

Joint stock company

GROBINA

Non- audit

**2005. First quarterly
Financial report**

CONTENTS

General information	3
Profit or loss statement about first quarterly on 2005	4
Balance on March 31, 2005	5-6
Statement of changes in equity about first quarterly on 2005	7
Cash flow statement about first quarterly on 2005	8
Attachment	9

GENERAL INFORMATION

Company name	Joint-stock company "Grobiņa"
Legal form	Public join-stock company
Registration number, place, date in commercial register	Unified registration number: 40003017297 Riga July 12, 2004
Legal address	Lapsu Street 3, Dubeni, Grobina district, Liepaja region, Latvia, LV- 3438
Principal activities	Fur-farming, agricultural produce production, refinement and realization, trade and mediation, transport services
Joint-stock company "Grobiņa" chairman of council	Andris Upenieks
Joint-stock company "Grobiņa" councillors	Jānis Siliņš Agris Nagliņš Ojārs Petrēvics Jānis Briedis
Joint-stock company "Grobiņa" chairman of board	Laimonis Laugalis
Joint-stock company "Grobiņa" regents	Anatolijs Gorbunovs Gunta Isajeva
Financial period	January 1, 2005 – March 31, 2005
Auditor	"Auditorfirma Grāmatvedības un revīzijas birojs" SIA Inženieru street 99-48, Ventspils, LV-3601, Latvia Certified auditor Aija Kurta Certificate No. 128

PROFIT OR LOSS STATEMENT ABOUT FIRST QUARTERLY ON 2005

	2005 1.term LVL	2005 1.term EUR	2004 1. term LVL	2004 1. term EUR
1. Net turnover	199708	284159	549906	782446
2. Cost of sales	(142428)	(202657)	(374834)	(533341)
3. Gross profit	57280	81502	175072	249105
4. Sales distribution costs	(8976)	(12772)	(17870)	(25427)
5. Administration costs	(26168)	(37234)	(29793)	(42392)
6. Other operating income	1131	1609	5156	7336
7. Other operating expenses	(2037)	(2898)	(7609)	(10827)
10. Other interest receivable and similar income				
12. Interest payable and similar expenses	(1397)	(1988)	(645)	(918)
16. Profit before tax	19833	28220	124311	176879
17. Tax on profit for financial period	-	-	-	-
18. Other taxes	(125)	(178)	(125)	(178)
19. Profit for the financial period	19708	28042	124186	176701

Laimonis Laugalis
Chairman of board

Dubēņi, May 27, 2005

BALANCE ON MARCH 31, 2005

	2005	2005	2004	2004
	31.03.	31.03.	31.03.	31.03.
	LVL	EUR	LVL	EUR
<u>Assets</u>				
Long – term investments				
I. Intangible investments				
2. Concessions, patents, licensees, trade-marks and similar rights	1165	1658	1177	1675
Intangible investments totally:	1165	1658	1177	1675
II. Fixed assets:				
1. Lands, buildings, constructions and perennial plantations	216553	308127	140085	199323
3. Technological equipments and machines	259207	368818	188557	268292
4. Other fixed assets and inventory	65340	92970	36707	52229
5. Forming of fixed assets and costs of unfinished objects of construction	41356	58844	12579	17898
6. Advance payments for fixed assets	5702	8113	113709	161793
Fixed assets totally:	588158	836873	491637	699536
III. Long-term financial investments				
5. Other securities and investments	352	501	286	407
Long term financial investments totally:	352	501	286	407
Long-term investments totally:	589675	839032	493100	701618
Current assets				
I. Stocks:				
1. Raw materials, direct materials and auxiliary materials	187441	266705	152406	216854
3. Complete products and goods for sale	750884	1068412	468096	666041
5. Advance payments for goods	7359	10471	13543	19270
6. Work animals and productive animals	279371	397509	176468	251091
Stocks totally:	1225055	1743096	810513	1153256
II. Debtors:				
1. Costumers and clients debts	515	733	43965	62557
4. Other debts	103450	147196	30972	44069
7. Accrued income	197822	281475	167899	238899
Debtors totally:	301787	429404	242836	345524
IV. Cash assets	289733	412253	236487	336491
Current assets totally:	1816575	2584753	1289836	1835271
<u>Assets totally</u>	2406250	3423785	1782936	2536889

BALANCE ON MARCH 31, 2005

	2005 31.03. LVL	2005 31.03. EUR	2004 31.03. LVL	2004 31.03. EUR
<u>Liabilities</u>				
Equity capital:				
1. Stock or share capital	500000	711436	500000	711436
5. Reserves				
c) Reserves prescribed by enterprise	54454	77481	54454	77481
6. Retained profit				
a) Retained profit for previous year	1194210	1699208	951627	1354043
b) Retained profit for the year	19708	28042	124186	176701
accountant				
Equity capital totally:	1768372	2516167	1630267	2319661
Stockpiles:				
3. Other stockpiles	12958	18438	-	-
Stockpiles totally:	12958	18438	-	-
Creditors:				
Long-term debts:				
3. Bank borrowings	-	-	7262	10333
4. Other borrowings	255210	363131	-	-
12. Deferred income	18800	26750	18651	26538
Long-term debts totally:	274010	389881	25913	36871
Short-term debts:				
3. Bank borrowings	-	-	5862	8341
5. Customers advanced payments	211932	301552	1086	1545
6. Debts to suppliers and contractors				
	100126	142466	90961	129426
10. Tax and social security payments				
	12260	17444	8591	12224
11. Other creditors	14108	20074	10930	15552
12. Deferred income	12484	17763	9326	13270
Short-term debts totally:	350910	499300	126756	180358
Creditors totally:	624920	889181	152669	217228
<u>Liabilities totally</u>	2406250	3423785	1782936	2536889

Laimonis Laugalis
Chairman of board

Dubēni, May 27, 2005

STATEMENT OF CHANGES IN EQUITY ABOUT FIRST QUARTERLY ON 2005

	Equity capital	Equity capital	Reserve s prescrib ed by enterpri se	Reserv es prescri bed by enterpr ise	Retained profit	Retained profit	Totally	Totally
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
January 1, 2004	500000	711436	47400	67444	958681	1364080	1506081	2142960
Profit for the financial period					242583	345165	242583	345165
Reserves prescribed by enterprise increase- 5% from year 2003 profit			7054	10037	(7054)	(10037)		
December 31, 2004	500000	711436	54454	77481	1194210	1699208	1748664	2488125
Profit for the financial period					19708	28042	19708	28042
Reserves prescribed by enterprise increase- 5% from year 2004 profit								
March 31, 2005	500000	711436	54454	77481	1213918	1727250	1768372	2516167

Laimonis Laugalis
Chairman of board

Dubēni, May 27, 2005

CASH FLOW STATEMENT ABOUT FIRST QUARTERLY ON 2005

	2005 1. term LVL	2005 1.term EUR	2004 1.term LVL	2004 1.term EUR
Business activities cash flow				
1. Profit or loss before tax	19833	28220	124311	176879
<u>Corrections:</u>				
a) wear of fixed assets	17709	25198	12506	17794
b) profit of loss from foreign currency exchange rate fluctuation	1579	2247	-	-
2. Profit of loss before current assets and short-term liabilities residue correction influence	39121	55664	136817	194673
a) Stock residue (increase)/ decrease	49556	70512	287322	408822
b) Debtors debt residue (increase)/ decrease	(203780)	(289953)	(155489)	(221241)
c) To suppliers, contractors and other creditors payable debt residue (increase)/ decrease	108957	155032	(17838)	(25381)
3. Gross basic activities money flow	(6146)	(8745)	250812	356873
5. Realty tax costs	(125)	(178)	(125)	(178)
8. Basic activity net cash flow	(6271)	(8923)	250687	356695
Investments action cash flow				
1. Company stock or share purchase.	(31052)	(44183)	(37156)	(52868)
9. Investments activity net cash flow	(31052)	(44183)	(37156)	(52868)
Financing activity cash flow				
1. Received borrowings	456423	649431	45771	65126
2. Costs about credit repayment	(201213)	(286300)	(47823)	(68046)
10. Financing activities net cash flow	255210	363131	(2052)	(2920)
Foreign currency exchange rate fluctuation result	(1579)	(2247)		
Financial period net cash flow	216308	307779	211479	300824
Cash and its equivalents residue in the beginning of financial period	73425	104474	25008	35583
Cash and its equivalents residue in the end of financial period	289733	412253	236487	336491

Laimonis Laugalis
Chairman of board

Dubēni, May 27, 2005

ATTACHMENT

1. Foreign currency conversion in LVL

Accountancy in enterprise is in LVL. All dealings in foreign currency is converted in LVL according to official currency rate made by the Bank of Latvia in day the conclusion of bargain has made.

Finances and liabilities in foreign currency are converted in LVL in last day of financial period according to official currency rate made by the Bank of Latvia. In result of foreign currency exchange rate fluctuation earned profit or loss is disclose in the end of accordant period in profit or loss statement.

	2005. 31.03. Ls	2004. 31.03. Ls
1 USD	0,543	0,543
1 EUR	0,702804	0,661
1 DKK	0,0944	0,0888
1 LTL	0,204	0,191
1 RUB	0,0195	0,0190

Financial report positions is converted in EUR according to currency rate made by the Bank of Latvia on March 31, 2005: 1 LVL = 0,702804 EUR

2. Coefficient "profit on stock" (EPS)

2005. First quarterly net profit on one stock is 0,039 Ls.