Joint Stock Company ”Kurzemes ciltslietu un mākslīgās apsēklošanas stacija”

(Unified registration number 40003017085)

FINANCIAL REPORT

FOR THE PERIOD

01 JANUARY 2015 -

31 MARCH 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 KAĶIS
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 AUGUSTOVS
Reporting year	01 January 2015 – 31 March 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 three months 2015 amounted to EUR 220824 which is less 23.9 % than in three months 2014. Company's after-tax earnings amounted to EUR 21790 . Earnings per share (EPS) are EUR 0.050.

During the reporting year, the company has received EUR 1294 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 149.

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	Member of the Board	Member of the Board
Gatis Kaķis	Sigita Lukaže	Daiga Lielpinka

April 30, 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 31.03.2015. has been prepared in accordance with the requirements of the applicable laws and regulatons 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	Member of the Board	Member of the Board
Gatis Kaķis	Sigita Lukaže	Daiga Lielpinka

April 30, 2015

BALANCE SHEET

	ASSETS	Notes	31.03.15. EUR	31.03.14. EUR
Non-current assets				
I	***Intangible assets***			
	Concessions, patents, licences, trade marks and similar rights		1 208	1 456
	Total intangible assets	3	**1 208**	**1 456**
II	***Tangible assets***			
	Land, building and construction		780 681	735 468
	Equipment and machinery		71 357	65 746
	Other fixed assets and equipment		10 419	13 186
	Total tangible assets	4	**862 457**	**814 400**
III	***Biological assets***			
	Breeding bulls		22 080	21 230
	Breeding boars		9 450	12 186
	Forest stand		413	
	Total biological assets	5	**31 943**	**33 416**
IV	***Long-term financial investments***			
	Other loans and long-term receivables		3529	3 529
	Total long-term financial investments	6	**3 529**	**3 529**
	Total non-current assets		**899 137**	**852 801**
Current assets				
I	***Inventories***			
	Raw materials and consumables	7	93 615	60 960
	Unfinished production	8	35 262	27 560
	Finished production and goods for sale	9	322 616	590 132
	Total inventories		**451 493**	**678 652**
II	***Receivables***			
	Trade receivables	10	104 032	103 004
	Other receivables	11	10 559	8 133
	Prepaid expenses	12	6 623	5 851
	Total receivables		**121 214**	**116 988**
III	***Cash (total)***	13	**199 065**	**244 204**
	Total current assets		**771 772**	**1 039 844**
	Total assets		**1 670 909**	**1 892 645**

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

Chairman of the Board	Member of the Board	Member of the Board
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April 30, 2015

BALANCE SHEET (continued)

	PASĪVS	Notes	31.03.15. EUR	31.03.14. EUR
I	***Equity***			
	Share capital (equity)	14	623 218	623 218
	Retained earnings			
	a) retained earnings for the previous year		889 416	1 040 065
	b) retained earnings for the reporting year		21 790	56 913
	Total retained earnings		911 206	1 096 978
	Total equity		**1 534 424**	**1 720 196**
II	***Provisions***			
	Other provisions	15	17 993	20 828
	Total provisions		**17 993**	**20 828**
III	***Liabilities***			
I	***Long-term liabilities***			
	Deferred income		21 877	40 584
	Total long-term liabilities		**21 877**	**40 584**
II	***Short-term liabilities***			
	Advances from customers			
	Trade payables		43 534	22 942
	Taxes and state social insurance payables	16	19 150	43 443
	Other payables	17	15 224	16 466
	Deferred income		18 707	18 707
	Accrued liabilities	18		9 479
	Total short-term liabilities		**96 615**	**111 037**
	Total liabilities		**118 492**	**151 621**
	Total equity and liabilities		**1 670 909**	**1 892 645**

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April 30, 2015

INCOME STATEMENT

	Notes	2015.gads EUR	2014.gads EUR
Net turnover	19	220 824	290 429
Cost of sales	20	88 993	120 547
Gross profit or loss		**131 831**	**169 882**
Sales expenses	21	48 105	51 432
Administrative expenses	22	58 718	62 179
Other operating income	23	1 555	5 649
Other operating expenses	24		210
Profit or loss from operations		**26 563**	**61 710**
Interest payable and similar expenses	25	248	
Profit or loss before extraordinary items and taxes		**26 811**	**61 710**
Extraordinary income			
Profit or loss before taxes		**26 811**	**61 710**
Corporate income tax			
Other taxes	26	5 021	4 797
Profit or loss of the reporting year		**21 790**	**56 913**
Earnings (loss) per share (EPS)		**0.044**	**0.253**

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April 30, 2015

CASH FLOW STATEMENT (indirect method)

		Notes	2015.gada I ceturksnis (EUR)	2014.gada I ceturksnis (EUR)
I	***Cash flow from operating activities***			
1	Profit or loss before extraordinary items and taxes		**26 811**	**61 710**
	Adjustments:			
a)	depreciation costs of tangible assets;	4	9 065	10 696
b)	write-offs of intangible assets;	3		0
c)	disposals of tangible assets;	4		0
d)	accruals (other than accruals for doubtful debts);	16		0
e)	profit or loss from foreign currency exchange rate fluctuations;	28	61	387
f)	subsidies, grants, endowments, donations;	27	1 294	3 555
g)	other interest receivable and similar income;	29		0
h)	interest payable and similar expenses.	30		0
2	Profit or loss before corrections of changes in the balances of current assets and short-term liabilities		**37 231**	**76 348**
	Adjustments:			
a)	(increase)/decrease in long-term financial investments;		8 916	0
b)	(increase)/decrease in biological assets;		3 534	6 321
c)	(increase)/decrease in receivables balances;		-22 361	22 782
d)	(increase)/decrease in inventories balances;		-17 629	15 213
e)	increase/(decrease) in suppliers, contractors and other creditors payables balances.		-32 437	-28 540
3	**Gross cash flow from operating activities**		**-22 746**	**92 124**
4	Interest payable	30		
5	Immovable property tax expenses	32	-5 021	-4 797
6	**Cash flow before extraordinary items**		**-27 767**	**87 327**
7	Cash flow from extraordinary items	31		
8	**Net cash flow from operating activities**		**-27 767**	**87 327**
II.	***Cash flow from investing activities***			
1	Acquisitions of fixed assets	3,4	-149	-26 570
2	Proceeds obtained from fixed assets	4	200	1 707
3	Interest receivable and similar income	29		
6	**Cash flow from investing activities**		**51**	**-24 863**
III.	***Cash flow from financing activities***			
1	Loans received			
2	Subsidies, grants, endowments and donations received	27	1 294	3 555
3	Dividends paid			
7	**Net cash flow from financing activities**		**1 294**	**3 555**
IV.	***Result of foreign currency exchange rate fluctuation***		61	387
V.	***Net cash flow in the reporting year***		**-26 361**	**66 406**
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**	**199 065**	**244 204**

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

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April 30, 2015

STATEMENT OF CHANGES IN EQUITY

	2015.gada I ceturksnis (EUR)	2014.gada I ceturksnis (EUR)
I. Share capital (equity)		
1. Amount in the balance sheet of the previous year	**623218**	**623218**
4. Amount in the balance sheet at the end of the reporting year	**623218**	**623218**
V. Reserves		
1. Amount in the balance sheet of the previous year		
4. Amount in the balance sheet at the end of the reporting year		
VI. Retained earnings		
1. Amount in the balance sheet of the previous year	**889416**	**1040065**
2. Increase/decrease in retained earnings	21790	56913
3. Dividends paid		
4. Amount in the balance sheet at the end of the reporting year	**911 206**	**1 096 978**
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	**1534424**	**1720196**

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

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April 30, 2015

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 ar accordingly reclassified.

In order to improve comparability of the data, comparative indicators of Income Statment and complementing comment's clasification in annual report section Notes to the Financial Statments have been chaged. Clasification have been changed in the following captions:

Financial information	Initially shown in caption	Reclassified to the caption	Amount, LVL
Balance	Long-term liabilities Deferred income	Short-term liabilities Deferred income	18707

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 folowing 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 expences are recognizes in the period, in which they occur regardless of invoice payment date. Loan costs, which are assoicieted 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%
Technilogical 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

	31.03.2015. (EUR)	**31.03.2014.** (EUR)	
1 USA dollar	**1.0759**	**1.3788**	(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 differencies 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 transfered to subsequent tax periods. A diferred 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 differencies.

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 contructors 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 I ceturksnis	2014.gada I ceturksnis
1. Average number of employees in the reporting year		
Average number of employees	36	36
	EUR	**EUR**
2. Total personnel expenses	**87 401**	**87 114**
- salaries	71 069	70 756
- state social insurance payments	16 332	16 358
- including:		
Remuneration of employees engaged in production (core activity)		
- salaries	43 370	44 887
- state social insurance payments	9 826	10 350
- total	**53 196**	**55 237**
Renumeration of administration		
- salaries	27 699	25 869
- state social insurance payments	6 506	6 008
- total	**34 205**	**31 877**
including Reward to the Council		
- reward	3 512	3 430
- state social insurance payments	757	767
- total	**4 269**	**4 197**
including Reward to the Board		
- salary for the board member duties	7 537	6 657
- salary for the proffesional duties	7 720	7 681
- state social insurance payments	3 599	3 382
- total	**18 856**	**17 720**

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 (+)			889				**889**
Disposal (-)							**0**
Purchase value as at 31.03.2014.	0	0	4 172	0	0	0	**4 172**
Depreciation as at 31.12.2013.			2 596				**2 596**
Calculated (+)			120				**120**
Written off (-)							**0**
Depreciation as at 31.03.2014.	0	0	2 716	0	0	0	**2 716**
Net carrying amount as at 31.12.2013.		**0**	**687**	**0**	**0**	**0**	**687**
Net carrying amount as at 31.03.2014.		**0**	**1 456**	**0**	**0**	**0**	**1 456**

	Company's development expenses	Concessions, patents, licences, trade marks and similar rights, incl.		Other intangible assets	Goodwill	Advance payments	Total intangible assets
			computer software				
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Purchase value as at 31.12.2014.			4 421				**4 421**
Purchase (+)							**0**
Disposal (-)							**0**
Purchase value as at 31.03.2015.	0	0	4 421	0	0	0	**4 421**
Depreciation as at 31.12.2014.			3 096				**3 096**
Calculated (+)			117				**117**
Written off (-)							**0**
Depreciation as at 31.03.2015.	0	0	3 213	0	0	0	**3 213**
Net carrying amount as at 31.12.2014.		**0**	**1 325**	**0**	**0**	**0**	**1 325**
Net carrying amount as at 31.03.2015.		**0**	**1 208**	**0**	**0**	**0**	**1 208**

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		2 096	335			**26 570**
Reclassified (+/-)			8 093	455			**8 548**
Disposed in the reporting year (+/-)							**0**
Purchase or revaluated value as at 31.03.2014.	781 886	0	532 082	41 190	0	0	**1 355 158**
Accumulated depreciation as at 31.12.2013.	44 060	0	467 115	27 555	0	0	**538 730**
Calculated in the reporting year (+)	2 358		7 314	904			**10 576**
Reclassified (+/-)			8 093	455			**8 548**
Disposed in the reporting year (-)							**0**
Accumulated depreciation as at 31.03.2014.	46 418	0	466 336	28 004	0	0	**540 758**
Net carrying amount as at 31.12.2013.	**713 687**	**0**	**70 964**	**13 755**	**0**	**0**	**798 406**
Net carrying amount as at 31.04.2014.	**735 468**	**0**	**65 746**	**13 186**	**0**	**0**	**814 400**

	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.	836 528	0	528 347	40 681	0	0	**1 405 556**
Purchased in the reporting year (+)				149			**149**
Reclassified (+/-)			7 187				**7 187**
Disposed in the reporting year (+/-)			0	0			**0**
Purchase or revaluated value as at 31.03.2015.	836 528	0	521 160	40 830	0	0	**1 398 518**
Accumulated depreciation as at 31.12.2014.	53 490	0	451 334	29 477	0	0	**534 301**
Calculated in the reporting year (+)	2 357		5 656	934			**8 947**
Reclassified (+/-)			7 187				**7 187**
Disposed in the reporting year (-)			0	0			**0**
Accumulated depreciation as at 31.03.2015.	55 847	0	449 803	30 411	0	0	**536 061**
Net carrying amount as at 31.12.2014.	**783 038**	**0**	**77 013**	**11 204**	**0**	**0**	**871 255**
Net carrying amount as at 31.03.2015.	**780 681**	**0**	**71 357**	**10 419**	**0**	**0**	**862 457**

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

Property	Cadastre No.	Cadastral value EUR	Book value EUR
Land	(EUR)	295 656	454 876
Building and construction	(EUR)	45 270	325 805

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

	31.03.2015. EUR	31.03.2014. EUR
Purchase value	7 187	26 570
Accumulated depreciation (-)	9 065	8 548
Net carrying amount	-1 878	18 022
Spare parts, materials and proceeds obtained from disposal of fixed assets (+)	200	1 707
Profit (+) or loss (-) form disposal of fixed assets	2 078	-16 315

5. Biological assets

	31.03.2015. EUR	31.03.2014. EUR
Residual value at the beginning of the year	**25 184**	**28 545**
Purchased breeding bulls		
Sold to breeding animals (-)	3 104	7 315
Advance payments for breeding animals		
Residual value at the end of the year	**22 080**	**21 230**

	31.03.2015. EUR	31.03.2014. EUR
Residual value at the beginning of the year	**9 880**	**11 191**
Purchased breeding boars		995
Sold to breeding animals (-)	430	
Advance payments for breeding animals		
Residual value at the end of the year	**9 450**	**12 186**

	31.03.2015. EUR	31.03.2014. 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	31.03.2015.		31.03.2014.	
	Amount	EUR	Amount	EUR
Share SIA Latvijas šķ.dzīvn.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

	31.03.2015. EUR	31.03.2014. EUR
Materials	26 004	18 509
Feed additives	351	1 166
Mineral fertilizers and chemicals	36 568	30 465
Grain and seedcorn	24 989	1 745
Fuel and lubricants	3 809	3 887
Spare parts	191	1 234
Animal feed	1 703	3 954
Total	**93 615**	**60 960**

8. Unfinished production

	31.03.2015. EUR	31.03.2014. EUR
Winter crops	35 262	27 560
Total	**35 262**	**27 560**

9. Finished production and goods for sale

	31.03.2015. EUR	31.03.2014. EUR
Frozen bulls sperm	322 616	580 093
Kuiļu sperma	0	14
Frozen stallions sperm	0	25
Total	**322 616**	**580 132**

10. Trade receivables

	31.03.2015. EUR	31.03.2014. EUR
Carrying amount of trade receivables	112 097	111 069

Allowance for doubtful receivables	8 065	8 065
Net trade receivables	**104 032**	**103 004**

11. Other receivables

	31.03.2015. EUR	31.03.2014. EUR
Incom tax	10 079	7 965
Advance person's debt settlement	480	168
Total	**10 559**	**8 133**

12. Prepaid expenses

	31.03.2015. EUR	31.03.2014. EUR
Insurance	6 623	5 851
Total	**6 623**	**5 851**

13. Cash

	31.03.2015. EUR	31.03.2014. EUR
Cash on hand	9 827	4 255
Cash in bank	189 238	239 949
Total	**199 065**	**244 204**

14. Information on the Company's own shares

The issued and fully paid Company's equity consists of 438 000 shares with the par value LVL 1.00 per share.
On the 31th of December 2014 438 000 bearer's shares were publicly traded.

Capital structure	**31.03.2015.**			**31.03.2014.**		
Class of shares	**% of equity**	**Number of shares LVL**	**EUR**	**% of equity**	**Number of shares LVL**	**EUR**
Bearer's shares with voting rights - publicly traded	100%	438 000	623 218	100%	438 000	623 218
Bearer's shares without voting rights	0%	0	0	0%	0	0
	100%	**438 000**	**623 218**	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 consemt receiption 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 apsēklošanas 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 Satute 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

	31.03.2015. EUR	31.03.2014. EUR
Provisions for leaves in the begining of the year	17 993	20 828
Increase/(decrease)		0
Provisions for leaves in the end of the year	**17 993**	**20 828**

16. Taxes and state social insurance payables

	31.03.2015. EUR	31.03.2014. EUR
State social insurance payments	7 977	8 206
Personal income tax	4 141	4 284
Unemployment risk duty	13	27
Value added tax	6 911	30 777
Natural resources tax	108	149
Total	**19 150**	**43 443**

17. Other payables

	31.03.2015. EUR	31.03.2014. EUR
Wages and salaries	15 167	16 281
Advance person's debt settlement	57	185
Debtor overpayment		
Total	**15 224**	**16 466**

18. Accrued liabilities

	31.03.2015. EUR	31.03.2014. EUR
Fees for sworn auditors company for audit of annual report		
The Board and the Council Incentives		9 479
Total	**0**	**9 479**

19. Net turnover

	31.03.2015. EUR	31.03.2014. EUR
Revenue from animal semen	127 850	130 148
Revenue from artifical insemination services	16 095	17 520
Revenue from livestock and other production	899	2 773
Revenue from grain sale	31 108	92 379
Revenue from linear evaluation of cows	14 807	16 992
Revenue from milk sample collection	13 982	14 169
Revenue from grain kiln service		
Other	16 083	16 448
Total	**220 824**	**290 429**

19a. Net turnover by geographical segments

Latvia	220 824	290 429
Total	**220 824**	**290 429**

20. Cost of sales

	31.03.2015. EUR	31.03.2014. EUR
Forage	2 145	3 386
Medication	317	274
Wages and salaries	19 205	20 228
State social insurance payments, unemployment risk duty	4 245	4 668
Depreciation	7 921	9 580
Electricity costs	2 532	2 768
Security costs		
Insurance costs	1 331	1 337
Materials and spare parts	10 093	12 229

Utilization and other expenses	84	86
Dry waste	84	74
Natural resources tax	108	149
Fuel costs	8 811	10 344
Gas costs	439	8 303
Current repair services	2 711	10 156
Miscellaneous services (transport, etc.)	3 731	10 664
Fertilizers, seeds and chemicals.	6 820	0
Other	18 416	26 301
Total	**88 993**	**120 547**

21. Sales expenses

	31.03.2015. EUR	31.03.2014. EUR
Wages and salaries	24 165	24 659
State social insurance payments, unemployment risk duty	5 581	5 682
Transport costs	13 851	16 557
Writte-off of breeding bull' bio product		
Advertising costs	1 942	2 680
Other	2 566	1 854
Total	**48 105**	**51 432**

22. Administrative expenses

	31.03.2015. EUR	31.03.2014. EUR
Communication expenses	686	297
Office maintenance expenses	1 820	2 351
Annual report expenses	4 036	4 915
Bank sevices	190	221
Administration salaries	27 699	25 869
State social insurance payments, unemployment risk duty	6 506	6 008
Depreciation	1 144	1 117
Transport costs	3 723	5 279
Business trip expenses	0	1 120
Miscellaneous services	12 714	14 542
Legal services	200	460
Total	**58 718**	**62 179**

23. Other operating income

	31.03.2015. EUR	31.03.2014. EUR
Revenue from the sale of fixed asset	200	1 707
Excise tax for diesel fuel used in agriculture		1 211
Subsidies from Agriculture Ministry	1 294	2 344
Income from foreign currency exchange rate fluctuations	61	387
Others income		
Total	**1 555**	**5 649**

24. Other operating expenses

	31.03.2015. EUR	31.03.2014. EUR
Losses from foreign currency exchange rate fluctuations		
Losses on disposal of fixed assets		
Others expenses		210
Total	**0**	**210**

25. Interest paid and similar expenses

	31.03.2015. EUR	31.03.2014. EUR
Interest and similar expenses	248	
Kopā	**248**	**0**

26. Other taxes

	31.03.2015. EUR	31.03.2014. EUR
Immovable property tax in the reporting year	5 021	4 797
Total	**5 021**	**4 797**

OTHER NOTES TO FINANCIAL STATEMENTS

27. Guarantees and off-balance-sheet liabilities

Guarantees are not issued

There is non Off-balanc-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 5135, bull breeding industry EUR3644, area payments to EUR 26185.

Share of EU funding attributable to the reporting period and recognized in 2014: boar cattle-shed reconstruction of EUR 10245, bull cattle-shed reconstruction of EUR 5458, purchase of the trailer and equipment of EUR 3004.

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 Kuldiga 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	Member of the Board	Member of the Board
Gatis Kaķis	Sigita Lukaže	Daiga Lielpinka

April 30, 2015