

Stock company

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

ANNUAL REPORT
Year 2011
On December 31, 2011

Jaunpils, Jaunpils parish, district Jaunpils

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Information about company

Name of the company	“Kurzemes ciltslietu un mākslīgās apsēklošanas stacija”
Legal status	Stock company
Registration No., place, date	000301708 Rīga, 1991. gada 6.augustā Veikta pārreģistrācija Komercreģistrā 2004 gada 7. aprīlis ar vienoto reģistrācijas numuru 40003017085
Address	Jaunpils District Jaunpils LV-3145 Latvija
Share capital	On 31 December 2011 LVL 438000 (EUR 623218) Nominal value of one share LVL 1.00 (EUR 1.42) Total number of shares 438000 All shares are ordinary bearer shares with voting rights, giving equal rights to receive dividends, liquidation and voting rights at shareholders' meetings. There are no restrictions for the change of shareholders and do not exist any requirement for approval from the other shareholders of such change. There are no restrictions for voting rights and do not exist any similar restrictions.
Major shareholders on 09.02.2011	Latvian Animal Breed Association SIA (37,25%) SIA JL INDEX (12.48%) Pēteris Augustovs (11.27%)
Names and positions of Board members until 27 April 2011.	Gatis Kaķis – Chairman of the Board Haralds Mozgirs – Member of the Board Sigita Lukaže – Member of the Board
Names and positions of Board members from 27 April 2011.	Gatis Kaķis – Chairman of the Board Sigita Lukaže – Member of the Board Daiga Lielpinka – 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 members 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 until 27 April 2011.

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

Names and positions of Council members from 27 April 2011.

Indra Martinsone –Chairman of the Council
Maija Brunovska – Member of the Council
Ināra Kanska – Member of the Council
Haralds Mozgirs – Member of the Council
Jānis Leimanis – Member of the Council

Audit Committee

The functions of the Auditing Commission are performed by the Supervisory Board of the company

Annual year

January 1st –December 31st, 2011

Name and address of the sworn auditor

Aivars Rutkis
Zvērināta revidenta sertifikāts Nr. 18
Dainu iela 5 - 9, Dobele, Dobele district
LV-3701, Latvija

Management report

Types of activities

JSC „Kurzemes ciltslietu un mākslīgā apsēklošanas stacija” (hereinafter – the Company) principal activities are producing and sale of the semen from high-quality breeding animals (boars, bulls) , animal breeding and artificial insemination related services, collection of milk control samples, as well as grain cultivation.

Company activity during reporting year

The company's turnover in 2011 amounted to LVL 702,991 (EUR 1,000,266), which is 2.3 % higher than in 2010. Company's after-tax earnings amounted to LVL 69,470 (EUR 98,847), which is 39 % lower than in the previous reporting year. Earnings per share (EPS) are LVL 0.159 (EUR 0.226).

During the reporting year, the company has received LVL 27,550 (EUR 39,200) as national and EU subsidies. The subsidies have been received for the maintenance of breeding animals and as EU area payments.

In 2011, the joint stock company has acquired fixed assets totalling LVL 283,339.41 (EUR 403,155.66) including 39.86 ha of agricultural land for LVL 79,320 LVL (EUR 112,862) to be used for grain cultivation.

The company has disposed of its fixed assets amounting to LVL 60,704 (EUR 86,374) including the sale of the buildings, for LVL 60,000 (EUR 85,372) in which the breeding boars owned by the company were housed during the construction of the new breeding boar barn.

The company completed the breeding boar barn renovation in Jaunpils, the project of which was launched in the autumn of 2010. The project has been implemented with the co-financing of the European Union's structural funds.

In 2011, 2 (two) new projects were submitted totalling LVL 74,341.77 (EUR 105,778.81):

1. new machinery purchase for grain industry needs amounting to LVL 26,392.47 (EUR 37,553.10) and,

2. internal reconstruction of breeding bull's cattle-shed amounting to LVL 47949.30 (EUR 68225.71).

Both projects have been approved and the European Union structural funds co-financing for their implementation has been attracted amounting to ...

In 2011, the company has started the sale of feed additives to herd owners.

Twice a year, a review of the need for existing stocks in accordance with current market trends is carried out and surplus (self-produced) bio products are written off. The bio products with a high genetic quality can be stored and marketed for several years. The production cost of the written-off bio products is taken into account in pricing of the current products for sale, so that the existing stock creates no losses to the company.

Research and development activities

Non

Branches and representative offices abroad

Non

Financial risk management

Company activity is subject to a variety of financial risks including credit risk, foreign exchange rate and interest rate fluctuation risks. Company management seeks to minimize adverse effect of potential financial risks on Company's financial position.

The Company is exposed to foreign exchange rate fluctuation risk arising from differences in currencies. As with 1 January 2005 lat rate was pegged to euro rate, the lat/euro fluctuations would be limited and a significant influence on financial results in future periods is not expected. Company management considers possibility to apply hedging instruments to reduce the influence of U.S. dollar exchange rate fluctuations.

Financial resources which potentially expose Company to a certain concentration of credit risk are primarily cash and trade receivables. At the end of reporting period the Company was not subjected to significant degree of concentration of credit risk, because no customer debt exceeded 5% of total amount of trade receivables. The Company has established and respect credit policy by selling goods on credit only to customers with good credit history and within the credit amount specified for each customer. Trade receivables are specified in recoverable value. Company's partners in cash transactions are local financial institutions with an appropriate credit history.

The Company follows the prudent liquidity risk management, ensuring that the appropriate credit resources are available to meet obligations within specified time. Company's management believes that the Company will have sufficient cash resources so its liquidity is would not be jeopardized.

Circumstances and events after the end of reporting year

In the time period since last day of the reporting year up to signing of the present report there have been no significant events which considerably affect the result of reporting year.

Distribution of profit proposed by the Board

Profit is to be distributed during general meeting of Company shareholders.

Future prospects

1. Complete the on going breeding boars barn reconstruction project after the project to sell the old an unnecessary building.
2. With the European Union structural funds will be buying a new agricultural technique of grain industry needs, a semen processing laboratory equipment technologic and modernization of housing bulls internal conversion.
3. Take office building partial interior renovation.
4. Improve product and service sales by pricing improvements and new attraction.
5. Purchase or lease of agricultural land in grain production industry.

Gatis Kaķis
Chairman of the board

Sigita Lukaže
Member of the Board

Daiga Lielpinka
Member of the board

February 28th, 2012

Annual report approved by participant assemblage 2012.year _____.

Chairman of participant assemblage _____

PROFIT OR LOSS STATEMENT
(on turnover cost method)

No	Item	No. of app ..	On December 31 2011 LVL	On December 31 2010 LVL	On December 31 2011 EUR	On December 31 2010 EUR
1.	Net turnover	1.	702991	687467	1000266	978177
2.	Selling costs of finished goods	2.	(345113)	(407665)	(491052)	(580055)
3.	Gross profit or loss		357878	279802	509214	398122
4.	Selling costs	3.	(178512)	(131635)	(254000)	(187300)
5.	Administration costs	4.	(175441)	(156173)	(249630)	(222214)
6.	Other operating income	5.	73903	141787	105155	201745
7.	Other operating costs	6.	(1871)	(1356)	(2662)	(1929)
8.	Other interests receivable and similar income			118		168
9.	Profit or loss before extraordinary items and taxes		75957	132543	108077	188592
10	Tax on profit for the financial year		(4503)	(16380)	(6407)	(23307)
11	Other taxes	7.	(1984)	(2134)	(2823)	(3036)
12	Profit or loss for the financial year after taxes		69470	114029	98847	162249
13	Profit on 1 share EPS		0.159	0.260	0.226	0.370

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Appendixes on pages 12 to 20 is a part of the financial report.

BALANCE on December 31, 2011

ASSETS	NO .of app	31.12. 2011. LVL	31.12. 2010. LVL	31.12. 2011. EUR	31.12. 2010. EUR
1.Long term assets					
I Intangible assets:					
1.Concessions, patents, licences, trade marks and others		883	712	1256	1013
I TOTAL	8.	883	712	1256	1013
II Tangible assets:					
1. Land and buildings, perennial plants		470735	219688	669796	312588
2. Equipment and machinery		31183	55740	44369	79311
3. Other fixtures and fittings, tools and equipment		6768	7341	9630	10445
4. Advance payment for assets			103931		147881
II TOTAL	9.	508686	386700	723795	550225
III Long term financial assets					
1. Other securities and capital participation		2480	2480	3529	3529
III TOTAL	10.	2480	2480	3529	3529
IV Biological assets					
1. Getter animals		38740	42694	55122	60748
IV TOTAL	11.	38740	42694	55122	60748
Long term assets total		550789	432586	783702	615515
2.Current assets					
I Stocks:					
1. Raw materials and consumables	12.	52036	52802	74040	75130
2. Work in progress	13.	4836	4836	6881	6881
3.Finished goods and goods for resale	14.	424078	407392	603409	579667
I TOTAL		480950	465030	684330	661678
II Long-term investments held for sale	15.		21947		31228
III Debtors:					
1. Trade debtors		107792	120182	153374	171004
2. Other debtors		12724	572	18105	814
3. Next period costs		2673	3477	3803	4947
III TOTAL	16.	123189	124231	175282	176765
IV Cash funds		85186	94496	121209	134455
Current assets total		689325	705704	980821	1004126
BALANCE		1240114	1138290	1764523	1619641

Appendixes on pages 12 to 20 is a part of the annual report

LIABILITIES	No. of app	31.12. 2011. LVL	31.12. 2010. LVL	31.12. 2011. EUR	31.12. 2010. EUR
1.EQUITY CAPITAL					
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		401482	318326	571257	452937
b) brought forward from profit and loss account for the current annual year		69470	114029	98847	162249
Provision for liabilities and charges total		1097534	1058937	1561650	1506732
2.Creditors					
I Short term creditors:					
1.Suppliers of goods and services		50969	20949	72522	29808
2.Company income tax					
3.Taxes and social security payments		20470	18547	29126	26390
4. Other creditors		11043	13087	15713	18621
5. Paid in advance					
6. Next period income		36000		51224	
7. Accumulated liabilities		24098	26770	34288	38090
II TOTAL	17.	<i>142580</i>	<i>79353</i>	<i>202873</i>	<i>112909</i>
BALANCE		1240114	1138290	1764523	1619641

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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
Left –over 31.12.2009.	438000	188582	348986	975568	623218	268328	496562	1388108
2010- profit			114029	114029			162249	162249
Dividendes 2009.			(30660)	(30660)			(43625)	(43625)
Left –over 31.12.2010.	438000	188582	432357	1058937	623218	268328	615186	1506732
Left –over 31.12.2010.	438000	188582	432357	1058937	623218	268328	615186	1506732
2011- profit			69470	69470			98847	98847
Dividendes 2010			(30660)	(30660)			(43625)	(43625)
Left –over 31.12.2011.	438000	188582	470952	1097534	623218	268328	670104	1561650

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CASH FLOW OVERVIEW

No	Items of incomes and costs	On December 31, 2011 LVL	On December 31, 2010 LVL	On December 31, 2011 EUR	On December 31, 2010 EUR
1.	Cash flow from operating activities				
	<u>1.1 Profit or loss before extraordinary posts and taxes</u>	75957	132543	108077	188592
	Corrections:				
	a) depreciation of fixed assets	34413	40317	48965	57366
	b) Loss from changes of foreign currency exchange rate	(1554)	(1773)	(2211)	(2523)
	<u>1.2. Profit from operating activities of the annual year</u>	108816	171087	154831	243435
	Corrections:				
	a) increase of left –overs of debtors debts	(1042)	(49072)	(1482)	(69823)
	b) decrease of stock	15920	(1221)	22652	(1737)
	c) decrease of creditors debts	63227	(18534)	89964	(26372)
	<u>1.3. Income from operating activities exceed over expenses</u>	186921	102260	265965	145503
	<u>1.4. Cash paid for taxes</u>	(66082)	(93169)	(94026)	(132569)
	<u>1.5. Cash flow before extraordinary posts</u>	120839	9091	171939	12934
	<u>1.6. Income from extraordinary posts</u>				
	<u>1.7. Net income from operating activities</u>	120839	9091	171939	12934
2.	Investments cash flow				
	2.1. Costs for fixed assets	(160143)	(127282)	(227863)	(181106)
	2.2. Income from sold fixed assets	60654	116396	86303	165617
	2.3. Income from interest		118		168
	<u>2.4. Net costs of investment activities</u>	(99489)	(10768)	(141560)	(15321)
3.	Financial activity cash flow				
	3.1. Costs for dividends	(30660)	(30660)	(43625)	(43625)
	<u>3.2. Net costs of financial activities</u>	(30660)	(30660)	(43625)	(43625)
4.	Increase or decrease of net cash	(9310)	(32337)	(13246)	(46012)
5.	Left –over in the beginning of annual year	94496	126833	134455	180467
6.	Left –over in the end of annual year	85186	94496	121209	134455

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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 in conformity with the Republic of Latvia Cabinet of Ministers Regulations No. 481 and No. 488 adopted on 21.06.2011 and in effect from 01.07.2011.

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>31.12.2011</i>	<i>31.12.2010</i>
<i>USD</i>	0.544	0.535
<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.

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, EU funding

EU grant funds are accounted for as deferred income and gradually reversed and credited to the statement of income. 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 deffered 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), 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	31.12.11. LVL	31.12.10. LVL	31.12.11. EUR	31.12.10. EUR
1.	Net turnover:				
	1.1. Animal semen	397802	419567	566021	596990
	1.2. Artificial insemination services	61766	57946	87885	82450
	1.3. Livestock and other production	6631	7102	9435	10105
	1.4. Grain sale	103780	101331	147666	144181
	1.5. Linear evaluation of cows	44594	23782	63452	33838
	1.6. Milk sample collection	41492	42040	59038	59818
	1.7. Grain kiln services	871	1410	1239	2006
	1.8. Other	46055	34289	65530	48789
	IN TOTAL	702991	687467	1000266	978177
2.	Productional expenses for sol production				
	2.1. Labour costs	114112	109518	162367	155830
	2.2. Social insurance payments	26870	25695	38233	36561
	2.3. Depreciation deductions	30947	36692	44034	52208
	2.4. Fodder costs	8778	12529	12490	17827
	2.5. Fuel costs	40741	40115	57969	57078
	2.6. Electricity costs	5869	6794	8351	9667
	2.7. Telecommunication services	3864	3092	5498	4400
	2.8. Repair services	13594	9491	19343	13504
	2.9. Gas costs	7747	9152	11023	13022
	2.10. Fertilizer and chemical costs	25663	7993	36515	11373
	2.11. Materials and spare parts	18458	33513	26263	47685
	2.12. Various services	27846	24037	39621	34202
	2.13. Other expenses	20624	89044	29345	126698
	IN TOTAL	345113	407665	491052	580055
3.	Selling costs				
	3.1. Labour costs	50875	65085	72389	92608
	3.2. Social insurance payments	12089	14199	17201	20203
	3.3. Transport costs	26713	13758	38009	19576

	3.4. Write-off of ageing and slow-turnover breeding bulls' bio product.	51202		72854	
	3.5. Other expenses	37633	38593	53547	54913
	IN TOTAL	178512	131635	254000	187300
4.	Administrative expenses				
	4.1. Labour costs	72625	82192	103336	116949
	4.2. Social insurance payments	17178	20853	24442	29671
	4.3. Depreciation deductions	3466	3625	4932	5158
	4.4. Transport costs	13245	12633	18846	17975
	4.5. Office expenses	18399	15179	26179	21598
	4.6. Repair of office premises.	16980		24160	
	4.7. Other expenses	33548	21691	47735	30863
	IN TOTAL	175441	156173	249630	222214
5.	Other operating income				
	5.1. Realization of fixed assets	38497	106821	54777	151993
	5.2. Excise tax for diesel fuel used in agric.	3606	6554	5131	9325
	5.3. Subsidies from Agriculture Ministry	27550	28107	39200	39993
	5.4. EU financing for reconstruction and modernisation of bulls' cattle-shed.	4000		5692	
	5.5. Dividends of SIA Latvijas šķirnes dzīvnieku audzētāju savienības	100	100	142	142
	5.6. Other income	150	205	213	292
	TOTAL	73903	141787	105155	201745
6.	Other operating costs				
	6.1. Changes of currency exchange rate	1445	956	2056	1360
	6.2. Other expenses	426	400	606	569
	TOTAL	1871	1356	2662	1929
7.	Other taxes				
	7.1. Nature resource tax				
	7.2. Property tax	1984	2134	2823	3036
	TOTAL	1984	2134	2823	3036

III Information on balance on December 31, 2011

Nr. p. k.		Start value LVL	Depreciation LVL	Current value LVL	Start value EUR	Depreciation EUR	Current value EUR
8.	Intangible investments						
	8.1. Computer programmes	2189	1306	883	3115	1859	1256
	Total	2189	1306	883	3115	1859	1256

Nr. p. k.		Land, buildings, perennial plants	Tehnological equipment and machinery	Other fixed assets and inventory	<u>Total LVL</u>
9.	The initial value of 31.12.2010	235875	344941	25897	606713
	Acquired or created in 2011	255905	960	3277	260142
	Excluded in 2011		649	3957	4606
	Transferred to another item				
	The initial value of 31.12.2011	491780	345252	25217	862249
	Depreciation 31.12.2010.	16187	289201	18556	323944
	Calculated in 2011	4858	26361	2797	34016
	Excluded in 2011		1493	2903	4396
	Transferred to another item				
	Depreciation 31.12.2011.	21045	314069	18450	353564
	Book value 31.12.2010	219688	55740	7341	282769
	Book value 31.12.2011	470735	31183	6768	508686

Nr. p. k.		Land, buildings, perennial plants	Tehnological equipment and machinery	Other fixed assets and inventory	<u>Total EUR</u>
9.	The initial value of 31.12.2010	335621	490806	36848	863275
	Acquired or created in 2011	364120	1367	4663	370150
	Excluded in 2011		924	5630	6554
	Transferred to another item				
	The initial value of 31.12.2011	699741	491249	35881	1226871
	Depreciation 31.12.2010.	23033	411495	26403	460931
	Calculated in 2011	6912	37508	3980	48400
	Excluded in 2011		2124	4131	6255
	Transferred to another item				
	Depreciation 31.12.2011.	29945	446879	26252	503076
	Book value 31.12.2010	312587	79311	10445	402344
	Book value 31.12.2011	669796	44370	9629	723795

Nr. p. k.		31.12.11. LVL	31.12.10. LVL	31.12.11. EUR	31.12.10. EUR
10.	Long term financial assets				
	10.1. Shares in SIA Latvijas šķirnes dzīvnieku audzētāju savienība	2000	2000	2846	2846
	10.2. Shares in SIA Piensaimieku laboratorija	480	480	683	683
	TOTAL	2480	2480	3529	3529
11.	Biological assets				
	11.1. Getter bulls	31551	36735	44893	52269
	11.2. Getter boars	7189	5959	10229	8479
	TOTAL	38740	42694	55122	60748

12.	Raw materials and consumables				
	12.1. Materials	11823	8456	16823	12032
	12.2. Mineral fertilizers and chemicals	24268	19475	34530	27710
	12.3. Grain and seedcorn	10799	17265	15365	24566
	12.4. Fuel and lubricants	1145	2552	1629	3631
	12.5. Wood, spare parts	1045	616	1487	876
	12.6. Animal feed	2956	4438	4206	6315
	TOTAL	52036	52802	74040	75130
13.	Production in progress				
	13.1. Winter crops	4836	4836	6881	6881
	TOTAL	4836	4836	6881	6881
14.	Finished goods and goods for resale				
	14.1. Frozen bulls sperm	424061	407375	603385	579643
	14.2. Frozen stallions sperm	17	17	24	24
	TOTAL	424078	407392	603409	579667
15.	Long-term investments held for sale				
	15.1. Kandava chapter houses for sale		21947		31228
	TOTAL		21947		31228
16.	Debtors				
	16.1.1. Trade debtors	112522	123833	160104	176198
	16.1.2. Accumulation for debts	4730	3651	6730	5194
	16.1.3. Balance value of trade debts	107792	120182	153374	171004
	16.2. Payments for advance amounts	146	168	208	239
	16.3. Income tax	12578	404	17897	575
	16.4. Prepaid expenses	2673	3477	3803	4947
	TOTAL	123189	124231	175282	176765
17.	Short term liabilities				
	17.1. Suppliers of goods and services	50969	20949	72522	29808
	17.2. Accounts with budget for income tax				
	17.3. Accounts with budget for VAT	8349	4413	11880	6279
	17.4. Accounts with budget for inhab. income tax	4302	5522	6121	7857
	17.5. Accounts with budget for social insurance tax	7561	8332	10758	11855
	17.6. Accounts with budget for DR tax	243	264	346	376

17.7. Accounts with in advance paid amounts	15	16	21	23
17.8. Amounts expended for advance	28	7	40	10
17.9. Accounts with salaries	11015	13080	15673	18611
17.10. Deferred income from EU financing for the reconstruction and modernisation of boar barn.	36000		51223	
17.11. Accrued liabilities to suppliers	6579	12063	9361	17164
17.12. Accumulation for vacation	17519	14707	24927	20926
TOTAL	142580	79353	202873	112909

IV General information

Average number of employees in a/s “Kurzemes CMAS” on 31st of December 2011 was 39, receiving salaries in total amount of 247491 LVL (352148 EUR). Calculated social tax 58700 LVL (83523 EUR).

Following taxes were paid in 2011:

<i>Kind of tax</i>	<i>Left –over on 31.12.2010 LVL</i>	<i>Calculated in 2011 LVL</i>	<i>Paid in 2011 LVL</i>	<i>Left over on 31.12.2011 LVL</i>
<i>Company income tax</i>	- 404.00	4503	16678	-12579
<i>Value added tax</i>	4413	90044	86108	8349
<i>Social tax</i>	8332	85458	86229	7561
<i>Inhabitants income tax</i>	5522	47975	49195	4302
<i>Nature resource tax</i>	264	243	264	243
<i>Property tax</i>		1984	1984	
<i>Risk duty</i>	16	122	123	15
TOTAL	18143	230329	240581	7891

<i>Kind of tax</i>	<i>Left –over on 31.12.2010 EUR</i>	<i>Calculated in 2011 EUR</i>	<i>Paid in 2011 EUR</i>	<i>Left –over on 31.12.2011 EUR</i>
<i>Company income tax</i>	-575	6407	23729	-17897
<i>Value added tax</i>	6279	128121	122520	11880
<i>Social tax</i>	11855	121596	122693	10758

<i>Inhabitants income tax</i>	7857	68263	69998	6122
<i>Nature resource tax</i>	376	346	376	346
<i>Property tax</i>		2822	2822	
<i>Risk duty</i>	22	174	175	21
<i>TOTAL</i>	25814	327729	342313	11230

Members of the Board receive monthly reimbursement for execution of functions in the amount of LVL 180 per month before tax. 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. In 2011, the Board paid 31839.05 LVL (45302.89 EUR), Council paid 13340.12 LVL (18981.28 EUR).

The cadastral value of company-owned land is LVL 63,464 (EUR 90,301), the cadastral value of buildings is LVL 45,270 LVL (EUR 64,413).The company has no transactions with related persons. The company has not granted any guarantees, warranties and pledges, nor is there any legal action.

In 2011, sworn auditor services reimbursed 650 LVL (924.87 EUR) without VAT.

STATEMENT ABOUT MANAGEMENT LIABILITY

According to our information financial report for the 2011 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 DAIGA LIELPINKA