



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

**INTERIM STATEMENT
for 9 months of 2012**

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Information on the Company

Company's name	<i>SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKĻOŠANAS 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 apsēkļošanas 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 – 30.09.2012</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 30 September 2012

	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Net sales	3	589 159	589 391	838 297	838 629
Changes in stock of ready-made goods and unfinished products	4	10 374	7 461	14 762	10 616
Other operating income	5	4 480	15 177	6 374	21 595
Costs of materials:		(244 771)	(254 460)	(348 278)	(362 064)
a) raw materials and auxiliary costs of materials		(190 060)	(200 281)	(270 431)	(284 975)
b) other external costs		(54 711)	(54 179)	(77 847)	(77 089)
Personnel costs:	6	(229 605)	(240 100)	(326 698)	(341 632)
a) salaries for work		(182 076)	(188 145)	(259 071)	(267 707)
b) state social insurance compulsory contributions		(41 311)	(44 472)	(58 779)	(63 278)
c) other social insurance costs		(6 218)	(7 483)	(8 848)	(10 647)
Write-off of assets and values:		(31 301)	(29 719)	(44 536)	(42 286)
a) depreciation of fixed assets and amortization of intangible assets		(31 289)	(29 719)	(44 519)	(42 286)
b) write-off of value of current assets above the normal deductions		(12)	-	(17)	-
Other operating costs	7	(19 787)	(21 267)	(28 155)	(30 261)
Other interest income and similar income	8	2 620	3 112	3 728	4 427
Interest payments and similar costs	9	(2 827)	(2 784)	(4 023)	(3 961)
Profit or losses before taxes		78 342	66 811	111 471	95 063
Enterprise income tax for the reporting year		(7 286)	(9 682)	(10 367)	(13 776)
Other taxes	10	(1 119)	(1 111)	(1 593)	(1 581)
The profit or loss for the year		69 937	56 018	99 511	79 706
Equity per 1 share (EPS)	22	0.166	0.133	0.236	0.189

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

28 November 2012

Balance sheet as at 30 September 2012

Assets	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Long-term investments					
Fixed assets					
Land parcels, buildings and constructions and perennial plantings		127 131	128 724	180 891	183 158
Equipment and machinery		43 325	67 560	61 646	96 129
Other fixed assets and inventory		4 594	6 814	6 537	9 696
<i>Fixed assets total</i>	12	175 050	203 098	249 074	288 983
Investment properties	13	95 000	95 000	135 173	135 173
Biological assets		41 441	53 377	58 965	75 948
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
<i>Long-term financial investments total</i>		59 095	47 852	84 085	68 087
Long-term investments total		370 586	399 327	527 297	568 191
Current assets					
Stock					
Raw materials, basic materials and auxiliary materials		12 669	10 656	18 026	15 163
Ready-made goods and goods for sale	16	347 194	324 913	494 012	462 310
Prepayments for goods		831	197	1 183	280
<i>Stock total</i>		360 694	335 766	513 221	477 753
Receivables					
Trade receivables	17	112 443	99 793	159 992	141 993
Other receivables	18	4 241	1 802	6 035	2 564
Prepaid expenses	19	3 190	2 687	4 539	3 823
<i>Receivables total</i>		119 874	104 282	170 566	148 380
Short-term financial investments					
Other securities and shareholding in capitals	20	21 805	21 643	31 026	30 795
<i>Short-term financial investments total</i>		21 805	21 643	31 026	30 795
Cash	21	149 319	138 971	212 461	197 738
Current assets total		651 692	600 662	927 274	854 666
Assets total		1 022 278	999 989	1 454 571	1 422 857

Balance sheet as at 30 September 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		69 937	56 018	99 511	79 706
Shareholders' equity total		969 515	929 929	1 379 495	1 323 170
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		443	613	630	872
Trade payables		11 123	29 104	15 827	41 412
Taxes and social insurance payments	25	21 605	13 092	30 741	18 629
Other payables		7 444	9 025	10 592	12 841
Short-term payables total		40 615	51 834	57 790	73 754
Payables total		43 940	53 152	62 521	75 629
Shareholders' equity and liabilities total		1 022 278	999 989	1 454 571	1 422 857

Notes on pages 9 to 21 form an integral part of these financial statements.

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28 November 2012

Cash flow statement for the period ended 30 September 2012

	Note	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Cash flow from operating activities					
Income from sale of goods and provision of services		700 209	720 305	996 307	1 024 902
Payments to suppliers, employees, other expenses arising from basic operations		(649 186)	(669 967)	(923 707)	(953 277)
Gross cash flow from basic operations		51 023	50 338	72 600	71 625
Expenses for enterprise income tax payments		(4 556)	(11 030)	(6 483)	(15 694)
<i>Net cash flow from operating activities</i>		<u>46 467</u>	<u>39 308</u>	<u>66 117</u>	<u>55 931</u>
Cash flow from investing activities					
Purchase of capital shares of associated company		(2 012)	-	(2 863)	-
Purchase of fixed assets and intangible investments		(13 796)	(75 167)	(19 629)	(106 953)
Income from exclusion of fixed assets		4	-	6	-
Dividends received		1 292	1 593	1 838	2 267
<i>Net cash flow from investing activities</i>		<u>(14 512)</u>	<u>(73 574)</u>	<u>(20 648)</u>	<u>(104 686)</u>
Cash flow from financing activities					
Subsidies received as a state support		4 476	4 976	6 368	7 080
Dividends paid		(42 244)	(38 020)	(60 108)	(54 098)
<i>Net cash flow from financing activities</i>		<u>(37 768)</u>	<u>(33 044)</u>	<u>(53 740)</u>	<u>(47 018)</u>
Result of foreign exchange rate fluctuations		<u>125</u>	<u>(1 939)</u>	<u>177</u>	<u>(2 759)</u>
Increase/ decrease of cash and its equivalents		<u>(5 688)</u>	<u>(69 249)</u>	<u>(8 094)</u>	<u>(98 532)</u>
Cash and its equivalents at the beginning of the period		<u>155 007</u>	<u>208 220</u>	<u>220 555</u>	<u>296 270</u>
Cash and its equivalents at the end of the period	21	<u>149 319</u>	<u>138 971</u>	<u>212 461</u>	<u>197 738</u>

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28 November 2012

**Statement on changes in shareholders' equity for the period ending
30 September 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	-	-	56 018	56 018
30.09.2011	422 440	451 471	56 018	929 929
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	-	-	69 937	69 937
30.09.2012	422 440	477 138	69 937	969 515

	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	-	-	79 706	79 706
30.09.2011	601 078	642 386	79 706	1 323 170
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	-	-	99 511	99 511
30.09.2012	601 078	678 906	99 511	1 379 495

Notes on pages 9 to 21 form an integral part of these financial statements.

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Member of the Board

28 November 2012

Notes to the Financial Statements

(1) General information on the Company

AS „Siguldas ciltslietu un mākslīgās apsēkļošanas 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 9 months from 1 January to 30 September 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.

	30.09.2012	30.09.2011
EUR	0.702804	0.702804
USD	0.546	0.516

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	311 105	298 473	442 662	424 689
Milk laboratory services	146 889	146 258	209 004	208 107
Treatment of supervisory data	55 685	55 987	79 233	79 662
Cow exterior appraisal	3 146	16 232	4 476	23 096
Artificial insemination of livestock	21 607	18 680	30 744	26 580
Immune-genetic laboratory services	1 092	8 038	1 554	11 437
Other income	49 635	45 723	70 624	65 058
	589 159	589 391	838 297	838 629

Distribution of net sales according to the geographical markets:

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Latvia	589 159	589 391	838 297	838 629
	589 159	589 391	838 297	838 629

Earnings from agricultural activities represented in net sales:

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Earnings from agricultural activities	589 159	589 391	838 297	838 629
	589 159	589 391	838 297	838 629

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

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Changes in sperm stock value	18 550	1 054	26 395	1 499
Changes in stud bull herd value	(8 176)	6 407	(11 633)	9 117
	10 374	7 461	14 762	10 616

(5) Other operating income

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Revenue from exclusion of fixed assets	4	6 596	6	9 385
State support for agricultural	4 476	4 976	6 368	7 081
Insurance reimbursement	-	3 605	-	5 129
	4 480	15 177	6 374	21 595

Notes to the Financial Statements

(6) Personnel costs

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Salaries for work	174 160	188 145	247 808	267 707
Life insurance with cash value accrual	7 916	-	11 263	-
State social insurance contributions	41 311	44 472	58 779	63 278
Health insurance	5 672	5 910	8 071	8 409
Other costs	546	1 573	777	2 238
	229 605	240 100	326 698	341 632

(7) Other operating expenses

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Insurance payments	1 132	1 190	1 611	1 694
Business trip expenses	684	1 379	973	1 963
Selling expenses	1 743	1 742	2 480	2 478
Company's management and administrative expenses	11 154	12 064	15 871	17 165
Other costs	5 074	4 892	7 220	6 961
	19 787	21 267	28 155	30 261

(8) Other interest income and similar income

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Income from shareholding in the company capitals	1 292	1 593	1 838	2 266
Income from securities	117	91	166	129
Recovered doubtful and bad debts	1 211	1 428	1 724	2 032
	2 620	3 112	3 728	4 427

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	719	1 030	1 023	1 466
Contractual penalties and fines	61	10	87	14
Employees' leisure and other costs not connected with operating activities	1 652	1 348	2 350	1 918
Other costs	395	396	563	563
	2 827	2 784	4 023	3 961

(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		Concessions, patents, licenses, trade marks and similar rights	
	Total LVL	Total LVL	Total EUR	Total EUR
Initial value				
31.12.2011	720	720	1 024	1 024
Purchased	-	-	-	-
Disposed	-	-	-	-
30.09.2012	720	720	1 024	1 024
Accrued depreciation				
31.12.2011	718	718	1 022	1 022
Calculated depreciation	-	-	-	-
Depreciation of excluded investments	-	-	-	-
30.09.2012	720	720	1 024	1 024
Book value as at 31.12.2011	-	-	-	-
Book value as at 30.09.2012	-	-	-	-

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	11 500	776	1 520	13 796
Disposed	-	-	(1 172)	(1 172)
30.09.2012	266 607	383 952	84 016	734 575
Accrued depreciation				
31.12.2011	129 644	322 085	77 679	529 408
Calculated depreciation	9 832	18 542	2 915	31 289
Depreciation of excluded fixed assets	-	-	(1 172)	(1 172)
30.09.2012	139 476	340 627	79 422	559 525
Book value as at 31.12.2011	125 463	61 091	5 989	192 543
Book value as at 30.09.2012	127 131	43 325	4 594	175 050

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

As at 30 September 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	16 363	1 104	2 162	19 629
Disposed	-	-	(1 668)	(1 668)
30.09.2012	379 348	546 314	119 543	1 045 205
Accrued depreciation				
31.12.2011	184 468	458 285	110 527	753 280
Calculated depreciation	13 989	26 383	4 147	44 519
Depreciation of excluded fixed assets	-	-	(1 668)	(1 668)
30.09.2012	198 457	484 668	113 006	796 131
Book value as at 31.12.2011	178 517	86 925	8 522	273 964
Book value as at 30.09.2012	180 891	61 646	6 537	249 074

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

As at 30 September 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 30.09.2011	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 30.09.2012	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 30.09.2011	480	683
Book value as at 30.09.2011	480	683
Purchase value as at 30.09.2012	480	683
Book value as at 30.09.2012	480	683

(16) Ready-made products and goods for sale

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Bull semen	337 560	317 859	480 304	452 273
Other goods for sale	9 634	7 054	13 708	10 037
	347 194	324 913	494 012	462 310

(17) Trade receivables

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Accounting value of trade receivables	114 882	105 358	163 463	149 911
Provisions for doubtful trade receivables	(2 439)	(5 565)	3 471	(7 918)
	112 443	99 793	159 992	141 993

Notes to the Financial Statements

(18) Other receivables

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
VAT for received goods and services	834	926	1 186	1 318
Overpayment of taxes	2 358	-	3 355	-
Other receivables	1 049	876	1 494	1 246
	4 241	1 802	6 035	2 564

(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	47	277	67
Insurance	2 306	2 390	3 282	3 401
Press subscription	5	10	7	14
Other prepaid expenses	684	240	973	341
	3 190	2 687	4 539	3 823

(20) Other securities and shareholding in capitals

	Number	2012		Number	2011	
		Market price	Amount LVL		Market price	Amount LVL
SEB Lats reserve fund	15 044	1.44941	21 805	15 044	1.43863	21 643
			21 805			21 643

	Number	2012		Number	2011	
		Market price	Amount EUR		Market price	Amount EUR
SEB Lats reserve fund	15 044	2.06232	31 026	15 044	2.04699	30 795
			31 026			30 795

Money market fund shares have no guaranteed interest rate. In 2012 the profitability was 0.72 %. 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	-	4 657	-	6 911
Cash in bank	LVL	-	144 138	-	131 043
Cash in bank	EUR	745	524	1 447	1 017
			149 319		138 971

Break-down of cash according to currencies:

Break-down of cash according to currencies:	2012		2011		
	Currency	EUR	Currency	EUR	
Cash in hand	LVL	4 657	6 626	6 911	9 834
Cash in bank	LVL	144 138	205 090	131 043	186 457
Cash in bank	EUR	-	745	-	1 447
			212 461		197 738

(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	69 937	56 018	99 511	79 706
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	0.166	0.133	0.236	0.189

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 30.09.2012 LVL
Corporate income tax	(5 088)	7 286	(4 556)	(2 358)
Value added tax	5 031	89 182	(83 031)	11 182
Social insurance contributions	9 017	61 597	(64 047)	6 567
Personal income tax	5 382	35 860	(37 431)	3 811
Real estate tax	-	1 119	(1 119)	-
Nature resource tax	33	89	(86)	36
Business risk duty	9	80	(80)	9
	14 384	195 213	(190 350)	19 247

Including:	2011 LVL	2012 LVL
Tax overpaid	(5 088)	(2 358)
Tax due	19 472	21 605

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 30.09.2012 EUR
Corporate income tax	(7 240)	10 367	(6 482)	(3 355)
Value added tax	7 158	126 895	(118 142)	15 911
Social insurance contributions	12 830	87 644	(91 130)	9 344
Personal income tax	7 658	51 024	(53 260)	5 422
Real estate tax	-	1 593	(1 593)	-
Nature resource tax	47	127	(123)	51
Business risk duty	13	114	(114)	13
	20 466	277 764	(270 844)	27 386

Including:	2011 EUR	2012 EUR
Tax overpaid	(7 240)	(3 355)
Tax due	27 706	30 741
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	5 525	5 282	7 861	7 516
Board Members’ salaries for work, including state social insurance contributions	22 316	22 184	31 754	31 565
Total remuneration to management members	27 841	27 466	39 615	39 081

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 nine 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 “Siguldā ciltslīetu un mākslīgās apsēkļošanas stacija” assets, liabilities, financial condition and profit.

Interim Financial statement for nine 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*

28 November 2012