

AS „KURZEMES CILTSLIETU UN MĀKSLĪGĀS APSĒKLOŠANAS STACIJA”  
NEREVIDĒTS 2012.gada I pusgada PĀRSKATS

Stock company

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

***FINANCIAL REPORT***  
***Year 2012***  
***On June 30, 2012***

Jaunpils parish, Jaunpils district

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## Information about company

Name of the company	“Kurzemes ciltslietu un mākslīgās apsēkļošanas 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 district LV-3145 Latvija
Share capital	On 30 June 2012 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 on April 17th, 2012.	Latv. šķirnes dzīvnieku audzētāju sav. SIA (37,25 %) JL INDEX SIA (11.98 %) Pēteris Augustovs (11.37 %)
Names and positions of Board members	Gatis Kaķis – Chairman of the Board Daiga Lielpinka – 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 Martinsons – 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 – June 30th, 2012
Name and address of the sworn auditor	Aivars Rutkis Zvērināta revidenta sertifikāts Nr. 18 Dainu iela 5 - 9, Dobeles, Dobeles district 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.
5. Sales of food additives.

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

The net turnover of the company in the first half a year of 2012 is LVL 336916 (EUR 479388), profit after tax payment is LVL 23572 (EUR 33540). The company has received subsidies in the amount of LVL 5829 (EUR 8294) in the accounting period. Subsidies are received regarding the maintenance of breeding animals and the EU area payments. There were two initiated projects for the reconstruction of bloodstock bull farm and acquisition of agriculture equipment completed.

Within the first half of 2012 the company has acquired fixed assets for the total amount of LVL 40374 (EUR 57447), including the use of resources provided by the European Union Structural Funds, the new agriculture equipment was acquired for the need of cultivation of grain – a disc cultivator LVL 12650 (EUR 17999) and a trail LVL 13742 (EUR 19553). There were two vehicles in the amount of LVL 10939 (EUR 15565) acquired for the need of logistics.

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.

### **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 potential 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 deferred 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 enough 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 buy or lease agriculture land for the need of cultivation of grain.
2. To increase the selling volume of products and services, by performing the price policy improvements and attraction of new customers.
3. To develop the sales of food additives.
4. To perform partial internal repairs of the office building.

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Gatis Kaķis  
Chairman of the board

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Sigita Lukaže  
Member of the Board

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Daiga Lielpinka  
Member of the board

July 27th, 2012

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

No	Item	No. of app ..	On June 30 2012 LVL	On June 30 2011 LVL	On June 30 2012 EUR	On June 30 2011 EUR
1.	Net turnover	1.	336916	341331	479388	485670
2.	Selling costs of finished goods	2.	(185980)	(190874)	(264626)	(271589)
3.	Gross profit or loss		150936	150457	214762	214081
4.	Selling costs	3.	(55857)	(62459)	(79477)	(88871)
5.	Administration costs	4.	(76999)	(80545)	(109560)	(114605)
6.	Other operating income	5.	8184	47345	11645	67366
7.	Other operating costs	6.	(107)	(1241)	(152)	(1766)
8.	Other interests receivable and similar income					
9.	Profit or loss before extraordinary items and taxes		26157	53557	37218	76205
10	Tax on profit for the financial year			(4700)		(6688)
11	Other taxes	7.	(2585)	(1168)	(3678)	(1662)
12	Profit or loss for the financial year after taxes		23572	47689	33540	67855
13	Profit on 1 share EPS		0.054	0.109	0.077	0.155

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 Chairman of the board

Sigita Lukaže  
 Member of the Board

Daiga Lielpinka  
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Appendixes on pages 11 to 18 is a part of the financial report.

### BALANCE on June 30, 2012

ASSETS	NO .of app	30.06. 2012. LVL	30.06. 2011. LVL	30.06. 2012. EUR	30.06. 2011. EUR
<b>1.Long term assets</b>					
I Intangible assets:				+	
1.Concessions, patents, licences, trade marks and others		883	1280	1256	1821
<b>I TOTAL</b>	8.	<b>883</b>	<b>1280</b>	<b>1256</b>	<b>1821</b>
II Tangible assets:					
1. Land and buildings, perennial plants		470735	368324	669796	524078
2. Equipment and machinery		69019	57523	98205	81848
3. Other fixtures and fittings, tools and equipment		9305	8850	13240	12592
4. Advance payment for assets			800		1138
<b>II TOTAL</b>	9.	<b>549059</b>	<b>435497</b>	<b>781241</b>	<b>619656</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		39449	51763	56131	73652
<b>IV TOTAL</b>	11.	<b>39449</b>	<b>51763</b>	<b>56131</b>	<b>73652</b>
<b>Long term assets total</b>		<b>591871</b>	<b>491020</b>	<b>842157</b>	<b>698658</b>
<b>2.Current assets</b>					
I Stocks:					
1. Raw materials and consumables	12.	18890	20259	26878	28826
2. Work in progress	13.	4837	4837	6882	6882
3.Finished goods and goods for resale	14.	426413	433169	606731	616344
<b>I TOTAL</b>		<b>450140</b>	<b>458265</b>	<b>640491</b>	<b>652052</b>
III Debtors:					
1. Trade debtors		105996	113930	150818	162108
2. Other debtors		21798	6462	31016	9195
3. Next period costs					
<b>III TOTAL</b>	15.	<b>127794</b>	<b>120392</b>	<b>181834</b>	<b>171303</b>
IV Cash funds		82920	112003	117985	159366
<b>Current assets total</b>		<b>660854</b>	<b>690660</b>	<b>940310</b>	<b>982721</b>
<b>BALANCE</b>		<b>1252725</b>	<b>1181680</b>	<b>1782467</b>	<b>1681379</b>

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LIABILITIES	No. of app	30.06. 2012. LVL	30.06. 2011. LVL	30.06. 2012. EUR	30.06. 2011. 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		470952	401695	670104	571561
b) brought forward from profit and loss account for the current annual year		23572	47689	33540	67855
<b>Provision for liabilities and charges total</b>		<b>1121106</b>	<b>1075966</b>	<b>1595190</b>	<b>1530962</b>
<b>2.Creditors</b>					
I Short term creditors:					
1. Suppliers of goods and services		26513	20360	37725	28970
2. Company income tax					
3. Taxes and social security payments		22626	19222	32194	27350
4. Other creditors		9780	11425	13915	16256
5. Next period income		55180	40000	78514	56915
6. Accumulated liabilities		17520	14707	24929	20926
II TOTAL	16.	<b>131619</b>	<b>105714</b>	<b>187277</b>	<b>150417</b>
<b>BALANCE</b>		<b>1252725</b>	<b>1181680</b>	<b>1782467</b>	<b>1681379</b>

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July 27th, 2012

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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 31.12.2010.</b>	<b>438000</b>	<b>188582</b>	<b>432355</b>	<b>1058937</b>	<b>623218</b>	<b>268328</b>	<b>615186</b>	<b>1506732</b>
2011- profit			47689	47689			67855	67855
Dividendes			(30660)	(30660)			(43625)	(43625)
<b>Left –over 30.06.2011.</b>	<b>438000</b>	<b>188582</b>	<b>449384</b>	<b>1075966</b>	<b>623218</b>	<b>268328</b>	<b>639416</b>	<b>1530962</b>
<b>Left –over 31.12.2011.</b>	<b>438000</b>	<b>188582</b>	<b>470952</b>	<b>1097534</b>	<b>623218</b>	<b>268328</b>	<b>670104</b>	<b>1561650</b>
2012 - profit			23572	23572			33540	33540
<b>Left –over 30.06.2012.</b>	<b>438000</b>	<b>188582</b>	<b>494524</b>	<b>1121106</b>	<b>623218</b>	<b>268328</b>	<b>703644</b>	<b>1595190</b>

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## CASH FLOW OVERVIEW

No	Items of incomes and costs	On June 30 2012 LVL	On June 30 2011 LVL	On June 30 2012 EUR	On June 30 2011 EUR
<b>1.</b>	<b>Cash flow from operating activities</b>				
	<u>1.1 Profit or loss before extraordinary posts and taxes</u>	<b>26157</b>	<b>53557</b>	<b>37218</b>	<b>76205</b>
	Corrections:				
	a) depreciation of fixed assets				
	b) Loss from changes of foreign currency exchange rate		<b>(905)</b>		<b>(1288)</b>
	<u>1.2. Profit from operating activities of the annual year</u>	<b>26157</b>	<b>52652</b>	<b>37218</b>	<b>74917</b>
	Corrections:				
	a) increase of left –overs of debtors debts	<b>17402</b>	<b>(23920)</b>	<b>24761</b>	<b>(34035)</b>
	b) decrease of stock	<b>18125</b>	<b>6829</b>	<b>25790</b>	<b>9717</b>
	c) decrease of creditors debts	<b>25905</b>	<b>45529</b>	<b>36859</b>	<b>64782</b>
	<u>1.3. Income from operating activities exceed over expenses</u>	<b>87589</b>	<b>81090</b>	<b>124628</b>	<b>115381</b>
	<u>1.4. Cash paid for taxes</u>	<b>(73829)</b>	<b>(69407)</b>	<b>(105049)</b>	<b>(98757)</b>
	<u>1.5. Cash flow before extraordinary posts</u>	<b>13760</b>	<b>11683</b>	<b>19579</b>	<b>16624</b>
	<u>1.6. Income from extraordinary posts</u>				
	<u>1.7. Net income from operating activities</u>	<b>13760</b>	<b>11683</b>	<b>19579</b>	<b>16624</b>
<b>2.</b>	<b>Investments cash flow</b>				
	2.1. Costs for fixed assets	<b>(17178)</b>	<b>(23516)</b>	<b>(24442)</b>	<b>(33460)</b>
	2.2. Income from sold fixed assets	<b>1152</b>	<b>60000</b>	<b>1639</b>	<b>85372</b>
	2.3. Income from interest				
	<u>2.4. Net costs of investment activities</u>	<b>(16026)</b>	<b>36484</b>	<b>(22803)</b>	<b>85372</b>
<b>3.</b>	<b>Financial activity cash flow</b>				
	3.1. Costs for dividends		<b>(30660)</b>		<b>(43626)</b>
	<u>3.2. Net costs of financial activities</u>		<b>(30660)</b>		<b>(43626)</b>
<b>4.</b>	<b>Increase or decrease of net cash</b>	<b>(2266)</b>	<b>17507</b>	<b>(3224)</b>	<b>24910</b>
<b>5.</b>	<b>Left –over in the beginning of annual year</b>	<b>85186</b>	<b>94496</b>	<b>121209</b>	<b>134456</b>
<b>6.</b>	<b>Left –over in the end of annual year</b>	<b>82920</b>	<b>112003</b>	<b>117985</b>	<b>159366</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 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>	<b>30.06.2012</b>	<b>30.06.2011</b>
<i>USD</i>	0.562	0.489
<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 difference 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 EU funds to purchase fixed assets are recorded as next period income that are included in incomes of fixed assets bought for EU funds 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 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, 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	30.06.12. LVL	30.06.11. LVL	30.06.12. EUR	30.06.11. EUR
<b>1.</b>	<b>Net turnover:</b>				
	1.1. Animal semen	201445	188579	286630	268324
	1.2. Artificial insemination services	30638	28308	43594	40279
	1.3. Livestock and other production	6055	1306	8615	1858
	1.4. Grain sale	22757	63581	32380	90468
	1.5. Linear evaluation of cows	23642	18460	33640	26266
	1.6. Milk sample collection	22898	20248	32581	28810
	1.7. Grain kiln services				
	1.8. Other	29481	20849	41948	29665
	<b>IN TOTAL</b>	<b>336916</b>	<b>341331</b>	<b>479388</b>	<b>485670</b>
<b>2.</b>	<b>Productional expenses for sol production</b>				
	2.1. Labour costs	37814	45788	53804	65150
	2.2. Social insurance payments	8884	10613	12641	15101
	2.3. Depreciation deductions				
	2.4. Fodder costs	4403	4404	6265	6266
	2.5. Fuel costs	18285	17869	26017	25425
	2.6. Electricity costs	3589	3415	5107	4859
	2.7. Telecommunication services	1388	1483	1975	2110
	2.8. Repair services	10981	6865	15625	9768
	2.9. Gas costs	6133	6309	8726	8977
	2.10. Fertilizer and chemical costs	31859	24612	45332	35020
	2.11. Materials and spare parts	36567	42969	52030	61140
	2.12. Various services	7442	11958	10589	17015

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	2.13. Other expenses	18635	14589	26515	20758
	<b>IN TOTAL</b>	<b>185980</b>	<b>190874</b>	<b>264626</b>	<b>271589</b>
<b>3.</b>	<b>Selling costs</b>				
	3.1. Labour costs	31967	38300	45485	54496
	3.2. Social insurance payments	7640	9150	10871	13019
	3.3. Transport costs	12031	12653	17118	18004
	3.4. Other expenses	4219	2356	6003	3352
	<b>IN TOTAL</b>	<b>55857</b>	<b>62459</b>	<b>79477</b>	<b>88871</b>
<b>4.</b>	<b>Administrative expenses</b>				
	4.1. Labour costs	35895	33360	51074	47467
	4.2. Social insurance payments	8569	7945	12193	11305
	4.3. Depreciation deductions				
	4.4. Transport costs	4957	5482	7053	7800
	4.5. Office expenses	8250	9355	11739	13311
	4.6. Other expenses	19328	24403	27501	34722
	<b>IN TOTAL</b>	<b>76999</b>	<b>80545</b>	<b>109560</b>	<b>114605</b>
<b>5.</b>	<b>Other operating income</b>				
	5.1. Realization of fixed assets	1152	37828	1639	53824
	5.2. Excise tax for diesel fuel used in agric.	911		1296	
	5.3. Subsidies from Agriculture Ministry	5829	9417	8294	13399
	5.4. Changes of currency exchange rate	292		416	
	5.5. Dividends of SIA Latvijas šķirnes dzīvnieku audzētāju savienības				
	5.6. Other income		100		143
	<b>TOTAL</b>	<b>8184</b>	<b>47345</b>	<b>11645</b>	<b>67366</b>
<b>6.</b>	<b>Other operating costs</b>				
	6.1. Changes of currency exchange rate		835		1188
	6.2. Other expenses	107	406	152	578
	<b>TOTAL</b>	<b>107</b>	<b>1241</b>	<b>152</b>	<b>1766</b>
<b>7.</b>	<b>Other taxes</b>				
	7.1. Nature resource tax				
	7.2. Property tax	2585	1168	3678	1662
	<b>TOTAL</b>	<b>2585</b>	<b>1168</b>	<b>3678</b>	<b>1662</b>

*III Information on balance on June 30, 2012*

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	2189	1306	883	3114	1858	1256

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	<b>Total</b>	<b>2189</b>	<b>1306</b>	<b>883</b>	<b>3114</b>	<b>1858</b>	<b>1256</b>
<b>9. Tangible assets</b>							
9.1. Land, buildings, perennial plants	491781	21046	470735	699741	29945	669796	
Including land	213049		213049	303141		303141	
9.2. Technological equipment and machinery	383088	314069	69019	545085	446880	98205	
9.3. Other fixed assets and inventory	27755	18450	9305	39492	26252	13240	
9.4. Advance payment for assets							
<b>Total</b>	<b>902624</b>	<b>353565</b>	<b>549059</b>	<b>1284318</b>	<b>503077</b>	<b>781241</b>	

Nr. p. k.		30.06.12. LVL	30.06.11. LVL	30.06.12. EUR	30.06.11. EUR
<b>10.</b>	<b>Long term financial assets</b>				
	10.1. 2000 shares in SIA “Latvijas šķirnes dzīvnieku audzētāju savienība” with value LVL 1.00 or 1.67 % of fixed capital	2000	2000	2846	2846
	10.2. 16 shares in SIA “Piensaimnieku laboratorija” with value LVL 30.00 or 7.41 % of fixed capital	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	31718	45577	45131	64850
	11.2. Getter boars	7731	6186	11000	8802
	<b>TOTAL</b>	<b>39449</b>	<b>51763</b>	<b>56131</b>	<b>73652</b>
<b>12.</b>	<b>Raw materials and consumables</b>				
	12.1. Materials	11203	10625	15940	15118
	12.2. Mineral fertilizers and chemicals	2441	848	3473	1207
	12.3. Fuel and lubricants	1420	1134	2021	1613
	12.4. Wood	1814	1321	2581	1880
	12.5. Grain and seedcorn	1045		1487	
	12.6. Animal feed	967	6331	1376	9008
	<b>TOTAL</b>	<b>18890</b>	<b>20259</b>	<b>26878</b>	<b>28826</b>
<b>13.</b>	<b>Production in progress</b>				
	13.1. Winter crops	4837	4837	6882	6882
	<b>TOTAL</b>	<b>4837</b>	<b>4837</b>	<b>6882</b>	<b>6882</b>
<b>14.</b>	<b>Finished goods and goods for resale</b>				
	14.1. Frozen bulls sperm	426396	433152	606707	616320



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	14.2. Boars sperm				
	14.3. Frozen stallions sperm	17	17	24	24
	<b>TOTAL</b>	<b>426413</b>	<b>433169</b>	<b>606731</b>	<b>616344</b>
<b>15.</b>	<b>Debtors</b>				
	15.1.1. Trade debtors	110726	117581	157549	167303
	15.1.2. Accumulation for debts	4730	3651	6730	5195
	15.1.3. Balance value of trade debts	<b>105996</b>	<b>113930</b>	<b>150819</b>	<b>162108</b>
	15.2. Overpaid company income tax	21277	6340	30274	9021
	15.3. Payments for advance amounts	521	122	741	173
	<b>TOTAL</b>	<b>127794</b>	<b>120392</b>	<b>181834</b>	<b>171302</b>
<b>16.</b>	<b>Short term liabilities</b>				
	16.1. Suppliers of goods and services	26513	20667	37725	29407
	16.2. Accounts with budget for income tax				
	16.3. Accounts with budget for VAT	12870	8876	18312	12629
	16.4. Accounts with budget for inhab. income tax	3454	3674	4915	5228
	16.5. Accounts with budget for social insurance tax	6302	6672	8967	9493
	16.6. Accounts with budget for DR tax				
	16.7. Accounts with in advance paid amounts				
	16.8. Amounts expended for advance				
	16.9. Accounts with salaries	9780	11118	13915	15819
	16.10. Accrued liabilities to suppliers				
	16.11. Accumulation for vacation	17520	14707	24929	20926
	16.12. Deferred income from EU financing for the reconstruction and modernisation of boar barn.	55180	40000	78514	56915
	<b>TOTAL</b>	<b>131619</b>	<b>105714</b>	<b>187277</b>	<b>150417</b>

#### *IV General information*

Average number of employees in a/s “Kurzemes CMAS” on 30th of June 2012 was 36, receiving salaries in total amount of 105676 LVL ( 150363 EUR). Calculated social 25093 LVL ( 35704 EUR).

Members of the Board receive monthly reimbursement for execution of functions in the amount of 180 LVL. 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 2012 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