

**Joint stock company
SIGULDAS CILTS LIETU UN
MĀKSLĪGĀS APSĒKĻOŠANAS
STACIJA**

**INTERIM STATEMENT
for 6 months of 2011**

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Information on the Company

Company's name	<i>SIGULDAS CILTS LIETU UN MĀKSLĪGĀS APSĒKLOŠANAS STACIJA</i>
Company's legal status	<i>Joint stock company</i>
Registration number, place and date	<i>40003013295, Riga, 26 July 1991</i> <i>Registration in the Commercial Register on 19 June 2004</i>
Legal address	<i>„Kalnabeites”8, Sigulda parish, Sigulda area, LV-2150</i>
Shareholders holding more than 5% of the total number of voting shares	<i>SIA „Siguldas mākslīgās apsēklošanas stacija” (49.8%), registration No. 40003311954</i>
Members of the Board	<i>Nils Ivars Feodorovs, Chairman of the Board</i> <i>Sarmīte Arcimoviča, Member of the Board</i> <i>Valda Mālniece, Member of the Board</i>
Members of the Council	<i>Inīta Bedrīte, Chairman of the Council</i> <i>Maija Beča, Deputy Chairman of the Council</i> <i>Ērika Everte, Member of the Council</i> <i>Solvita Arcimoviča, Member of the Council</i> <i>Renia Beķere, Member of the Council until 27.04.2011</i> <i>Jekaterina Kreise, Member of the Council from 27.04.2011</i>
Reporting year	<i>01.01.2011 – 30.06.2011</i>
Auditors	<i>Anita Sondore</i> <i>Sworn Auditor</i> <i>Certificate No. 129</i> <i>AUDITS A.S., SIA</i> <i>„Pīlādži”, Līgatne parish,</i> <i>Līgatne area, LV-4108, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 27</i>

Interim Management Report

The basic economic activity of the Stock Company has invariably been production and sale of bull semen, comprising 49% of its net turnover in the accounting period, and milk analysing and data processing services, comprising 34% of company's net turnover. There are no considerable changes in the proportion of company's basic activities in comparison to the first six months in 2010.

Company's net turnover in first half-year of 2011 reached 383 thousand LVL (345 thousand EUR), representing an increase of 11% against corresponding period in 2010. Company's profit of 27 thousand LVL (39 thousand EUR) in 2011 is similar to the one in 2010, which is due to 25% increase of material costs.

The commercial profitability over the first six months in 2011 was 9%, compared to 10% in 2010.

Nils Ivars Feodorovs
Chairman of the Board

Sarmīte Arcimoviča
Member of the Board

Valda Mālniece
Member of the Board

24 August 2011

Profit or loss account for the period ended 30 June 2011

	Note	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Net sales	3	383 135	345 062	545 152	490 979
Changes in stock of ready-made goods and unfinished products	4	15 762	36 530	22 428	51 978
Other operating income	5	6 516	8 805	9 270	12 529
Costs of materials:		(171 583)	(136 769)	(244 140)	(194 605)
a) raw materials and auxiliary costs of materials		(137 950)	(108 054)	(196 285)	(153 747)
b) other external costs		(33 633)	(28 715)	(47 855)	(40 858)
Personnel costs:	6	(163 197)	(169 496)	(232 209)	(241 171)
a) salaries for work		(125 938)	(130 609)	(179 194)	(185 840)
b) state social insurance compulsory contributions		(29 852)	(30 968)	(42 476)	(44 063)
c) other social insurance costs		(7 407)	(7 919)	(10 539)	(11 268)
Write-off of assets and values:		(19 930)	(34 733)	(28 358)	(49 421)
a) depreciation of fixed assets and amortization of intangible assets		(19 930)	(34 733)	(28 358)	(49 421)
Other operating costs	7	(15 687)	(15 136)	(22 320)	(21 536)
Other interest income and similar income	8	1 037	2 857	1 476	4 064
Interest payments and similar costs	9	(1 625)	(2 428)	(2 312)	(3 455)
Profit or losses before taxes		34 428	34 692	48 987	49 362
Enterprise income tax for the reporting year		(5 692)	(6 250)	(8 099)	(8 893)
Other taxes	10	(1 111)	(1 107)	(1 581)	(1 575)
The profit or loss for the year		27 625	27 335	39 307	38 894
Equity per 1 share (EPS)	22	0.065	0.065	0.093	0.092

Notes on pages 10 to 22 form an integral part of these financial statements.

Nils Ivars Feodorovs
Chairman of the Board

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Valda Mālniece
Member of the Board

24 August 2011

Balance sheet as at 30 June 2011

Assets	Note	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Long-term investments					
Intangible assets					
Concessions, patents, licenses, trade marks and similar rights		-	-	-	-
Intangible assets total	11	-	-	-	-
Fixed assets					
Land parcels, buildings and constructions and perennial plantings		132 831	148 715	189 002	211 602
Equipment and machinery		23 670	40 998	33 680	58 335
Other fixed assets and inventory		8 119	13 915	11 552	19 799
Fixed assets total	12	164 620	203 628	234 234	289 736
Investment properties	13	95 000	120 000	135 173	170 745
Biological assets		55 257	51 012	78 623	72 583
Long-term financial investments					
Investments in capital of associated companies	14	47 372	42 521	67 404	60 502
Other securities and investments	15	480	480	683	683
Long-term financial investments total		47 852	43 001	68 087	61 185
Long-term investments total		362 729	417 641	516 117	594 249
Current assets					
Stock					
Raw materials, basic materials and auxiliary materials		8 887	8 741	12 644	12 437
Ready-made goods and goods for sale	16	319 305	327 702	454 329	466 278
Prepayments for goods		280	519	399	739
Stock total		328 472	336 962	467 372	479 454
Receivables					
Trade receivables	17	97 957	127 493	139 380	181 406
Other receivables	18	3 217	7 571	4 578	10 773
Prepaid expenses	19	2 500	2 878	3 557	4 095
Receivables total		103 674	137 942	147 515	196 274
Short-term financial investments					
Other securities and shareholding in capitals	20	21 608	21 472	30 746	30 551
Short-term financial investments total		21 608	21 472	30 746	30 551
Cash	21	155 899	87 542	221 825	124 561
Current assets total		609 653	583 918	867 458	830 840
Assets total		972 382	1 001 559	1 383 575	1 425 089

Balance sheet as at 30 June 2011

Shareholders' equity and liabilities	Note	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Shareholders' equity					
Share capital	22	422 440	422 440	601 078	601 078
Retained earnings:					
Retained earnings carried forward from previous years		451 471	454 939	642 386	647 320
Retained earnings of the reporting year		27 625	27 335	39 307	38 894
Shareholders' equity total		901 536	904 714	1 282 771	1 287 292
Payables					
Long-term payables					
Deferred tax liabilities	23	1 318	5 712	1 875	8 127
Long-term payables total		1 318	5 712	1 875	8 127
Short-term payables					
Prepayment received from customers		3 678	3 240	5 233	4 610
Trade payables		14 029	30 670	19 961	43 640
Taxes and social insurance payments	24	26 130	25 781	37 180	36 682
Other payables		8 783	9 642	12 497	13 719
Accrued liabilities	25	16 908	21 800	24 058	31 019
Short-term payables total		69 528	91 133	98 929	129 670
Payables total		70 846	96 845	100 804	137 797
Shareholders' equity and liabilities total		972 382	1 001 559	1 383 575	1 425 089

Notes on pages 10 to 22 form an integral part of these financial statements.

Nils Ivars Feodorovs
Chairman of the Board

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Member of the Board

24 August 2011

Cash flow statement for the period ended 30 June 2011

	Note	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Cash flow from operating activities					
Income from sale of goods and provision of services		440 576	377 028	626 883	536 462
Payments to suppliers, employees, other expenses arising from basic operations		(436 037)	(383 344)	(620 424)	(545 450)
Other Company's basic income or expenses		3 362	10 232	4 784	14 559
Gross cash flow from basic operations		7 901	3 916	11 243	5 571
Expenses for tax payments		(8 151)	(6 407)	(11 598)	(9 116)
<i>Net cash flow from operating activities</i>		(250)	(2 491)	(355)	(3 545)
Cash flow from investing activities					
Purchase of fixed assets and intangible investments		(13 145)	(4 557)	(18 703)	(6 484)
Purchase of capital shares of other company		-	(39 521)	-	(56 233)
<i>Net cash flow from investing activities</i>		(13 145)	(44 078)	(18 703)	(62 717)
Cash flow from financing activities					
Dividends paid		(38 020)	(33 795)	(54 098)	(48 086)
<i>Net cash flow from financing activities</i>		(38 020)	(33 795)	(54 098)	(48 086)
Result of foreign exchange rate fluctuations		(906)	(210)	(1 289)	(299)
Increase/ decrease of cash and its equivalents		(52 321)	(80 574)	(74 445)	(114 647)
Cash and its equivalents at the beginning of the period		208 220	168 116	296 270	239 208
Cash and its equivalents at the end of the period	21	155 899	87 542	221 825	124 561

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24 August 2011

**Statement on changes in shareholders' equity for the period ending
30 June 2011**

	Share capital	Retained earnings	Retained earnings for the reporting year	Shareholders' equity total
	LVL	LVL	LVL	LVL
31.12.2009	422 440	359 638	129 096	911 174
Profit for 2009 transferred to retained earnings of previous years	-	129 096	(129 096)	-
Dividends for 2009	-	(33 795)	-	(33 795)
Retained earnings for the reporting year	-	-	27 335	27 335
30.06.2010	422 440	454 939	27 335	904 714
31.12.2010	422 440	454 939	34 552	911 931
Profit for 2010 transferred to retained earnings of previous years	-	34 552	(34 552)	-
Dividends for 2010	-	(38 020)	-	(38 020)
Retained earnings for the reporting year	-	-	27 625	27 625
30.06.2011	422 440	451 471	27 625	901 536

	Share capital	Retained earnings	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
31.12.2009	601 078	511 719	183 687	1 296 484
Profit for 2009 transferred to retained earnings of previous years	-	183 687	(183 687)	-
Dividends for 2009	-	(48 086)	-	(48 086)
Retained earnings for the reporting year	-	-	38 894	38 894
30.06.2010	601 078	647 320	38 894	1 287 292
31.12.2010	601 078	647 320	49 164	1 297 562
Profit for 2010 transferred to retained earnings of previous years	-	49 164	(49 164)	-
Dividends for 2010	-	(54 098)	-	(54 098)
Retained earnings for the reporting year	-	-	39 307	39 307
30.06.2011	601 078	642 386	39 307	1 282 771

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24 August 2011

Notes to the Financial Statements

(1) General information on the Company

AS „Siguldas ciltslietu un mākslīgās apsēklošanas stacija” (hereinafter - the Company) was registered in the Register of Enterprises of the Republic of Latvia on 26 July 1991 and was reregistered in the Commercial Register of the Republic of Latvia on 19 June 2004.

The Company's basic activities are agriculture and the types of business are as follows:

- Production and sale of agricultural products – high-quality breeding animals semen,
- making of milk analyses,
- evaluation of cow exterior,
- artificial insemination of cows,
- inspection of immune-genetic origin of cattle,
- milk recording data processing,
- animals breeding organization.

(2) Significant accounting principles

Underlying principles of preparation of the Financial Statements

The Company's Financial Statements have been prepared according to the Law *On Annual Reports* of the Republic of Latvia and the obligatory applicable Latvian Accounting Standards. The Profit or Loss Account was prepared based on the period costs method. The Cash Flow Statement was prepared according to the direct method.

Accounting principles used

The items of the Financial Statements have been evaluated according to the following accounting principles:

- It is assumed that the Company will be a going concern;
- The same evaluation methods have been used, which were used in the previous year;
- Evaluation was done with sufficient prudence:
 - The Financial Statements include solely the profit gained until the balance sheet date,
 - All expected risk amounts and losses have been taken into account, which occurred during the reporting year or in previous years, also if they were known during a certain period of time between the balance sheets date and the day of preparing the Financial Statements,
 - All value decreasing and depreciation amounts have been taken into account irrespective whether the reporting year was closed with profit or loss;
- reporting year related income and costs were recognized irrespective of the payment date and the date of receipt or issuance of invoice. Costs have been agreed with the income in the reporting period;
- components of asset and liabilities items have been recognized separately;
- the opening balance of the reporting year agrees with the closing balance of the previous year;
- all items have been recognized, which materially influence assessment or decision-making process of the users of the annual report, insignificant items are merged and they are detailed in the Appendix;
- operating transactions in the reporting year have been recognized in the Financial Statements by taking into account their economic substance and contents, rather than legal form.

Financial instruments

Fair value of financial assets and liabilities

Fair value of financial assets and liabilities reflect the amount, for which it is possible to exchange assets or perform liabilities in a deal between well informed, interested and financially independent persons. If in the Company's management opinion, fair value of financial assets and liabilities materially differs from the value recognized in the balance sheet, then the fair value of these assets and liabilities is recognized in the Notes to the Financial Statements.

Notes to the Financial Statements

Financial risks management

Credit risk

The Company's management has developed credit policy, which is constantly controlled. Client evaluation is done for all customers above a fixed amount. The Company cooperates with clients who have proper credit assessment.

Currency risk

Based on the current structure of Company's financial assets and liabilities held in foreign currencies, the currency risk is not material.

Reporting period

The reporting period is 6 months from 1 January to 30 June 2011.

Revaluation of foreign currencies

The Company's functional currency and the currency used in the Financial Statements is the Republic of Latvia national currency Lat (LVL). All transactions in foreign currencies are translated to Lats according to the exchange rate set by the Central Bank of Latvia on the day of making the respective transaction.

Monetary assets and liabilities, which are expressed in foreign currency, are translated to Lats to the exchange rate set by the Central Bank of Latvia on the last day of the reporting year.

	30.06.2011	30.06.2010
EUR	0.702804	0.702804
USD	0.489	0.573

Currency exchange rate differences arising from settlements in currencies or when recognizing assets and liabilities using currency exchange rates, which differ from the initial currency exchange rates used for accounting of transactions, are recognized in the profit or loss account in net value.

Recognition of income

Income is recognized according to the conviction about the Company's possibility to gain economic benefit and in the amount, in which it is possible to state it, less value added tax and sales-related discounts. When recognizing income, also the following provisions are taken into account.

Sale of goods

Income is recognized when the Company has transferred to the purchaser major risks and indemnities related to the title of goods.

Provision of services

Income from services is recognized in the period when the services are provided.

Penalty and delay charges

Income from penalty and delay charges is recognized at the moment of their receipt.

Interest

Income is recognized according to the respective period of time.

Long-term and short-term items

Long-term items include amounts whose receipt, payments or write-off terms are due later after the end of the respective reporting year. Amounts, which are receivable, payable or written off during the year, are recognized in short-term items.

Notes to the Financial Statements

Leasing transactions

Financial leasing

In cases when fixed assets are purchased on the conditions of financial leasing and the related risks and return are taken over, these fixed assets are recognized in the value, for which they could be purchased with immediate payment. Leasing interest payments and similar payments are included in the profit or loss account of that period when they occurred.

Intangible assets and fixed assets

In the balance sheet, all intangible assets and fixed assets are reflected at their purchase prices, less depreciation. Depreciation is calculated from the first date of the next month after their commissioning and finished on the first date of the subsequent month after it is excluded from fixed assets. Depreciation is calculated according to the straight line method and is written off during the useful life time of respective fixed assets by choosing the following annual depreciation rates as fixed by the management:

Intangible assets:

Licenses	5 years
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Fixed assets:

Buildings and constructions	20 years
Equipment and machinery	5, 6 and 7 years
Computer hardware and communication equipment	5 years
Inventory and tools	3 and 5 years
Other fixed assets	2 and 3 years

Balances of fixed assets have been counted in the annual count of fixed assets.

Investment properties

Investment properties – land in possession of the stock company, which market value is expected to grow. Investment properties have been filed according to their purchase value. No later than on the end of the year of account the investments properties are being revalued according to their real market value considering any other activities related to particular property. Any changes in the market value of the investments properties are being shown in the profit and loss account.

Biological assets

Biological assets are assets, which are characterized by regeneration and changes in value as a result of growth. The Company in biological assets includes breeding animals – bulls, which are kept for getting agricultural products for sale. Biological assets are recognized in the purchase value.

Stock

Stock is recognized in the lowest cost or net sales value. All stock is assessed by using the average weighted method.

Net sales value is the sales price of stock fixed during normal Company's operations, less the stock completion and selling costs. In cases when the stock net selling value is lower than their cost price, provisions are made for these stocks for decrease of their value down to the net sales value.

All direct costs, which are related to production of breeding animals - bull semen, during the year are booked in the profit or loss account and are adjusted at the end of the year when evaluating stocks according to the lowest sales value or cost price and including them in stocks as "Ready-made goods and goods for sale".

Notes to the Financial Statements

Trade receivables and other receivables

Receivables are recognized in the balance sheet in the amortized value, less provisions for doubtful and bad debts. Provisions for doubtful and bad debts are made in cases when there is objective evidence to the fact that the Company will not be able to receive the debts in full value according to the initially fixed repayment dates. Provisions for doubtful and bad debts are the difference between the amortized purchase value of receivables and the recoverable value. The recoverable value of receivables is the current value of planned cash flow.

Provisions

Provisions are recognized when the Company has liabilities (legal or substantial) due to some past event and there is a probability that the performance of these liabilities will require outflow of economic resources from the Company, and the amount of liabilities can be fairly assessed.

Corporate income tax

Corporate income tax for the reporting period consists of the tax calculated for the reporting period and deferred tax. Corporate income tax is recognized in the profit or loss account.

Calculated tax

The tax calculated for the reporting period has been calculated in compliance with the requirements of the Law “On Corporate Income Tax” by fixing the taxable income and applying the statutory rate of 15%.

Deferred tax

Deferred corporate income tax is calculated for temporary time differences, which are caused due to differences in the value of assets and liabilities in the financial statements (book-keeping) and its value for tax purposes. The mentioned differences are mainly due to different fixed assets depreciation rates applied in tax and financial accounting, provisions made and losses transferred according to the Company’s income tax declaration. Deferred tax is calculated by applying the statutory tax rate 15%.

Subsidies

Amounts, which are received as a state support for agricultural, i.e., for covering of expenses for maintaining high-quality breed bulls, are included in the income of that reporting period when they are received.

Use of assumptions

When preparing the financial statements, the Company’s management has to make calculations and assumptions, which impact recognition of assets and liabilities included in the financial statements as at the day of preparing the financial statements, as well as the income and expenses recognized in the specific reporting period. Management has made profit or loss assessment and considers that the financial statements reflect the true financial condition based on all currently available information.

Notes to the Financial Statements

(3) Net sales

Sales include income gained during the year from the Company's basic activities – sales of products and provision of services without value added tax and less discounts.

Type of operations	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Livestock sperm	187 483	169 662	266 764	241 407
Milk laboratory services	94 858	92 029	134 971	130 945
Treatment of supervisory data	36 887	33 703	52 485	47 955
Inspection of cows	15 302	11 458	21 773	16 303
Artificial insemination of livestock	12 217	11 803	17 383	16 794
Immune-genetic laboratory services	5 067	6 442	7 210	9 166
Other income	31 321	19 965	44 566	28 409
	383 135	345 062	545 152	490 979

Distribution of net sales according to the geographical markets:

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Latvia	383 135	345 062	545 152	490 979
	383 135	345 062	545 152	490 979

Earnings from agricultural activities represented in net sales:

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Earnings from agricultural activities	383 135	345 062	545 152	490 979
	383 135	345 062	545 152	490 979

(4) Changes in stock of ready-made goods and unfinished products

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Changes in sperm stock value	7 475	26 247	10 636	37 347
Changes in stud bull herd value	8 287	10 283	11 792	14 631
	15 762	36 530	22 428	51 978

(5) Other operating income

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Revenue from exclusion of fixed assets	3 153	-	4 486	-
State support for agricultural	3 363	8 805	4 784	12 529
	6 516	8 805	9 270	12 529

Notes to the Financial Statements

(6) Personnel costs

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Salaries for work	125 938	130 609	179 194	185 840
State social insurance contributions	29 852	30 968	42 476	44 063
Health insurance	5 910	7 236	8 409	10 296
Other costs	1 497	683	2 130	972
	163 197	169 496	232 209	241 171

(7) Other operating expenses

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Insurance payments	1 145	562	1 629	799
Business trip expenses	805	977	1 145	1 391
Selling expenses	1 252	1 342	1 781	1 910
Company's management and administrative expenses	9 690	9 153	13 788	13 023
Other costs	2 795	3 102	3 977	4 413
	15 687	15 136	22 320	21 536

(8) Other interest income and similar income

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Income from securities	56	371	80	528
Income from foreign currency exchange rate fluctuations	241	-	343	-
Interest income	-	1 427	-	2 030
Contractual penalties from clients	-	4	-	5
Recovered doubtful and bad debts	740	1 055	1 053	1 501
	1 037	2 857	1 476	4 064

Notes to the Financial Statements

(9) Interest payments and similar costs

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Losses from foreign currency exchange rate fluctuations	-	1 362	-	1 938
Contractual penalties and fines	10	-	14	-
Employees' leisure and other costs not connected with operating activities	1 615	1 066	2 298	1 517
	1 625	2 428	2 312	3 455

(10) Other taxes

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Real estate tax	1 111	1 107	1 581	1 575
	1 111	1 107	1 581	1 575

(11) Intangible assets

	Concessions, patents, licenses, trade marks and similar rights LVL	Total LVL	Concessions, patents, licenses, trade marks and similar rights EUR	Total EUR
Initial value				
31.12.2010	720	720	1 024	1 024
Purchased	-	-	-	-
Disposed	-	-	-	-
30.06.2011	720	720	1 024	1 024
Accrued depreciation				
31.12.2010	718	718	1 022	1 022
Calculated depreciation	-	-	-	-
Depreciation of excluded investments	-	-	-	-
30.06.2011	720	720	1 024	1 024
Book value as at 31.12.2010	-	-	-	-
Book value as at 30.06.2011	-	-	-	-

Notes to the Financial Statements

(12) Report on movement of fixed assets

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Total
	LVL	LVL	LVL	LVL
Initial value				
31.12.2010	255 107	359 809	85 905	700 821
Purchased	-	12 869	275	13 144
Disposed	-	(15 209)	(1 840)	(17 049)
30.06.2011	255 107	357 469	84 340	696 916
Accrued depreciation				
31.12.2010	114 061	338 537	75 042	527 640
Calculated depreciation	8 215	8 696	3 019	19 930
Depreciation of excluded fixed assets	-	(13 434)	(1 840)	(15 274)
30.06.2011	122 276	333 799	76 221	532 296
Book value as at 31.12.2010	141 046	21 272	10 863	173 181
Book value as at 30.06.2011	132 831	23 670	8 119	164 620

As at 30 June 2010, the cadastral value of **real estate – land and constructions** - was LVL 113 994

As at 30 June 2011, the cadastral value of **real estate – land and constructions** - was LVL 113 853

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Total
	EUR	EUR	EUR	EUR
Initial value				
31.12.2010	362 985	511 962	122 232	997 179
Purchased	-	18 311	392	18 703
Disposed	-	(21 640)	(2 619)	(24 259)
30.06.2011	362 985	508 633	120 005	991 623
Accrued depreciation				
31.12.2010	162 294	481 695	106 776	750 765
Calculated depreciation	11 689	12 373	4 296	28 358
Depreciation of excluded fixed assets	-	(19 115)	(2 619)	(21 734)
30.06.2011	173 983	474 953	108 453	757 389
Book value as at 31.12.2010	200 691	30 267	15 456	246 414
Book value as at 30.06.2011	189 002	33 680	11 552	234 234

As at 30 June 2010, the cadastral value of **real estate – land and constructions** - was EUR 162 199

As at 30 June 2011, the cadastral value of **real estate – land and constructions** - was EUR 161 998

Notes to the Financial Statements

(13) Investment properties

	Land LVL	Total LVL	Land EUR	Total EUR
Book value as at 31.12.2009	120 000	120 000	170 745	170 745
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 30.06.2010	120 000	120 000	170 745	170 745
Book value as at 31.12.2010	95 000	95 000	135 173	135 173
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 30.06.2011	95 000	95 000	135 173	135 173

(14) Investments in capital of associated companies

	2011			2010		
	% from total share capital	LVL	EUR	% from total share capital	LVL	EUR
Ltd “Animal Breeders Association of Latvia” (SIA „Latvijas šķirnes dzīvnieku audzētāju savienība”)						
Legal address: Republikas laukums 2, Rīga, LV-1010, Latvia	26.6	47 372	67 404	22.6	42 521	60 502
		47 372	67 404		42 521	60 502

(15) Other securities and investments

	LVL	EUR
Purchase value as at 30.06.2010	480	683
Book value as at 30.06.2010	480	683
Purchase value as at 30.06.2011	480	683
Book value as at 30.06.2011	480	683

(16) Ready-made products and goods for sale

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Bull semen	314 714	316 384	447 797	450 174
Other goods for sale	4 591	11 318	6 532	16 104
	319 305	327 702	454 329	466 278

(17) Trade receivables

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Accounting value of trade receivables	103 934	130 413	147 885	185 561
Provisions for doubtful trade receivables	(5 977)	(2 920)	(8 505)	(4 155)
	97 957	127 493	139 380	181 406

Notes to the Financial Statements

(18) Other receivables

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
VAT for received goods and services	805	741	1 146	1 055
Overpayment of taxes	-	5 740		8 167
Other receivables	2412	1 090	3 432	1 551
	3 217	7 571	4 578	10 773

(19) Prepaid expenses

The item recognizes the costs made during the reporting year, but referring to the next reporting periods.

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Advertising costs	136	48	194	68
Insurance	2359	2 803	3 356	3 989
Press subscription	5	27	7	38
	2 500	2 878	3 557	4 095

(20) Other securities and shareholding in capitals

	Number	2011 Market price	Amount LVL	Number	2010 Market price	Amount LVL
SEB Lats reserve fund	15 044	1.43632	21 608	15 044	1.42722	21 472
			21 608			21 472

	Number	2011 Market price	Amount EUR	Number	2010 Market price	Amount EUR
SEB Lats reserve fund	15 044	2.04370	30 746	15 044	2.03075	30 551
			30 746			30 551

Money market fund shares have no guaranteed interest rate. In 2011, the profitability was about 0.53 %. Exclusion of money market fund shares is carried out at the Company's request.

Notes to the Financial Statements

(21) Cash in LVL and foreign currencies according to the LCB exchange rate

Break-down of cash according to currencies:

		2011		2010	
		Currency	LVL	Currency	LVL
Cash in hand	LVL	-	6 718	-	5 469
Cash in bank	LVL	-	147 985	-	79 211
Cash in bank	EUR	1 702	1 196	4 073	2 862
			155 899		87 542

Break-down of cash according to currencies:

		2011		2010	
		Currency	EUR	Currency	EUR
Cash in hand	LVL	6 718	9 559	5 469	7 781
Cash in bank	LVL	147 985	210 564	79 211	112 707
Cash in bank	EUR	-	1 702	-	4 073
			221 825		124 561

(22) Share capital

The Company's shares are quoted on NASDAQ OMX Riga Stock Exchange's second listing. The Company's share capital consists of shareholders' investments. The total number of shares is 422 440, the nominal value per share is 1 Lat.

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Ordinary common shares with voting rights	421 440	421 440	599 655	599 655
Shares owned by the Board without voting rights	1 000	1 000	1 423	1 423
	422 440	422 440	601 078	601 078

421440 shares or 99.8% of the share capital are bearer shares, which give equal rights to receive dividends, receipt of liquidation quota and voting rights in the Shareholders' Meeting.

1000 shares or 0.2% of the share capital, which are not included in the regulated market, are personnel registered shares, which may be obtained only by Members of the Board, and they give equal rights only to receipt of dividend and liquidation quota.

There are no share alienation restrictions, nor the necessity to receive the Company's or other shareholders' consent for alienation of shares.

There are no restrictions on voting rights, nor any other similar restrictions.

Profit per share

Profit per one share is calculated by dividing the profit of the reporting period with the average weighted number of shares during the year.

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Profit of the reporting period	27 625	27 335	39 307	38 894
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	0.065	0.065	0.093	0.092

Notes to the Financial Statements

(23) Provisions for deferred tax

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Temporary differences in fixed assets depreciation	25 694	59 881	36 559	85 203
Provisions for vacations	(16 908)	(21 800)	(24 058)	(31 019)
Total temporary differences	8 786	38 081	12 501	54 184
Deferred tax provisions at the beginning of the period	1 318	5 712	1 875	8 127
Increase or decrease	-	-	-	-
Deferred tax provisions at the end of the period	1 318	5 712	1 875	8 127

(24) Taxes and social insurance payments

Tax type	Balance as at 31.12.2010 LVL	Calculated in 2011 LVL	Paid in 2011 LVL	Balance as at 30.06.2011 LVL
Corporate income tax	1 348	5 692	(7 040)	-
Value added tax	9 321	57 334	(52 667)	13 988
Social insurance contributions	9 414	44 323	(46 082)	7 655
Personal income tax	6 482	25 485	(27 522)	4 445
Real estate tax	-	1 111	(1 111)	-
Nature resource tax	28	56	(52)	32
Business risk duty	11	60	(61)	10
	26 604	134 061	(134 535)	26 130

Including:	2010 LVL	2011 LVL
Tax overpaid	-	-
Tax due	26 604	26 130

Tax type	Balance as at 31.12.2010 EUR	Calculated in 2011 EUR	Paid in 2011 EUR	Balance as at 30.06.2011 EUR
Corporate income tax	1 918	8 099	(10 017)	-
Value added tax	13 262	81 579	(74 938)	19 903
Social insurance contributions	13 395	63 066	(65 569)	10 892
Personal income tax	9 223	36 262	(39 160)	6 325
Real estate tax	-	1 581	(1 581)	-
Nature resource tax	40	80	(74)	46
Business risk duty	16	85	(87)	14
	37 854	190 752	(191 426)	37 180

Including:	2010 EUR	2011 EUR
Tax overpaid	-	-
Tax due	37 854	37 180
Tax overpaid declared in position "Other receivables"		

Notes to the Financial Statements

(25) Accrued liabilities

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Vacation reserve	16 908	21 800	24 058	31 019
	16 908	21 800	24 058	31 019

(26) Number of persons employed by the Company

	2011	2010
Average number of persons employed during the reporting year	38	42

(27) Information on remuneration to Council, Board and Managements Members

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Council Members' salaries for work, including state social insurance contributions	3 405	3 294	4 845	4 687
Board Members' salaries for work, including state social insurance contributions	13 825	15 259	19 671	21 712
Total remuneration to management members	17 230	18 553	24 516	26 399

There are no special regulations worked out, which would regulate election of Board Members, changes in the composition of the Board and amending of the Articles of Association.

All Board Members have equal Company's representation rights. The Chairman of the Board represents the Company separately, but other Board Members can represent the Company only both together.

There is no agreement signed between the Company and the Board Members, which provides any compensation.

Report on Management Liability

According to the information being at our disposal, the Interim Financial statement for six months of 2011 have been prepared according to the effective requirements of legislative enactments and provide a true and fair view about the joint stock company's “Siguldas ciltslietu un mākslīgās apsēklošanas stacija” assets, liabilities, financial condition and profit.

Interim Financial statement for six months of 2011 have not been audited by Sworn Auditor.

Nils Ivars Feodorovs

Chairman of the Board

Sarmīte Arcimoviča

*Member of the Board, Head
of Production and
Marketing Department*

Valda Mālniece

*Member of the Board, Head
of Financial and
Accounting Department*

24 August 2011