

Joint Stock Company "GROBIŅA"

(Registration number 40003017297)

NON -AUDITED

FINANCIAL STATEMENTS FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER, 2013

The items of the Financial Statement were converted to EUR according to the exchange rate fixed by the Bank of Latvia
as at 30 September 2013: LVL 1 = EUR 0.702804 and it is only for informative purposes.

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General Information

Name of the Company	Joint stock company "Grobiņa"
Legal status of the Company	Public joint stock company
Registration number, place, date	40003017297 Riga, 12 July 2004
Address	Lapsu Street 3, Dubēni, Grobiņa district Latvia, LV-3438
Names and legal addresses of related and associated companies (indicating the Company's percentual share in the equity of these companies)	Not applicable
Core Business Activities of the Company	Raising of other animals, NACE 01.49
Names and positions of the Board members:	
Chairman of the Board	Gundars Jaunsleinis
Member of the Board	Gunta Isajeva
Member of the Board	Andris Vītoliņš
Names and positions of the Council members	duration in accordance with data from the Register of Enterprises
Chairman of the Council	Ojārs Osis
Deputy Chairman of the Council	Argita Jaunsleine
Member of the Council	Gunārs Laugalis
Member of the Council	Linda Elsberģe
Member of the Council	Silvija Neimane
Reporting period	1 January, 2013 – 30 September, 2013

Management Report

Core Business Activity

Core business activity of JSC "Grobiņa" is fur-farming of minks.

Operations during the reporting year

The amount of the net turnover of the first 9 months of 2013 is LVL 2 491 603, it has increased by 96%, if compared to the first 9 months of 2012. This year the exercise prices at the auction houses have increased by 84%. In the first 9 months of 2013 we have sold 53 821 mink skins for an average price LVL 45,62 per piece. In the first 9 months of 2012 there were 48 796 mink skins sold for an average price LVL 24,85 per piece and 4 fox skins sold for an average price LVL 13,12 per piece. The actual cost of mink skin in year 2012. was 23,77 LVL per piece, but the actual cost of the mink skin achieved till the september 2013 is 26,73 LVL per piece.

In the first 9 months of 2013 the average number of employees in JSC "Grobiņa" was 83, where in the first 9 months of 2012 it was 83.

The profit of the first 9 months of 2013 is LVL 803 873 . Net earnings per share are LVL 1,608 or EUR 2,288, where in the same period of 2012 the net earnings per share were LVL 0.118 or EUR 0.167.

Financial results

Total liquidity ratio = 2.17

Current liquidity ratio = 0.56

Quick liquidity ratio = 0.46

Specific weight of liabilities in the balance sheet = 0.68

Debt/Equity Ratio = 2.17

Inventory turnover ratio = 0.77

Asset turnover ratio = 0.33

Profitability on sales (%) = 32.26%

Return on equity (%) = 33.38%

The company follows the precautionary liquidity risk management, ensuring that the relevant finance resources are available to commit to liabilities within the agreed deadlines. On 30th September 2013 the value of current assets exceeded the short-term liabilities for 1 549 515 LVL. The long-term liabilities include bank loan with a repayment deadline - 10th October 2014. The management of the company considers the company to have sufficient financial resources for its liquidity not to be endangered.

Future perspective

On the 1st quarter of 2013, JSC "Grobina" continues work on the project "Fur animal breeding closures" at Pavilosta district, Vergale parish „Celmalnieki”. Based on the necessity for additional works defined by performing farms construction works, on 20th of August, 2013 has been signed additional agreement on the Contracting agreement with the builder - Poland's company „PRO-FUR FARM EQUIPMENT” Bożena Mielenczuk about the changes in the work amount and also in the total contract value, by stating the contract value 3 568 339,66 LVL.

JSC "Grobina" is continuously working on development and implementation of a new project - establishment of a brand new facilities for food preparation, in JSC "Grobina" property at Brīvības street 119 A and Brīvības street 119B, Liepāja, which in future could provide animal food not only for JSC "Grobina", but also for other farms in Latvia and Lithuania. The management of JSC "Grobina" is ensuring the realization of this projects with JSC "Grobina" fundings and also by attracting the fundings from credit institutions. As informed before, the implementation of this project is planned to be done in several stages over several years and the amount of investments would start from 1,5 million LVL up to 5 million LVL.

Chairman of the Board _____ Gundars Jaunsleinis

Member of the Board _____ Andris Vītoliņš

Member of the Board _____ Gunta Isajeva

30th October 2013

STATEMENT ON MANAGEMENT'S RESPONSIBILITY

The Management of Joint Stock Company "Grobiņa" is responsible for the preparation of the Company's Financial Report.

The Management of Joint Stock Company "Grobiņa" confirms that the Financial Report for the first nine months of 2013 has been prepared in accordance with the requirements of the applicable laws and regulations and gives a true and fair view on the JSC "Grobiņa" assets, liabilities, financial position and loss. The Management Report contains true information.

Internal risk control procedures are effective, risk management and internal control during the reporting year were performed in accordance with internal control procedures.

The Management of Joint Stock Company "Grobiņa" is responsible for the compliance with the requirements of laws and regulations of the Republic of Latvia.

Chairman of the Board_____

Gundars Jaunsleinis

Member of the Board_____

Gunta Isajeva

Member of the Board_____

Andris Vītoliņš

30 October, 2013

BALANCE SHEET

ASSETS	30.09.13. LVL	30.09.13. EUR	30.09.12. LVL	30.09.12. EUR
Non-current assets				
II Tangible assets				
Land, building and construction	450 008	640 304	333 664	474 761
Equipment and machinery	76 891	109 406	90 463	128 717
Other fixed assets and equipment	219 453	312 253	74 508	106 015
Construction in progress	330 341	470 033	33 158	47 180
Advance payments for tangible assets	2 102 108	2 991 030	0	0
Total tangible assets	3 178 801	4 523 026	531 793	756 673
IV Biological assets				
Breeding animals	1 605 311	2 284 152	1 605 725	2 284 741
Advance payments for breeding animals	2 811	4 000	2 811	4 000
Total biological assets	1 608 122	2 288 151	1 608 536	2 288 741
Total non-current assets	4 786 923	6 811 178	2 140 329	3 045 414
Current assets				
I Inventories				
Raw materials and consumables	133 996	190 659	125 634	178 761
Unfinished production	1 213	1 726	0	0
Finished production and goods for sale	293 510	417 627	210 729	299 840
Prepayments for goods	15 784	22 459	1 038	1 477
Food-producing animals	1 688 393	2 402 367	968 944	1 378 683
Total inventories	2 132 896	3 034 838	1 306 345	1 858 761
III Receivables				
Trade receivables	29 521	42 005	14 814	21 078
Other receivables	94 154	133 969	84 012	119 538
Prepaid expenses	6 012	8 554	1 866	2 655
Total receivables	129 687	184 528	100 692	143 272
V Cash (total)	614 712	874 656	12 549	17 856
Total current assets	2 877 295	4 094 022	1 419 586	2 019 889
Total assets	7 664 218	10 905 200	3 559 915	5 065 303

BALANCE SHEET (continued)

EQUITY AND LIABILITIES	30.09.13. LVL	30.09.13. EUR	30.09.12. LVL	30.09.12. EUR
I Equity				
Share capital (equity)	500 000	711 436	500 000	711 436
Reserves:				0
d) other reserves	54 454	77 481	54 454	77 481
<i>Total reserves</i>	54 454	77 481	54 454	77 481
Retained earnings				0
a) retained earnings for the previous year	1 049 655	1 493 525	885 459	1 259 895
b) retained earnings for the reporting year	803 873	1 143 808	58 812	83 682
<i>Total retained earnings</i>	1 853 528	2 637 333	944 271	1 343 577
<i>Total equity</i>	2 407 982	3 426 250	1 498 725	2 132 494
II Provisions				
Other provisions	30 874	43 930	31 321	44 566
<i>Total provisions</i>	30 874	43 930	31 321	44 566
III Liabilities				
I Long-term liabilities				
Loans from credit institutions	2 935 964	4 177 500	898 535	1 278 500
Other loans	29 492	41 963	0	0
Deffered income	932 126	1 326 296	0	0
<i>Total long-term liabilities</i>	3 897 582	5 545 760	898 535	1 278 500
II Short-term liabilities				
Loans from credit institutions	89 258	127 003	0	0
Other loans	7 165	10 195	0	0
Prepayments received from customers	749 557	1 066 524	823 007	1 171 033
Trade payables	382 832	544 721	271 334	386 073
Taxes and state social insurance payables	22 648	32 225	20 989	29 865
Other payables	24 535	34 910	16 004	22 772
Deffered income	51 785	73 683	0	0
<i>Total short-term liabilities</i>	1 327 780	1 889 261	1 131 334	1 609 743
<i>Total liabilities</i>	5 225 362	7 435 020	2 029 869	2 888 243
<i>Total equity and liabilities</i>	7 664 218	10 905 200	3 559 915	5 065 303

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Member of the Board_____ Gunta Isajeva

Member of the Board_____ Andris Vītoliņš

30 October, 2013

INCOME STATEMENT

	2013 LVL	2013 EUR	2012 LVL	2012 EUR
Net turnover	2 491 603	3 545 232	1 269 968	1 807 002
Cost of sales	1 317 644	1 874 839	971 166	1 381 845
Gross profit or loss	1 173 959	1 670 393	298 802	425 157
Sales expenses	43 296	61 605	54 156	77 057
Administrative expenses	243 818	346 922	154 524	219 868
Other operating income	76 461	108 794	22 675	32 264
Other operating expenses	28 305	40 274	16 916	24 069
Profit or loss from operations	935 001	1 330 387	95 881	136 426
Interest payable and similar expenses	124 569	177 246	35 644	50 717
Profit or loss before extraordinary items and taxes	810 432	1 153 141	60 237	85 710
Profit or loss before taxes	810 432	1 153 141	60 237	85 710
Other taxes	6 559	9 333	1 425	2 028
Profit or loss of the reporting year	803 873	1 143 808	58 812	83 682
Earnings per share (EPS)	1,608	2,288	0,118	0,167

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30 October 2013

CASH FLOW STATEMENT (indirect method)

	2013 LVL	2013 EUR	2012 LVL	2012 EUR
I. Cash flow from operating activities				
1 Profit or loss before extraordinary items and taxes	810 432	1 153 141	60 237	85 710
<i>Adjustments:</i>				
a) depreciation costs of tangible assets;	55 823	79 429	49 370	70 247
b) fixed assets disposal	0	0	9 036	12 857
c) profit or loss from foreign currency exchange rate fluctuations;	15 555	22 133	11 796	16 784
d) grants received	-24 605	-35 010	-19 800	-28 173
e) interest payable and similar expenses.	124 569	177 246	35 644	50 717
2 Profit or loss before corrections of changes in the balances of current assets and short-term liabilities	981 774	1 396 939	146 283	208 142
<i>Adjustments:</i>				
a) (increase)/decrease in long-term financial investments;	0	0	2 500	3 557
b) (increase)/decrease in biological assets;	162 907	231 796	-1 296 491	-1 844 740
c) (increase)/decrease in receivables balances;	-74 121	-105 465	-44 620	-63 489
d) (increase)/decrease in inventories balances;	-854 273	-1 215 521	-294 731	-419 364
e) increase/(decrease) in suppliers, contractors and other creditors payables balances.	1 075 670	1 530 541	902 886	1 284 691
3 Gross cash flow from operating activities	1 291 957	1 838 289	-584 173	-831 203
4 Interest payable	-124 569	-177 246	-35 644	-50 717
5 Immovable property tax expenses	-6 559	-9 333	-1 425	-2 028
6 Cash flow before extraordinary items	1 160 829	1 651 711	-621 242	-883 948
7 Cash flow from extraordinary items	0	0	0	0
8 Net cash flow from operating activities	1 160 829	1 651 711	-621 242	-883 948
II. Cash flow from investing activities				
1 Additions in tangible and intangible assets	-2 724 231	-3 876 231	-38 698	-55 062
2 Interest receivable and similar income	0	0	0	0
6 Cash flow from investing activities	-2 724 231	-3 876 231	-38 698	-55 062
III. Cash flow from financing activities				
1 Loans received	3 416 951	4 861 883	1 018 889	1 449 748
2 Subsidies, grants, endowments and donations received	24 605	35 010	19 800	28 173
3 Loans repaid	-1 275 196	-1 814 440	-401 724	-571 602
4 Dividends paid	-300 000	-426 862	0	0
7 Net cash flow from financing activities	1 866 360	2 655 591	636 965	906 320
IV. Result of foreign currency exchange rate fluctuation	-15 555	-22 133	-11 796	-16 784
V. Net cash flow in the reporting year	287 403	408 938	-34 771	-49 475
VI. Cash and its equivalents at the beginning of the reporting year	327 309	465 719	47 320	67 330
VII. Cash and its equivalents at the end of the reporting year	614 712	874 656	12 549	17 856

Chairman of the Board _____ Gundars Jaunsleinis
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30 October, 2013

STATEMENT OF CHANGES IN EQUITY

	2013 LVL	2013 EUR	2012 LVL	2012 EUR
I. Share capital (equity)				
1. Amount in the balance sheet of the previous year	500000	711436	500000	711436
2. Correction of the amount in the balance sheet of the previous year	0	0	0	0
3. Increase/decrease in share capital (equity)	0	0	0	0
4. Amount in the balance sheet at the end of the reporting year	500000	711436	500000	711436
V. Reserves				
1. Amount in the balance sheet of the previous year	54454	77481	54454	77481
2. Correction of the amount in the balance sheet of the previous year	0	0	0	0
3. Increase/decrease in reserve balance	0	0	0	0
4. Amount in the balance sheet at the end of the reporting year	54454	77481	54454	77481
VI. Retained earnings				
1. Amount in the balance sheet of the previous year	1049655	1493525	885459	1259895
2. Correction of the amount in the balance sheet of the previous year	0	0	0	0
3. Increase/decrease in retained earnings	803 873	1143808	58 812	83682
4. Amount in the balance sheet at the end of the reporting year	1853528	2637333	944271	1343577
VII. Equity				
1. Amount in the balance sheet of the previous year	1604109	2282441	1439913	2048811,6
2. Correction of the amount in the balance sheet of the previous year	0	0	0	0
3. Amount in the balance sheet at the end of the reporting year	2407982	3426250	1498725	2132494

Chairman of the Board _____
 Member of the Board _____
 Member of the Board _____

Gundars Jaunsleinis
 Gunta Isajeva
 Andris Vītoliņš

30 October, 2013

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICY

I. General Principles

The financial statements of the Company have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports, Regulations No.488 issued by the Cabinet of Ministers of the Republic of Latvia "Law on annual reports enforcement policies", Regulations No.481 issued by the Cabinet of Ministers of the Republic of Latvia "Regulations on the cash flow statement and statement of changes in equity content and preparation procedures".

Income statement has been prepared by turnover cost method.

Cash flow statement has been prepared using indirect method to calculate cash flow from operating activities.

Accounting policy, accounting and evaluation methods used by the Company have not been changed comparing with the previous reporting year.

Financial reporting period is 9 month .

Accounting principles used

Items of the financial statements have been evaluated according to the following accounting principles:

1. Assumption, that a Company is a going concern.
2. The same evaluation methods are used as in the previous reporting year.
3. Evaluation is made with proper precaution, taking into account the following conditions:
 - the report includes profit, that was acquired till the date of the balance sheet;
 - all foreseeable risk amounts and losses that incurred during the reporting year or in the previous years have been taken into account even if they have been found out in the period between the date of balance sheet and the date, when annual report was signed;
 - any value decrease and depreciated amounts have been calculated and taken into account regardless of whether the reporting year is finished with profit or loss.
4. Income and expenses related to the reporting year are taken into account regardless of the date of payment and the date of invoice receipt or issue. Expenses are reconciled with incomes in the reporting year.
5. Elements of the assets and liabilities items are evaluated separately.
6. Opening balances of the reporting year match closing balances of the previous year except the adjusted items.
7. All the items, that significantly affect evaluation and decision-making of the annual report users, are disclosed, non-significant items have been combined and the details are disclosed in the notes.
8. Business transactions are disclosed in the annual report, taking into account its economic contents and nature rather than legal form.

Subsequent events

Favorable or adverse events after the balance sheet date of the reporting year are disclosed in the financial statements by reflecting the adjustments in the amounts of the items or by adding new items. If by the time of the preparation of financial statements there has been adverse event that does not relate to the reporting year, but may significantly impact the financial statement users' assessment of Company's assets, liabilities, financial position, profit or loss and cash flow or decision-making in the future, the Management provides information about such events in the Management Report, disclosing the estimated financial impact of the event or informing that it can not be estimated.

Changes in accounting policies, accounting estimates, correction of errors and its disclosure in the financial statements

Accounting policies are changed only if the regulatory framework has changed or if the existing accounting policy no longer meets the true and fair view requirements of the law due to changed circumstances. If a change in accounting policy is caused by normative framework, the impact is disclosed in the financial statements in accordance with established transitional procedures. If the transitional procedures have not been established, the impact of change in accounting policy is evaluated to all respective items of the financial statements of the previous period. Changes in accounting policies are explained in the notes to the financial statements.

Information about the change in accounting estimates is provided in the notes to the financial statements.

Accounting estimates are changed only when subsequent events will change the circumstances that gave rise to the estimate so far, or if there is new information.

Error occurred and discovered during the reporting year or by the time of preparation of annual report is corrected before the financial statements are authorised for issue, adjusting the corresponding financial statement's items.

Error occurred in previous reporting periods is corrected, defining the impact on the financial statement's items of respective year and providing information in the notes to the financial statements.

II. Recognition of revenues and net turnover

Net turnover is the total value of the goods (mink, polar fox and silver fox skins and materials) sold and services provided within the year, subtracting discounts, value added tax and other taxes directly related to sales. Revenue from the product sale is recognized when the buyer has accepted the goods according to the terms and conditions of the goods delivery. Revenue from services provided is recognized at the time services are provided. Revenue from dividends is recognized when legal right appears.

Other revenues are recognized as following:

- revenue from rent - at the time it occurs;
- revenues from fines and penalty payments - at the receipt time;
- revenues from insurance compensation - at the receipt time;
- revenues from dividends - when legal right appears.

III. Intangible and tangible assets

Intangible and tangible assets are recorded at purchase value less accumulated depreciation. The purchase value includes expenses, which are directly related to the purchase of the intangible or tangible asset. The purchase value of software licence includes costs of licence purchase and costs, that appeared by the time of implementing it in use. The value of intangible assets is expected to be included in the expenses within five years.

Land is not an object of depreciation. In respect of other assets the depreciation is calculated on a straight-line basis over the estimated useful life of the relevant intangible or tangible asset, in order to write-off the purchase value or the revaluation value of the intangible or tangible asset until its estimated residual value at the end of the useful life using the following rates defined by the Management:

Depreciation % per year

Buildings and constructions	1.7%-8.5%
Technological equipment	5.3%-25%
Other equipment and facilities, motor vehicles	9.1%-33.33%

The initial value of construction in progress is increased by other direct costs incurred in relation to the object until the new object is put into operation. The initial value of the respective asset is not increased by the interest of the loans used for creation of the new asset in the periods when active development work regarding the construction in progress is not carried out. At the end of the reporting year the construction in progress is evaluated for impairment.

Subsequent costs are included in the balance sheet asset value or recognized as a separate asset only when there is a high probability that future economic benefits, related to this item, will flow to the Company and the costs of this item can be determined credibly. Such costs are written off during the remaining useful life of the tangible asset. When capitalizing the established costs of spare parts, the residual value of the replaced parts is written off in the income statement.

Current repair and maintenance costs of the tangible asset are recorded in the income statement in the period they appeared.

Profit or loss on tangible assets disposals are calculated as the difference between the book value and sales income, and the incomes from the respective tangible asset revaluation reserve written-off, these are recorded in the income statement in the period they appeared.

IV. Inventories

Inventories are recorded at the lower of product cost and market value. Inventories are measured using the FIFO method. Outdated, slow or damaged inventories are written-off. Inventories are recorded using continuous inventory method.

V. Trade receivables

Trade receivables are recorded in the balance sheet in the net value, initial costs less an allowance for any doubtful or uncollectible amounts. The allowance for any doubtful or uncollectible amounts is made in the cases, when the Management supposes, that the collection of these amounts is problematic.

VI. Foreign Currency Revaluation to Lats

The accounting in the Company is made in Latvian lats. All transactions in the foreign currency are revaluated to lats according to the official exchange rate defined by the Bank of Latvia at the date of transaction.

Assets and liabilities in the foreign currency are revaluated to lats according to the official exchange rate defined by the Bank of Latvia at the last day of the reporting year. The profit or loss, that derive from the foreign currency exchange rate fluctuations, are disclosed in the income statement in the corresponding period.

	30.09.2013.	30.09.2012.	
	(lats)	(lats)	
1 USA dollar	0,521	0,546	(USD)
1 euro	0,702804	0,702804	(EUR)
1 Lithuanian lit	0,204	0,204	(LTL)
1 Danish krone	0,0942	0,0943	(DKK)
1 Russian rouble	0,0161	0,0175	(RUB)

VII. Cash and Cash Equivalents

Cash and cash equivalents for the cash flow statement's purpose consist of the current accounts balances and short-term deposits with initial term up to 90 days.

VIII. Financial Risk Management

The Company's principal financial instrument is cash. The main purpose of this financial instrument is to ensure financing for the Company's operations. The Company has various other financial instruments such as consumers and customers debts and other debtors, debts to suppliers and contractors and other creditors, which arise directly from its operations. The company may grant short-term loans to the Management and employees.

Financial risks

The main financial risks arising from the Company's financial instruments are liquidity risk and credit risk.

Interest rate risk

The Company's policy is to ensure that the majority of its borrowings are at fixed rate.

Credit risk

The Company is exposed to credit risk through its trade receivables, other receivables, as well as cash. The Company manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimised.

The partners in cash transactions are home and foreign financial institutions with a respective credit history.

Liquidity risk

The Company manages its liquidity risk by maintaining an appropriate financing.

IX. Subsidies

Subsidies received for specific types of capital investment are recognized as deferred income, which is gradually included in the revenues during the useful life of the tangible assets received or purchased with the subsidy. Subsidy to cover expenses is recognized in revenues in the same period when the relevant expenditure appeared, provided all the terms and conditions in respect of receiving the subsidy are fulfilled.

X. Loans

Initially loans are recognized in fair value less costs, related to the loan. In the subsequent periods loans are recorded as the depreciated purchase value, which is calculated using the effective interest rate on the loan. The difference between the amount of cash received excluding the expenses related to receiving the loan and the value of loan repayment is included gradually in the income statement.

XI. Taxes

The Corporate income tax costs of the reporting year are included in the financial statements basing on the Management's calculations in accordance with the laws and regulations on taxes of the Republic of Latvia.

Deferred tax is calculated using the liability method on all temporary differences between assets and liabilities in the financial statements and its values for the tax calculation purposes. Deferred tax is calculated using the tax rates, that are in force at the date of the balance sheet, which are expected during the periods, when temporary differences smooth out. Temporary differences primarily arise from the use of different rates of depreciation of the fixed assets, as well as tax losses that are transferred to subsequent tax periods. A deferred tax asset is recognized if there is a high probability, that a taxable profit will be acquired, which will be object to the deductible temporary differences.

XII. Provisions

Provisions are recognized if the Company has present legal or practice obligation that was a result of past events, there is a high probability, that for the completion of the obligation economic benefits outflow will be necessary and the amount may be credibly estimated.

Provisions for unused annual leaves and state social insurance payments for unused leaves are calculated as total provisions for all employees taking into account each employee's average daily salary and accumulated leave days at the end of the reporting period.

XIII. Related parties

Related parties are considered to be participants of the Company, members of the Board, members of the Council, their close relatives and the companies, in which mentioned persons have control or significant influence.

XIV. Biological assets

The Company's biological assets are fur animals. The biological assets are measured at fair value. Fair value is determined by the cost calculation. The changes in the amount of biological assets, which results from the measurement at fair value less estimated impairment due to degeneration and increase in value due to reproduction and impairment due to skin production are included in the income statement of the reporting period. The skins produced are included in the inventories and initially measured at fair value according to the cost calculation. Advanced payments for breeding animals are recognized as the composition of biological assets.

XV. Investment properties

The Company has no investment property.

XVI. Accrued liabilities, contingencies

Accrued liabilities are certain amounts payable to suppliers and contractors for goods or services received in the reporting year which at the balance sheet date has not yet been billed according to supply, sales or business contracts or other reasons. These obligations amounts are calculated on the basis of the contract price and the supporting documents of actual receipt of goods or services. A contingent liability disclosures are provided in the notes to the financial statements and - where appropriate - in the Management report. The likely financial impact is indicated where possible and if any expected.

Contingent assets which may arise in connection with certain past events (eg, intention to conclude a contract or option), are not included in the balance sheet. If it is expected that the Company receives future economic benefits from contingent assets, the information is provided in the Management report.

XVII. Earnings per share

Earnings per share are determined by dividing the net profit or loss attributable to company shareholders by the weighted average number of shares during the reporting year.