

Name of tye company: **JSC “Olaines kūdra”**
Legal address **Rīgas 21,Olaine,LV-2114**
Unified registration number **40003006999**

ANNUAL REPORT

(reporting period: 01.01.2007.-31.03.2007.)

Date of producing of the document **__._.2007.**

The document drawn up by (first name, surname, position)

Confirmed by(first name, surname, position)

Currency of the Report:

LVL

Name of the Company **JSC “Olaines kūdra”**

Contents

	Page
Information about the Company	3.-4.
Profit and Loss Statement	.5
Balance sheet	.6-.7
Own capital	.8
Cash flow	.9
Appendices	.10-15.

INFORMATION ABOUT THE COMPANY

1 The full name of the Company:	JSC "Olaines kūdra"	
2 Legal status of the Company:	Joint Stock Company	
3 Registration No. In the CR, place and date:	40003006999	Rīga, 02.07.2004
4 Tax payer's registration number.:	40003006999	Rīga, 03.08.2004
5 VAT registration number:	LV 40003006999	
6 The Company's legal address and telephone:	Rīgas 21, Olaine, LV-2114	
	Tel.: 7964254	Fax: 7964203
7 Office address and telephone:	Rīgas 21, Olaine, LV-2114	
	Tel.: 7964254	Fax: 7964203
8 Type of business:	Extraction and processing of peat	
9 Reporting period:	January 1, 2007 – March 31, 2007	
10 Members of Board (including those who or otherwise terminated their activities in the reporting year):		
Chairman of Board	Sergejs Šakuns Director Address: Kūdras 11-30, Olaine, LV-2114	150364-12368 from July 10, 2006
Members of Board	Brigita Kraule economical director Address: Kūdras 15-16, Olaine, LV-2114	200245-12368
	Mihails Zeņkova engineer-mechanic Address: Kūdras 17-38, Olaine, LV-2114	180941-12359
11 Council	Biomins Kajems Address: dzirnavu 102-4, Rīga	071248-11238
	Oļegs Krasilņikovs Address: Salnas 17-4, Rīga	120345-11211
	Sergejs Lukašins Address: Pavasara gatve 5-36, Rīga	120980-11224
	Juris Nusbaums Address: Birzes 33-13, Ikšķile, Ogres rajons	140240-11001
	Vilnis Nollendorfs Address: Miera 25-15, Salaspils	180737-12961

12 the Chief accountant: Jeļena Luseviča 091164-10003

13 Auditor, licence no., address, telephone: LLC "Andra samoviča birojs", t.7315684
Address: Rīga, Tomsona iela 30/61, Latvija, LV-1013
40003432675 Licence no. 51

14 Average number of employees: 111

15 The owners/shareholders of the Company Total share capital Ls 1 800 000

LLC "MONO"
Address Katlakalna 1,Rīga
The proportion of shares (%) 30% 40003004625

SIA "LEMF"
Address: Katlakalna 10,Rīga
The proportion of shares (%) 4% 4000300423

State social insurance agency
The proportion of shares (%) 3% 337395

Vista Capital Cooperation
The proportion of shares (%) 5% VCC061219995

Viktors Karbanovs
The proportion of shares (%) 38% 160258-10728

16 Information about the related companies: LLC "MONO"
Address Katlakalna 1,Rīga
The proportion of shares (%) 30% 40003004625

LLC "LEMF"
Address: Katlakalna 10,Rīga
The proportion of shares (%) 4% 4000300423

17 Structural units of the Company "Gaismas" - unit of peat extraction
Address, tel.: "Gaismas",Olaine civil parish, Riga region
Tel.27931228

Name of the Company **JSC "Olaines kūdra"** by UUK

Registration No.

Address Rīgas 21, Olaine, LV-2114 by ATK

Telephone 7964254 Fax 7964203

Management institution by VPIIK
SRS Riga regional institution, Riga distric department

Type of business Extraction and processing of peat by ISIC

Measurement unit LVL

PROFIT OR LOSS STATEMENT
(ACCORDING TO THE TURN-OVER METHOD)
(reporting period: 01.01.2007.-31.03.2007.)

Name of indices	Number of note	2007		2006	
		LVL	EUR	LVL	EUR
1	2				
Net turn-over	10	325626	463327	283452	403318
Cost of production of sold products	11	-251028	-357183	-214753	-305568
Gross profit or losses		74598	106144	68699	97750
Sales costs	12	-42731	-60801	-18113	-25773
Administrative costs	13	-19104	-27183	-17674	-25148
Other income from economic activity	14	19475	27711	9144	13011
Other expenses of economic activity	14	-17185	-24452	-7682	-10931
Other interest income and similar income	15	215	306	862	1227
Interest payments and similar expenses				-	-
Profit or loss before extraordinary items and taxes		15268	21725	35236	50136
Profit or loss before taxes		15268	21725	35236	50136
Company's income tax in the reporting year	16	-4297	-6114	-327	-465
Other taxes		-4374	-6223	-3102	-4414
Profit or loss of the reporting year	17	6597	9388	31807	45257

Chairman of Board _____
(name, surname, signature)

Name of the Company	JSC "Olaines kūdra"		
Registration No. In Commercial Register	40003006999		
Tax payer's registration number	40003006999		
Address	Rīgas 21, Olaine, LV-2114		
Telephone	7964254	Fakss	7964203
Management institution			
Tax authority			
the main type of business	Extraction and processing of peat		
Measurement unit	LVL		

BALANCE SHEET

FOR THE Year 2007

(reporting period: 01.01.2007.-31.03.2007.)

Submission date __.__.2007.

Receiving date:

ASSETS	Number of Note	At the end of the Reporting period		At the beginning of the year	
		LVL	EUR	LVL	EUR
1	2				
LONG-TERM INVESTMENTS					
Intangible assets					
Concessions, patents, licenses, trade marks and similar rights		926	1318	926	1318
I. TOTAL:		926	1318	926	1318
Fixed assets					
Land plots, buildings and structures and perennial plants		562134	799849	563737	802130
Equipment and machinery		251675	358103	266178	378739
Other fixed assets and inventory		4442	6320	4839	6885
Formation of fixed assets and costs of unaccomplished construction objects		8974	12769	8974	12769
II. TOTAL:		827225	1177041	843728	1200523
GRAND TOTAL OF THE FIRST SECTION		828151	1178359	844654	1201841
CURRENT ASSETS					
Stocks					
Raw material, basic materials and auxiliary materials	1	162770	231602	170414	242479
Unfinished produce		41141	58539	53	75
Finished produce and goods for sale		237268	337604	299996	426859
Advance payments for goods	2	10139	14427	6842	9735
I. TOTAL:		451318	642172	477305	679148
Debtors					
Debts of customers and clients	3	267270	380293	159839	227431
Other debtors	4	316013	449649	51472	73238
Deferred expenses	5	6811	9691	8331	11854
III. TOTAL:		590094	839633	219642	312523
Short-term financial investments					
Own shares		6000	8537	6000	8537
IV. TOTAL:		6000	8537	6000	8537
Cash (total)	6	139446	198415	426215	606453
GRAND TOTAL OF THE SECOND SECTION		1186858	1688757	1129162	1606661
BALANCE		2015009	2867116	1973816	2808502

LIABILITIES	Piezīmes numurs	At the end of the Reporting period		At the beginning of the year	
		LVL	EUR	LVL	EUR
1	2				
Shareholders' funds					
Share capital (equity capital)		1800000	2561184	1800000	2561184
Reserves:					
other reserves		37850	53856	37850	53856
I. TOTAL:		1837850	2615040	1837850	2615040
Retained earnings					
retained earnings from the previous years		37734	53690	37734	53690
retained earnings of the reporting year		6597	9388		
GRAND TOTAL OF THE SECTION		1882181	2678118	1875584	2668730
ACCRUALS					
Other accruals		17637	25095	17637	25095
GRAND TOTAL OF THE SECOND SECTION		17637	25095	17637	25095
3. CREDITORS					
I. LONG-TERM CREDITORS					
Deferred tax liabilities		52660	74929	52660	74929
I. TOTAL:		52660	74929	52660	74929
SHORT-TERM CREDITORS					
Advances from customers		8025	11419	10136	14422
Debts to suppliers and contractors	7	25974	36958	7113	10121
Taxes and state obligatory social insurance contributions	8	14293	20337	223	317
Other creditors	9	14239	20260	10463	14888
II. TOTAL:		62531	88974	27935	39748
GRAND TOTAL OF THIS SECTION		115191	163903	80595	114677
BALANCE		2015009	2867116	1973816	2808502

Name of the Company **JSC "Olaines kūdra"**

In accordance with the Latvian accounting standard No.2

STATEMENT OF OWN CAPITAL CHANGES FOR THE YEAR 2007

(reporting period: 01.01.2007.-31.03.2007.)

(WITH A HORIZONTAL METHOD)

	Equity capital		Other reserves		Retained earnings		Own capital (total)	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Residual according to balance sheet as of the beginning of the previous reporting period 01.01.2006	1800000	2561184	24661	35090	13189	18766	1837850	2615040
Retained earning of the reporting year					37 734	53 690	37 734	53690
Profit of the previous year added to reserves			13189	18766	-13 189	-18 766	0	0
Residual according to the balance sheet as of the beginning of the reporting period 01.01.2006	1 800 000	2 561 184	37 850	53 856	37 734	53 690	1875584	2668730
Retained earnings of the reporting year					6 597	9 388	6 597	9388
Residual according to the balance sheet as of the end of the reporting period 31.03.2007	1 800 000	2 561 184	37 850	53 856	44 331	63 078	1882181	2678118

Chairman of Board

Name of the company **JSC "Olaines kūdra"**

In accordance with the Latvian accounting standard No.2 "Cash flow statement"

Registration No. In ER **40003006999**

Tax payer's reg.No.: **40003006999**

Address: Rīgas 21, Olaine, LV-2114

Tel. 7964254

Fax 7964203

SRS Riga regional institution, Riga District department

Measurement unit LVL

CASH FLOW STATEMENT FOR THE YEAR 2007

(reporting period: 01.01.2007.-31.03.2007.)

(with a direct method)

	Annexes	For 200701.01.-31.03.		For 200701.01.-31.03.	
		LVL	EUR	LVL	EUR
I. Cash flow from basic activity					
1	Income from sales of goods and provided services	243530	346514	242042	344397
2	Payments to suppliers, employees and other operating expenses	-278136	-395754	-205751	-292759
3	<i>Gross basic activity cash flow</i>	-34606	-49240	36291	51638
4	Expenses on interest payment			-	
5	Expenses on company's income tax payments				
6	<i>Cash flow before extraordinary items</i>	-34606	-49240	36291	51638
	I. Operation net cash flow	-34606	-49240	36291	51638
II. Investment operation cash flow					
1	Procurement of fixed assets and intangible assets	18	-5748	-8179	-12393
2	Income from selling of fixed assets and intangible assets				
3	Granted loans		-400596	-570000	-469320
4	Income from repaid loans		154000	219124	171234
5	Similar income		215	306	
	II. Investment operation net cash flow		-252129	-358749	-310479

SUMMARY OF CASH INCOME AND EXPENSES

I	Result of basic activity		-34606	-49240	36291	51638
II	Result of investment operation		-252129	-358749	-310479	-441775
III	Result of fluctuation of foreign currency rates		-34	-48		
IV	Net increase or decrease of cash and its equivalents		-286769	-408037	-274188	-390137
V	Residual of cash and its equivalents at the beginning of the reporting period		426215	606453	389492	554200
VI	Residual of cash and its equivalents at the end of the reporting period		139446	198416	115304	164063

Chairman of Board

S.Šakuns

Annexes to the balance-sheet

1 Concessions, patents, licenses, trademarks and similar rights

No	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Materials	114672	163164	112750	160430
2	Spare parts	8748	12447	5189	7383
3	Fuel	38754	55142	51682	73538
4	Low-value inventory	596	849	793	1128
Residual value on 31.03.2007		162770	231602	170414	242479

2 Advance payments for goods

No	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Advance payments for materials	10139	14427	1222	1739
2	Advance payments for services	-	-	5620	7996
Residual value on 31.03.2007.		10139	14427	6842	9735

3 Debts of clients and customers

No.	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Debts of Latvian companies	89914	127937	41706	59343
2	Debts of foreign companies	177356	252356	118133	168088
Residual value on 31.03.2007.		267270	380293	159839	227431

4 Other debtors

No.	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Overpayment of the company's income tax	3197	4549	7494	10663
2	Overpayment of residents' income tax			1131	1609
3	Overpayment of VAT	29257	41629	14999	21342
4	Overpayment of nature resources' tax			1	1
5	Real estate tax	8101	11527	-	-
6	Overpayment of State social insurance obligatory contributions			1606	2285
7	Other	275458	391944	26241	37338
Residual value on 31.03.2007.		316013	449649	51472	73238

5 Expenses of next periods

No	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Insurance costs	665	946	966	1375
2	Newspapers	291	414	415	590
3	Services	5855	8331	6950	9889
Residual value on 31.03.2007		6811	9691	8331	11854

6

Cash funds (TOTAL)

No	Type of cash deposition	Cash unit	Residuals in currency	Rate of the Banl of Latvia	Residual at the end of the year		
					LVL	EUR	
1	Latvian banks 01.01.07.	LVL	58462	1	58462	83185	
2	Latvian banks 31.03.07.	LVL	42229	1	42229	60087	
3	Latvian banks 01.01.07.	EUR	517542	0,7	363729	517542	
4	Latvian banks 31.03.07.	EUR	124409	0,7	87435	124409	
5	Latvian banks 01.01.07.	USD	4304	0,54	2307	3283	
6	Latvian banks 31.03.07.	USD	6984	0,54	3688	5247	
7	The company's cash box 01.01.07.	LVL	1348	1	1348	1918	
8	The company's cash box 31.03.07.	LVL	6012	1	6012	8555	
9	The company's cash box 01.01.07.	EUR	525	0,7	369	525	
10	The company's cash box 31.03.07.	EUR	117	0,7	82	117	
				total	31.03.07	139446	198415
				total	01.01.07	426215	606453

7

Debts to suppliers and contractors

No	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Debts to Latvian companies	25974	36958	7113	10121
2	Debts to foreign companies	-	-	-	-
Residual value on 31.03.2007		25974	36958	7113	10121

8

Taxes and social security payments

No	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	State obligatory social obligatory payment	8972	12766	-	-
.2	Real estate tax	-	-	42	60
.3	Residents' income tax	5264	7490	-	-
.4	Nature resources' tax	26	37	162	230
.5	State risk duty	31	44	19	27
Residual value on 31.03.2007		14293	20337	223	317

9

Other creditors

No	Name	Residual on 31.03.2007		Residual on 31.12.2006	
		LVL	EUR	LVL	EUR
1	Unpaid salary for December	10282	14631	10282	14631
2	Other	181	257	181	257
Residual value on 31.03.2007.		10463	14888	10463	14888

Annexes to Profit and Loss Statement

10 Net turn-over

No	Name	Amount for 01.01.07-31.03.07		Amount for 01.01.06-31.03.06	
		LVL	EUR	LVL	EUR
1	Transactions with Latvian companies	81286	115661	68416	97348
2	Transactions with foreign companies.	244340	347666	215036	305970
Total		325626	463327	283452	403318

11 Production costs of sold products

No	Name	Amount for 01.01.07-31.03.07		Amount for 01.01.06-31.03.06	
		LVL	EUR	LVL	EUR
1	Material costs	120780	171856	112553	160149
2	Staff costs (salary and State obligatory social payments)	91095	129617	64446	91699
3	Depreciation of fixed assets	21253	30240	21197	30161
4	Other operational costs	17900	25470	16557	23559
Total		251028	357183	214753	305568

12 Sales costs

No	Name	Amount for 01.01.07-31.03.07		Amount for 01.01.06-31.03.06	
		LVL	EUR	LVL	EUR
1	Staff costs (salary and State obligatory social payments)	2430	3457	1956	2783
2	Depreciation of fixed assets	707	1006	707	1006
3	Transportation costs	33328	47422	11289	16063
4	Other expenses	6266	8916	4161	5921
Total		42731	60801	18113	25773

13 Administrative expenses

No	Name	Amount for 01.01.07-31.03.07		Amount for 01.01.06-31.03.06	
		LVL	EUR	LVL	EUR
1	Staff costs (salary and State obligatory social payments)	10970	15609	9232	13136
2	Depreciation of fixed assets	940	1338	1020	1451
3	Transportation and business trip costs	1871	2662	1586	2257
4	Other administrative expenses	5323	7574	5836	8304
Total		19104	27183	17674	25148

14 Other operational income and expenses

No	Name	Income 01.01.-31.03.2007	Expenses 01.01.-31.03.2007	Income 01.01.-31.03.2006	Expenses 01.01.-31.03.2006
		LVL	LVL	LVL	LVL
1	Sales of purchased goods and services	9639	9505	7569	6806
2	Lease of fixed assets	1106	104	1575	104
.3	Differences in currency rates	46	81	-	-
.4	Supports and social targets	-	2199	-	772
.5	Other income (transactions with KPS)	8684	5296	-	-
Total		19475	17185	9144	7682

No	Name	Income 01.01.- 31.03.2007	Expenses 01.01.- 31.03.2007	Income 01.01.- 31.03.2006	Expenses 01.01.- 31.03.2006
		EUR	EUR	EUR	EUR
1	Sales of purchased goods and services	13715	13524	10770	9685
2	Lease of fixed assets	1574	148	2241	148
3	Differences in currency rates	66	115	-	-
4	Supports and social targets	-	3129	-	1098
5	Other income (transactions with KPS)	12356	7536	-	-
Total		27711	24452	13011	10931

15 **Other interest income and similar income**

No	Name	Amount for 01.01.07- 31.03.07		Amount for 01.01.06- 31.03.06	
		LVL	EUR	LVL	EUR
1	Bank interest calculated for the residual of a current account	215	306	862	1227
Summa kopā		215	306	862	1227

16 **Profit tax for the reporting period**

No	Name	Amount for 01.01.07- 31.03.07		Amount for 01.01.06- 31.03.06	
		LVL	EUR	LVL	EUR
1	Company's advance payment income tax	4297	6114	327	465
Total		4297	6114	327	465

17 **Profit or Loss after taxes in the reporting period**

No	Name	Amount for 01.01.07- 31.03.07		Amount for 01.01.06- 31.03.06	
		LVL	EUR	LVL	EUR
1	Profit after taxation in the reporting period	6597	9388	31807	45257
Summa kopā		6597	9388	31807	45257

Annexes to Cash Flow Statement

18 **Procurement of fixed assets and intangible investments**

No	Name	Amount for 01.01.07- 31.03.07		Amount for 01.01.06- 31.03.06	
		LVL	EUR	LVL	EUR
2	Industrial structures and buildings	5512	7843	-	-
3	Technical equipment	149	212	12067	17170
5	Production inventory	87	124	159	226
6	Computers, computing equipment	-	-	167	238
Total		5748	8179	12393	17634

General information

1. Taxes

Type of taxes	Residual on 01.01.2007	Calculated for 01.01.-31.03.2007	Calculated penalties	Paid or moved	Residual on 31.03.2007.
	LVL	LVL	LVL	LVL	LVL
Company's income tax	-7494	4297	-	-	-3197
State social obligatory contributions	-1605	24706	-	-14129	8972
VAT	-14999	-14258	-	-	-29257
Residents' income tax	-1131	14130	-	-7735	5264
Nature resource tax	161	28	-	-162	27
Real Estate tax	41	4373	-	-12515	-8101
Risk duty	20	93	-	-82	31
Total	-25007	33369	0	-34623	-26261
	EUR	EUR	EUR	EUR	EUR
Company's income tax	-10663	6114	-	-	-4549
State social obligatory contributions	-2284	35154	-	-20103	12767
VAT	-21342	-20287	-	-	-41629
Residents' income tax	-1609	20105	-	-11006	7490
Nature resource tax	229	40	-	-231	38
Real Estate tax	58	6222	-	-17807	-11527
Risk duty	28	132	-	-117	43
Total	-35583	47480	0	-49264	-37367

2. The average number of employees

	2007	2006
The average number of employees per year	111	115

3. Information about the off-balance liabilities

There were no off-balance liabilities and mortgages, no guarantees and pledges issued.

4. Cadastre value

Name of the object	LVL	EUR
Buildings, Olaine, Rīgas ielā 21	669292	952322
Land ,Olaine, Veselības 2a	762	1084
Buildings and land in Olaine civil parish "Gaisma"	90640	128970
Total:	760694	1082376

5. Significant lease agreements:

For facilitation of the company's operation the following lease agreements are significant and in force:

1. With Riga Municipal Agency "Rīgas meža aģentūra" dated December 19, 2003 on the lease of land and peat fields, No. RPA-RMA-1.5.4.-245 for the lease of 1391,7 ha, the term of the agreement - 5 years.

2. SJSC "Privatizācijas aģentūra", dated August 6, 2003, the agreement on land lease No.4759-Z about the lease of 24,4332 ha in Olaine, Rīgas ielā 21, the term of the agreement - 10 years.

3. SJSC "Latvijas valsts meži" dated April 26,2007,the land lease agreement Nr.5.7-9.1/0006/150/07/06 conclude for 259,8 ha leases,term 5 years.

6. Payment to members of advice and management.

Members of advice and board have not received a payment.

7. Famous revident did not check review between periods.

Chairman of Board

Sergejs Šakuns

Members of Board

Brigita Kraule

Mihails Zeņkovs