Acme Corporation SIA

Annual Accounts for the year ended 31 December 2010

(2. financial year)

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Information about a Company

Company`s name	**Acme Corporation**
Legal Status	**Limited liability company**
Company`s core activity	**Holding company**
Refistration number, date and time	**40103225945** **Riga, 21. april 2009**
Legal address	**Citadeles 12** **Riga, Latvia**
Shareholders	**From 13 October 2009:** **Gerald Allen Wirth, personal code 090266-14651 (50%)** **David Alen DeRousse, personal code 290665-11815 (50%)**
Member of the board	**David Alen DeRousse, personal code 290665-11815**
Reporting year	**1 January 2010 – 31 December 2010**
Company`s subsidiaries in the reported year	**SIA „Apex Investments”** **SIA „Neatkarīgā patentu aģentūra”** **SIA „Tukuma Projekts”** **SIA „Big Truck”**
Auditor`sname and address	**Dace Merhele** **Responsible certified auditor** **Certificat Nr. 157** **„Merhels Revidenti Konsultanti” SIA** **Certified auditor`s company, licence Nr. 1** **Citadeles street 12, Riga, LV – 1010, Latvia**

Report of the Management

In April 2009 Company`s subsidiary „Apex Investments” SIA had to pay off bonds. After long negotiations it wasagreed, that the current Apex Investment bonds will be replaced with new Acme Corporation bonds . Acme Corporations establishment is direct result of negotiations with bondholders, who demanded a more transparent and understandable structure f. After repeated bondholder meetings, it was agreed about new bond issue with 8% interest and 25% equity kicker at the moment of bond repayment on the April 2013. On the moment of this report preparation „Acme Corporation” SIA functions as a holding company, owning „Apex Investments” SIA, „Neatkarīgā patentu aģentūra” SIA, „Tukuma Projekts” SIA and „Big Truck” SIA shares. Company does not plan to make any commercical activity. Company`s activity will be limited with the interest income collection from the affiliated companies and further paying to Company`s bondholders.

The global liquidity crisis and economic downturn since 2008 have had major impact on business environment and the financial and operational risks thereof. The sources of funding have dried-up; it affects the Group’s ability to attract new and refinance existing borrowings at terms and conditions commercially acceptable to the Group’s management. While the recovery trend in the global economy is strengthening and the Latvian economy in 2010 has begun to grow again, there still remains material uncertainty about the economic development in the future.

One stipulation of the Acme Bond was for management on a best effort basis to list the bond on the NASDAQ OMX Riga stock exchange. As of 12 July 2010 FKTK has accepted the prospectus as submitted. The bond was successfully listed with NASDAQ OMX Riga on 3 August 2010. Whilst the bond is listed it has demonstrated a significant level of illiquidity. Management is aware of one and only one transaction taking place in the last six months of 2010 at an approximate 80% discount to nominal value.

On 31 January 2011 Acme Corporation paid the interest coupon on the bond as stated in the prospectus. In spite of the fact that the January 2011 coupon was met Bondholders appear to be in a negative equity position. The above mentioned transaction likely assesses fairly the value of bonds at the time of writing.

At the time of bond issue lender Swedbank explicitly stated that they would not revise the terms and conditions of the loan. In July of 2009 Swedbank did a 180 degree reversal of their position to bondholders demanding an increase in senior lender interest rates. Management fought with Swedbank. Management finally succumbed at close of November 2009 by signing revised agreements that change the bank margin from 1.15% to 4.5% on average above 3 month EURIBOR. This fact has a very negative impact on the Group's subsidiary in the ability to settle with the Company and the Company's ability to settle with the bondholders. To emphasize this fact, the Company's loan to related company in 2009 were provisioned.

The Group does not plan issuing any additional debt or acquiring any assets in 2011, but is focused on conserving its cash flow.

Company's risk management focuses on the identified risk limitation. Company's loan currency to related company, application calculation procedure and making payment time fully comply with the loan against bond conditions. Financial resources, which potentially expose the Company to high concentrations of credit risk are cash and related companies debt for the loan. Partners of the company in cash transactions are local financial institutions with an appropriate credit history.

David Allen DeRousse

Member of the board

Riga, 29 april, 2011

Profit and loss accounts

	Attachments	**2010.**	8m 2009.
		LVL	LVL
Administrative expenses	2	**(6 973)**	(11 848)
Other operating income	3	**-**	(2 139)
Interest income and similar income	4	**31 344**	251 269
Longterm financial investments values writes-off	5	**-**	(2 307 000)
Interest expenses and similar expenses	6	**(31 346)**	(251 269)
Profit (losses) before tax		**(6 975)**	(2 320 987)
Income tax	7	**-**	-
Deferred income tax	7	**-**	-
Current year profit (losses)		**(6 975)**	(2 320 987)

Attachments from page 9 till 17 are approved by management of the company on 29 April, 2011.

David Allen DeRousse

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Balance

	Attachments	**31.12.2010. LVL**	31.12.2009. LVL
Assets			
Longterm investments:			
Fixed assets	8	**3 703**	-
Long-term financial investments:			
Cooperation inaffiliated company capital	9	**1 000**	1 000
Loan to affiliated company	10	**1 387 325**	1 493 960
		1 392 028	1 494 960
Current assests:			
Loan to affiliated company	10	**137 978**	-
Affiliated company`s debts		**942**	-
Deferred expenses		**78**	-
Cash	11	**31 136**	46 234
		170 134	46 234
Total assests		**1 562 162**	1 541 194
Liabilities			
Equity:			
Fixed capital	12	**2 000**	2 000
Retained earnings/ (acrued losses):			
a) previous years (accrued losses)		**(2 320 987)**	-
b) current year losses		**(6 975)**	(2 320 987)
		(2 325 962)	(2 318 987)
Long-term creditors:			
Loans against bonds	13	**3 626 326**	3 786 373
		3 626 326	3 786 373
Short-term creditors:			
Loans against bonds	13	**191 391**	-
Loans from related parties	13	**68 000**	68 000
Debts to suppliers and contractors		**235**	68
Other reditors		**25**	-
Accrued liabilities		**2 147**	5 740
		261 798	73 808
Total equity		**1 562 162**	1 541 194

Attachments from page 9 till 17 are approved by management of the company on 29 April, 2011.

David Allen DeRousse
Member of the board

Cash flow statements

	Attachments	**2010. LVL**	8m 2009. LVL
Cash flows from basic activities*:*			
Current year losses coordination with net cash flow from basic activity			
Current year profit (losses) before tax		**(6 975)**	(2 320 987)
Depreciation expenses	8	**1 217**	-
Interests expenses	6	**31 346**	251 269
Interest income	4	**(31 344)**	(251 269)
Long-term financial investment values decrease	5	**-**	2 307 000
Roundup difference		**(1)**	-
Net cash flow before changes in current assets		**(5 757)**	(13 987)
Changes in debtors		**(1 020)**	-
Changes in creditors		**(3 401)**	5 808
Net cash flow from basic activity before income tax payments		**(10 178)**	(8 179)
Income tax payments		**-**	-
		(10 178)	(8 179)
Cash flow from activities with investments:			
Fixed asset acquisition	8	**(4 920)**	-
Payments for subsidiary company share acquisition		**-**	(1 000)
Interest received	10	**-**	53 413
		(4 920)	52 413
Cash flow from financial activity:			
Cash from issue part		**-**	2 000
		-	2 000
Net cash and its equivalent increase/ (decrease)		**(15 098)**	46 234
Cash and its equivalents at the beginning of the reported year	11	**46 234**	-
Cash and its equivalents at the end of the reported year	11	**31 136**	46 234

Attachments from page 9 till 17 are approved by management of the company on 29 April, 2011.

David Allen DeRousse
Member of the board

Statement of changes in equity

	Share capital	Accrual losses	Total
	LVL	**LVL**	**LVL**
Balance at 21.04.2009.	-	-	-
Paid-in captal	2 000	-	2 000
Reported year result	-	(2 320 987)	(2 320 987)
Balance at 31.12.2009.	2 000	(2 320 987)	(2 318 987)
Reported year result	-	(6 975)	(6 975)
Balance at 31.12.2010.	**2 000**	**(2 327 962)**	**(2 325 962)**

Attachments from page 9 till 17 are approved by management of the company on 29 April, 2011.

David Allen DeRousse

Member of the board

Summary of significant accounting policies

Overall considerations

The statements have been prepared in lats in accordance with Latvian Republic Reporting Law as adopted for use in Latvia accountant standads (LGS).

During the reporting year took effect LGS 10 "Leases" and LGS 11 "Collections". This standard implementation should not affect the Company's financial condition assessment and financial performance results.

2009 was the Company`s first reported year, which covered the period from the company's establishments on 21st April, 2009 till31st December, 2009. As 2010 covers the full 12 months, then profit and losses calculation positions for 2010 are not comparable with 2009 profit and losses calculation positions.

Profit and losses statement is made inaccordance with turnover expenses method. Cash flow statement is made after indirect method.

This is the Company's individual financial statements. Consolidated financial statement, which covers the Company and its subsidiaries (the Company and subsidiary companies, together hereinafter - "the Group"), are made separately

Going concern

The Company was set-up on 21 April 2009 within the restructure of the subsidiaries and retiring of Apex Investments SIA bonds in April 2009. Company's core business is the holding company activities. This activity covers a long-term investment in related companies and affiliated holding company "Apex Investments” SIA. partial funding. The income consists of net interest income of "Apex Investments” SIA. In the future, the Company expects to generate revenue through dividends and capital increases. That revenue is dependent on the Group's results of operations, cash flows and economic development of Latvian as a whole.

The global liquidity crisis and economic recession at the outset of the 2008, is a major factor in the overall business environment and the economic activities of the financial and operational risk profile. Essentialy deadlocked funding sources, which negatively affect the Group's ability to obtain new borrowings and refinance obligations on terms acceptable to the Group. The Group's debtor may be affected bya reduction of liquidity. Although tin 2010 the world economy is showing signs of recovery and trends in the Latvian economy has shown growth, there still remains significant uncertainty about future economic development . Management believes that under current conditions it is using all means at its disposal to ensure the sustainable development of the Group's business

On 31st of January 2010 Company's short-term liabilities exceeded its current assets of EUR 91,664 (31.12.2009.: LVL 27 574) and total liabilities exceeded its total assetsof EUR 2,325,962 (31.12.2009.: USD 2,318,987). Nevertheless, management believes that the company is solvent because it has enough funds to successfully settle with creditors on short-term debt and, if necessary, the Company will be able to extend short-term related party loans
On the basis described above, the Company's management believes that the going concern basis review of financial statements is applicable.

Use of estimate

Preparing financial statement, management is based on known estimates and assumptions that affect the balance sheet and income statement of assets, as well as the amount of potential liabilities. Future events could cause the assumptions on which these estimates are made to change. Any changes in estimates will be reflected in the financial statements as determined.

Fair value estimation

Fair value is amount, for which there is a possibility to exchange some assets or liabilities to pay withinh transaction between well-infofrmed, interested parties, which are not financially related.

Foreign currency translation

The financial statements are presented in ‘Latvian lats’ (‘LVL’). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company. In recognition of revenue, the following conditions are taken into account:

Interest income

Interest income is recognised on a time-proportion basis.

Dividend

Revenue is recognized when the Company has thethe right to a dividend.

Related Companies benefit accrued

Revenue and costs, which have developed in affiliate company benefit, are listed separately and are not a company's income and / or operating expenses

Fixed assests

Fixed assets are capitalized acquisitions of the value over EUR 200, and the estimated economic useful life time exceedsone year. Fixed assets are stated at cost less depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line economically useful life,. using the following rates set by management:

	Years
Automobile	2

Maintenance costs are included in the profit and loss account of that period when arise. Costs that extend the asset's useful economic life and / or increase its economic strength are capitalized.

Profit and losses from fixed asset disposals are counted as a diference between fixed asset value in balance and gained income from sale, and included into profit and loss account period when they appear.

Investments into related companies

Investments in Group`s subsidiary capitals are listed in acquisition value, less impairment losses. The company recognizes revenue only when it is received after the date of acquisition incurred,. Amounts received in excess of such profits are considered a recovery of investment and are recorded as a reduction in the cost of the investment.

If there is objective evidence that the investment in subsidiary companies balance is impaired, the impairment loss is calculated as the difference between the investment's carrying amount and its recoverable amount. Recoverable value is defined as the greater of two things - the investment's fair value less costs to sell and value in use. Losses on investments for impairment can be reversed if, after theprevious time it was recognized estimated impairment losses have changed.

Loans

Loans and claims are recognized when cash is advanced to the borrowers. They cease to recognize the right to receive money from the financial assets have expired or have been transferred to someone else and when the Company has transferred ownership of all risks and rewards.

Loans and claims are recognized initially at fair value and subsequently carried at amortized cost using the effective interest method, net of asset impairment.

Borrowings

Borrowings are recognized initially received in cash , net of transactioncosts. Borrowings are subsequently measured at amortized cost, which is determined using the effective interest rate . The difference between the amount received in cash, net of transaction costs, and the redemption value is recognized in the income statement.

Borrowing and loan classification

Borrowing (loans), or portions thereof shall be classified as short-term, if the obligation to settle the liability (the right to collect orders) occurs within 12 months after the balance sheet date. Borrowing (loans), or portions thereof shall be classifiedas long-term, if the obligation to settle the liability (the right to collect orders) occurs later than 12 months after the balance sheet date.

This financial report borrowing (lending) is made up of short-2011 during the year to be taken (receivable) coupon bond (the loan interest income) charges.

Taxes

Corporate income tax costs are included in the financial statements based on management according to the Latvian tax legislation.

Deferred tax is provided using the liability method, on temporary differences between assets and liabilities in the financial statements and their values for tax assessment purposes. Deferred tax is determined using currently enacted tax rates expected to apply when intended to realize the deferred tax asset or settle the deferred tax liability. The principal temporary differences arise from long-term financial value of assets and tax losses carried forward to subsequent tax periods. A deferred tax asset is recognized when it is probable that will be gained with taxable profits ofwhich will be available in temporary differences.

Cash andcash equivalents

Cash and cash equivalents consist of balances in bank accounts.

Related parties

Related parties are defined as members, Board members, their close family members and the communities in which these persons exercise significant influence or control.

	2010.	8m 2009.
	LVL	LVL
Administrative expenses		
Professional fees	**(4 275)**	(11 791)
Transportation maintenance and operating expenses	**(1 368)**	-
Depriciation of fixed assests expenses	**(1 217)**	-
Other administrative expenses	**(113)**	(57)
	(6 973)	(11 848)

Other economic activity expenses		
Bond issue and servicing expenses	**-**	(1 267)
Other economic activity expenses	**-**	(872)
	-	(2 139)

Reviewed the Company's affiliated companies are invoiced for their benefit accrued costs following: a bond to initiate the listing attributable costs - LVL 4 084, of securities listing - LVL 942, the auditor's remuneration for consultations consolidated interimstatements - LVL 605

Interest income and other income		
Interest income and loan discount depriciation, gross	**403 693**	251 269
Interest income and loan discount decrease	**(372 349)**	-
	31 344	251 269

Based on the debenture loan's future cash flow projections for the review, the Company reduced the reporting of gross interest income of EUR 372,349 (see 6., 10.and 13. Appendix).

Long-term financial investment values writes-off		
Related company loan value decrease (see. 10. attachment)	**-**	(2 239 000)
Investments in subsidiaries Impairment (see. 9. attachment)	**-**	(68 000)
	-	(2 307 000)

Interest paymentsand other expenses		
Interest payments and bond discount depriciation, gross	**(403 693)**	(251 269)
Interest payment and bond discount decrease	**372 349**	-
Penalties	**(2)**	-
	(31 346)	(251 269)

Based on the bond 's future cash flow projections, the Company has recalculated the loan balance in reference to the end of the year. Conversion of this value is EUR 372,349 less than the basis of the preceding year, the estimated borrowing against bonds estimated value (see section 13. Appendix).

Income tax

Company's year end did not result in income tax liability or asset.

(a) Deferred tax 31 for the analysis

Deferred tax is calculated on temporary differences between assets and liabilities and their values corporate income tax purposes::

	31.12.2010.	31.12.2009.
	LVL	LVL
Gross deferred tax (liabilities):		
Depreciation for tax effect	**(39)**	-
Gross deferred tax assets:		
Effect of temporary differences Investments in subsidiaries	**10 200**	10 200
Temporary differences in the effect of the loan to related company	**335 850**	335 850
Review of the tax effect of temporary differences in loss	**423**	2 098
	346 473	348 148
Unrecognized deferred tax asset	**346 434**	348 148

(b) Theoretical tax of actual tax expense

	2010.	8m 2009.
	LVL	LVL
Profit/ (loss) before tax	**(6 975)**	(2 320 987)
Theoretical tax rate of 15%	**(1 046)**	(348 148)
Expenses which may not reduce the taxable income	**2 760**	-
Change in unrecognized deferred tax asset	**(1 714)**	348 148
Tax expenses/ (income)	**-**	**-**

(c) Information on tax losses

Review the end of the year the Company has developed into a tax loss of 2 819 LVL.This loss can be carried forward until 2017. end of the year.

Fixed assets

	Car
	LVL
Initial value	
31.12.2009.	-
Delivered in 2010*	4 920
31.12.2010.	4 920
Depriciation	
31.12.2009.	-
Calculated for 2010	(1 217)
31.12.2010.	(1 217)
Net book value 31.12.2009.	-
Net book value 31.12.2010.	**3 703**

* The fixed asset is delivered from related company.

Investments in subsidiary companies

(a) Analysis of the value change in a subsidiary

	2010.	2009.
	LVL	LVL
Residual value 1. janvārī/ 21. aprīlī	**1 000**	**-**
„Apex Investments” SIA share acquisition	**-**	20 000
„Neatkarīgā patentu aģentūra” SIA share acquisition	**-**	20 000
„Investbūve” SIA share acquisition	**-**	20 000
„Big Truck” SIA share acquisition	**-**	8 000
„Tukuma Projekts” SIA share acquisition	**-**	1 000
Impairment losses	**-**	(68 000)
Residual value 31. decembrī	**1 000**	1 000

(b) Information about subsidiaries

Name	Equity		Profit/ (loss)	
	31.12.10.	31.12.09.	**2010.**	2009.
	LVL	LVL	**LVL**	LVL
„Apex Investments” SIA	**(5 377 0650**	(5 599 433)	**228 979**	**(2 600 003)**
„Neatkarīgā patentu aģentūra” SIA	**(7 328 470)**	(4 781 891)	**(748 670)**	**(120 521)**
„Investbūve” SIA	**-**	(1 795 460)	**-**	**(1 122 893)**
„Tukuma Projekts” SIA	**126 613**	40 823	**85 790**	**67 531**
„Big Truck” SIA	**(569 007)**	(531 446)	**(37 561)**	**38 545**

Subsidiary legal address is Citadeles 12, Riga, Latvia.

Name	Participation of the Group's subsidiaries		Participation shares in subsidiary companies carrying value	
	31.12.10.	31.12.09.	**31.12.10.**	31.12.09.
	%	%	**LVL**	LVL
„Apex Investments” SIA *, ***	**100**	100	**-**	-
„Neatkarīgā patentu aģentūra” SIA *, **, ***	**100**	100	**-**	-
„Investbūve” SIA *, **, ***	**-**	100	**-**	-
„Tukuma Projekts” SIA ***	**100**	100	**1 000**	1 000
„Big Truck” SIA *, ***	**100**	100	**-**	-

* 2009 On 31st December was found in a subsidiary dilution as a result of the investment value was written off.
** 2010 On the 25th For "Investbūve" Ltd. was merged to the acquiring company"NPA" SIA. On that date the reorganization was registered in the Commercial registery. All "Investbūve" SIA assets and liabilities are taken over by NPA "SIA.
*** shares in the subsidiary have been pledged to ensure the Company's obligations to the bondholders.

Loans to affiliated company

(a) The value change analysis

	2010.	2009.
	LVL	LVL
Residual value 1. january/ 21. april	**1 493 960**	-
The loan granted	**-**	3 535 104
Accrued interest income and amortized discount, gross	**403 693**	251 269
Accrued interest income and amortized discount on the loan balance reduction of estimated values of the reduction	**(372 349)**	-
Interest income received	**-**	(53 413)
Impairment losses	**-**	(2 239 000)
Rounding difference	**(1)**	-
Residual value 31. december	**1 525 303**	1 493 960

(b) Loans to related company maturity

	31.12.2010.	31.12.2009.
	LVL	LVL
Long-term part:		
Basic amount	**3 535 104**	3 535 104
Accrued interest income and amortization of discount	**91 221**	197 856
	3 626 325	3 732 960
Short-term part:		
Accrued interest income and amortization of discount	**137 978**	-
	137 978	-
Total loans, gross	**3 764 303**	3 732 960
Impairment loss	**(2 239 000)**	(2 239 000)
Loan residual value	**1 525 303**	1 493 960

Anunsecured loans to related company "Apex Investments SIA. has been issued by refinancing its 2009 On the 30th April corporate bond with an Acme corporate bonds. Loan terms are fully aligned with the bond issue terms. Original Apex Investment loan amount wasEUR 5 030 000. Loan repayment value of the current Acme bond at the end of term is EUR 6,050,436.The loan repayment date is 30 April 2013. The bond the yield is 8%, which consists of current interest income between 4% and 6% annuasllyAnd an accrued portion due at bond maturity. Interest on the bond is to start paying from 2011 30th January. (see section 13. (a)).

The equity kicker Lump sum 2009 On 31st December was estimated at EUR 472 thousand. In order to estimate this amount, management made a series of assumptions (see section 13.Appendix). This estimate was taken into account to determine the effective interest rate loan, which was calculated at 10.61% per annum. On 2010 on 31st Decembermanagement revised the equity kicker lump sum basis, based on current estimates the expected value of the equity kicker is zero. Accordingly, management has recalculated thev alue of the loan balance 2010 On 31st December, finding LVL 372,349 difference to the original estimate. Of these differences were reduced in the reporting of gross interest income and discount the amount of amortization.

2009 On 31st December, taking into account the daughter companiess financial position deteriorating, management's has assessed that the bond should be provisioned in the amount of LVL 2.239 million r. In management's opinion, tat year end 2010. , this provision is still valid.

Cash

The ending balance is LVL 31 136 (31.12.2009.: LVL 46 234) held in bank account .

Share capital
Subscribed and fully paid up share capital consists of 2,000 shares with a nominal value of LVL 1 each.

	31.12.2010. **LVL**	31.12.2009. LVL
Borrowings		
Long-term		
Borrowings for bonds:		
Basic amount	**3 535 104**	3 535 104
Accrued interest expense and discount amortization	**91 222**	251 269
	3 626 326	3 786 373
Short-term		
Borrowings for bonds (accrued interest and discount amortization)	**191 391**	-
Loans from related parties	**68 000**	68 000
	259 391	68 000
Total borrowings	**3 885 717**	3 854 373

(a) Borrowings for bonds
Bonds formed 2009 On the 30th April, the Company refinancing its daughtercompanies' Apex Investments SIA. Due an payable on 30 April 2009(see 10th annex). The Bonds issued by the Apex Investment had a nominal value EUR 5 030 000 The new Acme bond has a redemption value or nominal value of EUR 6,050,436 . The Acme bond consist of 5030 pieces with an initial nominal value ofEUR 1 203. Thebond matures in 2013 on the 30th of April. The bonds, interest income of 8% per annum. Current coupon interest percentages increase over time starting at 4% and ending at 6% per year. The first interest payment is scheduled for 30 January 2011.
At maturity the bondwill pay out nominal value which includes a portion of accrued interest. In additiona to interest the bond will pay an equity kicker as a lump sum equal to 25% of calculated equity.

Equity kicker = ((NĪ + N + PLML) – (A + PLML + OE)) * 25%, where

- NĪ – The Group's real estate fair value
- N – The Group's cash and 30 days of receivables
- PLML – interest rate swap contract evaluation
- A – The Group's borrowings
- OE – issued bonds redemption value

Equity kicker on 2009 On 31st December was estimated at EUR 472 thousand. This estimate was based on the above formula, 2013th On the 30thApril. Estimates of the needs of management applied the following methodology and made the following significant assumptions:

- NĪ – The real estate value is determined, by estimated Group's operating financial net operating results divided by an estimated rate ofreturn desired by portential investors. The estimated rate of return is based on management'sexpectations of such property in the future market . Net operating result are based on management forecast of revenue and expenses for 2010 - 2014 .
- N – it is assumed that this amount is zero;
- PLML – it is assumed that the Group will not conclude an interest rate swap (the beginning of the year interest rate swap 2009th was discontinued in December);
- A – borrowing is fixed, based on the Group's debt service cash flow projections.

Equity Kicker was taken into account to determine the effective interest rate of bonds,which was calculated at 10.66%.

On 31 December 2010 management of the Company revised an initial equity kicker calculation:
- Taking into account the estimated reduction in net operating result;
- Real estate - The rate of return and net operating financial results were revised, 2011 - 2015 ;
- N, PML, A - no change compared to previous year.

Above results showed that the equity kicker revised value of 31 December 2010 to be zero.Accordingly, management has recalculated the bond book value for the 31st of December 2010, .

(b) Loans from related parties

	2010. **LVL**	2009. LVL
Residual value 1. january/ 21. april	**68 000**	**-**
Loan received from the members:		
David DeRousse	**-**	10 000
Jerry Wirth	**-**	34 000
Svetlana Kunder DeRousse (Member of Company till 13.10.09.)	**-**	24 000
Residual value 31. december	**68 000**	68 000

The above non-interest bearing and unsecured loans originated from 2009 1st of June, with claim against the shares of "ApexInvestments Ltd.," NPA "Ltd.," Investbūve "SIA," Tukums Project"Ltd. and" Big Truck "SIA .The maturity of the loans was 31 May 2010. During 2010 r the loans had been extended for another year**.**

Tax payments

Company during the financial year estimates of personal income tax on road use for personal needs LVL 200. The taxable amount and late payment penalty of LVL 2 has been paid. .

Related party transactions

Infomation about significant Company`s transactions with related parties see in 3., 8., 9., 10. and 13. attachments.

Information about employee

During the year the Company did not have staff and Board members received noremuneration.

	2010. **LVL**	8m 2009. LVL
Auditors to provide professional services		
Consideration for the Company's individual and the Group consolidated financial statement audit	**4 270**	11 438
Other services	**605**	**-**
	4 875	11 438

Remuneration for audit services is included in the income statement under "administrative expenses" constituent item "Professional service costs. " Othercharges were accrued in favor of affiliated companies and are not recognized in the financial statements.