

Stock company

**„KURZEMES CILTSLIETU UN  
MĀKSLĪGĀS APSĒKLOŠANAS STACIJA”**  
*Reg.No. 40003017085*

***ANNUAL REPORT***  
***Year 2008***  
***On June 30, 2008***

Jaunpils parish, Tukums district

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## Information about company

Name of the company	“Kurzemes ciltslietu un mākslīgās apsēklošanas stacija” a/s
Legal status	Stock company
Registration No., place, date	<b>000301708</b> Rīga, 1991. gada 6.augustā Veikta pārreģistrācija Komercreģistrā 2004 gada 7. aprīlis ar vienoto reģistrācijas numuru 40003017085
Address	Jaunpils Tukuma rajons LV-3145 Latvija
Share capital	<b>On 30 June 2008 LVL 438000 (EUR 623218)</b> <b>Nominal value of one share LVL 1.00 (EUR 1.42)</b> <b>Total number of shares 438000</b> All shares are registered shares with equal voting rights in shareholders’ meetings and giving the right to receive dividends and liquidation quota. <b>There are restrictions for the change of shareholders and do not exist any requirement for approval from the other shareholders of such change.</b> <b>There are no restrictions for voting rights and do not exist any similar restrictions.</b>
Major share holders	Latvian Animal Breed Association SIA (37%) JL INDEX SIA (5%) Gunārs Veska (6%) Pēteris Augustovs (5%) State Social Insurance Agency/ VAS (5%)
Names and positions of Board members	<b>Gatis Kaķis – Chairman of the Board</b> <b>Haralds Mozgirs – Member of the Board</b> <b>Sigita Lukaže – Member of the Board</b> There are no special regulations for the election of the members of the board, for changes in the membership of the board and for making amendments to the articles of incorporation. The chairman of the board rerepresents the company individually. There is no agreement between the company and the members of the board about any kind of compensations.
Names and positions of council members	<b>Gunārs Veska –Chairman of the Council</b> <b>Indra Martinsone – Member of the Council</b> <b>Guna Seska – Member of the Council</b> <b>Nora Vildberga – Member of the Council</b> <b>Vilma Maļinovska – Member of the Council</b> <b>Guntis Ķīgulis – Member of the Council</b> <b>Rihards Stumburs – Member of the Council</b>
Annual year	January 1st –June 30, 2008
Name and address of the sworn auditor	SIA „Revidentu serviss” (LV48503004370) Krasta iela 4-39 Dobele, LV-3701 Latvija Responsible sworn auditor: Aivars Rutkis Sworn auditor certificate Nr. 18

## **ADMINISTRATION REPORT**

### **Aspects:**

1. Production and realization of high quality bioproduct of getters (boars and bulls);
2. Rendering of services connecting with pedigree work of animals and artificial insemination;
3. Growing and realization of pedigree horses;
4. Collection of supervisory milk's standart;
5. Cultivation of grain and utility of agroservice.

### **Companie's work in year of account.**

Netto turnover on 30 of June 2008 is LVL 391586 (EUR 557177). Stock companie's profit after paying taxes is LVL 71387 (EUR 101575).

Enterprise from state and EU subsidie's there were receive LVL 16171 (EUR 23009) in year of account. Subsidie's have received for breed material in foreign countries, breed animals maintenance and payments for EU area.

In 2008 stock company has purchased fixed assets for total amount LVL 10422 (EUR 1675), including office equipment- LVL 2922 and lands LVL 7500.

### **Exploratory and developmental measures.**

Are not.

### **Branches and agencies in abroad.**

Are not.

### **Management of finansial risk.**

Activity of the company is subordinate different financial risks, including credit risk, foreign Exchange rate and interest rate vibrations risks. Public leadership trying to minimize negative effect of potencial risk on financial situation.

Company is subordinated foreign Exchange vibration risk, that arise from different currency. As it was LVL rate attached to EUR rate from 1-st of January 2005, will be limited LVL/EUR exchange fluctuations and not foreseeable its relevant effect on deffered financial results. Leadership of company considering possibility to accommodate instruments of risk limit for slow down USA dollar rate vibrations effect.

Financial resources, who potential subordinate company known concentration degree of credit risk, mostly are funds and buyer's and customer's debts. At the ending of accounting period the company there were no subordinate notable % from general buyer's and customer's debt quantity. The company is introducē and notice credit policy, realizeing goods on credit only for clients with good credithistory and not overdrawing and fixed credit quantity (amount) for each client. Buyer's and customer's debtsare arise in retrievable value. Companie's partners in fundsdealings are local financial institution with accordant credit history.

Company notice provident liquidity risk leading, provideing accordant credit resourses are available in determined time. The leadership of company consider that company will have enought cash resourses let to his liquidity not to be endangared.

### **Status and developments after year of account ending.**

There were no any notable developments in period of time since year of account last day to signing of this report that materially influence result of year account.

### **Perspective of future.**

1. To continue the technological improvements of laboratories.
2. To repair office, laboratory and production rooms.
3. Continue to develop grain industry, int.al., extra buy farmland for development of grain industry, rendering of services.
4. Continue to develop with family work involving assemblage.
5. To apply for state subsidies for partly covering of costs of keeping high quality breed bulls, and other costs mentioned in subsidy regulations.

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Gatis Kaķis  
Chairman of the board

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Sigita Lukaže  
Member of the Board

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Haralds Mozgirs  
Member of the board

July 21 st,2008

**PROFIT OR LOSS STATEMENT**  
(on turnover cost method)

No	Item	No. of app ..	On June 30 2008 LVL	On June 30 2007 LVL	On June 30 2008 EUR	On June 30 2007 EUR
1.	Net turnover	1.	391586	311429	557177	443123
2.	Selling costs of finished goods	2.	(209445)	(178244)	(298013)	(253618)
3.	Gross profit or loss		182141	133185	259164	189505
4.	Selling costs		(55339)	(48920)	(78741)	(69607)
5.	Administration costs		(77014)	(72796)	(109581)	(103579)
6.	Other operating income	3.	23719	45716	33749	65048
7.	Other operating costs	4.	(1104)	(452)	(1571)	(643)
8.	Other interests receivable and similar income		193	234	275	333
9.	Profit or loss before extraordinary items and taxes		72596	56967	103295	81057
10	Tax on profit for the financial year					
11	Other taxes	5.	(1209)	(1244)	(1720)	(1770)
12	Profit or loss for the financial year after taxes		71387	55723	101575	79287
13	Profit on 1 share EPS		0.163	0.127	0.232	0.181

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June 21 st, 2008

Appendixes on pages 11 to 17 is a part of the financial report.

**BALANCE on June 31, 2008**

ASSETS	NO .of app	30.06. 2008. LVL	30.06. 2007. LVL	30.06. 2008. EUR	30.06. 2007. EUR
<b>1.Long term assets</b>					
I Intangible assets:					
1.Concessions, patents, licences, trade marks and others		767	959	1091	1364
<b>I TOTAL</b>	6.	767	959	1091	1364
II Tangible assets:					
1. Land and buildings, perennial plants		195258	189354	277827	269426
2. Equipment and machinery		117427	134289	167084	191076
3. Other fixtures and fittings, tools and equipment		9700	7868	13802	11195
4. Advance payment for assets			1009		1436
<b>II TOTAL</b>	7.	322385	332520	458713	473133
III Long term financial assets					
1. Other securities and capital participation		2480	2480	3529	3529
<b>III TOTAL</b>	8.	2480	2480	3529	3529
IV Biological assets					
1. Getter animals		69674	98371	99137	139969
<b>IV TOTAL</b>	9.	69674	98371	99137	139969
<b>Long term assets total</b>		<b>395306</b>	<b>434330</b>	<b>562470</b>	<b>617996</b>
<b>2.Current assets</b>					
I Stocks:					
1. Raw materials and consumables	10.	36436	19791	51844	28160
2. Work in progress	11.	1362	1362	1938	1938
3.Finished goods and goods for resale	12.	314191	199349	447054	283649
4. Productive animals	13.	4901	26957	6973	38356
<b>I TOTAL</b>		356890	247459	507809	352103
II Debtors:					
1. Trade debtors		79130	44579	112592	63430
2. Other debtors		7466	2848	10623	4052
3. Next period costs		750		1067	
<b>II TOTAL</b>	14.	87346	58626	124282	67482
III Cash funds		106953	246456	152180	231905
<b>Current assets total</b>		<b>551189</b>	<b>465645</b>	<b>784271</b>	<b>651490</b>
<b>BALANCE</b>		<b>946495</b>	<b>787374</b>	<b>1346741</b>	<b>1269486</b>

Appendixes on pages 11 to 17 is a part of the annual report

AS „KURZEMES CMAS” NEREVIDĒTS 2008.gada I pusgada PĀRSKATS

LIABILITIES	No. of app	30.06. 2008. LVL	30.06. 2007. LVL	30.06. 2008. EUR	30.06. 2007. EUR
<b>1.EQUITY CAPITAL</b>					
1. Company capital (share capital)		438000	438000	623218	623218
2. Reserves:					
a) Other reserves		188582	188582	268328	268328
3. Retained earnings:					
a) brought forward from previous years		169073	129979	240569	184943
b) brought forward from profit and loss account for the current annual year		71387	55723	101575	79287
<b>Provision for liabilities and charges total</b>		<b>867042</b>	<b>812284</b>	<b>1233690</b>	<b>1155776</b>
<b>2.Creditors</b>					
I Short term creditors:					
1.Suppliers of goods and services		24668	30860	35099	43910
2.Company income tax					
3.Taxes and social security payments		20446	16208	29092	23062
4. Other creditors		17146	12749	24397	18140
5. Next period income			5808		8264
6. Accumulated liabilities		17193	14291	24463	20334
II TOTAL	15.	79453	79916	113051	113710
<b>BALANCE</b>		<b>946495</b>	<b>892200</b>	<b>1346741</b>	<b>1269486</b>

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July 21 st,2008

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**OVERVIEW OF OWN CAPITAL CHANGES**

Item	Share capital LVL	Reserves LVL	Not distributed profit LVL	TOTAL LVL	Share capital EUR	Reserves EUR	Not distributed profit EUR	TOTAL EUR
<b>Left –over 31.12.2006.</b>	<b>438000</b>	<b>188582</b>	<b>177279</b>	<b>803861</b>	<b>623218</b>	<b>268328</b>	<b>252245</b>	<b>1143791</b>
2007-profit			55723	55723			79287	79287
Gifts and benefits			(3500)	(3500)			(4980)	(4980)
Dividendes			(43800)	(43800)			(62322)	(62322)
<b>Left –over 30.06.2007.</b>	<b>43800</b>	<b>188582</b>	<b>185702</b>	<b>812284</b>	<b>623218</b>	<b>268328</b>	<b>264230</b>	<b>1155776</b>
<b>Left –over 31.12.2007.</b>	<b>438000</b>	<b>188582</b>	<b>222553</b>	<b>849135</b>	<b>623218</b>	<b>268328</b>	<b>316664</b>	<b>1208210</b>
2008-profit			71387	71387			101575	101575
Gifts and benefits			(9680)	(9680)			(13773)	(13773)
Dividendes			(43800)	(43800)			(62322)	(62322)
<b>Left –over 30.06.2008.</b>	<b>438000</b>	<b>188582</b>	<b>240460</b>	<b>867042</b>	<b>623218</b>	<b>268328</b>	<b>342144</b>	<b>1233690</b>

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**CASH FLOW OVERVIEW**

No	Items of incomes and costs	On June 30 2008 LVL	On June 30 2007 LVL	On June 30 2008 EUR	On June 30 2007 EUR
<b>1.</b>	<b>Cash flow from operating activities</b>				
	<u>1.1 Profit or loss before extraordinary posts and taxes</u>	<b>72596</b>	<b>55723</b>	<b>103295</b>	<b>79287</b>
	Corrections:				
	a) depreciation of fixed assets				
	b) Loss from changes of foreign currency exchange rate	<b>1345</b>	<b>413</b>	<b>1914</b>	<b>588</b>
	<u>1.2. Profit from operating activities of the annual year</u>	<b>73941</b>	<b>56136</b>	<b>105209</b>	<b>79875</b>
	Corrections:				
	a) increase of left –overs of debtors debts	<b>21041</b>	<b>(11199)</b>	<b>29939</b>	<b>(15935)</b>
	b) decrease of stock	<b>(30984)</b>	<b>86896</b>	<b>(44087)</b>	<b>123642</b>
	c) decrease of creditors debts	<b>14698</b>	<b>(33180)</b>	<b>20913</b>	<b>(47211)</b>
	<u>1.3. Income from operating activities exceed over expenses</u>	<b>78246</b>	<b>98653</b>	<b>111334</b>	<b>140371</b>
	<u>1.4. Cash paid for taxes</u>	<b>(64489)</b>	<b>(64497)</b>	<b>(91760)</b>	<b>(91771)</b>
	<u>1.5. Cash flow before extraordinary posts</u>	<b>13757</b>	<b>34156</b>	<b>19574</b>	<b>48600</b>
	<u>1.6. Income from extraordinary posts</u>				
	<u>1.7. Net income from operating activities</u>	<b>13757</b>	<b>34156</b>	<b>19574</b>	<b>48600</b>
<b>2.</b>	<b>Investments cash flow</b>				
	2.1. Costs for fixed assets	<b>(10422)</b>	<b>(35466)</b>	<b>(14829)</b>	<b>(50463)</b>
	2.2. Income from sold fixed assets	<b>5974</b>	<b>793</b>	<b>8500</b>	<b>1128</b>
	2.3. Income from interest	<b>193</b>	<b>234</b>	<b>275</b>	<b>333</b>
	<u>2.4. Net costs of investment activities</u>	<b>(4255)</b>	<b>(34439)</b>	<b>(6054)</b>	<b>(49002)</b>
<b>3.</b>	<b>Financial activity cash flow</b>				
	3.1. Costs for dividends	<b>(43800)</b>	<b>(43800)</b>	<b>(62322)</b>	<b>(62322)</b>
	<u>3.2. Net costs of financial activities</u>	<b>(43800)</b>	<b>(43800)</b>	<b>(62322)</b>	<b>(62322)</b>
<b>4.</b>	<b>Increase or decrease of net cash</b>	<b>(34298)</b>	<b>(44083)</b>	<b>(48802)</b>	<b>(62724)</b>
<b>5.</b>	<b>Left –over in the beginning of annual year</b>	<b>141251</b>	<b>207067</b>	<b>200982</b>	<b>294629</b>
<b>6.</b>	<b>Left –over in the end of annual year</b>	<b>106953</b>	<b>162984</b>	<b>152180</b>	<b>231905</b>

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## **APPENDIX TO THE ANNUAL REPORT**

### *I Book –keeping policy*

#### *1.General principles*

Annual report is made accordingly the laws of the Republic of Latvia “About book -keeping” and “About annual reports of companies”, and accordingly Latvian book –keeping standards. Following Latvian book –keeping standards have been taken into consideration when preparing this annual report: 1. „Basic statements of preparing annual reports”, 2. “Cash flow overview”, 3.“Events and activities after balance date”, 4. “Change of bookkeeping politics calculation of bookkeeping changes and mistakes of previous periods”, 5. “Incomes”, 6. “Fixed assets”, 7. “Reserves, probable liabilities and inferred assets”.

Profit or loss statement has been prepared accordingly turnover cost scheme.

Cash flow overview was prepared stating operating cash flow after indirect method.

Comparing to the last year accounting and principles of valuation have not been changed.

Computer program “OFFICE LINE 2000” has been used for accounting in book -keeping.

Posts of the financial report are evaluated accordingly following principles:

- 1) taking into consideration that company will continue its activities;
- 2) using the same principles of valuation as in the previous year;
- 3) evaluation was made taking into consideration several terms:
  - profit included into report was gained by the balance date,
  - all foreseen risk amounts and loss that arised during the annual year or in previous years were taken into consideratio, as well as if they appear between balance date and preparation of annual report,
  - all value decrease and depreciation amounts were taken into consideration seperately from the year results with profit or loss.
- 4) all incomes and costs are included in profit or loss statement independently of purchase, invoice date. Expenses are integrated with incomes in accordant accounting period.
- 5) assets and liabilities were evaluated seperately;
- 6) the start balance of the annual year corresponds the end balance of the previous year;
- 7) all posts that might significantly impact evaluation or making conclusions of the annual report, are included;

8) all operating activities are recorded in the books and included in the annual report, taking into consideration not only the legal form but also economical content and idea.

## *2. Income recognition and net turnover*

Net turnover is total amount of sold production and services during the year, deducting discounts and VAT. Incomes from sold goods are recognized when customer has accepted the goods accordingly the terms of delivery. Incomes from services are recognized when they are provided. Incomes from dividends are recognized when legal rights arise.

## *3. Foreign currency exchange into lats*

Latvian lat is a monetary unit used in book –keeping and annual report.

Activities and deals made in foreign currency are recorded accordingly exchange rate stated by the Latvian Bank at the moment of the deal. At the end of the year foreign currency cash is evaluated accordingly exchange rate stated by the Latvian Bank on the last day of the annual period.

<i>Currency</i>	<i>30.06.2008</i>	<i>30.06.2007</i>
<i>USD</i>	<i>0.447</i>	<i>0.522</i>
<i>EUR</i>	<i>0.702804</i>	<i>0.702804</i>

Profit or loss coming from currency exchange changes are shown in Profit or loss statement

## *4. Fixed assets*

Fixed assets are recorded with the purchase cost, decreasing depreciation and accumulated decrease of value. Purchase value includes direct cost of the fixed assets. Purchased computer programmes licence value is includes costs from licence purchase and costs that arise to put it into expluaction.

Depreciation is nor calculated for land. Depreciation for other assets is calculated using linear method. during the usage length of the assets. Management states following standard limits for the length of usage:

Buildings and constructions	20 and 50 years
Technological equipment and machinery	5; 6 un 7 years
Inventory	5 un 10 years
Accounting equipment ,etc..	5 years

Depreciation is calculated from 1-st date in next month after putting into operation. If liquidation value isn't essential (unequalled 5 % from middle turnover in 3 years), then it not to care for depreciation determination.

Further costs are included in actives balance value or is stated separately as asset because of high possibility that welth from this post will give income to the company and costs of this post can be evaluated. Such costs are written off during the usage period of the asset. When capitalizing costs of the reserve part, value of changed part will be written of in profit or loss statement.

Regular repair or maintenance costs are included in the profit or loss statement of that period. .

Profit or loss from fixed assets exclusion are calculated as diference between the balance value of the fixed asset and sells income, and are included in that period profit or loss statement.

## *5. Stocks*

Raw materials a/s “Kurzemes CMAS” evaluate accordingly purchase value.. Production in progress is evaluated accordingly cost price. Finished goods are evaluated accordingly cost price. To evaluate the stock value, average weight value method is used (FIFO method). Old, slow turnover or faulty stock value decrease is written off in costs of the annual report

## *6. Debtors and creditors*

Debtors` debts in balance are shown in amortized purchase value, decreasing accumulation for value decreasing. Accumulation for decreasing debts are made in cases when there are objective provements that Company will not get debts refunded in full amount accordingly stated terms . Accumulation amount is difference between the amount of the debt and refunded amount.

All creditor debts have to be refunded during one year. All tax debts in budget are for the current month.

## *7. Subsidies, dotations, EU funds*

Means that have got from SAPARD to purchase fixed assets are recorded as next period income that are included in incomes of fixed assets bought for SAPARD cash during the period of usage.

Subsidies to cover expenses are recorded in incomes in the same period when the costs were registered, if all regulations meet the requirements regarding receiving dotations.

## *8. Taxes*

All income tax costs of the annual period are calculated accordingly regulations of the Republic of Latvia. Company`s activities are agriculture production. A big part of profit is made by state and EU funds, that are not taxed with Enterprise income tax. (EIT 6.chapter 4.p.2.p.), and also easements for the land used in

agriculture(EIT 18.p). Company is not planning taxed incomes in coming years, therefore deferred enterprise income tax is not calculated.

### 9. Accumulated liabilities for non-used holidays expenses

Accumulated non-used holidays expenses cost amount is calculated multiplying average salary/ per day during last six month with number of not used holidays.

### 10. Cash and its equivalents

In cash flow statement cash and its equivalents consists of cash money and left –overs of running bank accounts

### 11. Biological assets

Biological assets of the company are getter animals belonging to the company (getter bulls, boars, stallions and mares), that are kept to get agriculture products for sale. Biological assets are recorded accordingly purchase cost.

## II INFORMATION for „Profit or loss statement”

No.	Items	30.06.08. LVL	30.06.07. LVL	30.06.08. EUR	30.06.07. EUR
<b>1.</b>	<b>Net turnover:</b>				
	1.1. Domestic animals' sperm	267206	221708	380200	315462
	1.2. Artificial insemination services	24120	35201	34320	50086
	1.3. Cattle and production	41039	12969	58393	18453
	1.4. Other	59221	41551	84264	59122
	<b>TOTAL</b>	<b>391586</b>	<b>311429</b>	<b>557177</b>	<b>443123</b>
<b>2.</b>	<b>Purchase costs for sold goods</b>				
	2.1. Salaries	104554	88681	148767	126182
	2.2. social insurance tax	24779	21651	35257	30807
	2.3. Animal feed costs	11802	9770	16793	13901
	2.4. Fuel costs	19860	15017	28258	21367
	2.5. Electricity costs	2959	2866	4210	4078
	2.6. Telephones, communications	2469	2784	3513	3961
	2.7. Repair works	8730	6946	12422	9883
	2.8. Other costs	34292	30529	48793	43439
	<b>TOTAL</b>	<b>209445</b>	<b>178244</b>	<b>298013</b>	<b>253618</b>
<b>3.</b>	<b>Other operating income</b>				
	3.1. Realization of fixed assets	5974	793	8500	1128
	3.2. Excise tax for diesel fuel used in agric.				
	3.3. Subsidies from Agriculture Ministry	16171	37652	23009	53574
	3.4. Changes of currency				

	exchange rate				
	3.5. Income from sold certificates				
	3.6. Insurance refund		6711		9549
	3.7. Dividends of SIA Latvijas šķirnes dzīvnieku audzētāju savienības				
	3.8. Other income	1574	560	2240	787
	<b>TOTAL</b>	<b>23719</b>	<b>45716</b>	<b>33749</b>	<b>65048</b>
<b>4.</b>	<b>Other operating costs</b>				
	4.1. Left value of fixed assets		413		588
	4.2. Changes of currency exchange rate	1104		1571	
	4.3. Other expenses		39		55
	<b>TOTAL</b>	<b>1104</b>	<b>452</b>	<b>1571</b>	<b>643</b>
<b>5.</b>	<b>Other taxes</b>				
	5.1. Nature resource tax				
	5.2. Property tax	1209	1244	1720	1770
	<b>TOTAL</b>	<b>1209</b>	<b>1244</b>	<b>1720</b>	<b>1770</b>

### III Information on balance on Martchr 31, 2008

Nr. p. k.		Start value LVL	Depreciation LVL	Current value LVL	Start value EUR	Depreciation EUR	Current value EUR
<b>6.</b>	<b>Intangible investments</b>						
	6.1.Computer programmes	959	192	767	1364	273	1091
	<b>Total</b>	<b>959</b>	<b>192</b>	<b>767</b>	<b>1364</b>	<b>273</b>	<b>1091</b>
<b>7.</b>	<b>Tangible assets</b>						
	7.1. Land, buildings, perennial plants	212279	17021	195258	302046	24219	277827
	Including land	121875		121875	173413		173413
	7.2. Technological equipment and machinery	322087	204660	117427	458289	291205	167084
	7.3. Other fixed assets and inventory	29622	19922	9700	42148	28346	13802
	<b>Total</b>	<b>563988</b>	<b>241603</b>	<b>322385</b>	<b>802483</b>	<b>343770</b>	<b>458713</b>

## AS „KURZEMES CMAS” NEREVIDĒTS 2008.gada I pusgada PĀRSKATS

Nr. p. k.		30.06.08. LVL	30.06.07. LVL	30.06.08. EUR	30.06.07. EUR
<b>8.</b>	<b>Long term financial assets</b>				
	8.1. Financial assets	2480	2480	3529	3529
	<b>TOTAL</b>	<b>2480</b>	<b>2480</b>	<b>3529</b>	<b>3529</b>
<b>9.</b>	<b>Biological assets</b>				
	9.1. Getter bulls	61502	58246	87509	82876
	9.2. Getter boars	8172	9870	11628	14044
	9.3. Getter stallions		16802		23907
	9.4. Getter mares		13453		19142
	<b>TOTAL</b>	<b>69674</b>	<b>98371</b>	<b>99137</b>	<b>139969</b>
<b>10.</b>	<b>Raw materials and consumables</b>				
	10.1. Materials	10830	6740	15410	9590
	10.2. Mineral fertilizers and chemicals	18641	5993	26524	8527
	10.3. Fuel and lubricants	2013	3646	2864	5188
	10.4. Wood	77	269	110	383
	10.5. Animal feed	4875	3143	6936	4472
	<b>TOTAL</b>	<b>36436</b>	<b>19791</b>	<b>51844</b>	<b>28160</b>
<b>11.</b>	<b>Production in progress</b>				
	11.1. Winter crops	1362	1362	1938	1938
	<b>TOTAL</b>	<b>1362</b>	<b>1362</b>	<b>1938</b>	<b>1938</b>
<b>12.</b>	<b>Finished goods and goods for resale</b>				
	12.1. Frozen bulls sperm	314174	199330	447030	283622
	12.2. Boars sperm		2		3
	12.3. Frozen stallions sperm	17	17	24	24
	<b>TOTAL</b>	<b>314191</b>	<b>199349</b>	<b>447054</b>	<b>283649</b>
<b>13.</b>	<b>Productive animals</b>				
	13.1. Colts and young horses	4901	26957	6973	38356
	<b>TOTAL</b>	<b>4901</b>	<b>26957</b>	<b>6973</b>	<b>38356</b>
<b>14.</b>	<b>Debtors</b>				
	14.1.1. Trade debtors	81437	46448	115874	66089
	14.1.2. Accumulation for debts	2307	1869	3282	2659
	14.1.3. Balance value of trade debts	<b>79130</b>	<b>44579</b>	<b>112592</b>	<b>63430</b>
	14.2. Overpaid company income tax	7338	2478	10441	3526
	14.3. Payments for advance amounts	128	370	182	526
	14.4. Advance payment for biedru naudas	750		1067	
	<b>TOTAL</b>	<b>87346</b>	<b>47427</b>	<b>124282</b>	<b>67482</b>



<b>15.</b>	<b>Short term liabilities</b>				
	15.1. Suppliers of goods and services	24668	30860	35099	43910
	15.2. Accounts with budget for income tax				
	15.3. Accounts with budget for VAT	5668	5092	8065	7245
	15.4. Accounts with budget for inhab. income tax	5558	4149	7908	5904
	15.5. Accounts with budget for social insurance tax	9220	6967	13119	9913
	15.6. Accounts with budget for DR tax				
	15.7. Accounts with in advance paid amounts				
	15.8. Amounts expended for advance	101	60	144	85
	15.9. Accounts with salaries	17045	12689	24253	18055
	15.10. SAPARD means		5808		8264
	15.11. Accumulation for vacation	17193	14291	24463	20334
	<b>TOTAL</b>	<b>79453</b>	<b>79916</b>	<b>113051</b>	<b>113710</b>

#### *IV General information*

Average number of employees in a/s “Kurzemes CMAS” on 30 of June 2008 was 53, receiving salaries in total amount of 148699 LVL (211580 EUR). Calculated social tax 35293 LVL (50217 EUR).

Board and council members receive monthly payment -one minimum salary – for fulfilling functions. For the Chairman of the Board –two minimum salaries.

Company is free from any deals with bounded parties. Company has not issued any guaranties, warranties and pledges.

## STATEMENT ABOUT MANAGEMENT LIABILITY

According to our information financial report for the 6 months of 2008 has been prepared according to the existing legislative requirements and gives a real and clear idea about joint stock company's „Kurzemes ciltslietu un mākslīgās apsēklošanas stacija” assets, liabilities, financial situation and profits.

The information that has been included in the management report is veritable.

The board of stock company „Kurzemes ciltslietu un mākslīgās apsēklošanas stacija”:

Chairman of the board GATIS KAĶIS

Member of the board SIGITA LUKAŽE

Member of the board HARALDS MOZGIRS