

Name of the company:

JSC "Olaines kūdra"

Legal address

Rīgas 21, Olaine, LV-2114

Unified registration number

40003006999

ANNUAL REPORT

(reporting period: 01.01.2009.-31.03.2009.)

Date of producing of the document

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

Confirmed by (first name, surname, position)

Currency of the Report:

LVL/EUR

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

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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**

5 The Company's legal address and telephone: **Rīgas 21, Olaine, LV-2114**
Tel.: **67964254** Fax: **67964203**

6 Office address and telephone: **Rīgas 21, Olaine, LV-2114**
Tel.: **67964254** Fax: **67964203**

7 Type of business: **Extraction and processing of peat**

8 Reporting year: **January 1, 2009 – March 31, 2009**

9 Members of Board

Chairman of Board **Sergejs Šakuns**
Director

Members of Board **Brigita Kraule**
economical director

Mihails Zeņkovs
engineer-mechanic

10 Council **Biomins Kajems**

Oļegs Krasiļņikovs

Sergejs Lukašins

Andžs Krastiņš

Vilnis Nollendorfs

11 the Chief accountant: **Jeļena Luseviča**

12 Auditor, licence no., address, telephone: **LLC "FINANSIST",**
Address: Rīga, Kurzemes prosp.3-412, Latvija, LV-106'
40002046180 Licence no. 102

13 Average number of employees: **100**

14 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%	40003004235
	State social insurance agency	
The proportion of shares (%)	3%	.000337393
	Viktors Karbanovs	
The proportion of shares (%)	38%	160258-10728

15 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%	40003004235

16 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 67964254 Fax 67964203

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

Type of business Extraction and processing of peat by ISIC

Measurement unit LVL/EUR

PROFIT OR LOSS STATEMENT
(ACCORDING TO THE TURN-OVER METHOD)
(reporting period: 01.01.2009.-31.03.2009.)

Name of indices	Number of Notes	For 01.01.	2009 -31.03.	For 01.01.	2008 -31.03.
1	2	LVL	EUR	LVL	EUR
Net turn-over	10	333810	474972	295035	419799
Cost of production of sold products	11	-254378	-361949	-270385	-384725
Gross profit or losses		79432	113023	24650	35074
Sales costs	12	-28071	-39942	-22338	-31784
Administrative costs	13	-21182	-30140	-19503	-27750
Other income from economic activity	14	6996	9954	13148	18708
Other expenses of economic activity	14	-1142	-1625	-3462	-4926
Other interest income and similar income	15	49	70	156	222
Interest payments and similar expenses					
Profit or loss before extraordinary items and taxes		36082	51340	-7349	-10456
Profit or loss before taxes		36082	51340	-7349	-10456
Income and expenses related to deferred tax liabilities and assets		-1800	-2561	-4142	-5894
Other taxes		-4140	-5891	-3655	-5201
Profit or loss of the reporting year	16	30142	42888	-15146	-21551

Name of the Company	JSC "Olaines kūdra"		
Registration No. In Commercial Register	<input type="text" value="40003006999"/>		
Tax payer's registration number	<input type="text" value="40003006999"/>		
Address	Rīgas 21, Olaine, LV-2114		
Telephone	67964254	Fakss	67964203
Management institution	<input type="text"/>		
Tax authority	<input type="text"/>		
the main type of business	Extraction and processing of peat		
Measurement unit	<input type="text" value="LVL/EUR"/>		

BALANCE SHEET

(reporting period: 01.01.2009.-31.03.2009.)

Submission date

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		126	179	126	179
I. TOTAL:		126	179	126	179
Fixed assets					
Land plots, buildings and structures and perennial plants		514820	732527	524711	746601
Equipment and machinery		251309	357583	265920	378372
Other fixed assets and inventory		9719	13829	10500	14940
Formation of fixed assets and costs of unaccomplished construction objects		8974	12769	8974	12769
II. TOTAL:		784822	1116707	810105	1152682
GRAND TOTAL OF THE FIRST SECTION		784948	1116887	810231	1152861
CURRENT ASSETS					
Stocks					
Raw material, basic materials and auxiliary materials	1	169589	241305	190828	271525
Unfinished produce		25649	36495	53	75
Finished produce and goods for sale		345069	490992	391479	557028
Advance payments for goods	2	3129	4452	2745	3906
I. TOTAL:		543436	773244	585105	832534
Debtors					
Debts of customers and clients	3	317164	451286	203501	289557
Other debtors	4	284833	405283	64642	91978
Deferred expenses	5	5235	7449	5606	7977
III. TOTAL:		607232	864018	273749	389512
Short-term financial investments					
Own shares		6000	8537	6000	8537
IV. TOTAL:		6000	8537	6000	8537
Cash (total)	6	107416	152840	318372	453005
GRAND TOTAL OF THE SECOND SECTION		1264084	1798639	1183226	1683588
BALANCE		2049032	2915526	1993457	2836450

LIABILITIES	Piezīmes numurs	Pārskata beigās	perioda	Pārskata beigās	perioda
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		-14921	-21231	-14921	-21231
retained earnings of the reporting year		30142	42888		
GRAND TOTAL OF THE SECTION		1853071	2636697	1822929	2593809
ACCRUALS					
Other accruals		23692	33711	23692	33711
GRAND TOTAL OF THE SECOND SECTION		23692	33711	23692	33711
3. CREDITORS					
I. LONG-TERM CREDITORS					
Debts to suppliers and contractors	7	33769	48049	33769	48049
Deferred tax liabilities		53750	76480	53750	76480
I. TOTAL:		87519	124529	87519	124529
SHORT-TERM CREDITORS					
Advances from customers		8191	11655	9400	13375
Debts to suppliers and contractors	7	33246	47305	15083	21461
Taxes and state obligatory social insurance contributions	8	28132	40028	16540	23534
Other creditors	9	15181	21601	18294	26030
II. TOTAL:		84750	120589	59317	84401
GRAND TOTAL OF THIS SECTION		172269	245118	146836	208930
BALANCE		2049032	2915526	1993457	2836450

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

In accordance with the Latvian accounting standard No.2

STATEMENT OF OWN CAPITAL CHANGES FOR THE YEAR 2009

(reporting period: 01.01.2009.-31.03.2009.)

(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 01.01.2008	1800000	2561184	37850	53856	44847	63 812	1882697	2678852
Retained earning of the reporting year					-59 768	-85 043	-59768	-85043
Residual according to the balance sheet as of the beginning of the reporting period 01.01.2009	1 800 000	2 561 184	37 850	53 856	-14 921	-21 231	1822929	2593809
Retained earnings of the reporting year					30 142	42 888	30 142	42 888
Residual according to the balance sheet as of the end of the reporting period 31.03.2009	1 800 000	2 561 184	37 850	53 856	15 221	21 657	1853071	2636697

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

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

Registration No. In ER

Tax payer's reg.No.:

Address: Rīgas 21, Olaine, LV-2114

Tel. 7964254

Fax 7964203

SRS Riga regional institution, Riga District department

Measurement unit LVL/EUR

CASH FLOW STATEMENT FOR THE YEAR 2009
(reporting period: 01.01.2009.-31.03.2009.)
(with a direct method)

		2009		2008		
		01.01.-31.03		01.01.-31.03		
		LVL	EUR	LVL	EUR	
		Anex				
I. Cash flow from basic activity						
1	Income from sales of goods and provided services		269057	382836	319299	454324
2	Payments to suppliers, employees and other operating expenses		-231255	-329048	-253602	-360845
3	<i>Gross basic activity cash flow</i>		37802	53788	65697	93479
4	Expenses on interest payment		-316	-450		0
5	Expenses on company's income tax payments					
6	<i>Cash flow before extraordinary items</i>		37486	53338	65697	93479
I. Operation net cash flow			37486	53338	65697	93479
II. Investment operation cash flow						
1	Procurement of fixed assets and intangible assets	17	-2094	-2980	-1071	-1524
2	Income from selling of fixed assets and intangible assets					
3	Granted loans		-250139	-355918		
4	Income from repaid loans					
5	Income from interest payment		537	764	4148	5902
II. Investment operation net cash flow			-251696	-358133	3077	4378

SUMMARY OF CASH INCOME AND EXPENSES

I	Result of basic activity		37486	53338	65697	93479
II	Result of investment operation		-251696	-358133	3077	4378
III	Result of fluctuation of foreign currency rates		3254	4630	-25	-35
IV	Net increase or decrease of cash and its equivalents		-210956	-300165	68749	97822
V	Residual of cash and its equivalents at the beginning of the reporting period		318372	453005	415308	590933
VI	Residual of cash and its equivalents at the end of the reporting period		107416	152840	484057	688755

Name of the company

JSC "Olaines kūdra"

STATEMENT OF LONG-TERM INVESTMENT MOVEMENT FOR 2009

(reporting period: 01.01.2009.-31.03.2009.)

LVL

N.p.k.	Type of Long-Term investments	Initial value			Depreciation (write-off of value)				Residual value		
		On 01.01. 2009.g.	purchase and manufacturing (+)	movement and exemption from operation (+,-)	On 31.03. 2009.g.	On 01.01. 2009.g.	calculated in the reporting year (+,-)	excluded due to the exemption from operation (-)	On 31.03. 2009.g.	On 01.01. 2009.g.	On 31.03. 2009.g.
	I. Intangible investments total)	5 056	-	-2 000	3 056	4 930	-	-2 000	2 930	126	126
	incl.:										
1	Licences	1 063			1 063	937			937	126	126
2	Trademarks	143			143	143			143	-	-
3	Peat amount determine	2 000		-2 000	-	2 000		-2 000	-	-	-
4	Accounting software	1 850			1 850	1 850			1 850	-	-
	II. Fixed assets (total)	2 147 149	2 459	-249	2 149 359	1 337 044	27 742	-249	1 364 537	810 105	784 822
	incl.:										
1	Land plots, buildings, structures and perennial plants	1 028 058			1 028 058	503 347	9891		513 238	524 711	514 820
2	Equipment and machinery	1 066 388	2 450		1 068 838	800 468	17 061		817 529	265 920	251 309
3	Other fixed assets and inventory	43 729	9	-249	43 489	33 229	790	-249	33 770	10 500	9 719
4	Placement of fixed assets and costs of incomplete construction objects	8 974			8 974				-	8 974	8 974
	Total long-term investments	2 152 205	2 459	-2 249	2 152 415	1 341 974	27 742	-2 249	1 367 467	810 231	784 948

EUR

N.p.k.	Type of Long-Term investments	Initial value			Depreciation (write-off of value)				Residual value		
		On 01.01. 2009.g.	purchase and manufacturing (+)	movement and exemption from operation (+,-)	On 31.03. 2009.g.	On 01.01. 2009.g.	calculated in the reporting year (+,-)	excluded due to the exemption from operation (-)	On 31.03. 2009.g.	On 01.01. 2009.g.	On 31.03. 2009.g.
	I. Intangible investments total)	7 194	-		4 348	7 015	-		4 169	179	179
	incl.:										
1	Licences	1 513			1 513	1 333			1 333	179	179
2	Trademarks	203			203	203			203	-	-
3	Peat amount determine	2 846		-2 846	-0	2 846		-2 846	-	-	-0
4	Accounting software	2 632			2 632	2 632			2 632	-0	-0
	II. Fixed assets (total)	3 055 135	3 499	-354	3 058 280	1 902 453	39 473	-354	1 941 572	1 152 682	1 116 708
	incl.:										
1	Land plots, buildings, structures and perennial plants	1 462 803			1 462 803	716 202	14 074		730 276	746 601	732 527
2	Equipment and machinery	1 517 342	3 486		1 520 828	1 138 970	24 275		1 163 245	378 372	357 583
3	Other fixed assets and inventory	62 221	13	-354	61 880	47 281	1 124	-354	48 051	14 940	13 829
4	Placement of fixed assets and costs of incomplete construction objects	12 769			12 769	-			-	12 769	12 769
	Total long-term investments	3 062 329	3 499	-354	3 062 627	1 909 468	39 473	-354	1 945 741	1 152 861	1 116 887

Addition: including basic facilities without a remaining cost – amount is 251 th., initial cost – LVL 501226 / EUR 713185

Annexes to the balance-sheet

1 Raw materials, basic materials and auxiliary materials

No	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Materials	96215	136902	108975	155058
2	Spare parts	4853	6905	4853	6905
3	Fuel	67912	96631	76408	108719
4	Low-value inventory	609	867	592	842
Residual value		169589	241305	190828	271 525

2 Advance payments for goods

No	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Advance payments for materials	3129	4452	2745	3906
2	Advance payments for services				
Residual value		3129	4452	2745	3906

3 Debts of clients and customers

No.	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Debts of Latvian companies	168654	239974	62631	89116
2	Debts of foreign companies	148510	211312	140870	200441
Residual value		317164	451286	203501	289557

4 Other debtors

No.	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Overpayment of the company's income tax	12607	17938	14407	20499
2	Overpayment of VAT			28435	40460
3	Real Estate tax	110	157		
4	Other	272116	387188	21800	31019
Residual value		284833	405283	64642	91 978

5 Expenses of next periods

No	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Insurance costs	1039	1478	1440	2049
2	Newspapers	119	169	209	297
3	Services	4077	5801	3957	5630
Residual value		5235	7449	5606	7 977

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 01.01.09	LVL	13508	1	13508	19220
2	Latvian banks 31.03.09	LVL	53539	1	53539	76180
3	Latvian banks 01.01.09	EUR	315505	,7028	221737	315505
4	Latvian banks 31.03.09	EUR	74246	,7028	52180	74246
5	Latvian banks 01.01.09	USD	159428	0,495	78917	112289
6	Latvian banks 31.03.09	USD	488	0,532	260	369
7	The company's cash box 01.01.09	LVL	4128	1	4128	5874
8	The company's cash box 31.03.09	LVL	1355	1	1355	1928
9	The company's cash box 01.01.09	EUR	117	,7028	82	117
10	The company's cash box 31.03.09	EUR	117	,7028	82	117
Total on 31.03.09					107416	152840
Total on 01.01.09					318372	453005

7

Debts to suppliers and contractors

No	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Debts to Latvian companies	26269	37378	6590	9377
2	Debts to foreign companies	40746	57977	42262	60133
	inc.long terms	33769	48049	33769	48049
Residual value		67015	95354	6590	9377

8

Taxes and social security payments

No	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Residents' income tax	4255	6054	5840	8310
2	Nature resources' tax	25	36	70	99
3	State risk duty	26	37	26	37
4	VAT	15598	22194		
5	State social insurance obligatory contributions	8228	11707	10604	15088
Residual value		28132	40028	5910	8409

9

Other creditors

No	Name	Residual on 31.03.09		Residual on 01.01.09	
		LVL	EUR	LVL	EUR
1	Unpaid salary	14917	21225	17905	25476
2	Other	264	376	389	554
Residual value		15181	21601	18294	26030

Annexes to Profit and Loss Statement

10 Net turn-over

No	Name	Amount for 01.01.- 31.03.09		Amount for 01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Transactions with Latvian companies	176719	251450	86484	123056
2	Transactions with foreign companies.	157091	223522	208551	296743
Total		333810	474972	295035	419799

11 Production costs of sold products

No	Name	Amount for 01.01.- 31.03.09		Amount for 01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Material costs	87500	124502	102772	146232
2	Staff costs (salary and State obligatory social payments)	100185	142551	99144	141070
3	Depreciation of fixed assets	25800	36710	22727	32338
4	Other operational costs	21289	30292	14621	20804
5	Changes of tailings of the prepared products	19604	27894	31121	44281
Total		254378	361949	270385	384725

12 Sales costs

No	Name	Amount for 01.01.- 31.03.09		Amount for 01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Staff costs (salary and State obligatory social payments)	3285	4674	2750	3913
2	Depreciation of fixed assets	654	931	1559	2218
3	Transportation costs	22726	32336	16312	23210
4	Other expenses	1406	2001	1717	2443
Total		28071	39942	22338	31784

13 Administrative expenses

No	Name	Amount for 01.01.- 31.03.09		Amount for 01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Staff costs (salary and State obligatory social payments)	12 546	17852	10588	15065
2	Depreciation of fixed assets	1049	1493	1180	1679
3	Transportation and business trip costs	927	1319	1241	1766
4	Other administrative expenses	6660	9476	6494	9240
Total		21 182	30140	19503	27750

Other operational income and expenses

No	Name	Income for	Expenses for	Income for	Expenses for
		01.01.- 31.03.09	01.01.-31.03.09	01.01.- 31.03.08	01.01.08- 31.03.08
		LVL	LVL	LVL	LVL
1	Sales of purchased goods and services	200		7006	
2	Lease of fixed assets	2590		2023	
3	Differences in currency rates	3254			99
4	Currency exchange	464			263
5	Other income /expenses		826		3100
6	Paid percents		316		
7	Income from interest payment	488		4119	
Total		6996	1142	13148	3462
		EUR	EUR	EUR	EUR
1	Sales of purchased goods and services	285		9969	
2	Lease of fixed assets	3685		2878	
3	Differences in currency rates	4630			141
4	Currency exchange	660			374
5	Other income /expenses		1175		4411
6	Paid percents		450		
7	Income from interest payment	694		5861	
Total		9954	1625	18708	4926

Position of "calculation of profits and losses", other profits and charges of economic activity, in the report of 2009 is shown as balance profits -charges, together with it the indexes of report are relatively changed similarly for 2008.

Other interest income and similar income

No	Name	Amount for		Amount for	
		01.01.- 31.03.09		01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Bank interest calculated for the residual of a current account	49	70	156	222
Summa kopā		49	70	156	222

Profit or Loss after taxes in the reporting period

No	Name	Amount for		Amount for	
		01.01.- 31.03.09		01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Profit after taxation in the reporting period	30142	42888	-15146	-21551
Summa kopā		30142	42888	-15146	-21551

Annexes to Cash Flow Statement

Procurement of fixed assets and intangible investments

No	Name	Amount for		Amount for	
		01.01.- 31.03.09		01.01.- 31.03.09	
		LVL	EUR	LVL	EUR
1	Industrial structures and buildings	2083	2964		
2	Technical equipment			982	1397
3	Computers, computing equipment	11	16	89	127
Total		2094	2980	1071	1524

General information

1. Taxes

Type of taxes	Residual on 01.01.09		Calculated		Paid or moved		On 31.03.09	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Company's income tax*	-14407	-20499	1800	2561			-12607	-17938
State social obligatory contributions	10604	15088	30124	42863	32500	46244	8228	11707
VAT	-28435	-40460	14033	19967	-30000	-42686	15598	22194
Residents' income tax	5840	8310	14414	20509	15999	22765	4255	6054
Nature resource tax	70	99	27	38	72	102	25	35
Real Estate tax	0	0	4140	5891	4250	6047	-110	-157
Risk duty	26	37	80	114	80	114	26	37
Total	-26302	-37425	64618	91944	22901	32585	15415	21933

2. The average number of employees

	2009	2008
The average number of employees per year	100	104
Fund of labour payment LVL	116016	112482
(salary +SSO contributions) EUR	165077	160048

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	765638	1089411
Buiding and Land ,Olaine, Veselības 2a	2917	4151
Buildings and land in Olaine civil parish "Gaisma"	177307	252287
Total:	945862	1345848

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, prolonged up to 31-st of December.

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, suggestion is gotten about the increase of rent.
3. WITH SJSC "Latvijas valsts meži" dated Juli 4, 2007, the land lease agreement No.5.7-9.1./0006/150/07.06/about the lease of 169,5 ha
The terms of the agreement-5 years.

6. Payment to members of advice and management.

Members of advice and board have not received a payment.

7. Famous reident did not check review between periods.

Chairman of Board

Sergejs Šakuns

Members of Board

Brigita Kraule

Mihails Zeņkovs