

**Joint Stock Company "Kurzemes ciltslietu un
mākslīgās apsēklošanas stacija"**

(Unified registration number 40003017085)

FINANCIAL REPORT

FOR THE PERIOD

**01 JANUARY 2015 -
30 SEPTEMBER 2015**

JAUNPILS DISTRICT

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General Information

Name of the Company	Joint stock company "Kurzemes ciltslietu un mākslīgās apsēklošanas stacija"
Legal status of the Company	Public joint stock company
Registration number, place, date	000301708 Riga, 6.August, 1991
Re-registered in the Commercial Register	40003017085 Riga, 7 April, 2004
Address	Jaunpils, Jaunpils parish, Jaunpils region, LV-3145
Core Business Activities of the Company	NACE 01.50 Mixed farming (crops and animal)
Names and positions of the Board members:	
Chairman of the Board	GATIS KAČIS
Member of the Board	SIGITA LUKAŽE
Member of the Board	DAIGA LIELPINKA
Names and positions of the Council members	duration in accordance with data from the Register of Enterprises
Chairman of the Council	JĀNIS LEIMANIS
Member of the Council	INĀRA KANSKA
Member of the Council	MAIJA BRUNOVSKA
Member of the Council	HARALDS MOZGIRS
Member of the Council	PĒTERIS AUGUSTOVŠ
Reporting year	01 January 2015 – 30 September 2015
Name and address of the auditor	Marija Jansone Sworn auditor (LACA Certificate No.25)
	SIA AUDIT ADVICE Sworn auditors company's licence No.134 Riga, Grecinieku Street 9-3, Latvia, LV-1050

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 nine months 2015 amounted to EUR 700471 which is less 5.8 % than in nine months 2014. Company's after-tax earnings amounted to EUR 63597 . Earnings per share (EPS) are EUR 0.073.

During the reporting year, the company has received EUR 8441 as national and EU subsidies. The subsidies have been received for the maintenance of breeding animals.

In 2015, the joint stock company has acquired fixed assets totalling EUR 55152, including grain combine EUR 54800.

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 of reporting 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.

Future prospects

1. As far as possible to maintain the existing and continuing to attract new customers.
2. Increase of breeding conected service amounts.
3. Optimize production and sales costs.
4. Buy or rent agricultural land for the needs of the cereals sector.
5. Consider the possibilities of EU funds to the grain dryers reconstruction purposes.

Chairman of the Board
Gatis Kaķis

Member of the Board
Sigita Lukaže

Member of the Board
Daiga Lielpinka

October 28, 2015

STATEMENT ABOUT MANAGEMENT LIABILITY

The Management of Joint Stock Company "Kurzemes ciltslietu un mākslīgās apsēklošanas stacija" is responsible for the preparation of the Company's Annual Report.

The Management of Joint Stock Company "Kurzemes ciltslietu un mākslīgās apsēklošanas stacija" in accordance with information available confirms that the Financial Report for the period from 01.01.2015. to 30.09.2015. has been prepared in accordance with the requirements of the applicable laws and regulations and gives a true and fair view on the JSC "Kurzemes ciltslietu un mākslīgās apsēklošanas stacija" assets, liabilities, financial position and loss. The Management Report provides true review of JSC "Kurzemes ciltslietu un mākslīgās apsēklošanas stacija" growth and performance results.

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

The Management of Joint Stock Company "Kurzemes ciltslietu un mākslīgās apsēklošanas stacija" is responsible for the compliance with the requirements of laws and regulations of the Republic of Latvia.

Chairman of the Board
Gatis Kaķis

Member of the Board
Sigita Lukaže

Member of the Board
Daiga Lielpinka

October 28, 2015

BALANCE SHEET

ASSETS	Notes	30.09.15. EUR	30.09.14. EUR
Non-current assets			
I Intangible assets			
Concessions, patents, licences, trade marks and similar rights		984	1 451
Total intangible assets	3	984	1 451
II Tangible assets			
Land, building and construction		775 966	730 753
Equipment and machinery		113 252	62 743
Other fixed assets and equipment		8 733	12 139
Total tangible assets	4	897 951	805 635
III Biological assets			
Breeding bulls		30 380	27 899
Breeding boars		11 501	11 391
Forest stand		413	
Total biological assets	5	42 294	39 290
IV Long-term financial investments			
Other loans and long-term receivables		3 529	3 529
Total long-term financial investments	6	3 529	3 529
Total non-current assets		944 758	849 905
Current assets			
I Inventories			
Raw materials and consumables	7	120 257	101 780
Unfinished production	8	35 262	27 560
Finished production and goods for sale	9	308 064	552 083
Total inventories		463 583	681 423
II Receivables			
Trade receivables	10	133 491	127 762
Other receivables	11	82	8 359
Prepaid expenses	12	6 623	
Total receivables		140 196	136 121
III Cash (total)			
	13	182 331	119 856
Total current assets		786 110	937 400
Total assets		1 730 868	1 787 305

The accompanying notes from 12 to 24 page form an integral part of these financial statements.

Chairman of the Board

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October 28, 2015

BALANCE SHEET (continued)

PASĪVS	Notes	30.09.15. EUR	30.09.14. EUR
I Equity			
Share capital (equity)	14	613 200	623 218
Financial instrument revaluation reserve		1 258	
<i>Total reserve</i>		1 258	0
Retained earnings			
a) retained earnings for the previous year		889416	987 505
b) retained earnings for the reporting year		63 597	6 948
<i>Total retained earnings</i>		953 013	994 453
<i>Total equity</i>		1 567 471	1 617 671
II Provisions			
Other provisions	15	17 993	20 828
<i>Total provisions</i>		17 993	20 828
III Liabilities			
I Long-term liabilities			
Deferred income		21 877	59 291
<i>Total long-term liabilities</i>		21 877	59 291
II Short-term liabilities			
Advances from customers			
Trade payables		55 566	41 251
Taxes and state social insurance payables	16	30 005	28 224
Other payables	17	19 249	20 040
Accrued liabilities		18 707	
<i>Total short-term liabilities</i>		123 527	89 515
<i>Total liabilities</i>		145 404	148 806
<i>Total equity and liabilities</i>		1 730 868	1 787 305

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October 28, 2015

INCOME STATEMENT

	Notes	01.01.-30.09. 2015. EUR	01.01.- 30.09.2014. EUR
Net turnover	18	700 471	743 310
Cost of sales	19	376 234	457 889
Gross profit or loss		324 237	285 421
Sales expenses	20	136 752	137 360
Administrative expenses	21	129 320	153 165
Other operating income	22	10 001	18 449
Other operating expenses	23	54	1 266
Profit or loss from operations		68 112	12 079
Other interest receivable and similar income	24	819	
Interest payable and similar expenses	25	313	
Profit or loss before extraordinary items and taxes		68 618	12 079
Extraordinary income			
Profit or loss before taxes		68 618	12 079
Corporate income tax			
Other taxes	26	5 021	5 131
Profit or loss of the reporting year		63 597	6 948
Earnings (loss) per share (EPS)		0.073	0.000

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October 28, 2015

CASH FLOW STATEMENT (indirect method)

	Notes	2015.gada 9 mēneši (EUR)	2014.gada 9 mēneši (EUR)
I Cash flow from operating activities			
1 Profit or loss before extraordinary items and taxes		68 618	12 079
<i>Adjustments:</i>			
a) depreciation costs of tangible assets;	4	28 718	29 618
b) write-offs of intangible assets;	3		
c) disposals of tangible assets;	4		
d) accruals (other than accruals for doubtful debts);	16		
e) profit or loss from foreign currency exchange rate fluctuations;	28	-54	-697
f) subsidies, grants, endowments, donations;	27	8 441	9 487
g) other interest receivable and similar income;	29	819	
h) interest payable and similar expenses.	30	-313	
2 Profit or loss before corrections of changes in the balances of current assets and short-term liabilities		106 229	50 487
<i>Adjustments:</i>			
a) (increase)/decrease in long-term financial investments;		-20 696	-7 229
b) (increase)/decrease in biological assets;		-6 817	446
c) (increase)/decrease in receivables balances;		-38 932	-64 573
d) (increase)/decrease in inventories balances;		-29 719	-10 138
e) increase/(decrease) in suppliers, contractors and other creditors payables balances.		6 302	57 089
3 Gross cash flow from operating activities		16 367	26 082
4 Interest payable	30		
5 Immovable property tax expenses	32	-5 021	-5 131
6 Cash flow before extraordinary items		11 346	20 951
7 Cash flow from extraordinary items	31		
8 Net cash flow from operating activities		11 346	20 951
II. Cash flow from investing activities			
1 Acquisitions of fixed assets	3,4	-55 152	-37 982
2 Proceeds obtained from fixed assets	4	1 084	2 162
3 Interest receivable and similar income	29		
6 Cash flow from investing activities		-54 068	-35 820
III. Cash flow from financing activities			
1 Loans received			
2 Subsidies, grants, endowments and donations received	27	8 441	9 487
3 Dividends paid		-8 760	-52 560
7 Net cash flow from financing activities		-319	-43 073
IV. Result of foreign currency exchange rate fluctuation			
		-54	
V. Net cash flow in the reporting year			
		-43 095	-57 942
VI. Cash and its equivalents at the beginning of the reporting year			
		225 426	177 798
VII. Cash and its equivalents at the end of the reporting year			
	13	182 331	119 856

The accompanying notes from 12 to 24 page form an integral part of these financial statements.

Chairman of the Board
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Member of the Board
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Member of the Board
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STATEMENT OF CHANGES IN EQUITY

	2015.gada 9 mēneši (EUR)	2014.gada 9 mēneši (EUR)
I. Share capital (equity)		
1. Amount in the balance sheet of the previous year	623218	623218
2. Paid to shareholders	8760	
3. Transferred reserves	1258	
4. Amount in the balance sheet at the end of the reporting year	613200	623218
V. Reserves		
1. Amount in the balance sheet of the previous year	0	0
2. Transferred reserves of share capital	1258	0
4. Amount in the balance sheet at the end of the reporting year	1258	0
VI. Retained earnings		
1. Amount in the balance sheet of the previous year	889416	1040065
2. Increase/decrease in retained earnings	63597	6948
3. Dividends paid		52560
4. Amount in the balance sheet at the end of the reporting year	953 013	994 453
VII. Equity		
1. Amount in the balance sheet of the previous year	1512634	1663283
3. Amount in the balance sheet at the end of the reporting year	1567471	1617671

The accompanying notes from 12 to 24 page form an integral part of these financial statements.

 Chairman of the Board
 Gatis Kaķis
 October 28, 2015

 Member of the Board
 Sigita Lukaže

 Member of the Board
 Daiga Lielpinka

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICY

I. General Principles

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

Income statement has been prepared by turnover cost method.

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

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

Financial reporting year is 12 month and it is equal to calendar year.

Accounting principles used

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

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

Subsequent events

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

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

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

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

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

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

II. Recognition of revenues and net turnover

Net turnover is the total value of the goods sold and services provided within the year, subtracting discounts, value added tax and other taxes directly related to sales. Revenue from the product sale is recognized when the buyer has accepted the goods according to the terms and conditions of the goods delivery. Revenue from services provided is recognized at the time services are provided.

Other revenues are recognized as following:

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

In accordance with principle of accrual basis of accounting expenses are recognized in the period, in which they occur regardless of invoice payment date. Loan costs, which are associated with loans are written-off in the period to which they relate and are shown in the caption "Interest payable and similar expenses".

III. Intangible and tangible assets

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

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

Depreciation % per year

Buildings and constructions	1.7%-8.5%
Technological equipment	14.3%-25%
Other equipment and facilities, motor vehicles	10%-25%

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

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

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

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

IV. Stocks

Raw materials the company 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.

V. Trade receivables

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

VI. Prepaid expenses

Expenses, which occurred after reporting date, but are related to subsequent years, shall be shown in the balance-sheet item "Prepaid expenses"

VII. Foreign Currency Revaluation to Lats

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

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

	30.09.2015.	30.09.2014.	
	(EUR)	(EUR)	
1 USA dollar	1.1203	1.2583	(USD)

VIII. Cash and Cash Equivalents

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

IX. Financial Risk Management

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

Financial risks

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

Interest rate risk

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

Credit risk

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

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

Liquidity risk

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

X. Subsidies

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

XI. Taxes

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

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

XII. Provisions

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

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

XIII. Related parties

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

XIV. Biological assets

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.

XV. Accrued liabilities, contingencies

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

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

XVI. Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS

GENERAL NOTES

	2015.gada 9 mēneši	2014.gada 9 mēneši
1. Average number of employees in the reporting year		
Average number of employees	37	36
2. Total personnel expenses	EUR	EUR
	299 484	305 234
- salaries	243 475	247 853
- state social insurance payments	56 009	57 381
- including:		
Remuneration of employees engaged in production (core activity)		
- salaries	175 486	174 224
- state social insurance payments	40 210	40 335
- total	215 696	214 559
Remuneration of administration		
- salaries	67 989	73 629
- state social insurance payments	15 799	17 046
- total	83 788	90 675
including Reward to the Council		
- reward	10 536	10 508
- state social insurance payments	2 271	1 538
- total	12 807	12 046
including Reward to the Board		
- salary for the board member duties	23 016	24 614
- salary for the professional duties	28 047	23 834
- state social insurance payments	12 045	11 429
- total	63 108	59 877

3. Statement of intangible assets flow

	Company's development expenses	Concessions, patents, licences, trade marks and similar rights, incl.	computer software	Other intangible assets	Goodwill	Advance payments	Total intangible assets
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Purchase value as at 31.12.2013.			3 283				3 283
Purchase (+)			1 139				1 139
Disposal (-)							0
Purchase value as at 30.09.2014.	0	0	4 422	0	0	0	4 422
Depreciation as at 31.12.2013.			2 596				2 596
Calculated (+)			375				375
Written off (-)							0
Depreciation as at 30.09.2014.	0	0	2 971	0	0	0	2 971
Net carrying amount as at 31.12.2013.		0	687	0	0	0	687
Net carrying amount as at 30.09.2014.		0	1 451	0	0	0	1 451

	Company's development expenses	Concessions, patents, licences, trade marks and similar rights, incl.	computer software	Other intangible assets	Goodwill	Advance payments	Total intangible assets
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Purchase value as at 31.12.2014.			4 422				4 422
Purchase (+)							0
Disposal (-)							0
Purchase value as at 30.09.2015.	0	0	4 422	0	0	0	4 422
Depreciation as at 31.12.2014.			3 096				3 096
Calculated (+)			342				342
Written off (-)							0
Depreciation as at 30.09.2015.	0	0	3 438	0	0	0	3 438
Net carrying amount as at 31.12.2014.		0	1 326	0	0	0	1 326
Net carrying amount as at 30.09.2015.		0	984	0	0	0	984

4. Statement of tangible assets and investment property flow

	Land, building and construction (EUR)	Long-term investm. in rented fixed assets (EUR)	Equipment and machinery (EUR)	Other fixed assets and equipment (EUR)	Construction in progress (EUR)	Advance payments for fixed assets (EUR)	Total (EUR)
Purchase or revaluated value as at 31.12.2013.	757 747	0	538 079	41 310		0	1 337 136
Purchased in the reporting year (+)	24 139		11 561	1 143			36 843
Reclassified (+/-)			21 582	1 050			22 632
Disposed in the reporting year (+/-)							0
Purchase or revaluated value as at 30.09.2014.	781 886	0	528 058	41 403	0	0	1 351 347
Accumulated depreciation as at 31.12.2013.	44 060	0	467 115	27 555	0	0	538 730
Calculated in the reporting year (+)	7 073		19 411	2 759			29 243
Reclassified (+/-)			21 211	1 050			22 261
Disposed in the reporting year (-)							0
Accumulated depreciation as at 30.09.2014.	51 133	0	465 315	29 264	0	0	545 712
Net carrying amount as at 31.12.2013.	713 687	0	70 964	13 755	0	0	798 406
Net carrying amount as at 30.09.2014.	730 753	0	62 743	12 139	0	0	805 635

	Land, building and construction (EUR)	Long-term investm. in rented fixed assets (EUR)	Equipment and machinery (EUR)	Other fixed assets and equipment (EUR)	Construction in progress (EUR)	Advance payments for fixed assets (EUR)	Total (EUR)
Purchase or revaluated value as at 31.12.2014.	836 529	0	528 347	40 681	0	0	1 405 557
Purchased in the reporting year (+)			55 003	149			55 152
Reclassified (+/-)			12 280	395			12 675
Disposed in the reporting year (+/-)			0	0			0
Purchase or revaluated value as at 30.09.2015.	836 529	0	571 070	40 435	0	0	1 448 034
Accumulated depreciation as at 31.12.2014.	53 490	0	451 334	29 477	0	0	534 301
Calculated in the reporting year (+)	7 073		18 764	2 539			28 376
Reclassified (+/-)			12 280	314			12 594
Disposed in the reporting year (-)			0	0			0
Accumulated depreciation as at 30.09.2015.	60 563	0	457 818	31 702	0	0	550 083
Net carrying amount as at 31.12.2014.	783 039	0	77 013	11 204	0	0	871 256
Net carrying amount as at 30.09.2015.	775 966	0	113 252	8 733	0	0	897 951

4. Statement of tangible assets and investment property flow (continued)

Property	Cadastre No. (EUR)	Cadastral value EUR	Book value EUR
<i>Land</i>	(EUR)	295 656	454 876
<i>Building and construction</i>	(EUR)	45 270	321 090

Result of written-off, eliminated and disposed tangible assets:

	30.09.2015. EUR	30.09.2014. EUR
Purchase value	55 152	37 982
Accumulated depreciation (-)	28 718	29 618
Net carrying amount	26 434	8 364
Spare parts, materials and proceeds obtained from disposal of fixed assets (+)	1 084	2 162
Profit (+) or loss (-) from disposal of fixed assets	-25 350	-6 202

5. Biological assets

	30.09.2015. EUR	30.09.2014. EUR
Residual value at the beginning of the year	25 184	28 545
Purchased breeding bulls	12 800	19 584
Sold to breeding animals (-)	7 604	20 230
Advance payments for breeding animals		
Residual value at the end of the year	30 380	27 899
	30.09.2015. EUR	30.09.2014. EUR
Residual value at the beginning of the year	9 880	11 191
Purchased breeding boars	2 979	995
Sold to breeding animals (-)	1 358	795
Advance payments for breeding animals		
Residual value at the end of the year	11 501	11 391
	30.09.2015. EUR	30.09.2014. EUR
Residual value at the beginning of the year	413	
Purchased forest stand		
Sales of forest stand		
In reference year moved from fixed assets		
Residual value at the end of the year	413	0

6. Long-term financial investments

Item	30.09.2015.		30.09.2014.	
	Amount	EUR	Amount	EUR
Share SIA Latvijas šķ.dzīv.n.audz.savienībā	2 000	2 846	2 000	2 846
Share SIA Piensaimnieku laboratorija	16	683	16	683
Total	2 016	3 529	2 016	3 529

7. Raw materials and consumables

	30.09.2015. EUR	30.09.2014. EUR
Materials	17 182	18 974
Feed additives	702	971
Mineral fertilizers and chemicals	18 609	6 771
Grain and seedcorn	79 740	69 967
Fuel and lubricants	721	897
Spare parts	191	191
Animal feed	3 112	4 009
Total	120 257	101 780

8. Unfinished production

	30.09.2015. EUR	30.09.2014. EUR
Winter crops	35 262	27 560
Total	35 262	27 560

9. Finished production and goods for sale

	30.09.2015. EUR	30.09.2014. EUR
Frozen bulls sperm	308 064	552 038
Kuiļu sperma	0	27
Frozen stallions sperm	0	18
Total	308 064	552 083

10. Trade receivables

	30.09.2015. EUR	30.09.2014. EUR
Carrying amount of trade receivables	141 556	135 827

Allowance for doubtful receivables	8 065	8 065
Net trade receivables	133 491	127 762
11. Other receivables		
	30.09.2015.	30.09.2014.
	EUR	EUR
Incom tax		7 965
Advance person's debt settlement	82	394
Total	82	8 359
12. Prepaid expenses		
	30.09.2015.	30.09.2014.
	EUR	EUR
Insurance	6 623	5 851
Total	6 623	5 851
13. Cash		
	30.09.2015.	30.09.2014.
	EUR	EUR
Cash on hand	8 045	11 170
Cash in bank	174 286	108 686
Total	182 331	119 856

14. Information on the Company's own shares

The issued and fully paid Company's equity consists of 876 000 shares with the par value EUR 0.70 per share.

On the 31th of December 2014 438 000 bearer's shares were publicly traded.

Capital structure	30.09.2015.			30.09.2014.		
	Class of shares	% of equity	Number of shares	% of equity	Number of shares	EUR
			skaitis		skaitis	
Bearer's shares with voting rights - publicly traded	100%	876 000	613 200	100%	438 000	623 218
Bearer's shares without voting rights	0%	0	0	0%	0	0
	100%	876 000	613 200	100%	438 000	623 218

List of shareholders and their position held in the Company on the 31th of December 2014

Shareholders	Position held in the Company	% from share capital
SIA Latvijas šķ.dzīvn.audz.sav.	shareholder	37.25%
SIA JL INDEX	shareholder	11.72%
Pēteris Augustovs	shareholder	11.50%
Other shareholder	x	39.53%
Kopā:	x	100.00%

During the reporting period calculated and paid dividends EUR 52560.

Information about limitations concerning share expropriation rights

Restrictions for expropriation of shares or specific consent reception for shares disposal have not been set.

Shareholders' rights and agreements

Regulated by laws and regulations of the Republic of Latvia, the Company's Statutes does not define any special limitations or regulations related to the voting right.

Company does not possess any information about agreements between shareholders.

Powers of the Board Members and special agreements

According to the Statutes of the JSC "Kurzemes ciltslietu un mākslīgās apsūklošanas stacija" each Board member has the right to represent the Company alone.

There is no agreement between the Company and the Board members concerning the compensation of resignation.

Regulations of Board members elections and Statute amendments

Regulated by laws and regulations of the Republic of Latvia, the Company's Statutes does not define any special limitations or regulations related to the elections of Board members and Statute amendments.

15. Provisions

Provisions for leaves in the beginning of the year

Increase/(decrease)

Provisions for leaves in the end of the year

30.09.2015. EUR	30.09.2014. EUR
17 993	20 828
0	0
17 993	20 828

16. Taxes and state social insurance payables

State social insurance payments

Personal income tax

Unemployment risk duty

Value added tax

Natural resources tax

Total

30.09.2015. EUR	30.09.2014. EUR
9 310	9 814
4 944	5 379
13	14
15 736	13 015
2	2
30 005	28 224

17. Other payables

Wages and salaries

Advance person's debt settlement

Debtor overpayment

Total

30.09.2015. EUR	30.09.2014. EUR
19 208	20 028
41	12
19 249	20 040

18. Net turnover

Revenue from animal semen

Revenue from artificial insemination services

Revenue from livestock and other production

Revenue from grain sale

Revenue from linear evaluation of cows

Revenue from milk sample collection

Revenue from grain kiln service

Other

Total

30.09.2015. EUR	30.09.2014. EUR
391 952	426 033
56 727	62 315
1 710	9 782
119 926	92 379
49 576	53 022
42 919	43 682
175	15 071
37 486	41 026
700 471	743 310

18a. Net turnover by geographical segments

Latvia

Total

700 471	743 310
700 471	743 310

19. Cost of sales

Forage

Medication

Wages and salaries

State social insurance payments, unemployment risk duty

Depreciation

Electricity costs

Insurance costs

Materials and spare parts

Utilization and other expenses

Dry waste

Natural resources tax

Fuel costs

Gas costs

Current repair services

30.09.2015. EUR	30.09.2014. EUR
6 698	7 439
851	390
95 281	98 492
23 202	22 829
25 560	26 206
6 190	6 745
2 472	3 130
24 552	56 355
266	249
276	189
133	157
28 915	53 897
3 538	15 324
11 253	12 761

Miscellaneous services (transport, etc.)	11 990	23 372
Fertilizers, seeds and chemicals.	96 425	82 129
Other	38 632	48 225
Total	376 234	457 889
20. Sales expenses	30.09.2015.	30.09.2014.
	EUR	EUR
Wages and salaries	80 205	75 732
State social insurance payments, unemployment risk duty	17 008	17 506
Transport costs	29 420	33 236
Write-off of breeding bull' bio product		
Advertising costs	2 264	2 953
Other	7 855	7 933
Total	136 752	137 360
21. Administrative expenses	30.09.2015.	30.09.2014.
	EUR	EUR
Communication expenses	1 145	839
Office maintenance expenses	3 494	4 255
Annual report expenses	6 704	6 694
Bank services	604	777
Administration salaries	67 989	73 629
State social insurance payments, unemployment risk duty	15 799	17 046
Depreciation	3 158	3 412
Transport costs	9 911	15 778
Business trip expenses	0	3 241
Miscellaneous services	19 483	26 321
Legal services	1 033	1 173
Total	129 320	153 165
22. Other operating income	30.09.2015.	30.09.2014.
	EUR	EUR
Revenue from the sale of fixed asset	1 003	1 791
Excise tax for diesel fuel used in agriculture	546	6 171
Subsidies from Agriculture Ministry	8 441	9 487
Income from foreign currency exchange rate fluctuations		
Others income	11	1 000
Total	10 001	18 449
23. Other operating expenses	30.09.2015.	30.09.2014.
	EUR	EUR
Losses from foreign currency exchange rate fluctuations		
Losses on disposal of fixed assets	54	697
Others expenses		569
Total	54	1 266
24. Interest and similar income	30.09.2015.	30.09.2014.
	EUR	EUR
Interest and similar income	819	0
Samaksātie sodi un līgumsodi		0
Citas izmaksas		
Total	819	0
25. Interest paid and similar expenses	30.09.2015.	30.09.2014.
	EUR	EUR
Interest and similar expenses	313	
Kopā	313	0
26. Other taxes	30.09.2015.	30.09.2014.
	EUR	EUR
Immovable property tax in the reporting year	5 021	5 131
Total	5 021	5 131

OTHER NOTES TO FINANCIAL STATEMENTS

27. Guarantees and off-balance-sheet liabilities

Guarantees are not issued

There is non Off-balance-sheet liabilities

28. Received financial assistance and other forms of financial support

During the reporting year the Company has received Government subsidies granted by the Ministry of Agriculture boar breeding industry EUR 2924, bull breeding industry EUR 2608 area payments to EUR 2909.

For the funds received in previous years all fund providers' requirements have been met.

The Company did not have a refundable amount related to the non-fulfilment of fund providers' requirements.

During the reporting year the Company has not received any State or local government guarantees or investment in share capital.

During the reporting year the Company has not received any gifts or donations.

29. Transactions with related parties

Not transaction.

30. Lease Contracts

During the reporting year the Company has entered into three lease agreements for land lease in Kuldīga region for three years.

31. Liabilities to former employees

The Company has not obligations to former employees.

32 Subsequent events

Other financial transactions or events that result in the adjustments in the financial statements or that should be explained in the financial statements, did not occur.

The accompanying notes from 12 to 24 page form an integral part of these financial statements.

Chairman of the Board

Gatis Kaķis

October 28, 2015

Member of the Board

Sigita Lukaže

Member of the Board

Daiga Lielpinka