

Stock company

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

***FINANCIAL REPORT***  
***For 6 months, year 2010***  
***On June 30, 2010***

Jaunpils parish, Jaunpils 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, Jaunpils parish Jaunpils district LV-3145 Latvija
Share capital	On 31 December 2007 LVL 438000 (EUR 623218) Nominal value of one share LVL 1.00 (EUR 1.42) Total number of shares 438000 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	Latv. šķirnes dzīvnieku audzētāju sav. SIA (37,25 %) JL INDEX SIA (10,39 %) Pēteris Augustovs (7,23 %) Gunārs Veska (6,13 %)
Names and positions of Board members	Gatis Kaķis – Chairman of the Board Haralds Mozgirs – Member of the Board Sigita Lukaže – Member of the Board 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	Indra Martinsone –Chairman of the Council Daiga Lielpinka – Member of the Council Ināra Kanska – Member of the Council Marita Spundiņa – Member of the Council Jānis Leimanis – Member of the Council
Annual year	January 1st –June 30th, 2010
Name and address of the sworn auditor	SIA „Revidentu serviss” Zvērinātu revidentu komercsabiedrības licence nr. 15 Reģ. nr. LV 48503004370 Krasta iela 4-39, Dobele, LV-3701, Latvija

## **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. Collection of supervisory milk's standart;
4. Cultivation of grain and utility of agroservice.

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

Netto turnover on 30 of June 2010 is LVL 318055 (EUR 452552). Stock companie's profit after paying taxes is LVL 44275 (EUR 53403).

Enterprise from state and EU subsidie's there were receive LVL 12881 (EUR 18328) in year of account. Subsidie's have received for breed material in foreign countries, breed animals maintenance and payments for EU area.

In 2010 stock company has purchased fixed assets for total amount 21285 (EUR 30286).

### **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 21st, 2010

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

No	Item	No. of app ..	On June 30 2010 LVL	On June 30 2009 LVL	On June 30 2010 EUR	On June 30 2009 EUR
1.	Net turnover	1.	318055	320357	452552	455827
2.	Selling costs of finished goods	2.	(181925)	(144963)	(258856)	(206264)
3.	Gross profit or loss		136130	175394	193696	249563
4.	Selling costs	3.	(57604)	(56874)	(81963)	(80924)
5.	Administration costs	4.	(78229)	(77278)	(111310)	(109957)
6.	Other operating income	5.	49464	13454	70381	19143
7.	Other operating costs	6.	(200)	0	(285)	
8.	Other interests receivable and similar income		112	182	159	259
9.	Profit or loss before extraordinary items and taxes		49673	54878	70678	78084
10	Tax on profit for the financial year		(4400)		(6261)	
11	Other taxes	7.	(998)	(1475)	(1420)	(2099)
12	Profit or loss for the financial year after taxes		44275	53403	62997	75985
13	Profit on 1 share EPS		0.101	0.122	0.144	0.173

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

**BALANCE on June 30, 2010**

ASSETS	NO .of app	30.06. 2010. LVL	30.06. 2009. LVL	30.06. 2010. EUR	30.06. 2009. EUR
<b>1.Long term assets</b>					
I Intangible assets:					
1.Concessions, patents, licences, trade marks and others		1042	798	1483	1135
<b>I TOTAL</b>	8.	<b>1042</b>	<b>798</b>	<b>1483</b>	<b>1135</b>
II Tangible assets:					
1. Land and buildings, perennial plants		244751	239414	348249	340656
2. Equipment and machinery		89533	120600	127394	171598
3. Other fixtures and fittings, tools and equipment		7932	7570	11286	10771
4. Advance payment for assets		864		1230	
<b>II TOTAL</b>	9.	<b>343080</b>	<b>367584</b>	<b>488159</b>	<b>512025</b>
III Long term financial assets					
1. Other securities and capital participation		2480	2480	3529	3529
<b>III TOTAL</b>	10.	<b>2480</b>	<b>2480</b>	<b>3529</b>	<b>3529</b>
IV Biological assets					
1. Getter animals		40394	45125	57475	64207
<b>IV TOTAL</b>	11.	<b>40394</b>	<b>45125</b>	<b>57475</b>	<b>64207</b>
<b>Long term assets total</b>		<b>386996</b>	<b>415987</b>	<b>550646</b>	<b>591896</b>
<b>2.Current assets</b>					
I Stocks:					
1. Raw materials and consumables	12.	17172	21460	24434	30535
2. Work in progress	13.	4837	1368	6882	1946
3.Finished goods and goods for resale	14.	419427	359304	596791	511244
<b>I TOTAL</b>		<b>441436</b>	<b>382132</b>	<b>628107</b>	<b>543725</b>
II Long-term investments held for sale	15.	4724		6722	
III Debtors:					
1. Trade debtors		89251	59414	126993	84539
2. Other debtors		7221	3281	10274	4668
3. Next period costs					
<b>III TOTAL</b>	16.	<b>96472</b>	<b>62695</b>	<b>137267</b>	<b>89207</b>
IV Cash funds		119740	125197	170374	178139
<b>Current assets total</b>		<b>662372</b>	<b>570024</b>	<b>942470</b>	<b>811071</b>
<b>BALANCE</b>		<b>1049368</b>	<b>986011</b>	<b>1493116</b>	<b>1402967</b>

Appendixes on pages 11 to 18 is a part of the annual report

LIABILITIES	No. of app	30.06. 2010. LVL	30.06. 2009. LVL	30.06. 2010. EUR	30.06. 2009. 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		318326	246240	452937	350368
b) brought forward from profit and loss account for the current annual year		44275	53403	62997	75985
<b>Provision for liabilities and charges total</b>		<b>989183</b>	<b>926225</b>	<b>1407480</b>	<b>1317899</b>
<b>2.Creditors</b>					
I Short term creditors:					
1.Suppliers of goods and services		15339	6888	21825	9801
2.Company income tax					
3.Taxes and social security payments		17834	22338	25376	31784
4. Other creditors		11809	14051	16803	19993
5. Next period income					
6. Accumulated liabilities		15203	16509	21632	23490
II TOTAL	15.	60185	59786	85636	85068
<b>BALANCE</b>		<b>1049368</b>	<b>986011</b>	<b>1493116</b>	<b>1402967</b>

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July 21st, 2010

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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 31.12.2008.</b>	<b>438000</b>	<b>188582</b>	<b>259380</b>	<b>885962</b>	<b>623218</b>	<b>268328</b>	<b>369064</b>	<b>1260610</b>
2009- profit			53403	53403			75985	75985
Dividendes			(13140)	(13140)			(18696)	(18696)
<b>Left –over 30.06.2009.</b>	<b>438000</b>	<b>188582</b>	<b>299643</b>	<b>926225</b>	<b>623218</b>	<b>268328</b>	<b>426353</b>	<b>1317899</b>
<b>Left –over 31.12.2009.</b>	<b>438000</b>	<b>188582</b>	<b>348986</b>	<b>975568</b>	<b>623218</b>	<b>268328</b>	<b>496563</b>	<b>1388109</b>
2010- profit			44275	44275			62997	62997
Dividendes			(30660)	(30660)			(43626)	(43626)
<b>Left –over 30.06.2010.</b>	<b>438000</b>	<b>188582</b>	<b>362601</b>	<b>989183</b>	<b>623218</b>	<b>268328</b>	<b>515934</b>	<b>1407480</b>

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**CASH FLOW OVERVIEW**

No	Items of incomes and costs	On March 31 2010 LVL	On March 31 2009 LVL	On March 31 2010 EUR	On March 31 2009 EUR
<b>1.</b>	<b>Cash flow from operating activities</b>				
	<u>1.1 Profit or loss before extraordinary posts and taxes</u>	<b>49673</b>	<b>54878</b>	<b>70678</b>	<b>78084</b>
	Corrections:				
	a) depreciation of fixed assets				
	b) Loss from changes of foreign currency exchange rate	<b>(301)</b>	<b>(53)</b>	<b>(428)</b>	<b>(75)</b>
	<u>1.2. Profit from operating activities of the annual year</u>	<b>49372</b>	<b>54825</b>	<b>70250</b>	<b>78009</b>
	Corrections:				
	a) increase of left –overs of debtors debts	<b>1313</b>	<b>25242</b>	<b>1868</b>	<b>35916</b>
	b) decrease of stock	<b>22373</b>	<b>19651</b>	<b>31834</b>	<b>27961</b>
	c) decrease of creditors debts	<b>634</b>	<b>416</b>	<b>902</b>	<b>592</b>
	<u>1.3. Income from operating activities exceed over expenses</u>	<b>73692</b>	<b>100134</b>	<b>104854</b>	<b>142478</b>
	<u>1.4. Cash paid for taxes</u>	<b>(69522)</b>	<b>(67485)</b>	<b>(98921)</b>	<b>(96023)</b>
	<u>1.5. Cash flow before extraordinary posts</u>	<b>4170</b>	<b>32649</b>	<b>5933</b>	<b>46455</b>
	<u>1.6. Income from extraordinary posts</u>				
	<u>1.7. Net income from operating activities</u>	<b>4170</b>	<b>32649</b>	<b>5933</b>	<b>46455</b>
<b>2.</b>	<b>Investments cash flow</b>				
	2.1. Costs for fixed assets	<b>(21285)</b>	<b>(86839)</b>	<b>(30286)</b>	<b>(123561)</b>
	2.2. Income from sold fixed assets	<b>40570</b>	<b>665</b>	<b>57726</b>	<b>946</b>
	2.3. Income from interest	<b>112</b>	<b>182</b>	<b>159</b>	<b>259</b>
	<u>2.4. Net costs of investment activities</u>	<b>19397</b>	<b>(85992)</b>	<b>27599</b>	<b>(122356)</b>
<b>3.</b>	<b>Financial activity cash flow</b>				
	3.1. Costs for dividends	<b>(30660)</b>	<b>(13140)</b>	<b>(43625)</b>	<b>(18696)</b>
	<u>3.2. Net costs of financial activities</u>	<b>(30660)</b>	<b>(13140)</b>	<b>(43625)</b>	<b>(18696)</b>
<b>4.</b>	<b>Increase or decrease of net cash</b>	<b>(7093)</b>	<b>(66483)</b>	<b>(10093)</b>	<b>(94597)</b>
<b>5.</b>	<b>Left –over in the beginning of annual year</b>	<b>126833</b>	<b>191680</b>	<b>180467</b>	<b>272736</b>
<b>6.</b>	<b>Left –over in the end of annual year</b>	<b>119740</b>	<b>125197</b>	<b>170374</b>	<b>178139</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>	<b>31.06.2010</b>	<b>31.06.2009</b>
<i>USD</i>	0.573	0.501
<i>EUR</i>	0.702804	0.702804

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. Fixed assets held for sale*

Fixed asset is to be considered as assets held for sale when it is prepared for immediate sale, the Company's management has decide to sell the assets and has initiated dynamic implementation of this decision. Fixed assets held for sale are included in balance sheet as current assets. Held for sale assets are evaluated at the lower of balance sheet value and fair value deducting expenses which will be needed to sell the asset.

If the decision is made not to sell asset previously specified as held for sale, it shall be immediately reclassified back to a proper long-term investment item. Such long-term investment is evaluated at the lower of balance sheet value of this asset before the transfer to held for sale assets and recoverable value of this asset on the moment of decision not to sell it.

### *6. 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

### *7. 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.

### 8. 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.

### 9. 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.

### 10. 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.

### 11. Cash and its equivalents

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

### 12. 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	30.06.10. LVL	30.06.09. LVL	30.06.10. EUR	30.06.09. EUR
<b>1.</b>	<b>Net turnover:</b>				
	1.1. Animal semen	197202	219968	280593	312986
	1.2. Artificial insemination services	26026	24134	37032	34340
	1.3. Livestock and other production	3957	5601	5630	7969
	1.4. Grain sale	42831	19611	60943	27904
	1.5. Linear evaluation of cows	10773	13185	15329	18761
	1.6. Milk sample collection	20108	20680	28611	29425

	1.7. Grain kiln services				
	1.8. Other	17158	17178	244134	24442
	<b>IN TOTAL</b>	<b>318055</b>	<b>320357</b>	<b>452552</b>	<b>455827</b>
<b>2.</b>	<b>Productional expenses for sol production</b>				
	2.1. Labour costs	38650	42749	54994	60826
	2.2. Social insurance payments	8917	9875	12688	14051
	2.3. Depreciation deductions				
	2.4. Fodder costs	6836	8137	9727	11578
	2.5. Fuel costs	12780	13600	18184	19351
	2.6. Electricity costs	2991	2345	4256	3337
	2.7. Telecommunication services	1581	1362	2250	1938
	2.8. Repair services	5144	4775	7319	6794
	2.9. Gas costs	5848	8017	8321	11407
	2.10. Fertilizer and chemical costs	4850	3027	6901	4307
	2.11. Materials and spare parts	64536	27054	91826	38494
	2.12. Various services	12414	8110	17663	11540
	2.13. Other expenses	17378	15912	24727	22641
	<b>IN TOTAL</b>	<b>181925</b>	<b>144963</b>	<b>258856</b>	<b>206264</b>
<b>3.</b>	<b>Selling costs</b>				
	3.1. Labour costs	41755	41734	59412	59382
	3.2. Social insurance payments	7831	10054	11142	14306
	3.3. Transport costs	6779	3866	9646	5501
	3.4. Other expenses	1239	1220	1763	1735
	<b>IN TOTAL</b>	<b>57604</b>	<b>56874</b>	<b>81963</b>	<b>80924</b>
<b>4.</b>	<b>Administrative expenses</b>				
	4.1. Labour costs	35820	39238	50967	55831
	4.2. Social insurance payments	9901	8704	14088	12385
	4.3. Depreciation deductions				
	4.4. Transport costs	7573	8455	10775	12030
	4.5. Office expenses	10006	8525	14237	12130
	4.6. Other expenses	14929	12356	21243	17581
	<b>IN TOTAL</b>	<b>78229</b>	<b>77278</b>	<b>111310</b>	<b>109957</b>
<b>5.</b>	<b>Other operating income</b>				
	5.1. Realization of fixed assets	36177	665	51475	946
	5.2. Excise tax for diesel fuel used in agric.				
	5.3. Subsidies from Agriculture Ministry	12881	12726	18328	18108
	5.4. Changes of currency exchange rate	301	53	428	75
	5.5. Dividends of SIA Latvijas šķirnes dzīvnieku audzētāju savienības				
	5.6. Other income	105	10	150	14
	<b>TOTAL</b>	<b>49464</b>	<b>13454</b>	<b>70381</b>	<b>19143</b>
<b>6.</b>	<b>Other operating costs</b>				
	6.1. Changes of currency exchange rate				

	6.2. Other expenses	200		285	
	<b>TOTAL</b>	<b>200</b>	<b>0</b>	<b>285</b>	<b>0</b>
<b>7.</b>	<b>Other taxes</b>				
	7.1. Nature resource tax				
	7.2. Property tax	998	1475	1420	2099
	<b>TOTAL</b>	<b>998</b>	<b>1475</b>	<b>1420</b>	<b>2099</b>

### III Information on balance on June 30, 2010

Nr. p. k.		Start value LVL	Depreciation LVL	Current value LVL	Start value EUR	Depreciation EUR	Current value EUR
<b>8.</b>	<b>Intangible investments</b>						
	8.1. Computer programmes	1682	640	1042	2393	910	1483
	<b>Total</b>	<b>1682</b>	<b>640</b>	<b>1042</b>	<b>2393</b>	<b>910</b>	<b>1483</b>
<b>9.</b>	<b>Tangible assets</b>						
	9.1. Land, buildings, perennial plants	261841	17090	244751	372566	24317	348249
	Including land	141329		141329	201093		201093
	9.2. Technological equipment and machinery	348783	259250	89533	496273	368879	127394
	9.3. Other fixed assets and inventory	29946	22014	7932	42609	31323	11286
	9.4. Advance payment for assets	864		864	1230		1230
	<b>Total</b>	<b>641433</b>	<b>298353</b>	<b>343080</b>	<b>912678</b>	<b>424519</b>	<b>488159</b>

Nr. p. k.		31.03.10. LVL	31.03.09. LVL	31.03.10. EUR	31.03.09. EUR
<b>10.</b>	<b>Long term financial assets</b>				
	10.1. Shares in SIA Latvijas šķirnes dzīvnieku audzētāju savienība	2000	2000	2846	2846
	10.2. Shares in SIA Piensaimnieku				



	laboratorija	480	480	683	683
	<b>TOTAL</b>	<b>2480</b>	<b>2480</b>	<b>3529</b>	<b>3529</b>
<b>11.</b>	<b>Biological assets</b>				
	11.1. Getter bulls	32870	38521		54810
	11.2. Getter boars	7524	6604		9397
	<b>TOTAL</b>	<b>40394</b>	<b>45125</b>	<b>57475</b>	<b>64207</b>
<b>12.</b>	<b>Raw materials and consumables</b>				
	12.1. Materials	5532	11009	7872	15664
	12.2. Mineral fertilizers and chemicals	1155	370	1643	527
	12.3. Fuel and lubricants	1323	1855	1882	2639
	12.4. Wood	2271	88	3232	125
	12.5. Grain and seedcorn	215	1889	306	2688
	12.6. Animal feed	6676	6249	9499	8892
	<b>TOTAL</b>	<b>17172</b>	<b>21460</b>	<b>24434</b>	<b>30535</b>
<b>13.</b>	<b>Production in progress</b>				
	13.1. Winter crops	4837	1368	6882	1946
	<b>TOTAL</b>	<b>4837</b>	<b>1368</b>	<b>6882</b>	<b>1946</b>
<b>14.</b>	<b>Finished goods and goods for resale</b>				
	14.1. Frozen bulls sperm	419410	359287	596767	511220
	14.2. Boars sperm				
	14.3. Frozen stallions sperm	17	17	24	24
	<b>TOTAL</b>	<b>419427</b>	<b>359304</b>	<b>596791</b>	<b>511244</b>
<b>15.</b>	<b>Long-term investments held for sale</b>				
	15.1. Pārdodamās ēkas Kuldīgas nodaļā	4724	0	6722	0
	<b>TOTAL</b>	<b>4724</b>	<b>0</b>	<b>6722</b>	<b>0</b>
<b>16.</b>	<b>Debtors</b>				
	16.1.1. Trade debtors	91507	61853	130203	88009
	16.1.2. Accumulation for debts	2256	2439	3210	3470
	16.1.3. Balance value of trade debts	<b>89251</b>	<b>59414</b>	<b>126993</b>	<b>84539</b>
	16.2. Overpaid company income tax	6978	3024	9929	4303
	16.3. Payments for advance amounts	243	257	345	365
	<b>TOTAL</b>	<b>96472</b>	<b>62695</b>	<b>137267</b>	<b>89207</b>
<b>17.</b>	<b>Short term liabilities</b>				
	17.1. Suppliers of goods and services	15339	6888	21825	9801
	17.2. Accounts with budget for income tax				
	17.3. Accounts with budget for VAT	7433	10586	10576	15063

17.4. Accounts with budget for inhab. income tax	4446	4067	6326	5787
17.5. Accounts with budget for social insurance tax	6968	7684	9915	10933
17.6. Accounts with budget for DR tax				
17.7. Accounts with in advance paid amounts				
17.8. Amounts expended for advance		78		111
17.9. Accounts with salaries	11434	13974	16269	19883
17.10.				
17.11. Accumulation for vacation	14565	16509	20725	23490
<b>TOTAL</b>	<b>60185</b>	<b>59786</b>	<b>85636</b>	<b>85068</b>

#### *IV General information*

Average number of employees in a/s “Kurzemes CMAS” on 30 th of June 2010 was 39, receiving salaries in total amount of 120390 LVL ( 171300 EUR). Calculated social 27620 LVL ( 39300 EUR).

Members of the Board receive monthly reimbursement for execution of functions in the amount of minimum salary. Members of the Council receive monthly reimbursement for execution of functions in amount of LVL 100.00 per month after taxes. President of the Council receives monthly reimbursement for execution of functions in amount of LVL 150.00 per month after taxes.

The company has no transactions with related persons. The company has not granted any guarantees, warranties and pledges, nor is there any legal action.

## STATEMENT ABOUT MANAGEMENT LIABILITY

According to our information financial report for the 6 months of 2010 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 KAČIS

Member of the board SIGITA LUKAŽE

Member of the board HARALDS MOZGIRS