40 86
Cash and cash equivalents	24 03 94	28 52 18
Total	**2 56 92 08**	**2 54 21 11**

Within the Company the credit risk is managed using centralized procedures and control. The main credit risk occurs in connection with outstanding loans issued. To reduce these risks the Company applies a conservative credit policy – the sum of issued loans is smaller than the value of pledged movable and immovable property. Such policy allows the Company to reduce its credit risk to minimum. Information about the structure of the loan portfolio is provided in Note 14.

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

Liquidity risk

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

The following table shows the maturity structure of financial liabilities of the Company, that is based on non-discounted cash flows (excluding interest):

On 31 December, 2015	**Total** EUR	**<1 year** EUR	**1-2 years** EUR	**2-5 years** EUR	**>5 years** EUR
Bonds	3 31 00 00			3 31 00 00	0
Loans from credit institutions	0				0
Other loans	42 50 00	41 50 00		1 00 00	0
Finance lease liabilities	4 40 06	2 48 34	1 60 19	31 53	0
Trade and other payables	11 82 22	11 82 22			0
	3 89 72 28	**55 80 56**	**1 60 19**	**3 32 31 53**	**0**

On 31 December, 2016	**Total** EUR	**<1 year** EUR	**1-2 years** EUR	**2-5 years** EUR	**>5 years** EUR
Bonds	3 31 00 00			3 31 00 00	
Loans from credit institutions	0				
Other loans	31 00 00	30 00 00		1 00 00	
Finance lease liabilities	1 91 72	1 60 20	31 52		
Trade and other payables	13 58 37	13 58 37			
	3 77 50 09	**45 18 57**	**31 52**	**3 32 00 00**	**0**

All loans and trade receivables are short - term, with a maturity 1 year or less.

Capital Management

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

Company's management controls the net debt to equity (gearing ratio).

	31.12.2016 EUR	**31.12.2015** EUR
Total borrowings	3 69 23 17	3 83 38 03
Cash and its equivalents	-24 03 94	-28 52 18
Net debt	**3 45 19 23**	**3 54 85 85**
Equity	30 92 36	32 04 33
Total capital	**3 76 11 59**	**3 86 90 18**
Total assets	4 19 19 77	4 27 95 07
Net debt to equity	1116%	1107%
Equity ratio on total assets	7%	7%

(25) Events after balance sheet date

As of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statements or notes.