



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

**INTERIM STATEMENT
for 6 months of 2012**

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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>Jekaterina Kreise, Member of the Council</i>
Reporting year	<i>01.01.2012 – 30.06.2012</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>

Interim Management Report

The basic economic activity of the Stock Company invariably continues to be production and sale of bull semen, comprising 51% of its net turnover in the accounting period, as well as milk analysing and data processing services, which, taken together, comprise 35% 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 2011.

Since 1st of April 2012 due to technical reasons the Stock Company doesn't provide the inspection of immune-genetic origin of cattle service any more.

Company's net turnover in the first half-year of 2012 was 377 thousand LVL (537 thousand EUR), representing a decrease of 1.6% against the corresponding period in 2011. However, Company's profit of 34 thousand LVL (49 thousand EUR) in 2012 comprise an increase of 24% against the corresponding period in 2011, which is due to the fact that there has been a slight cut-down of costs in nearly all positions.

The commercial profitability in the first six months in 2012 was 11%, compared to 9% in 2011.

Nils Ivars Feodorovs
Chairman of the Board

Sarmīte Arcimoviča
Member of the Board

Valda Mālniece
Member of the Board

22 August 2012

Profit or loss account for the period ended 30 June 2012

	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Net sales	3	377 180	383 135	536 679	545 152
Changes in stock of ready-made goods and unfinished products	4	18 323	15 762	26 072	22 428
Other operating income	5	3 401	6 516	4 839	9 270
Costs of materials:		(167 260)	(171 583)	(237 990)	(244 140)
a) raw materials and auxiliary costs of materials		(131 773)	(137 950)	(187 495)	(196 285)
b) other external costs		(35 487)	(33 633)	(50 495)	(47 855)
Personnel costs:	6	(153 589)	(163 197)	(218 538)	(232 209)
a) salaries for work		(120 371)	(125 938)	(171 273)	(179 194)
b) state social insurance compulsory contributions		(27 178)	(29 852)	(38 671)	(42 476)
c) other social insurance costs		(6 040)	(7 407)	(8 594)	(10 539)
Write-off of assets and values:		(20 820)	(19 930)	(29 624)	(28 358)
a) depreciation of fixed assets and amortization of intangible assets		(20 820)	(19 930)	(29 624)	(28 358)
Other operating costs	7	(15 564)	(15 687)	(22 146)	(22 320)
Other interest income and similar income	8	1 145	1 037	1 630	1 476
Interest payments and similar costs	9	(1 753)	(1 625)	(2 494)	(2 312)
Profit or losses before taxes		41 063	34 428	58 428	48 987
Enterprise income tax for the reporting year		(5 648)	(5 692)	(8 036)	(8 099)
Other taxes	10	(1 119)	(1 111)	(1 593)	(1 581)
The profit or loss for the year		34 296	27 625	48 799	39 307
Equity per 1 share (EPS)	22	0.081	0.065	0.116	0.093

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

22 August 2012

Balance sheet as at 30 June 2012

Assets	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Long-term investments					
Fixed assets					
Land parcels, buildings and constructions and perennial plantings		118 940	132 831	169 236	189 002
Equipment and machinery		49 467	23 670	70 385	33 680
Other fixed assets and inventory		5 029	8 119	7 156	11 552
Fixed assets total	12	173 436	164 620	246 777	234 234
Investment properties	13	95 000	95 000	135 173	135 173
Biological assets		43 636	55 257	62 088	78 623
Long-term financial investments					
Investments in capital of associated companies	14	58 615	47 372	83 402	67 404
Other securities and investments	15	480	480	683	683
Long-term financial investments total		59 095	47 852	84 085	68 087
Long-term investments total		371 167	362 729	528 123	516 117
Current assets					
Stock					
Raw materials, basic materials and auxiliary materials		7 200	8 887	10 245	12 644
Ready-made goods and goods for sale	16	364 035	319 305	517 975	454 329
Prepayments for goods		180	280	257	399
Stock total		371 415	328 472	528 477	467 372
Receivables					
Trade receivables	17	102 809	97 957	146 284	139 380
Other receivables	18	5 270	3 217	7 499	4 578
Prepaid expenses	19	2 468	2 500	3 511	3 557
Receivables total		110 547	103 674	157 294	147 515
Short-term financial investments					
Other securities and shareholding in capitals	20	21 782	21 608	30 993	30 746
Short-term financial investments total		21 782	21 608	30 993	30 746
Cash	21	142 006	155 899	202 057	221 825
Current assets total		645 750	609 653	918 821	867 458
Assets total		1 016 917	972 382	1 446 944	1 383 575

Balance sheet as at 30 June 2012

Shareholders' equity and liabilities	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Shareholders' equity					
Share capital	22	422 440	422 440	601 078	601 078
Retained earnings:					
Retained earnings carried forward from previous years		477 138	451 471	678 906	642 386
Retained earnings of the reporting year		34 296	27 625	48 799	39 307
Shareholders' equity total		933 874	901 536	1 328 783	1 282 771
Provisions					
Other provisions	23	8 823	16 908	12 555	24 058
Provisions total		8 823	16 908	12 555	24 058
Payables					
Long-term payables					
Deferred tax liabilities	24	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		-	3 678	-	5 233
Trade payables		40 112	14 029	57 074	19 961
Taxes and social insurance payments	25	22 783	26 130	32 417	37 180
Other payables		8 000	8 783	11 384	12 497
Short-term payables total		70 895	52 620	100 875	74 871
Payables total		74 220	53 938	105 606	76 746
Shareholders' equity and liabilities total		1 016 917	972 382	1 446 944	1 383 575

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

22 August 2012

Cash flow statement for the period ended 30 June 2012

	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Cash flow from operating activities					
Income from sale of goods and provision of services		452 890	440 576	644 405	626 883
Payments to suppliers, employees, other expenses arising from basic operations		(418 835)	(437 148)	(595 949)	(622 005)
Gross cash flow from basic operations		34 055	3 428	48 456	4 878
Expenses for enterprise income tax payments		(4 556)	(7 040)	(6 482)	(10 017)
Net cash flow from operating activities		29 499	(3 612)	41 974	(5 139)
Cash flow from investing activities					
Purchase of capital shares of associated company		(2 012)	-	(2 863)	-
Purchase of fixed assets and intangible investments		(1 712)	(13 145)	(2 436)	(18 703)
Net cash flow from investing activities		(3 724)	(13 145)	(5 299)	(18 703)
Cash flow from financing activities					
Subsidies received as a state support		3 397	3 362	4 834	4 784
Dividends paid		(42 244)	(38 020)	(60 108)	(54 098)
Net cash flow from financing activities		(38 847)	(34 658)	(55 274)	(49 314)
Result of foreign exchange rate fluctuations		71	(906)	101	(1 289)
Increase/ decrease of cash and its equivalents		(13 001)	(52 321)	(18 498)	(74 445)
Cash and its equivalents at the beginning of the period		155 007	208 220	220 555	296 270
Cash and its equivalents at the end of the period	21	142 006	155 899	202 057	221 825

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22 August 2012

**Statement on changes in shareholders' equity for the period ending
30 June 2012**

	Share capital	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	LVL	LVL	LVL	LVL
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
31.12.2011	422 440	451 471	67 911	941 822
Profit for 2011 transferred to retained earnings of previous years	-	67 911	(67 911)	-
Dividends for 2011	-	(42 244)	-	(42 244)
Retained earnings for the reporting year	-	-	34 296	34 296
30.06.2012	422 440	477 138	34 296	933 874

	Share capital	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
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
31.12.2011	601 078	642 386	96 628	1 340 092
Profit for 2011 transferred to retained earnings of previous years	-	96 628	(96 628)	-
Dividends for 2011	-	(60 108)	-	(60 108)
Retained earnings for the reporting year	-	-	48 799	48 799
30.06.2012	601 078	678 906	48 799	1 328 783

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22 August 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,
- 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 6 months from 1 January to 30 June 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.

	30.06.2012	30.06.2011
EUR	0.702804	0.702804
USD	0.562	0.489

Currency exchange rate differences arising from settlements in currencies or when recognizing assets and liabilities by 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	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Livestock sperm	193 085	187 483	274 735	266 764
Milk laboratory services	95 339	94 858	135 655	134 971
Treatment of supervisory data	36 804	36 887	52 367	52 485
Cow exterior appraisal	1 595	15 302	2 270	21 773
Artificial insemination of livestock	14 157	12 217	20 144	17 383
Immune-genetic laboratory services	1 092	5 067	1 554	7 210
Other income	35 108	31 321	49 954	44 566
	377 180	383 135	536 679	545 152

Distribution of net sales according to the geographical markets:

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Latvia	377 180	383 135	536 679	545 152
	377 180	383 135	536 679	545 152

Earnings from agricultural activities represented in net sales:

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Earnings from agricultural activities	377 180	383 135	536 679	545 152
	377 180	383 135	536 679	545 152

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

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Changes in sperm stock value	24 304	7 475	34 582	10 636
Changes in stud bull herd value	(5 981)	8 287	(8 510)	11 792
	18 323	15 762	26 072	22 428

(5) Other operating income

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Revenue from exclusion of fixed assets	4	3 153	6	4 486
State support for agricultural	3 397	3 363	4 833	4 784
	3 401	6 516	4 839	9 270

Notes to the Financial Statements

(6) Personnel costs

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Salaries for work	114 861	125 938	163 433	179 194
Life insurance with cash value accrual	5 510	-	7 840	-
State social insurance contributions	27 178	29 852	38 671	42 476
Health insurance	5 672	5 910	8 071	8 409
Other costs	368	1 497	523	2 130
	153 589	163 197	218 538	232 209

(7) Other operating expenses

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Insurance payments	1 086	1 145	1 546	1 629
Business trip expenses	684	805	973	1 145
Selling expenses	1 217	1 252	1 731	1 781
Company's management and administrative expenses	9 069	9 690	12 904	13 788
Other costs	3 508	2 795	4 992	3 977
	15 564	15 687	22 146	22 320

(8) Other interest income and similar income

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Income from securities	93	56	133	80
Income from foreign currency exchange rate fluctuations	-	241	-	343
Recovered doubtful and bad debts	1052	740	1 497	1 053
	1 145	1 037	1 630	1 476

Notes to the Financial Statements

(9) Interest payments and similar costs

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Losses from foreign currency exchange rate fluctuations	572	-	813	-
Contractual penalties and fines	-	10	-	14
Employees' leisure and other costs not connected with operating activities	1 181	1 615	1 681	2 298
	1 753	1 625	2 494	2 312

(10) Other taxes

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Real estate tax	1 119	1 111	1 593	1 581
	1 119	1 111	1 593	1 581

(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				
31.12.2011	720	720	1 024	1 024
Purchased	-	-	-	-
Disposed	-	-	-	-
30.06.2012	720	720	1 024	1 024
Accrued depreciation				
31.12.2011	718	718	1 022	1 022
Calculated depreciation	-	-	-	-
Depreciation of excluded investments	-	-	-	-
30.06.2012	720	720	1 024	1 024
Book value as at 31.12.2011	-	-	-	-
Book value as at 30.06.2012	-	-	-	-

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				
31.12.2011	255 107	383 176	83 668	721 951
Purchased	-	776	937	1 713
Disposed	-	-	(1 171)	(1 171)
30.06.2012	255 107	383 952	83 434	722 493
Accrued depreciation				
31.12.2011	129 644	322 085	77 679	529 408
Calculated depreciation	6 523	12 400	1 897	20 820
Depreciation of excluded fixed assets	-	-	(1 171)	(1 171)
30.06.2012	136 167	334 485	78 405	549 057
Book value as at 31.12.2011	125 463	61 091	5 989	192 543
Book value as at 30.06.2012	118 940	49 467	5 029	173 436

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

As at 30 June 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
Initial value				
31.12.2011	362 985	545 210	119 049	1 027 244
Purchased	-	1 104	1 333	2 437
Disposed	-	-	(1 666)	(1 666)
30.06.2012	362 985	546 314	118 716	1 028 015
Accrued depreciation				
31.12.2011	184 468	458 285	110 527	753 280
Calculated depreciation	9 281	17 644	2 699	29 624
Depreciation of excluded fixed assets	-	-	(1 666)	(1 666)
30.06.2012	193 749	475 929	111 560	781 238
Book value as at 31.12.2011	178 517	86 925	8 522	273 964
Book value as at 30.06.2012	169 236	70 385	7 156	246 777

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

As at 30 June 2012, the cadastral value of **real estate – land and constructions** - was EUR 156 930

Notes to the Financial Statements

(13) Investment properties

	Land	Total	Land	Total
	LVL	LVL	EUR	EUR
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
Book value as at 31.12.2011	95 000	95 000	135 173	135 173
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 30.06.2012	95 000	95 000	135 173	135 173

(14) Investments in capital of associated companies

	2012			2011		
	% 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	36.0	58 615	83 402	26.6	47 372	67 404
		58 615	83 402		47 372	67 404

(15) Other securities and investments

	LVL	EUR
Purchase value as at 31.12.2011	480	683
Book value as at 31.12.2011	480	683
Purchase value as at 30.06.2012	480	683
Book value as at 30.06.2012	480	683

(16) Ready-made products and goods for sale

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Bull semen	360 274	314 714	512 624	447 797
Other goods for sale	3 761	4 591	5 351	6 532
	364 035	319 305	517 975	454 329

(17) Trade receivables

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Accounting value of trade receivables	105 366	103 934	149 922	147 885
Provisions for doubtful trade receivables	(2 557)	(5 977)	(3 638)	(8 505)
	102 809	97 957	146 284	139 380

Notes to the Financial Statements

(18) Other receivables

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
VAT for received goods and services	76	805	108	1 146
Overpayment of taxes	3 996	-	5 686	-
Other receivables	1 198	2 412	1 705	3 432
	5 270	3 217	7 499	4 578

(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	195	136	277	194
Insurance	2 268	2 359	3 227	3 356
Press subscription	5	5	7	7
	2 468	2 500	3 511	3 557

(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	1.44785	21 782	15 044	1.43632	21 608
			21 782			21 608

	Number	2012 Market price	Amount EUR	Number	2011 Market price	Amount EUR
SEB Lats reserve fund	15 044	2.06010	30 993	15 044	2.04370	30 746
			30 993			30 746

Money market fund shares have no guaranteed interest rate. In 2012 the profitability was 0.86 %. 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	-	5 460	-	6 718
Cash in bank	LVL	-	136 022	-	147 985
Cash in bank	EUR	745	524	1 702	1 196
			142 006		155 899

Break-down of cash according to currencies:		2012		2011	
		Currency	EUR	Currency	EUR
Cash in hand	LVL	5 460	7 770	6 718	9 559
Cash in bank	LVL	136 022	193 542	147 985	210 564
Cash in bank	EUR	-	745	-	1 702
			202 057		221 825

(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
	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.

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Profit of the reporting period	34 296	27 625	48 799	39 307
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	0.081	0.065	0.116	0.093

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
	8 823	16 908	12 555	24 058

(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)
Total temporary differences	22 169	8 786	31 543	12 501
Deferred tax provisions at the beginning of the period	3 325	1 318	4 731	1 875
Increase or decrease	-	-	-	-
Deferred tax provisions at the end of the period	3 325	1 318	4 731	1 875

(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 30.06.2012 LVL
Corporate income tax	(5 088)	5 648	(4 556)	(3 996)
Value added tax	5 031	56 283	(50 151)	11 163
Social insurance contributions	9 017	40 509	(42 193)	7 333
Personal income tax	5 382	23 552	(24 675)	4 259
Real estate tax	-	1 119	(1 119)	-
Nature resource tax	33	53	(67)	19
Business risk duty	9	54	(54)	9
	14 384	127 218	(122 815)	18 787

Including:	2011 LVL	2012 LVL
Tax overpaid	(5 088)	(3 996)
Tax due	19 472	22 783

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 30.06.2012 EUR
Corporate income tax	(7 240)	8 036	(6 482)	(5 686)
Value added tax	7 158	80 083	(71 358)	15 883
Social insurance contributions	12 830	57 639	(60 035)	10 434
Personal income tax	7 658	33 511	(35 109)	6 060
Real estate tax	-	1 593	(1 593)	-
Nature resource tax	47	75	(95)	27
Business risk duty	13	77	(77)	13
	20 466	181 014	(174 749)	26 731

Including:	2011 EUR	2012 EUR
Tax overpaid	(7 240)	(5 686)
Tax due	27 706	32 417
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	35	38

(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	3 683	3 405	5 241	4 845
Board Members’ salaries for work, including state social insurance contributions	14 618	13 825	20 799	19 671
Total remuneration to management members	18 301	17 230	26 040	24 516

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 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 six months of 2012 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*

22 August 2012