

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

**INTERIM STATEMENT
for 12 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 – 31.12.2011</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>

Management Report

Type of Operations

JSC „Siguldas ciltslietu un mākslīgās apsēklošanas stacija” (hereinafter referred to as the Company) is one of the largest high-quality breeding animals’ semen producers and suppliers in Latvia. The second largest Company’s basic area of business is making of milk analyses. In addition, the Company performs other related services – evaluation of cow exterior, artificial insemination of cows, immune-genetic investigation of origin for cattle, milk recording data processing.

Brief Description of Company’s Activities in the Reporting Year and Financial Condition

The Company’s net turnover in 2011 was 783 thousand lats (1 115 thousand euro), which is by 33 thousand lats (47 thousand euro) or 4.4% more than in 2010. The increase of the net turnover was mainly due to the sales growth.

Compared to 2010, the profit before taxes for the year of account has increased by 35 thousand lats (50 thousand euro) comprising 80 thousand lats (113 thousand euro). In 2010 the revaluation of the investment properties into the real value resulted in loss of 25 thousand lats (36 thousand euro), however in 2011 the value of the investment properties didn’t change.

The Company’s commercial profitability in 2011 was 10.2% comprising an increase of 4.3% points against the 2010 year’s profitability.

There have been following major long term investments in the year of account – the Company has purchased slightly used milk analyzer COMBIFOSS and two brand new trucks for delivering of goods to clients.

Future Prospects and Further Development

By increasing the Company’s operational efficiency, the Company will continue to work in order to expand the scope of its products and the range of provided services.

Post-balance Sheet Events

During the time after the closing of the balance sheet and the day of signing this Report there were no major events or extraordinary conditions, which influence the result for the year and the Company’s financial condition.

Branches and representative offices abroad

The Company has no branches, nor representative offices abroad.

Nils Ivars Feodorovs
Chairman of the Board

Sarmīte Arcimoviča
Member of the Board

Valda Mālniece
Member of the Board

28 February 2012

Profit or loss account for the period ended 31 December 2011

	Note	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Net sales	3	783 406	750 571	1 114 687	1 067 967
Changes in stock of ready-made goods and unfinished products	4	7 425	30 116	10 565	42 852
Other operating income	5	17 092	11 931	24 320	16 976
Costs of materials:		(346 100)	(287 708)	(492 456)	(409 372)
a) raw materials and auxiliary costs of materials		(268 773)	(221 974)	(382 430)	(315 842)
b) other external costs		(77 327)	(65 734)	(110 026)	(93 530)
Personnel costs:	6	(306 769)	(332 609)	(436 493)	(473 261)
a) salaries for work		(241 543)	(261 749)	(343 684)	(372 436)
b) state social insurance compulsory contributions		(57 630)	(62 467)	(82 001)	(88 882)
c) other social insurance costs		(7 596)	(8 393)	(10 808)	(11 943)
Write-off of assets and values:		(43 582)	(72 824)	(62 012)	(103 619)
a) depreciation of fixed assets and amortization of intangible assets		(40 778)	(65 725)	(58 022)	(93 518)
b) write-off of value of current assets above the normal deductions		(2 804)	(7 099)	(3 990)	(10 101)
Other operating costs	7	(27 346)	(27 121)	(38 910)	(38 589)
Other interest income and similar income	8	3 252	5 134	4 627	7 305
Interest payments and similar costs	9	(7 765)	(32 887)	(11 049)	(46 794)
Profit or losses before taxes		79 613	44 603	113 279	63 465
Enterprise income tax for the reporting year		(8 584)	(13 338)	(12 214)	(18 978)
Deferred tax	23	(2 007)	4 394	(2 856)	6 252
Other taxes	10	(1 111)	(1 107)	(1 581)	(1 575)
The profit or loss for the year		67 911	34 552	96 628	49 164
Equity per 1 share (EPS)	22	0.161	0.082	0.229	0.116

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

Nils Ivars Feodorovs
Chairman of the Board

Sarmīte Arcimoviča
Member of the Board

Valda Mālniece
Member of the Board

28 February 2012

Balance sheet as at 31 December 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		125 463	141 046	178 517	200 691
Equipment and machinery		61 091	21 272	86 925	30 267
Other fixed assets and inventory		5 989	10 863	8 522	15 456
Fixed assets total	12	192 543	173 181	273 964	246 414
Investment properties	13	95 000	95 000	135 173	135 173
Biological assets		49 617	46 969	70 598	66 831
Long-term financial investments					
Investments in capital of associated companies	14	56 603	47 372	80 539	67 404
Other securities and investments	15	480	480	683	683
Long-term financial investments total		57 083	47 852	81 222	68 087
Long-term investments total		394 243	363 002	560 957	516 505
Current assets					
Stock					
Raw materials, basic materials and auxiliary materials		9 025	12 874	12 842	18 318
Ready-made goods and goods for sale	16	331 628	311 642	471 864	443 426
Prepayments for goods		172	2 000	245	2 846
Stock total		340 825	326 516	484 951	464 590
Receivables					
Trade receivables	17	95 473	67 924	135 846	96 647
Other receivables	18	6 873	1 877	9 779	2 671
Prepaid expenses	19	5 701	5 561	8 111	7 913
Receivables total		108 047	75 362	153 736	107 231
Short-term financial investments					
Other securities and shareholding in capitals	20	21 688	21 552	30 860	30 666
Short-term financial investments total		21 688	21 552	30 860	30 666
Cash	21	155 007	208 220	220 555	296 270
Current assets total		625 567	631 650	890 102	898 757
Assets total		1 019 810	994 652	1 451 059	1 415 262

Balance sheet as at 31 December 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		67 911	34 552	96 628	49 164
Shareholders' equity total		941 822	911 931	1 340 092	1 297 562
Payables					
Long-term payables					
Deferred tax liabilities	23	3 325	1 318	4 731	1 875
Long-term payables total		3 325	1 318	4 731	1 875
Short-term payables					
Prepayment received from customers		899	6 238	1 278	8 876
Trade payables		36 300	19 374	51 651	27 566
Taxes and social insurance payments	24	19 472	26 604	27 706	37 854
Other payables		9 169	12 279	13 046	17 471
Accrued liabilities	25	8 823	16 908	12 555	24 058
Short-term payables total		74 663	81 403	106 236	115 825
Payables total		77 988	82 721	110 967	117 700
Shareholders' equity and liabilities total		1 019 810	994 652	1 451 059	1 415 262

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

Nils Ivars Feodorovs
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Member of the Board

28 February 2012

Cash flow statement for the period ended 31 December 2011

	Note	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Cash flow from operating activities					
Income from sale of goods and provision of services		933 193	936 767	1 327 814	1 332 899
Payments to suppliers, employees, other expenses arising from basic operations		(880 621)	(821 842)	(1 253 011)	(1 169 376)
Other Company's basic income or expenses		-	1 430	-	2 035
Gross cash flow from basic operations		52 572	116 355	74 803	165 558
Expenses for enterprise income tax payments		(15 020)	(5 300)	(21 372)	(7 541)
<i>Net cash flow from operating activities</i>		37 552	111 055	53 431	158 017
Cash flow from investing activities					
Purchase of capital shares of associated company		(9 231)	(44 371)	(13 135)	(63 134)
Purchase of fixed assets and intangible investments		(75 707)	(5 101)	(107 721)	(7 258)
Income from exclusion of fixed assets		25 729	-	36 609	-
Dividends received		1 593	1 360	2 267	1 935
<i>Net cash flow from investing activities</i>		(57 616)	(48 112)	(81 980)	(68 457)
Cash flow from financing activities					
Subsidies received as a state support		6 928	11 931	9 858	16 976
Dividends paid		(38 020)	(33 795)	(54 098)	(48 086)
<i>Net cash flow from financing activities</i>		(31 092)	(21 864)	(44 240)	(31 110)
Result of foreign exchange rate fluctuations		(2 057)	(975)	(2 926)	(1 388)
Increase/ decrease of cash and its equivalents		(53 213)	40 104	(75 715)	57 062
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	155 007	208 220	220 555	296 270

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

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28 February 2012

**Statement on changes in shareholders' equity for the period ending
31 December 2011**

	Share capital	Retained earnings carried forward from previous years	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	-	-	34 552	34 552
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	-	-	67 911	67 911
31.12.2011	422 440	451 471	67 911	941 822

	Share capital	Retained earnings carried forward from previous years	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	-	-	49 164	49 164
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	-	-	96 628	96 628
31.12.2011	601 078	642 386	96 628	1 340 092

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

Nils Ivars Feodorovs
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28 February 2012

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. 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 12 months from 1 January to 31 December 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.

	31.12.2011	31.12.2010
EUR	0.702804	0.702804
USD	0.544	0.535

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	389 609	372 924	554 364	530 623
Milk laboratory services	197 133	192 119	280 495	273 361
Treatment of supervisory data	74 654	67 490	106 223	96 030
Inspection of cows	17 588	26 089	25 026	37 121
Artificial insemination of livestock	25 777	24 123	36 677	34 324
Immune-genetic laboratory services	14 630	13 737	20 817	19 546
Other income	64 015	54 089	91 085	76 962
	783 406	750 571	1 114 687	1 067 967

Distribution of net sales according to the geographical markets:

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Latvia	783 406	750 571	1 114 687	1 067 967
	783 406	750 571	1 114 687	1 067 967

Earnings from agricultural activities represented in net sales:

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Earnings from agricultural activities	783 406	750 571	1 114 687	1 067 967
	783 406	750 571	1 114 687	1 067 967

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

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Changes in sperm stock value	23 638	24 126	33 634	34 329
Written-off sperm	(18 861)	(250)	(26 837)	(356)
Changes in stud bull herd value	2 648	6 240	3 768	8 879
	7 425	30 116	10 565	42 852

(5) Other operating income

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Revenue from exclusion of fixed assets	6 559	-	9 333	-
State support for agricultural	6 928	11 931	9 858	16 976
Insurance reimbursement	3 605	-	5 129	-
	17 092	11 931	24 320	16 976

Notes to the Financial Statements

(6) Personnel costs

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Salaries for work	247 687	265 636	352 426	377 966
State social insurance contributions	59 143	63 473	84 153	90 313
Changes in provisions for vacation reserve	(8 085)	(4 893)	(11 503)	(6 961)
Health insurance	5 851	7 176	8 325	10 211
Life insurance with cash value accrual	428	-	609	-
Other costs	1 745	1 217	2 483	1 732
	306 769	332 609	436 493	473 261

(7) Other operating expenses

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Insurance payments	1 335	745	1 899	1 060
Business trip expenses	1 754	1 367	2 496	1 946
Selling expenses	2 247	2 119	3 198	3 015
Company's management and administrative expenses	14 489	15 869	20 615	22 579
Audit of the financial statement	1 400	1 500	1 992	2 134
Other costs	6 121	5 521	8 710	7 855
	27 346	27 121	38 910	38 589

(8) Other interest income and similar income

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Income from shareholding in the company capitals	1 593	1 360	2 267	1 935
Income from securities	136	452	194	643
Interest income	-	1 431	-	2 036
Contractual penalties from clients	-	137	-	195
Recovered doubtful and bad debts	1 513	1 463	2 152	2 082
Other income	10	291	14	414
	3 252	5 134	4 627	7 305

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	1 460	1 342	2 078	1 909
Losses from investment property revaluation	-	25 000	-	35 572
Contractual penalties and fines	10	11	14	16
Employees' leisure and other costs not connected with operating activities	6 295	6 534	8 957	9 297
	7 765	32 887	11 049	46 794

(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	-	-	-	-
31.12.2011	720	720	1 024	1 024
Accrued depreciation				
31.12.2010	718	718	1 022	1 022
Calculated depreciation	-	-	-	-
Depreciation of excluded investments	-	-	-	-
31.12.2011	720	720	1 024	1 024
Book value as at 31.12.2010	-	-	-	-
Book value as at 31.12.2011	-	-	-	-

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	-	74 662	1 045	75 707
Disposed	-	(51 295)	(3 282)	(54 577)
31.12.2011	255 107	383 176	83 668	721 951
Accrued depreciation				
31.12.2010	114 061	338 537	75 042	527 640
Calculated depreciation	15 583	19 313	5 882	40 778
Depreciation of excluded fixed assets	-	(35 765)	(3 245)	(39 010)
31.12.2011	129 644	322 085	77 679	529 408
Book value as at 31.12.2010	141 046	21 272	10 863	173 181
Book value as at 31.12.2011	125 463	61 091	5 989	192 543

As at 31 December 2010, the cadastral value of **real estate – land and constructions** - was LVL 113 853

As at 31 December 2011, the cadastral value of **real estate – land and constructions** - was LVL 110 291

	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	-	106 234	1 487	107 721
Disposed	-	(72 986)	(4 670)	(77 656)
31.12.2011	362 985	545 210	119 049	1 027 244
Accrued depreciation				
31.12.2010	162 294	481 695	106 776	750 765
Calculated depreciation	22 174	27 480	8 368	58 022
Depreciation of excluded fixed assets	-	(50 890)	(4 617)	(55 507)
31.12.2011	184 468	458 285	110 527	753 280
Book value as at 31.12.2010	200 691	30 267	15 456	246 414
Book value as at 31.12.2011	178 517	86 925	8 522	273 964

As at 31 December 2010, the cadastral value of **real estate – land and constructions** - was EUR 161 998

As at 31 December 2011, the cadastral value of **real estate – land and constructions** - was EUR 156 930

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	(25 000)	(25 000)	(35 572)	(35 572)
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 31.12.2011	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	34.3	56 603	80 539	26.6	47 372	67 404
		56 603	80 539		47 372	67 404

(15) Other securities and investments

	LVL	EUR
Purchase value as at 31.12.2010	480	683
Book value as at 31.12.2010	480	683
Purchase value as at 31.12.2011	480	683
Book value as at 31.12.2011	480	683

(16) Ready-made products and goods for sale

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Bull semen	323 514	304 816	460 319	433 714
Other goods for sale	8 114	6 826	11 545	9 712
	331 628	311 642	471 864	443 426

(17) Trade receivables

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Accounting value of trade receivables	99 019	74 540	140 891	106 061
Provisions for doubtful trade receivables	(3 546)	(6 616)	(5 045)	(9 414)
	95 473	67 924	135 846	96 647

Notes to the Financial Statements

(18) Other receivables

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
VAT for received goods and services	1 203	1 283	1 711	1 826
Overpayment of taxes	5 088	-	7 240	-
Other receivables	582	594	828	845
	6 873	1 877	9 779	2 671

(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	392	451	558	642
Insurance	3 877	3 660	5 516	5 208
Press subscription	339	385	482	548
Other prepaid expenses	1 093	1 065	1 555	1 515
	5 701	5 561	8 111	7 913

(20) Other securities and shareholding in capitals

	2011			2010		
	Number	Market price	Amount LVL	Number	Market price	Amount LVL
SEB Lats reserve fund	15 044	1.44164	21 688	15 044	1.43257	21 552
			<u>21 688</u>			<u>21 552</u>

	2011			2010		
	Number	Market price	Amount EUR	Number	Market price	Amount EUR
SEB Lats reserve fund	15 044	2.05127	30 860	15 044	2.03836	30 666
			<u>30 860</u>			<u>30 666</u>

Money market fund shares have no guaranteed interest rate. In 2011, the profitability was about 0.63 %. 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	-	3 775	-	1 714
Cash in bank	LVL	-	150 384	-	204 883
Cash in bank	EUR	1 206	848	2 310	1 623
			155 007		208 220

Break-down of cash according to currencies:

		2011		2010	
		Currency	EUR	Currency	EUR
Cash in hand	LVL	3 775	5 372	1 714	2 439
Cash in bank	LVL	150 384	213 977	204 883	291 521
Cash in bank	EUR	-	1 206	-	2 310
			220 555		296 270

(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	67 911	34 552	96 628	49 164
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	0.161	0.082	0.229	0.116

Notes to the Financial Statements

(23) Provisions for deferred tax

	2011 LVL	2010 LVL	2011 EUR	2010 EUR
Temporary differences in fixed assets depreciation	30 992	25 694	44 098	36 559
Provisions for vacations	(8 823)	(16 908)	(12 555)	(24 058)
Total temporary differences	22 169	8 786	31 543	12 501
Deferred tax provisions at the beginning of the period	1 318	5 712	1 875	8 127
Increase or decrease	2 007	(4 394)	2 856	(6 252)
Deferred tax provisions at the end of the period	3 325	1 318	4 731	1 875

(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 31.12.2011 LVL
Corporate income tax	1 348	8 584	(15 020)	(5 088)
Value added tax	9 321	103 052	(107 342)	5 031
Social insurance contributions	9 414	88 022	(88 419)	9 017
Personal income tax	6 482	50 936	(52 036)	5 382
Real estate tax	-	1 111	(1 111)	-
Nature resource tax	28	123	(118)	33
Business risk duty	11	115	(117)	9
	26 604	251 943	(264 163)	14 384

Including:	2010 LVL	2011 LVL
Tax overpaid	-	(5 088)
Tax due	26 604	19 472

Tax type	Balance as at 31.12.2010 EUR	Calculated in 2011 EUR	Paid in 2011 EUR	Balance as at 31.12.2011 EUR
Corporate income tax	1 918	12 214	(21 372)	(7 240)
Value added tax	13 262	146 630	(152 734)	7 158
Social insurance contributions	13 395	125 244	(125 809)	12 830
Personal income tax	9 223	72 475	(74 040)	7 658
Real estate tax	-	1 581	(1 581)	-
Nature resource tax	40	175	(168)	47
Business risk duty	16	164	(167)	13
	37 854	358 483	(375 871)	20 466

Including:	2010 EUR	2011 EUR
Tax overpaid	-	(7 240)
Tax due	37 854	27 706
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	8 823	16 908	12 555	24 058
	8 823	16 908	12 555	24 058

(26) Number of persons employed by the Company

	2011	2010
Average number of persons employed during the reporting year	37	41

(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	7 116	6 588	10 125	9 374
Board Members' salaries for work, including state social insurance contributions	29 594	30 034	42 109	42 734
Total remuneration to management members	36 710	36 622	52 234	52 108

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 twelve 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 twelve 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*

28 February 2012