



**Joint stock company  
SIGULDAS CILTSLIETU UN  
MĀKSLĪGĀS APSEKLOŠANAS  
STACIJA**

**INTERIM STATEMENT  
for 3 months of 2012**

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## ***Information on the Company***

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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>Jekaterina Kreise, Member of the Council</i>
Reporting year	<i>01.01.2012 – 31.03.2012</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>

***Profit or loss account for the period ended 31 March 2012***

	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Net sales	3	178 392	179 023	253 829	254 727
Changes in stock of ready-made goods and unfinished products	4	13 853	6 431	19 711	9 150
Other operating income	5	1 951	1 703	2 776	2 424
Costs of materials:		(81 939)	(75 677)	(116 589)	(107 679)
a) raw materials and auxiliary costs of materials		(63 742)	(59 479)	(90 696)	(84 631)
b) other external costs		(18 197)	(16 198)	(25 893)	(23 048)
Personnel costs:	6	(71 785)	(79 900)	(102 140)	(113 688)
a) salaries for work		(56 354)	(61 610)	(80 184)	(87 663)
b) state social insurance compulsory contributions		(12 649)	(14 611)	(17 997)	(20 790)
c) other social insurance costs		(2 782)	(3 679)	(3 959)	(5 235)
Write-off of assets and values:		(10 587)	(9 701)	(15 064)	(13 803)
a) depreciation of fixed assets and amortization of intangible assets		(10 587)	(9 701)	(15 064)	(13 803)
Other operating costs	7	(9 862)	(10 363)	(14 032)	(14 745)
Other interest income and similar income	8	1 320	470	1 878	669
Interest payments and similar costs	9	(570)	(1 112)	(811)	(1 583)
<b>Profit or losses before taxes</b>		<b>20 773</b>	<b>10 874</b>	<b>29 558</b>	<b>15 472</b>
Enterprise income tax for the reporting year		(3 417)	(2 274)	(4 862)	(3 236)
Other taxes	10	(1 119)	(1 111)	(1 593)	(1 581)
<b>The profit or loss for the year</b>		<b>16 237</b>	<b>7 489</b>	<b>23 103</b>	<b>10 655</b>
<b>Equity per 1 share (EPS)</b>	22	<b>0.038</b>	<b>0.018</b>	<b>0.055</b>	<b>0.025</b>

Notes on pages 9 to 21 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

23 May 2012

## Balance sheet as at 31 March 2012

Assets	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
<b>Long-term investments</b>					
<b>Fixed assets</b>					
Land parcels, buildings and constructions and perennial plantings		122 202	136 939	173 877	194 846
Equipment and machinery		54 830	30 102	78 016	42 832
Other fixed assets and inventory		5 643	9 386	8 030	13 355
<b>Fixed assets total</b>	12	<b>182 675</b>	<b>176 427</b>	<b>259 923</b>	<b>251 033</b>
<b>Investment properties</b>	13	<b>95 000</b>	<b>95 000</b>	<b>135 173</b>	<b>135 173</b>
<b>Biological assets</b>		<b>44 082</b>	<b>43 672</b>	<b>62 723</b>	<b>62 140</b>
<b>Long-term financial investments</b>					
Investments in capital of associated companies	14	58 575	47 372	83 345	67 404
Other securities and investments	15	480	480	683	683
<b>Long-term financial investments total</b>		<b>59 055</b>	<b>47 852</b>	<b>84 028</b>	<b>68 087</b>
<b>Long-term investments total</b>		<b>380 812</b>	<b>362 951</b>	<b>541 847</b>	<b>516 433</b>
<b>Current assets</b>					
<b>Stock</b>					
Raw materials, basic materials and auxiliary materials		7 735	10 286	11 005	14 635
Ready-made goods and goods for sale	16	344 412	332 072	490 055	472 496
Prepayments for goods		111	197	157	280
<b>Stock total</b>		<b>352 258</b>	<b>342 555</b>	<b>501 217</b>	<b>487 411</b>
<b>Receivables</b>					
Trade receivables	17	90 322	137 705	128 517	195 935
Other receivables	18	7 325	1 758	10 421	2 502
Prepaid expenses	19	55	39	79	56
<b>Receivables total</b>		<b>97 702</b>	<b>139 502</b>	<b>139 017</b>	<b>198 493</b>
<b>Short-term financial investments</b>					
Other securities and shareholding in capitals	20	21 739	21 579	30 933	30 705
<b>Short-term financial investments total</b>		<b>21 739</b>	<b>21 579</b>	<b>30 933</b>	<b>30 705</b>
<b>Cash</b>	21	<b>166 987</b>	<b>156 013</b>	<b>237 601</b>	<b>221 986</b>
<b>Current assets total</b>		<b>638 686</b>	<b>659 649</b>	<b>908 768</b>	<b>938 595</b>
<b>Assets total</b>		<b>1 019 498</b>	<b>1 022 600</b>	<b>1 450 615</b>	<b>1 455 028</b>

## ***Balance sheet as at 31 March 2012***

<b>Shareholders' equity and liabilities</b>	<b>Note</b>	<b>2012 LVL</b>	<b>2011 LVL</b>	<b>2012 EUR</b>	<b>2011 EUR</b>
<b>Shareholders' equity</b>					
Share capital	22	422 440	422 440	601 078	601 078
Retained earnings:					
Retained earnings carried forward from previous years		519 382	489 491	739 014	696 484
Retained earnings of the reporting year		16 237	7 489	23 103	10 655
<b>Shareholders' equity total</b>		<b>958 059</b>	<b>919 420</b>	<b>1 363 195</b>	<b>1 308 217</b>
<b>Provisions</b>					
Other provisions	23	8 823	16 908	12 555	24 058
<b>Provisions total</b>		<b>8 823</b>	<b>16 908</b>	<b>12 555</b>	<b>24 058</b>
<b>Payables</b>					
<b>Long-term payables</b>					
Deferred tax liabilities	24	3 325	1 318	4 731	1 875
<b>Long-term payables total</b>		<b>3 325</b>	<b>1 318</b>	<b>4 731</b>	<b>1 875</b>
<b>Short-term payables</b>					
Prepayment received from customers		180	10 190	257	14 499
Trade payables		15 764	39 354	22 430	55 995
Taxes and social insurance payments	25	25 077	25 482	35 680	36 258
Other payables		8 270	9 928	11 767	14 126
<b>Short-term payables total</b>		<b>49 291</b>	<b>84 954</b>	<b>70 134</b>	<b>120 878</b>
<b>Payables total</b>		<b>52 616</b>	<b>86 272</b>	<b>74 865</b>	<b>122 753</b>
<b>Shareholders' equity and liabilities total</b>		<b>1 019 498</b>	<b>1 022 600</b>	<b>1 450 615</b>	<b>1 455 028</b>

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*Chairman of the Board*

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*Member of the Board*

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*Member of the Board*

23 May 2012

## Cash flow statement for the period ended 31 March 2012

	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
<b>Cash flow from operating activities</b>					
Income from sale of goods and provision of services		222 986	152 430	317 280	216 888
Payments to suppliers, employees, other expenses arising from basic operations		(206 837)	(190 969)	(294 302)	(271 725)
<b>Gross cash flow from basic operations</b>		<b>16 149</b>	<b>(38 539)</b>	<b>22 978</b>	<b>(54 837)</b>
Expenses for enterprise income tax payments		(3 417)	(2 274)	(4 862)	(3 236)
<b>Net cash flow from operating activities</b>		<b>12 732</b>	<b>(40 813)</b>	<b>18 116</b>	<b>(58 073)</b>
<b>Cash flow from investing activities</b>					
Purchase of capital shares of associated company		(1 972)	-	(2 806)	-
Purchase of fixed assets and intangible investments		(718)	(12 947)	(1 022)	(18 422)
<b>Net cash flow from investing activities</b>		<b>(2 690)</b>	<b>(12 947)</b>	<b>(3 828)</b>	<b>(18 422)</b>
<b>Cash flow from financing activities</b>					
Subsidies received as a state support		1 951	1 703	2 776	2 424
<b>Net cash flow from financing activities</b>		<b>1 951</b>	<b>1 703</b>	<b>2 776</b>	<b>2 424</b>
<b>Result of foreign exchange rate fluctuations</b>		<b>(13)</b>	<b>(150)</b>	<b>(18)</b>	<b>(213)</b>
<b>Increase/ decrease of cash and its equivalents</b>		<b>11 980</b>	<b>(52 207)</b>	<b>17 046</b>	<b>(74 284)</b>
<b>Cash and its equivalents at the beginning of the period</b>		<b>155 007</b>	<b>208 220</b>	<b>220 555</b>	<b>296 270</b>
<b>Cash and its equivalents at the end of the period</b>	21	<b>166 987</b>	<b>156 013</b>	<b>237 601</b>	<b>221 986</b>

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23 May 2012

**Statement on changes in shareholders' equity for the period ending  
31 March 2012**

	Share capital	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	LVL	LVL	LVL	LVL
<b>31.12.2010</b>	<b>422 440</b>	<b>454 939</b>	<b>34 552</b>	<b>911 931</b>
Profit for 2010 transferred to retained earnings of previous years	-	34 552	(34 552)	-
Retained earnings for the reporting year	-	-	7 489	7 489
<b>31.03.2011</b>	<b>422 440</b>	<b>489 491</b>	<b>7 489</b>	<b>919 420</b>
<b>31.12.2011</b>	<b>422 440</b>	<b>451 471</b>	<b>67 911</b>	<b>941 822</b>
Profit for 2011 transferred to retained earnings of previous years	-	67 911	(67 911)	-
Retained earnings for the reporting year	-	-	16 237	16 237
<b>31.03.2012</b>	<b>422 440</b>	<b>519 382</b>	<b>16 237</b>	<b>958 059</b>

	Share capital	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
<b>31.12.2010</b>	<b>601 078</b>	<b>647 320</b>	<b>49 164</b>	<b>1 297 562</b>
Profit for 2010 transferred to retained earnings of previous years	-	49 164	(49 164)	-
Retained earnings for the reporting year	-	-	10 655	10 655
<b>31.03.2011</b>	<b>601 078</b>	<b>696 484</b>	<b>10 655</b>	<b>1 308 217</b>
<b>31.12.2011</b>	<b>601 078</b>	<b>642 386</b>	<b>96 628</b>	<b>1 340 092</b>
Profit for 2011 transferred to retained earnings of previous years	-	96 628	(96 628)	-
Retained earnings for the reporting year	-	-	23 103	23 103
<b>31.03.2012</b>	<b>601 078</b>	<b>739 014</b>	<b>23 103</b>	<b>1 363 195</b>

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23 May 2012



## ***Notes to the Financial Statements***

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### **(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***

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### ***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 3 months from 1 January to 31 March 2012.

### ***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.

	<b>31.03.2012</b>	<b>31.03.2011</b>
EUR	0.702804	0.702804
USD	0.528	0.499

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***

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### ***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***

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### ***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	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Livestock sperm	88 814	82 988	126 371	118 081
Milk laboratory services	47 428	47 376	67 484	67 410
Treatment of supervisory data	18 182	18 334	25 871	26 087
Cow exterior appraisal	766	11 060	1 090	15 737
Artificial insemination of livestock	6 082	4 521	8 654	6 433
Immune-genetic laboratory services	1 092	2 717	1 554	3 866
Other income	16 028	12 027	22 805	17 113
	<b>178 392</b>	<b>179 023</b>	<b>253 829</b>	<b>254 727</b>

Distribution of net sales according to the geographical markets:

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Latvia	178 392	179 023	253 829	254 727
	<b>178 392</b>	<b>179 023</b>	<b>253 829</b>	<b>254 727</b>

Earnings from agricultural activities represented in net sales:

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Earnings from agricultural activities	178 392	179 023	253 829	254 727
	<b>178 392</b>	<b>179 023</b>	<b>253 829</b>	<b>254 727</b>

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

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Changes in sperm stock value	19 388	9 728	27 586	13 842
Changes in stud bull herd value	(5 535)	(3 297)	(7 875)	(4 692)
	<b>13 853</b>	<b>6 431</b>	<b>19 711</b>	<b>9 150</b>

### (5) Other operating income

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
State support for agricultural	1 951	1 703	2 776	2 424
	<b>1 951</b>	<b>1 703</b>	<b>2 776</b>	<b>2 424</b>

## Notes to the Financial Statements

### (6) Personnel costs

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Salaries for work	53 358	61 610	75 921	87 663
State social insurance contributions	12 649	14 611	17 997	20 790
Health insurance	2 522	2 670	3 589	3 799
Life insurance with cash value accrual	2 996	-	4 263	-
Other costs	260	1 009	370	1 436
	<b>71 785</b>	<b>79 900</b>	<b>102 140</b>	<b>113 688</b>

### (7) Other operating expenses

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Insurance payments	1 078	1 124	1 534	1 599
Selling expenses	973	1 054	1 384	1 500
Company's management and administrative expenses	6 629	6 910	9 432	9 832
Other costs	1 182	1 275	1 682	1 814
	<b>9 862</b>	<b>10 363</b>	<b>14 032</b>	<b>14 745</b>

### (8) Other interest income and similar income

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Income from securities	51	27	72	39
Income from foreign currency exchange rate fluctuations	428	275	609	391
Recovered doubtful and bad debts	841	168	1 197	239
	<b>1 320</b>	<b>470</b>	<b>1 878</b>	<b>669</b>

## Notes to the Financial Statements

### (9) Interest payments and similar costs

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Employees' leisure and other costs not connected with operating activities	570	1 112	811	1 583
	<b>570</b>	<b>1 112</b>	<b>811</b>	<b>1 583</b>

### (10) Other taxes

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Real estate tax	1 119	1 111	1 593	1 581
	<b>1 119</b>	<b>1 111</b>	<b>1 593</b>	<b>1 581</b>

### (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
<b>Initial value</b>				
<b>31.12.2011</b>	<b>720</b>	<b>720</b>	<b>1 024</b>	<b>1 024</b>
Purchased	-	-	-	-
Disposed	-	-	-	-
<b>31.03.2012</b>	<b>720</b>	<b>720</b>	<b>1 024</b>	<b>1 024</b>
<b>Accrued depreciation</b>				
<b>31.12.2011</b>	<b>718</b>	<b>718</b>	<b>1 022</b>	<b>1 022</b>
Calculated depreciation	-	-	-	-
Depreciation of excluded investments	-	-	-	-
<b>31.03.2012</b>	<b>720</b>	<b>720</b>	<b>1 024</b>	<b>1 024</b>
<b>Book value as at 31.12.2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Book value as at 31.03.2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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
<b>Initial value</b>				
<b>31.12.2011</b>	<b>255 107</b>	<b>383 176</b>	<b>83 668</b>	<b>721 951</b>
Purchased	-	-	719	719
Disposed	-	-	(342)	(342)
<b>31.03.2012</b>	<b>255 107</b>	<b>383 176</b>	<b>84 045</b>	<b>722 328</b>
<b>Accrued depreciation</b>				
<b>31.12.2011</b>	<b>129 644</b>	<b>322 085</b>	<b>77 679</b>	<b>529 408</b>
Calculated depreciation	3 261	6 261	1 065	10 587
Depreciation of excluded fixed assets	-	-	(342)	(342)
<b>31.03.2012</b>	<b>132 905</b>	<b>328 346</b>	<b>78 402</b>	<b>539 653</b>
<b>Book value as at 31.12.2011</b>	<b>125 463</b>	<b>61 091</b>	<b>5 989</b>	<b>192 543</b>
<b>Book value as at 31.03.2012</b>	<b>122 202</b>	<b>54 830</b>	<b>5 643</b>	<b>182 675</b>

As at 31 March 2011, the cadastral value of **real estate – land and constructions** - was LVL 113 853

As at 31 March 2012, 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
<b>Initial value</b>				
<b>31.12.2011</b>	<b>362 985</b>	<b>545 210</b>	<b>119 049</b>	<b>1 027 244</b>
Purchased	-	-	1 023	1 023
Disposed	-	-	(486)	(486)
<b>31.03.2012</b>	<b>362 985</b>	<b>545 210</b>	<b>119 586</b>	<b>1 027 781</b>
<b>Accrued depreciation</b>				
<b>31.12.2011</b>	<b>184 468</b>	<b>458 285</b>	<b>110 527</b>	<b>753 280</b>
Calculated depreciation	4 640	8 909	1 515	15 064
Depreciation of excluded fixed assets	-	-	(486)	(486)
<b>31.03.2012</b>	<b>189 108</b>	<b>467 194</b>	<b>111 556</b>	<b>767 858</b>
<b>Book value as at 31.12.2011</b>	<b>178 517</b>	<b>86 925</b>	<b>8 522</b>	<b>273 964</b>
<b>Book value as at 31.03.2012</b>	<b>173 877</b>	<b>78 016</b>	<b>8 030</b>	<b>259 923</b>

As at 31 March 2011, the cadastral value of **real estate – land and constructions** - was EUR 161 998

As at 31 March 2012, 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
<b>Book value as at 31.12.2010</b>	<b>95 000</b>	<b>95 000</b>	<b>135 173</b>	<b>135 173</b>
Increase/decrease of value due to revaluation	-	-	-	-
<b>Book value as at 31.03.2011</b>	<b>95 000</b>	<b>95 000</b>	<b>135 173</b>	<b>135 173</b>
<b>Book value as at 31.12.2011</b>	<b>95 000</b>	<b>95 000</b>	<b>135 173</b>	<b>135 173</b>
Increase/decrease of value due to revaluation	-	-	-	-
<b>Book value as at 31.03.2012</b>	<b>95 000</b>	<b>95 000</b>	<b>135 173</b>	<b>135 173</b>

### (14) Investments in capital of associated companies

	2012		2011	
	% from total share capital		% from total share capital	
		LVL	LVL	EUR
Ltd “Animal Breeders Association of Latvia” (SIA „Latvijas šķirnes dzīvnieku audzētāju savienība” )				
Legal address: Republikas laukums 2, Rīga, LV-1010, Latvia	36.0	58 575	83 345	26.6
		<b>58 575</b>	<b>83 345</b>	<b>47 372</b>
				<b>67 404</b>

### (15) Other securities and investments

	LVL	EUR
Purchase value as at 31.12.2011	480	683
<b>Book value as at 31.12.2011</b>	<b>480</b>	<b>683</b>
Purchase value as at 31.03.2012	480	683
<b>Book value as at 31.03.2012</b>	<b>480</b>	<b>683</b>

### (16) Ready-made products and goods for sale

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Bull semen	337 632	326 369	480 407	464 381
Other goods for sale	6 780	5 703	9 648	8 115
	<b>344 412</b>	<b>332 072</b>	<b>490 055</b>	<b>472 496</b>

### (17) Trade receivables

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Accounting value of trade receivables	93 084	144 255	132 447	205 255
Provisions for doubtful trade receivables	(2 762)	(6 550)	(3 930)	(9 320)
	<b>90 322</b>	<b>137 705</b>	<b>128 517</b>	<b>195 935</b>

## Notes to the Financial Statements

### (18) Other receivables

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
VAT for received goods and services	1 107	867	1 575	1 234
Overpayment of taxes	5 088	-	7 240	-
Other receivables	1 130	891	1 606	1 268
	<b>7 325</b>	<b>1 758</b>	<b>10 421</b>	<b>2 502</b>

### (19) Prepaid expenses

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

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Advertising costs	36	16	51	23
Insurance	15	18	21	26
Press subscription	4	5	7	7
	<b>55</b>	<b>39</b>	<b>79</b>	<b>56</b>

### (20) Other securities and shareholding in capitals

	Number	2012 Market price	Amount LVL	Number	2011 Market price	Amount LVL
SEB Lats reserve fund	15 044	1.44503	21 739	15 044	1.43440	21 579
			<b>21 739</b>			<b>21 579</b>

  

	Number	2012 Market price	Amount EUR	Number	2011 Market price	Amount EUR
SEB Lats reserve fund	15 044	2.05609	30 933	15 044	2.04097	30 705
			<b>30 933</b>			<b>30 705</b>

Money market fund shares have no guaranteed interest rate. In 2012 the profitability was 0.94 %. 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:

		2012		2011	
		Currency	LVL	Currency	LVL
Cash in hand	LVL	-	2 920	-	2 380
Cash in bank	LVL	-	163 329	-	152 251
Cash in bank	EUR	1 051	738	1 966	1 382
			<b>166 987</b>		<b>156 013</b>

#### Break-down of cash according to currencies:

		2012		2011	
		Currency	EUR	Currency	EUR
Cash in hand	LVL	2 920	4 154	2 380	3 386
Cash in bank	LVL	163 329	232 396	152 251	216 634
Cash in bank	EUR	-	1 051	-	1 966
			<b>237 601</b>		<b>221 986</b>

### (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.

	2012 LVL	2011 LVL	2012 EUR	2011 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
	<b>422 440</b>	<b>422 440</b>	<b>601 078</b>	<b>601 078</b>

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.

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Profit of the reporting period	16 237	7 489	23 103	10 655
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	<b>0.038</b>	<b>0.018</b>	<b>0.055</b>	<b>0.025</b>

## Notes to the Financial Statements

### (23) Other Provisions

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Provisions for vacations	8 823	16 908	12 555	24 058
	<b>8 823</b>	<b>16 908</b>	<b>12 555</b>	<b>24 058</b>

### (24) Provisions for deferred tax

	2012 LVL	2011 LVL	2012 EUR	2011 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)
<b>Total temporary differences</b>	<b>22 169</b>	<b>8 786</b>	<b>31 543</b>	<b>12 501</b>
<b>Deferred tax provisions at the beginning of the period</b>	<b>3 325</b>	<b>1 318</b>	<b>4 731</b>	<b>1 875</b>
Increase or decrease	-	-	-	-
<b>Deferred tax provisions at the end of the period</b>	<b>3 325</b>	<b>1 318</b>	<b>4 731</b>	<b>1 875</b>

### (25) Taxes and social insurance payments

Tax type	Balance as at 31.12.2011 LVL	Calculated in 2012 LVL	Paid in 2012 LVL	Balance as at 31.03.2012 LVL
Corporate income tax	(5 088)	3 417	(3 417)	(5 088)
Value added tax	5 031	28 068	(18 562)	14 537
Social insurance contributions	9 017	18 970	(21 365)	6 622
Personal income tax	5 382	10 965	(12 474)	3 873
Real estate tax	-	1 119	(1 119)	-
Nature resource tax	33	35	(33)	35
Business risk duty	9	27	(26)	10
	<b>14 384</b>	<b>62 601</b>	<b>(56 996)</b>	<b>19 989</b>

Including:	2011 LVL	2012 LVL
Tax overpaid	(5 088)	(5 088)
Tax due	19 472	25 077

## Notes to the Financial Statements

Tax type	Balance as at 31.12.2011 EUR	Calculated in 2012 EUR	Paid in 2012 EUR	Balance as at 31.03.2012 EUR
Corporate income tax	(7 240)	4 862	(4 862)	(7 240)
Value added tax	7 158	39 937	(26 411)	20 684
Social insurance contributions	12 830	26 992	(30 400)	9 422
Personal income tax	7 658	15 602	(17 749)	5 511
Real estate tax	-	1 593	(1 593)	-
Nature resource tax	47	49	(47)	49
Business risk duty	13	38	(37)	14
	<b>20 466</b>	<b>89 073</b>	<b>(81 099)</b>	<b>28 440</b>

Including:	2011 EUR	2012 EUR
Tax overpaid	(7 240)	(7 240)
Tax due	27 706	35 680
Tax overpaid declared in position “Other receivables”		

### (26) Number of persons employed by the Company

	2012	2011
Average number of persons employed during the reporting year	<b>35</b>	<b>40</b>

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

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Council Members’ salaries for work, including state social insurance contributions	1 842	1 654	2 621	2 354
Board Members’ salaries for work, including state social insurance contributions	7 036	7 147	10 011	10 169
<b>Total remuneration to management members</b>	<b>8 878</b>	<b>8 801</b>	<b>12 632</b>	<b>12 523</b>

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***

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According to the information being at our disposal, the Interim Financial statement for three months of 2012 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 three months of 2012 have not been audited by Sworn Auditor.

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Nils Ivars Feodorovs

*Chairman of the Board*

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Sarmīte Arcimoviča

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

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Valda Mālniece

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

23 May 2012