DOVRE FORVALTNING UAB

Independent Auditor's Report,
Annual Report and
Financial Statements for the year ended
31 December 2012

TABLE OF CONTENTS

UAB „Deloitte Lietuva"
Jogailos g. 4
LT-01116 Vilnius
Lietuva

Įmonės k.: 111525235
PVM mok. k.: LT115252314
Duomenys kaupiami ir saugomi
Juridinių asmenų registre

Tel.: +370 5 255 3000
Faks.: +370 5 212 6844
www.deloitte.lt

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Dovre Forvaitning, UAB:

Report on the Financial Statements

We have audited the accompanying financial statements of Dovre Forvaltning, UAB (thereafter – the Company) (pages from 5 to 21), which comprise the balance sheet as at 31 December 2012, and the statements of income, changes in equity and cash flows for year than ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Business Accounting Standards and legal regulations on accounting and financial reporting of the Republic of Lithuania, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with Business Accounting Standards and legal regulations on accounting and financial reporting of the Republic of Lithuania.

Report on Other Legal and Regulatory Requirements

Furthermore, we have read the Annual Report for the year ended 31 December 2012 (page 4) and have not noted any material inconsistencies between the financial information included in it and the financial statements for the year ended 31 December 2012.

Deloitte Lietuva UAB
License No. 001275

Sigitas Babarskas
Lithuanian Certified Auditor
License No. 000403

Vilnius, Lithuania
29 March 2013

Dovre Forvaltning UAB annual report for the year ended 31 December 2012

Review of activities during 2012

Dovre Forvaltning UAB (thereafter – Company) is one of the few licensed asset management companies, that doesn't belong to a Lithuanian or foreign financial institution.

In 2012 Company successfully started to operate its first investment fund "Dovre Inside Nordic". And further provided financial instrument portfolio management services. Company revenues amounted to LTL 952 466.

In 2012 Dovre Forvalning UAB private client amount was 89. Financial instrument portfolio total value as at 31 December 2012 was LTL ~46 million. Total assets managed amounted to almost LTL 50 million.

Company had 8 employees as at 31 December 2012.

Subsidiaries

On 31 December 2012 the Company had no subsidiaries.

Information on share capital

In May 2012 according to the decision of the sole shareholders the Company's capital was increased from LTL 625 000 to LTL 685 000.

In September 2012 according to the decision of the sole shareholders the Company's capital was increased from LTL 685 000 to LTL 1 205 000.

On 31 December 2012 Company's sole shareholder was Liberty Capital Group UAB, c.c. 302680886, having 12 050 ordinary shares with nominal value of LTL 100, which constitutes 100 percent of non-voting shares and 100 percent of the share capital. In 2012 the Company did not buy other companies shares.

The Company has no branches or representative offices.

In 2012 the Company did not have and did not acquire its own shares.

In 2012 the Company did not transfer its own shares.

Company's business plans and forecasts

In the years 2013- 2014 Dovre Forvaltning UAB will continue to focus on attracting new customers and improving investment performance. Company's management in the next year plans to successfully distribute new investment funds "Dovre Baltic Sea" and "Dovrefjell".

In 2013 Company plans to increase the overall value of assets under management to LTL 100 mln.

This annual report was approved on 29 March 2013 and signed by:

Stig Myrseth
Director

DOVRE FORVALTNING UAB
Company code, 302589746, Konstitucijos pr. 7, Vilnius
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2012
(LTL, unless otherwise stated)

No	Item	Note No.	2012	2011
A.	**ASSETS**			
I.	Cash	5	312 291	435 325
II.	Treasury bills and other bills, which are purchasable by central banks		-	-
III.	Provided loans and prepayments to financial institutions		-	-
IV.	Provided loans and prepayments to the clients		-	-
V.	Other receivable amounts	6	224 991	136 383
V.1.	Related with the services provided by the Company		224 991	129 239
V.2.	Accrued income		-	-
V.3.	Other receivable amounts		-	7 144
VI.	Non ownership securities		-	-
VII.	Ownership securities		-	-
VIII.	Investments into associated enterprises		-	-
IX.	Investments into subsidiaries		-	-
X.	TANGIBLE ASSET	4	31 220	33 716
X.1.	Land		-	-
X.2.	Property		-	-
X.3.	Other tangible assets		31 220	33 716
X.3.1.	Vehicles		-	-
X.3.2.	Machinery and other tools		-	-
X.3.3.	Investment assets		-	-
X.3.4.	Raw materials		-	-
X.3.5.	Other tangible assets		31 220	33 716
XI.	Intangible assets	3	63 326	417
XI.1.	Goodwill		-	-
XI.2.	Other intangible assets		63 326	417
XI.2.1.	Work in development		-	-
XI.2.2.	Licenses		-	-
XI.2.3.	Software		63 326	417
XI.2.4.	Other intangible assets		-	-
XII.	OTHER ASSET	7	75 529	3 116
XII.1.	Deferred tax assets		-	-
XII.2.	Other deferred expenses		75 529	1 849
XII.3.	Other assets		-	1 267
	TOTAL ASSETS		**707 357**	**608 957**

(continued next page)

DOVRE FORVALTNING UAB
Company code, 302589746, Konstitucijos pr. 7, Vilnius
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2012
(LTL, unless otherwise stated)

No	Item	Note No.	2012	2011
	EQUITY AND LIABILITIES			
B.	**PAYABLE AMOUNTS AND LIABILITIES**	10	**248 018**	**218 003**
I.	Liabilities to financial institutions		-	-
II.	Liabilities to clients		-	-
III.	Issued securities and other note liabilities		-	-
IV.	Other payable amounts and liabilities		107 816	85 031
IV.1.	Corporate profit tax liabilities		-	-
IV.2.	Deferred profit tax liabilities		-	-
IV.3.	Liabilities, related to salaries		32 562	31 029
IV.4.	Accrued expenses and deferred income		9 832	6 560
IV.5.	Other payable amounts and liabilities		65 422	47 442
V.	Provisions		-	-
VI.	Subordinated loans		140 202	132 972
C.	**EQUITY**		**459 339**	**390 954**
I.	Share capital	8	1 205 000	625 000
II.	Unpaid capital		-	-
III.	Share premium		-	-
IV.	Own shares (-)		-	-
V.	Reserves		-	-
VI.	Revaluation reserves		-	-
VII.	Retained earnings (losses)	9	(745 661)	(234 046)
	TOTAL EQUITY AND LIABILITIES		**707 357**	**608 957**

(The end)

OFF BALANCE REPORT

	Off balance items	2012	2011
I.	Clients assets managed	48 350 223	41 578 790
I.I	Clients cash	14 200 157	14 940 083
I.II	Financial instruments bought for clients	34 150 066	26 638 707
II.	Company's off balance liabilities	-	-

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

These financial statements were approved on 29 March 2013 and signed by:

Stig Myrseth
Director

Neringa Glodenytė
On behalf of chief accountant
IMG NUMERI UAB financier-consultant

DOVRE FORVALTNING UAB
Company code, 302589746, Konstitucijos pr. 7, Vilnius
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012
(LTL, unless otherwise stated)

No	Item	Note	2012	From 3 February 2011 (inception date) to 31 December 2011
I.	Commissions, fund management and client service revenues	11	952 466	125 048
II.	Commissions, fund management and client service expenses	12	(371 141)	(53 212)
III.	Revenues from equity securities		-	-
IV.	Interest and similar income	14	2 205	-
V.	Interest and similar expenses	14	(6 942)	(1 700)
V.1.	From issued non-equity securities		-	-
V.2.	From received loans		(6 942)	(1 700)
V.3.	Other		-	-
VI.	Profit (loss) from financial transactions	14	18 232	8 461
VI.1.	Profit (loss) from securities traded		-	-
VI.2.	Profit (loss) from hard currency transactions		18 232	8 461
VI.3.	Other profit (loss) from financial transactions		-	-
VII.	General and administrative expenses	13	(1 106 435)	(312 643)
VIII.	Impairment of the provided loans and prepayments		-	-
IX.	Changes in fair value of securities		-	-
IX.1.	Securites impairment and its reversal result		-	-
IX.2.	Change of securities fair value result		-	-
X.	**(LOSS) OF THE ORDINARY ACTIVITY**		**(511 615)**	**(234 046)**
XI.	**EXTRAORDINARY PROFIT (LOSS)**		-	-
XII.	Income tax		-	-
XIII.	Other taxes		-	-
XIV.	**NET (LOSS)**		**(511 615)**	**(234 046)**

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

These financial statements were approved on 29 March 2013 and signed by:

Stig Myrseth
Director

Neringa Glodenytė
On behalf of chief accountant
IMG NUMERI UAB financier-consultant

DOVRE FORVALTNING UAB
Company code, 302589746, Konstitucijos pr. 7, Vilnius
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012
(LTL, unless otherwise stated)

	Authorized (subscribed) capital	Retained earnings (loss)	Total
Balance As of 3 February 2011	-	-	-
Issue of shares	625 000	-	**625 000**
Net (loss)	-	(234 046)	**(234 046)**
Balance As of 31 December 2011	**625 000**	**(234 046)**	**390 954**
Issue of shares	580 000	-	**580 000**
Net profit (loss)	-	(511 615)	**(511 615)**
Balance As of 31 December 2012	**1 205 000**	**(745 661)**	**459 339**

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

These financial statements were approved on 29 March 2013 and signed by:

Stig Myrseth
Director

Neringa Glodenytė
On behalf of chief accountant
IMG NUMERI UAB financier-consultant

DOVRE FORVALTNING UAB
Company code, 302589746, Konstitucijos pr. 7, Vilnius
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012
(LTL, unless otherwise stated)

	2012	From 3 February 2011 (inception date) to 31 December 2011
CASH FLOWS FROM (TO) OPERATING ACTIVITIES		
Net profit (loss)	(511 615)	(234 046)
Non cash paragraphs:		
Depreciation and amortization	22 755	4 351
(Increase) decrease in prepayments	1 267	(1 267)
(Increase) decrease in other receivables	(88 608)	(136 383)
(Increase) decrease in other current assets	(73 680)	(1 849)
Increase (decrease) in other accounts payable and liabilities	22 785	85 031
Elimination of financing and investment activity results	(11 290)	(6 761)
NET CASH FLOWS FROM (TO) OPERATING ACTIVITIES	**(638 386)**	**(290 924)**
CASH FLOWS FROM (TO) INVESTING ACTIVITIES		
Acquisition of non-current assets (except investments)	(83 168)	(38 484)
NET CASH FLOWS FROM (TO) INVESTING ACTIVITIES	**(83 168)**	**(38 484)**
CASH FLOWS FROM (TO) FINANCING ACTIVITIES		
Share issue	580 000	625 000
Received subordinated loans	-	135 207
Interest paid	8 046	-
Other financial benefits in cash	4 995	992
NET CASH FLOWS FROM (TO) FINANCING ACTIVITIES	**593 041**	**761 199**
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	**5 479**	**3 534**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(123 034)**	**435 325**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**435 325**	**-**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**312 291**	**435 325**

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

These financial statements were approved on 29 March 2013 and signed by:

Stig Myrseth Director	Neringa Glodenytė On behalf of chief accountant IMG NUMERI UAB financier-consultant

1. General information

Dovre Forvaltning UAB (hereafter – the Company) registered on the 3 February 2011, c.c. 302589746. Registration address – Konstitucijos pr. 7, Vilnius.

Main activities of the Company are discretionary asset management, management of mutual funds, investment consultations. On the 28 July 2011 the Securities Commission of the Republic of Lithuania by order No. 2K-142 granted the Company an asset management license No. VĮK-018.

Shareholders	31 December 2012		31 December 2011	
	Number of shares held	Ownership	Number of shares held	Ownership
Liberty Capital Group UAB	12 050	100%	6 250	100%
TOTAL	**12 050**	**100%**	**6 250**	**100%**

On 31 of December 2012 Company's share capital amounted to LTL 1 205 000 and consisted of 12 050 ordinary shares with a nominal value of LTL 100. Parent company and sole owner - Liberty Capital Group UAB, company code 302680886, registered in Ramybes str. 4-70, Vilnius.

On 31 of December 2012 the Company had 8 employees.

Management of the Company authorized these financial statements on 29 March 2013. Company's financial statements prepared by management according to Lithuanian legislation were approved by the sole shareholder's decision. A shareholder has the right not to approve the financial statements and demand new financial reports.

2. Accounting policy

Basis of preparation

These financial statements are prepared in accordance with the Law on Accounting of the Republic of Lithuania, Law on Financial Reporting of the Republic of Lithuania and the Business Accounting Standards (BAS).

As the Company was founded in 2011 comparative information for the prior period in the income statement, statement of changes in equity and statement of cash flows are for not full year but for a period from 3 February 2011 (inception date) to 31 December 2011 (chosen financial year end date). 2012 numbers are for full financial year from 1 January 2012 to 31 December 2012.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

The accompanying financial statements are presented in the national currency of Lithuania, the Litas ("LTL").

The principal accounting principles are set out below.

Intangible fixed assets

Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The groups of intangible assets and their useful lives are:

Group of intangible fixed asset	Useful lives
Software	3 years

Property, plant and equipment

Property, plant and equipment assets, which are under the Company's ownership and control; it is reasonable to expect them to generate economic benefits in future periods; are going to be used for longer than one year; acquisition cost can be reliably measured; and acquisition value is exceeding the minimum requirements for the assets group.

Property, plant and equipment, except land and buildings, are stated at historical cost, less accumulated depreciation and impairment losses, if any.

Depreciation is computed using the straight-line method over the estimated useful lives of the related asset. Liquidation value is equal to LTL 1. Depreciation expenses are charged to the Company's operating expenses.

Property, plant and equipment with an acquisition value of over LTL 1 000 and a useful life of more than one year are capitalized.

Property, plant and equipment depreciation periods:

Group of tangible fixed asset	Useful lives
Other tangible assets	4 years

The costs of repairs of assets that are leased and/or used under loan-for-use agreements are distributed over the remaining lease period and are recognized as expenses on a monthly basis, provide that the repairs extend the useful life of the asset.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Gains and losses on disposal of property, plant and equipment are recognized in the income statement during the year of disposal.

Financial assets
All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is conducted by a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: 'available-for-sale' (AFS) financial assets, 'held-to-maturity' investments and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

<u>Available-for-sale financial assets</u>
Financial assets available for sale are financial assets, which were purchased for resale or with a purpose to gain profit from price fluctuations and other financial assets, which are not classified as 'held-to-maturity' investments or 'loans and receivables'.

At initial recognition available-for-sale financial assets are measured at cost including direct transaction cost, related to the operation. Available-for-sale financial assets are subsequently measured at fair value. Financial assets that do not have a quoted market price in an active market and whose fair value cannot be determined reliably, are measured at acquisition cost less impairment (loss due to decrease in value). Profit or loss from change in fair value of the available-for-sale financial assets is included in the profit (loss) statement of the financial year.

<u>Held-to-maturity investments</u>
Held-to-maturity investments are such financial assets, which the Company intends and is able to hold until the maturity date, receiving fixed or determinable payments, except for available-for-sale financial assets and loans and receivables. Financial assets are classified as held-to-maturity investments only when the Company has the intention and the ability to hold the assets until their maturity date and is not planning to sell them.

Held-to-maturity investments are initially measured at cost including direct transaction cost, related with the operation. Subsequently held-to-maturity investments are measured at amortized cost using the effective interest method.

<u>Loans and receivables</u>
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables".

Loans and receivables are measured at amortized cost using the effective interest rate method less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

<u>Cash and cash equivalents</u>
Cash and cash equivalents are comprise of cash on hand, cash in transit and cash in banks, demand deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

<u>Impairment of financial assets</u>
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities
Contractual obligations to pay cash or deliver other financial assets are classified as financial liabilities.

When valuing financial liabilities the Company classifies them into the following specified categories: financial liabilities linked to market prices and financial liabilities not linked to market prices.

<u>Financial liabilities linked to market prices</u>
Financial liabilities are classified as linked to market prices if a change in their value is linked to fluctuations in the fair value of certain securities or in a market quoted rate that determines the fair value of these securities.

Financial liabilities linked to market prices are initially measured at acquisition cost, net of transaction costs and subsequently measured at fair value.

<u>Financial liabilities not linked to market prices</u>
Financial liabilities not linked to market prices usually comprise: loans and trade payables.

Financial liabilities not linked to market prices are initially measured at costs with transactions expenses recognized as expenses in the profit (loss) statement. Subsequently these liabilities are measured at amortized cost using the effective interest rate method. Short term liabilities are subsequently measured at cost as the recognition of interest using the effective interest rate method would be immaterial.

Effective interest rate method
The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Revenue recognition
Revenue is measured at fair value of the consideration received or receivable and represents amounts received or receivable for goods and services provided net of value-added tax and/or rebates and discounts.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees included in the price of services sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past services sold; and

Dividend and interest revenue
Dividend revenue from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Expenses recognition
Expenses are recognized on an accrual basis and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was paid.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee
Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies
Transactions denominated in foreign currency other than Litas (LTL) are translated into LTL at the official Bank of Lithuania exchange rate on the date of the transaction, which approximates the prevailing market rates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Gains and losses arising on exchange are included in net profit or loss for the period.

As of 31 December applicable rates used for principal currencies were as follows:

2012	2011
1 EUR = 3.4528 LTL	1 EUR = 3.4528 LTL
10 NOK = 4.6734 LTL	10 NOK = 4.4324 LTL

Income tax
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. In 2012 and 2011 the income tax applied to the Company.

Deferred income tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity.

Financial risk management
Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on cash in banks is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk
The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

In 2012 and 2011 the Company did not use any financial instruments to manage the exposure to fluctuation in interest rates risk.

Liquidity risk
The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's policy is to maintain sufficient cash and cash equivalents or to have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.

Table below summarizes the liquidity of Company's financial assets and liabilities:

	Less than 3 months	Three months to a year	Year to five years	More than 5 years
Assets	537 282	-	-	-
Liabilities	107 816	-	140 202	-

Foreign currencies exchange risk
The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward exchange rate contracts.

Most of the Company's revenues are earned and part of expenses are incurred in Norwegian krones (NOK).

Company's management assessed the risk arising from before mentioned facts and does not find the possible effect on Company's operations to be significant.

Critical accounting judgments and key sources of estimation uncertainty
In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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 Company, 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.

Subsequent events
Subsequent events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post balance sheet events that are not adjusting events are disclosed in the notes when material.

3. Intangible assets

As of 31 December intangible assets consisted of the following:

	Software	Total
As at 3 February 2011		
- additions	555	**555**
- disposals/write-offs	-	-
As at 31 December 2011	**555**	**555**
- additions	72 727	**72 727**
- disposals/write-offs	-	-
As at 31 December 2012	**73 282**	**73 282**
		-
Accumulated amortization		-
As at 3 February 2011	-	-
- amortization	138	**138**
- disposals/write-offs	-	-
As at 31 December 2011	**138**	**138**
- amortization	9 818	**9 818**
- disposals/write-offs	-	-
As at 31 December 2012	**9 956**	**9 956**
		-
Carrying amount:		-
As at 31 December 2011	**417**	**417**
As at 31 December 2012	**63 326**	**63 326**

As at 31 December 2011 and 2012 Company did not have any fully depreciated and still used intangible assets.

The amortization expenses of non-current intangible assets were accounted for as operating expenses in the income statement.

4. Property, plant and equipment

As of 31 December property, plant and equipment consisted of the following:

	Other property, plant and equipment	Total
As at 3 February 2011		
- additions	37 929	**37 929**
- disposals/write-offs	-	-
As at 31 December 2011	**37 929**	**37 929**
- additions	10 441	**10 441**
- disposals/write-offs	-	-
As at 31 December 2012	**48 370**	**48 370**
Accumulated depreciation		
As at 3 February 2011	-	-
- additions	4 213	**4 213**
- disposals/write-offs	-	-
As at 31 December 2011	**4 213**	**4 213**
- additions	12 937	**12 937**
- disposals/write-offs	-	-
As at 31 December 2012	**17 150**	**17 150**
Carrying amount:		
As at 31 December 2011	**33 716**	**33 716**
As at 31 December 2011	**31 220**	**31 220**

As at 31 December 2011 and 2012 Company did not have any fully depreciated and still used property, plant and equipment.

The depreciation expenses of property, plant and equipment were accounted for as operating expenses in the income statement.

5. Cash and cash equivalents

As of 31 December cash and cash equivalents consisted of the following:

	2012	2011
Cash in banks	218 823	435 325
Term deposits	93 468	-
Total	**312 291**	**435 325**

Term deposits are denominated in NOK, deposit maturity is 31 January 2013, interest rate – 1,85%.

6. Other accounts receivable

As of 31 December accounts receivables consisted of the following:

	2012	2011
Related with the services provided by the Company	224 991	129 239
Other receivable amounts	-	7 144
Total	**224 991**	**136 383**

7. Other current assets

As of 31 December other current assets consisted of the following:

	2012	2011
Future period expenses	75 529	1 849
Other assets	-	1 267
Total	**75 529**	**3 116**

Future period expenses as at 31 December 2012 increased due to prepayment for advertising in Norway.

8. Share capital, legal and other reserves

a) Share capital

As of 31 December 2012 the authorized capital of the Company consisted of 12 050 ordinary shares, with a par value of LTL 100 each. All of the shares were fully paid.

During 2012 the Company did not acquire or held own shares.

In 2012 the Company's capital was increased from LTL 625 000 to LTL 1 205 000. 5 800 ordinary shares with nominal value of LTL 100 were issued. Shares were paid with cash.

As of 31 December Company's shareholders were the following:

Company	31 December 2012			31 December 2011		
	Number of shares	Proportion of shares, %	Shares with voting rights, %	Number of shares	Proportion of shares, %	Shares with voting rights, %
UAB Liberty Capital Group	12 050	100	100	6 250	100	100
Total	**12 050**	**100**	**100**	**6 250**	**100**	**100**

b) Legal reserves

The legal reserves are a compulsory reserve under Lithuanian legislation. Annual contributions of 5% of the net profit are required until the legal reserve reach 10% of the statutory capital. The appropriation is restricted to reduction of the accumulated deficit.

As of 31 December 2012 and 2011 the legal reserve was not accumulated since the Company suffered a loss.

c) Other reserves

Other reserves are formed regarding the decision of profit distribution by the general annual meeting and articles of incorporation. These reserves might only be used for the objectives set by the general annual meeting.

9. Profit distribution project

	Amount
Undistributed result – profit (loss) – at the end of the previous financial year	(234 046)
Net result of the reporting period – profit (loss)	(511 615)
Distributable result – profit (loss) – at the end of the previous financial year	(745 661)
Distributable profit	
Profit distribution:	
- to statutory reserves	-
- dividends	-
- share capital increase	-
Undistributed result – profit (loss)- at the end of the financial year	**(745 661)**

10. Other accounts payable and current liabilities

As of 31 December other accounts payable and current liabilities consisted of the following:

	2012	2011
Subordinated loans	140 202	132 972
Liabilities, related to salaries	32 562	31 029
Accrued expenses and deferred income	9 832	6 560
Other payable amounts and liabilities	65 422	47 442
Total	**248 018**	**218 003**

The Company has entered into subordinated loan agreement 300 000 NOK (on 31 of December 2012 carried at 140 202 LTL). Interest expenses were equal to LTL 6 942. Loan maturity is at 1 January 2015. Annual interest rate is 5%.

11. Sales

For the year ended 31 December sales consisted of the following:

	2012	From 3 February 2011 (inception date) to 31 December 2011
Commissions, fund management and client service revenues	952 466	125 048
Total	**952 466**	**125 048**

12. Cost of sales

For the year ended 31 December cost of sales consisted of the following:

	2012	From 3 February 2011 (inception date) to 31 December 2011
Commissions, fund management and client service expenses	371 141	53 212
Total	**371 141**	**53 212**

13. Operating expenses

For the year ended 31 December operating expenses consisted of the following:

	2012	From 3 February 2011 (inception date) to 31 December 2011
Payroll expenses and payroll related taxes	717 024	186 832
Marketing expenses	87 014	8 938
Rental expenses	46 610	10 304
Tax expenses (except income tax)	46 010	10 637
Business trip expenses	35 151	1 428
Translation	27 346	2 591
Depreciation and amortization	22 755	4 377
Accounting expenses	21 350	9 482
Representation expenses	18 346	18 154
Audit expenses	14 674	13 121
Utilities	12 514	2 311
Communication expenses	8 530	5 374
Legal and other consultation expenses	7 687	4 858
Vehicles rent expenses	6 259	4 351
Bank services	5 942	2 758
IT maintenance expenses	4 945	2 653
Computers expenses	2 114	14 582
Insurance expenses	368	68
Other	21 796	9 824
Total	**1 106 435**	**312 643**

14. Financing and investing activity

For the year ended 31 December financing and investing activity consisted of the following:

	2012	From 3 February 2011 (inception date) to 31 December 2011
Interest revenues	2 205	-
Revenue from operations in foreign currencies	18 232	8 461
Financing and investing activity income	**20 437**	**8 461**
Interest expenses	6 942	1 700
Financing and investing activity expenses	**6 942**	**1 700**
Result of financing and investing activities	**13 495**	**6 761**

15. Remuneration to management

Financial relations with management as at 31 December consisted of the following:

	2012	Balance as at 31 December 2012	From 3 February 2011 (inception date) to 31 December 2011	Balance as at 31 December 2011
Remuneration per year:				
Managers	**253 313**	**-**	**1 309**	**1 309**
Average annual number of managers	**1**	**1**	**1**	**1**

16. Related party transactions

The Company has entered into subordinated loan agreement 300 000 NOK with Liberty Capital Group UAB.

Table below summarizes related party transactions for the year ended 31 December 2012:

Related party	Assets	Liabilities	Revenues	Expenses
Liberty Capital Group UAB	-	140 202	-	6 942
Total	-	140 202	-	6 942

Table below summarizes related party transactions for the year ended 31 December 2011:

Related party	Assets	Liabilities	Revenues	Expenses
Maxshow AS	-	132 972	-	1 700
Total	-	132 972	-	1 700

17. Contingent assets and liabilities

In 2011 and 2012 the Company did not participate in any legal proceedings which, in management's opinion, would have a material effect on the financial statements.

18. Going concern

The Company's financial statements for the year ended 31 December 2012 were prepared assuming that the Company will continue as a going concern.

Pursuant to the Law on Companies of the Republic of Lithuania, the shareholders' equity must be no less than 50% of the Company's authorized capital. As of 31 December 2012 the authorized capital of the Company amounted to LTL 1 205 thousand and the shareholders' equity amounted to LTL 459 thousand. The Law on Companies of the Republic of Lithuania stipulates that in such case the shareholders shall convene an extraordinary shareholders' meeting to meet the requirements as per the Law on Companies of the Republic of Lithuania.

Due to this reason in March 2013 based on the decision of the sole shareholder the Company's share capital was increased from LTL 1 205 thousand to LTL 1 885 thousand. After the increase of share capital all the legal requirements are met.

These financial statements were prepared assuming the Company will continue to operate. There were no corrections made which would have been necessary, if the Company would not satisfy the going concern's principle.

19. Subsequent events

As stated in Note 19 in March 2013 based on the decision of the sole shareholder the Company's share capital was increased from LTL 1 205 thousand to LTL 1 885 thousand.

There were no other subsequent events which could have a material impact to the financial statements for the period ended as of 31 December 2012.

*****