



**AUDITED ANNUAL REPORT OF
JOINT STOCK COMPANY
„LATVIJAS ZOOVETAPĢĀDE”
UNAUDITED REPORT
OF THE YEAR 2013
2 QUARTER**

CONTENT

	Page
Information about the company	3
Management Report	4
Calculation of profit or losses	5
Balance	6
Overview of money flow	8
Overview of own capital changes	9
Appendix to the Annual report	10

Information about the company.

Name of the company	“LATVIJAS ZOOVETAPGĀDE”
Form of business	Joint stock company
Register number, date	Register of companies of the Republic of Latvia No.40003020174, June 21st, 1994; repeatedly in December 19th, 1997.
Address - legal and postal	32 Ormaņu Street, Riga, LV-1002
Chairman of the Board	Aldis Tauritis
Members of the Management Board	Marija Miķelsone Inta Podniece
Chairman of the Supervisory Board	Atis Grundmanis
Member of the Supervisory Board:	Ilona Baumanē Svetlana Zača Ilze Kļaviņa Māris Ūtēns
Time period of the Report	01.01.2013 – 30.06.2013

Report of Management

During the period from January, 2013 till 30th of June, 2013 there are no commercial activities in company JSC „Latvijas Zoovetapgāde”.

The commercial, financial and scientific action of company was paralyzed.

In 3th of May, 2013 in Riga Zemgale`s district of Riga Region`s Administration of State Police there was criminal proceedings launched in criminal case Nr. 1109507013, for belonging to a criminal offense subject group in accordance with XVIII chapter of Criminal law.

The investigation continues in above mentioned criminal case in which on 23th of May, 2013 JSC „Latvijas Zoovetapgāde” was recognized as victim (announcement of 23th of May, 2013 by Riga Zemgale`s district of Riga Region`s Administration of State Police Nr.20/10/14-Ī-393/2) and on 3th of May, 2013 Mr. Aldis Taurītis was recognized as victim (announcement of 3th of May, 2013 by Riga Zemgale`s district of Riga Region`s Administration of State Police Nr.20/10/14-Ī-393).

Chairman of the Management Board of
JSC „LATVIJAS ZOOVETAPGĀDE”

Aldis Taurītis

Calculation of profits or losses for the year 2013. 30.JUNE

(by the method of turnover outlays)

No.	Indicator	No. of com.	year 2013 30.06. LVL	year 2013 30.06. EUR	year 2012 30.06. LVL	year 2012 30.06. EUR
1	Net turnover	1.	345	491	504	717
2	Manufacturing expenses of sold production	2.	313	445	-388	-552
3	Gross profit or losses		32	46	116	165
4	Expenses of selling	3.	-1144	-1628	-2923	-4160
5	Expenses of administration	4.	-2233	-3177	-3125	-4446
6	Other earnings of economic activities of the company	5.	2278	3241	2619	3726
7	Other expenses of economic activities	6.	-890	-1267	-139	-198
8	Other percents and similar earnings		0	0	0	0
9	Percent payments and similar expenses		0	0	0	0
10	Profit or losses before taxes		-1957	-2785	-3452	-4912
12	Other taxes	7.	-1776	-2527	-2462	-3504
13	Profit or losses of the annual year		-3733	-5312	-5914	-8415

Attachment from Page 10-19 is imprescriptibly part of annual report.

Balance on the year 2013.30.JUNE

Asset	No. of Com.	Year 2013 30.06. LVL	Year 2013 30.06. EUR	Year 2012 30.06. LVL	Year 2012 30.06. EUR
1. Long-term investments					
I. Nonmaterial investments					
1. Other nonmaterial investments (computer programs).		435	619	739	1052
Nonmaterial investments, Total:		435	619	739	1052
II. Fixed assets					
1. Land, buildings, constructions and long-term plantations.		85206	121237	92087	131028
2. Equipment and machines.		0	0	0	0
3. Other fixed assets and inventory.		296	421	1000	1423
4. Establishment of fixed assets and costs of uncompleted construction objects.		1126	1602	6943	9879
Fixed assets, Total:		0	0	0	0
III Properties of investment		86628	123260	100030	14233
Long-term investments, Total:	8	10221	14543	13268	18879
2. Current assets		97284	138422	114037	162261
I. Reserves.					
1. Complete production and goods for sale.					
2. Prepayments for goods.		22030	31346	27005	38425
Reserves, Total:		22030	31346	27005	38425
II. Debtors.					
1. Debts of buyers and clients.	9	4750	6758	3388	4821
2. Other debtors.	10	30906	43975	43621	62066
3. Expenses of next periods.	11	0	0	2632	3745
Debtors, Total:		35656	50733	49641	70632
IV. Money assets (total)	12	3	4	21	29
Current assets, Total:		57689	82083	76667	109086
Total sum of assets:		154973	220506	190704	271347

Attachment from Page 10-19 is imprescriptibly part of annual report.

Balance on the year 2013. 30.JUNE

Liabilities	No. of Com.	Year 2013 30.06. LVL	Year 2013 30.06. EUR	Year 2012 30.06. LVL	Year 2012 30.06. EUR
1. Equity capital					
1. Capital of stock or shares (fixed capital).	13	451244	642062	451244	642062
2. Reserves:					
- Reserves set by the Law		67687	96310	67687	96310
3. Retained earnings:					
a) retained earnings of previous years;		-1394286	-1983889	-1216200	-1730496
b) retained earnings of the year of account.		-3733	-5312	-5914	-8415
Equity capital, Total:		-879088	-1250830	-703183	-1000539
2. Reserves					
1. Other reserves		381	542	381	542
Reserves, Total:	14	381	542	381	542
3. Creditors					
I. Long-term debts					
1. Other long-term loans	16	14318	20373	14318	20372
2. Liabilities of deferred taxation	15	130768	186066	130768	186066
3. Long term debts affiliated companies	19	187708	267085	192190	273462
Long-term debts, Total:		332794	473524	337276	479900
II. Short-term debts.					
1. Loans from credit societies.	15	113153	161002	72035	102497
2. Debts to suppliers and contractors.	17	120258	171111	85051	121017
3. Short term debts affiliated companies	19	53153	75630	49273	70109
4. Taxes and payments of social security.		398627	567195	334551	476023
5 Other creditors.	18	15695	22332	15320	21798
Short-term debts, Total:		700886	997270	556230	791444
Creditors, Total:		1033680	1460794	893506	1271344
Total sum of liabilities:		154973	220506	190704	271347

Attachment from Page 10-19 is imprescriptibly part of annual report

Overview of money flow

on the year 2013

(LVL, EUR)

(Overview prepared using indirect method)

Positions	Com.	2013 Year LVL	2013 Year EUR	2012 Year LVL	2012 Year EUR
I. Money flow of basic activity					
1. Profit or losses before extraordinary items and taxes		-3733	-5312	-5914	-8415
Corrections:					
a) Depreciation of long-term investments (+)		0	0	0	0
b) Payments of interests and similar expenses (+)		0	0	0	0
c) Profit (-) or losses (+) from fluctuations of foreign exchange rate		0	0	0	0
d) Profit from selling fixed assets		0	0	0	0
e) Formation of reserves		0	0	0	0
2. Profit or losses before balance corrections of influence changes of current assets and short-term liabilities		-3733	-5312	-5914	-8415
Corrections:					
a) growth (-) or decrease (+) of balance of outstanding payments of debtors.		660	939	23096	32863
b) growth (-) or decrease (+) of balance of reserves		0	0	1650	2348
c) growth (-) or decrease (+) of balance of payable debts to suppliers, contractors and other creditors		3065	4361	-38617	-54948
3. Gross money flow of basic activity		3725	5300	-13871	-19737
4. Expenses for interest payments		0	0	0	0
5. Expenses for real estate tax		0	0	0	0
6. Net money flow of basic activity		0	0	0	0
II. Money flow of investment activities					
4. Purchase of fixed assets and nonmaterial investments		0	0	0	0
5. Takings from selling fixed assets and nonmaterial investments		0	0	0	0
6. Loans to the participants of company		0	0	0	0
7 Net money flow of investment activities		0	0	0	0
III Money flow of financing activities					
7. Received loans		0	0	0	0
8. Expenses for repayment of loans		0	0	19224	27353
9. Expenses for redemption of rented fixed assets		0	0	0	0
10. Paid to State joint stock Company "Privatizācijas Aģentūra"		0	0	0	0
IV Result of foreign exchange rate fluctuations		0	0	0	0
VI Balance of money or its equivalents in the beginning of the year of account		3	4	582	828
VII Balance of money or its equivalents in the end of the year of account		11	16	21	29

Attachment from Page 10-19 is imprescriptibly part of annual report

Overview of changes in own capital for the year 2013 LVL, EUR

	Currency	Capital of stocks or shares (fixed capital)	Reserve capital	Retained earnings of previous years	Retained earnings of the year of account	Own capital, Total
Balance on 31.12.2011	LVL	451244	67687	-1108664	-107536	-697269
	EUR	642062	96310	-1577486	-153009	-992123
Retained earnings of previous years	LVL			-107536	107536	
	EUR			-153009	153009	
Profit of accounting period	LVL				-4536	-4536
	EUR				-6455	-6455
Balance on 31.12.2012	LVL	451244	67687	-1216200	-4536	-701805
	EUR	642062	96310	-1730495	-6455	-998578
Profit of previous period	LVL			-178086	4536	-173550
	EUR			-253395	6455	-246940
Profit of accounting period	LVL				-3733	-3733
	EUR				-5312	-5312
Balance on 30.06.2013	LVL	451244	67687	-1394286	-3733	-879088
	EUR	642062	96310	-1983890	-5312	-1250830

Attachment from Page 10-19 is imprescriptibly part of annual report

Attachment to Annual Report

1. Policy of Accountancy

1.1. General basis

Financial Report is prepared in accordance to LR act of Annual Reports. Annual Report is prepared in accordance to calculation principle of initial expenses.

Monetary unit of Latvia – Lats is used as monetary unit on Annual Report.

Calculation of profit or losses is prepared in accordance to layout of turnover of expenses.

Cash flow report is prepared by determining cash flow of basic activity with indirect method.

There are no changes in evaluating and calculation methods used comparing with previous revisory year.

1.2. Confession of income and net turnover

Profit from **realization of products** is admitted if there are below mentioned conditions noticed:

- ✓ Company has given to the customer relevant, risks and rewards to products to property rights.
- ✓ Company retained for future rights associated with property management rights and effective control over the goods sold
- ✓ Is feasibly to evaluate sum of profit;
- ✓ Is feasibly that company will receive economical benefits related with business;
- ✓ Is possible to feasibly evaluate expenses who are or who will be originated in accordance to business.

Revenues **from service** is recognized, taking into account the extent to which stage of execution a service transaction is on the balance sheet date, if all the following conditions are taken into account:

- ✓ Sum of profit could be feasibly evaluated;
- ✓ Is feasible that company will receive economical benefits related with business;
- ✓ Is possible to feasibly evaluate the amount of accomplishment of rendering service in percents on the date of balance;
- ✓ Is feasibly to evaluate costs for the existing business and costs for finishing of business.

Net turnover – total sum of the services adduced in the one year period, deducting given discounts and VAT.

1.3 Immaterial investments, fixed assets and invested assets

Intangible assets and fixed assets are presented in value of acquisition except suspended depreciation.

Depreciation is calculated with linear method in period of using appropriate material and nonmaterial fixed assets to cancel value of material and nonmaterial fixed assets by using below mentioned rates defined by management:

Buildings and constructions	5	%
✓ Transport facilities and other fixed assets	20	%
✓ Computers and wellhead equipment of accrual of data	35	%

Method of calculation of depreciation for fixed assets and the rates on revisory period is not changed.

1.4. Reserves

Resaves of raw materials and materials and reserves of purchased goods are shown on actual cost of acquisition.

Evaluation of reserves.

Reserves is evaluated by using FIFO

Reserves are calculated taking into account principle of lowest value of the price of acquisition or of net selling price. Remains of reserves are checked on inventories of the year, company is using method of continuous inventories.

1.5 Debts of debtors

Debts of debtors are shown on balance in net value counting off special reserves for unsure debts of debtors from its initial costs.

Amount of unsure debts of debtors is fixed by accomplishing maturity analysis of debt of each debtor and using other appropriate information about recovery of debt.

1.6. Commitments of delayed tax

Company is calculating delayed fee taking into account all temporary differences ensued from confession of expenses in net profit calculated by financial accountancy and in income chargeable with fee. Permanent differences in calculation of delayed fee are not taken in consideration.

There are temporary differences in methods of calculation of depreciation for fixed assets who compose commitments of delayed fee and temporary differences in losses of fees that compose asset of delayed fee.

1.7. Conversion of foreign exchange in LVL

Calculation of company is done in Lats of Latvia. All dealing in foreign currencies are converted in LVL in accordance to exchange rate of concrete day of realized business with rate fixed by Latvijas Banka.

Monetary assets and commitments on foreign currencies are converted in LVL in accordance to exchange rate in final day of revisory year fixed by Latvijas Banka.

Profit or losses acquired by fluctuations of exchange rates for foreign currencies are shown in calculation of losses and profit in period appropriated.

Valūta	30.06.2013	30.06.2012
GBP	<i>0.8270000</i>	<i>0.888000</i>
EUR	<i>0.702804</i>	<i>0.702804</i>
USD	<i>0.539000</i>	<i>0.552000</i>

1.8. Reserves, accumulated commitments

Reserves are approved if company has commitments caused by practice or juridical character that are based on past developments and there is possibility of necessity for additional finance for execution of commitments and commitments could be feasibly evaluated and calculated.

Reserves is declared on value, that fit on the accurate calculation of expenses in date of balance, justly paid by company to accomplish existing task on the date of balance or to hand its execution to third person on the date of balance. There are included in accumulated liabilities expenses for unused annual leave and statutory social insurance contributions.

2. Explanations on the calculation positions of profit or losses

Comment No.1

Net turnover. LVL, EUR

Net turnover is earnings from selling goods in inland, from which is subtracted trade discount as well as VAT.

Earnings	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Wholesale	345	491	504	717
Total:	345	491	504	717

Comment No.2

Production expenses of sold production. LVL

Purchase in prime cost of expenses of used goods for acquiring net turnover.

Types of expenses	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Expenses of purchasing goods	313	445	388	552
Total:	313	445	388	552

Comment Nr.3

Selling expenses. LVL, EUR

Types of expenses	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Communication expenses	0	0	647	921
Rent of premises	0	0	180	256
Electricity expenses	4	6	1154	1642
Heating, hot water, sewerage	1045	1487	702	999
Security services	0	0	240	342
Rental of land	4	6	0	0
Economic expenses	76	108	0	0
Other expenses	15	21	0	0
Total:	1144	1628	2923	4160

Comment Nr.4

Administration expenses. LVL, EUR

Types of expenses	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Personnel expenses	2233	3177	0	0
Other expenses of administration	0	0	3125	4446
Total:	2233	3177	3125	4446

Comment No.5

Other earnings of economic activities. LVL, EUR

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Earnings from letting out fixed assets	2105	2995	2619	3726
Other earnings	173	246	0	0
Total:	2278	3241	2619	3726

Comment No.6

Other expenses of economic activities. LVL, EUR

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Penalty fees	841	1197	139	198
Other	49	70	0	0
Total:	890	1267	139	198

Comment No.7

Other taxes LVL

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Real estate tax for land	661	940	900	1281
Real estate tax for buildings	1115	1587	1562	2223
Total:	1776	2527	2462	3504

3. Explanations to the positions of balance

Comment No.8

Overview of movement of long-term investments

	Currency	Non-material investment	Buildings and constructions	Techno-logical equipment	Other fixed assets	Creation of fixed assets	Properties of investment	Total
Acquisition cost								
31.12.2012	LVL	3785	175303	14931	150764	14740	29190	388713
	EUR	5386	249433	21245	214518	20973	41534	553089
Purchased in 2013	LVL							
	EUR							
Liquidated in 2013	LVL			3814	99734	14740	5132	123420
	EUR			5427	141909	20973	7302	175611
31.03.2013	LVL	3785	175303	11117	51030	0	24058	265293
	EUR	5386	249433	15818	72609	0	34231	377477
Wearing-off	LVL							
	EUR							
31.12.2012	LVL	3047	83216	13931	143821	0	15922	259937
	EUR	4336	118405	19822	204639	0	20655	367857
Calculated in 2013	LVL	303	10195	704	49873		1101	62176
	EUR	431	14506	1001	70963		1567	88468
Excluded in 2013	LVL		3314	3814	143790		3186	154104
	EUR		4715	5427	204595		4533	219270
31.03.2013	LVL	3350	90097	10821	49904	0	13837	168009
	EUR	4767	128196	1597	71007	0	19688	225255
Value of balance on 31.12.2012	LVL	738	92087	1000	6943	14740	13268	128776
	EUR	1050	131028	1423	9879	20973	18879	183232
Value of balance on 30.06.2013.	LVL	435	85206	296	1126	0	10221	97284
	EUR	619	121237	421	1602	0	14543	138422

Comment No.9

Debts of buyers and clients

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Debts of buyers, Total	68778	97862	19366	27556
Accumulation of doubtful debtors	-64028	-91104	-15978	-22735
Net debts of buyers and clients	4750	6759	3388	4821

Separation of debtors by currencies	2013.30.06.		2012.30.06.	
	LVL	Currency	LVL	Currency
LVL	4750	6759	3388	4821
Total:	4750	6759	3388	4821

Comment No.10

Other debtors LVL, EUR

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Other debtors	167439	238244	229542	326607
Overpaid creditors	4005	5699	4005	5699
Accumulation of doubtful debtors	-140538	-199968	-189926	-270240
Total:	30906	43975	43621	62066

Comment No.11

Expenses of next periods. LVL, EUR

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Other	0	0	2632	3745
Total:	0	0	2632	3745

Comment No.12

Money assets. LVL, EUR

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Money in cash-desk	0	0	0	0
Money in bank	3	4	21	29
Money on the way	0	0	0	0
Total:	3	4	21	29

Passive

Comment No.13

Fixed capital.

Share capital of the company is LVL 451 244. Nominal value of one share is LVL1

No	Investor Shareholder	On the beginning of the year	On the end of the year
		30.06.2013	31.12.2012
1.	Normunds Grūbe	1049	1049
2.	Rita Grunvalde	3467	3467
3.	Juris Sokolovskis	2622	2622
4.	Valda Kalēja	1049	1049
5.	Valsts Sociālās apdrošināšanas aģentūra VAS	21562	21562
6.	Atis Grundmanis	67767	67767
7.	Aldis Taurītis	103901	103901
8.	Tamāra Jankova	200179	200179
9.	Daila Taurīte	100	100
10.	Jānis Leimanis	0	0
11.	Aija Taurīte	58	58
12.	Other	49490	49490
	Total	451 244	451 244

Comment No.14

Other savings

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Reserves for not used vacations	381	542	381	542
Total:	381	542	381	542

Comment No.15

Loans LVL,EUR

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Short-term loan in LHZB	11719	16675	12692	18059
Short-term loan in Swedbank	101434	144327	41547	59117
Credit line in Swedbank	0	0	17796	25321
Short-term loan related persons	130768	186066	130768	186066
Short-term loan related persons	130768	186066	130768	186066
Short-term loan	113153	161002	72035	102497
Total:	243921	347068	202803	288563

Short-term debts

Comment Nr.16

Debts of suppliers. LVL,EUR

	2013. 30.06		2012. 30.06.	
	LVL	Valūta	LVL	Valūta
VAS Privatizācijas aģentūra	14318	20373	14318	20373
Kopā:	14318	20373	14318	20373

Short-term debts
Comment No.17
Debts of suppliers.

Separation of creditors by currencies	2013.30.06.		2012.30.06.	
	LVL	Currency	LVL	Currency
LVL	47121		11828	
GBP	5116	6187	5197	5852
USD	537	996	542	982
EUR	67484	96021	67484	96021
Total:	120258		85051	

Comment No.18
Other creditors. LVL

	2013.30.06.		2012.30.06.	
	LVL	EUR	LVL	EUR
Wages	1075	1530	466	663
Overpayment of debtors	5390	7669	5624	8002
Other	9230	13133	9230	13133
Total:	15695	22332	15320	21798

Comment Nr.19
Debts of associate business LVL,EUR

	2013.30.06		2012.30.06	
	LVL	EUR	LVL	EUR
Long debts of associate business	187708	267085	192190	273462
Short-term debts of associate business	53153	75630	18813	26768
Short-term debts of associate business	0	0	30460	43341
<i>Total long</i>	187708	267085	192190	273462
<i>Total short</i>	53153	75630	49273	70109
Total:	140861	342715	241463	343571

4. General information

4.1. Number of people employed by the company.

	2013	2012
Average number of people employed by the company during the year	3	3

Chairman of the directors _____ (Aldis Taurītis)

**ANNOUNCEMENT ABOUT RESPONSIBILITY OF THE MANAGEMENT OF
JSC „LATVIJAS ZOOVETAPGĀDE”**

Management of JSC „LATVIJAS ZOOVETAPGĀDE” is responsible about preparation of financial report for 6 months of each year, who displays actual financial situation of JSC „LATVIJAS ZOOVETAPGĀDE” („Company”) to this period, also profit and losses for appropriate period.

By preparing financial report for the 6 months of year 2013, Management used appropriate principles of accountancy, based on reasonable sentences and calculations.

All accountancy standards, that were used, in our opinion, are completed (financial report is prepared in accordance with rule of Annual Reports of Republic of Latvia, by taking into account rules of FKTK).

On the basis of information that is on the hands of Management, financial report of 6 months of year 2013 is prepared in accordance to the laws and regulations in force and they supply true and clear view about assets and liabilities of Company, financial situation and profit or losses in this period.

In the name of
JSC „LATVIJAS ZOOVETAPGĀDE
Chairman of the Board

Aldis Taurīti

