



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

**INTERIM STATEMENT  
for 9 months of 2014**

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

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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> <i>Oļegs Radčenko (5.18%)</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>Solvīta Arcimoviča, Member of the Council</i> <i>Jekaterina Kreise, Member of the Council</i>
Reporting year	<i>01.01.2014 – 30.09.2014</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 2014***

	Note	2014 EUR	2013 EUR
Net sales	3	875 193	820 184
Changes in stock of ready-made goods and unfinished products	4	37 355	20 472
Other operating income	5	6 673	5 140
Costs of materials:		(342 834)	(350 226)
a) raw materials and auxiliary costs of materials		(258 131)	(266 703)
b) other external costs		(84 703)	(83 523)
Personnel costs:	6	(347 286)	(322 085)
a) salaries for work		(275 926)	(253 670)
b) state social insurance compulsory contributions		(62 161)	(58 327)
c) other social insurance costs		(9 199)	(10 088)
Write-off of assets and values:		(33 934)	(36 202)
a) depreciation of fixed assets and amortization of intangible assets		(33 934)	(35 966)
b) write-off of value of current assets above the normal deductions		-	(236)
Other operating costs	7	(31 636)	(31 186)
Other interest income and similar income	8	2 989	3 320
Interest payments and similar costs	9	(4 232)	(3 453)
<b>Profit or losses before taxes</b>		<b>162 288</b>	<b>105 964</b>
Enterprise income tax for the reporting year		(11 544)	(11 761)
Other taxes	10	(1 635)	(1 612)
<b>The profit or loss for the year</b>		<b>149 109</b>	<b>92 591</b>
<b>Equity per 1 share (EPS)</b>	22	<b>0.353</b>	<b>0.219</b>

Notes on pages 9 to 20 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*

26 November 2014

## Balance sheet as at 30 September 2014

Assets	Note	2014 EUR	2013 EUR
<b>Long-term investments</b>			
<b>Fixed assets</b>			
Land parcels, buildings and constructions and perennial plantings		144 861	161 546
Equipment and machinery		59 757	67 178
Other fixed assets and inventory		11 681	9 505
<i>Fixed assets total</i>	12	<b>216 299</b>	<b>238 229</b>
<b>Investment properties</b>	13	<b>86 795</b>	<b>120 944</b>
<b>Biological assets</b>		<b>78 276</b>	<b>71 224</b>
<b>Long-term financial investments</b>			
Investments in capital of associated companies	14	83 954	83 954
Other securities and investments	15	683	683
<i>Long-term financial investments total</i>		<b>84 637</b>	<b>84 637</b>
<b>Long-term investments total</b>		<b>466 007</b>	<b>515 034</b>
<b>Current assets</b>			
<b>Stock</b>			
Raw materials, basic materials and auxiliary materials		21 763	18 990
Ready-made goods and goods for sale	16	544 602	499 022
Prepayments for goods		275	793
<i>Stock total</i>		<b>566 640</b>	<b>518 805</b>
<b>Receivables</b>			
Trade receivables	17	203 319	183 637
Other receivables	18	539	564
Prepaid expenses	19	4 081	4 497
<i>Receivables total</i>		<b>207 939</b>	<b>188 698</b>
<b>Short-term financial investments</b>			
Other securities and shareholding in capitals	20	31 148	31 110
<i>Short-term financial investments total</i>		<b>31 148</b>	<b>31 110</b>
<b>Cash</b>	21	<b>266 365</b>	<b>224 707</b>
<b>Current assets total</b>		<b>1 072 092</b>	<b>963 320</b>
<b>Assets total</b>		<b>1 538 099</b>	<b>1 478 354</b>

## ***Balance sheet as at 30 September 2014***

<b>Shareholders' equity and liabilities</b>	<b>Note</b>	<b>2014 EUR</b>	<b>2013 EUR</b>
<b>Shareholders' equity</b>			
Share capital	22	601 078	601 078
Retained earnings:			
Retained earnings carried forward from previous years		711 538	700 585
Retained earnings of the reporting year		149 109	92 591
<b>Shareholders' equity total</b>		<b>1 461 725</b>	<b>1 394 254</b>
<b>Provisions</b>			
Other provisions	23	6 926	8 176
<b>Provisions total</b>		<b>6 926</b>	<b>8 176</b>
<b>Payables</b>			
<b>Long-term payables</b>			
Deferred tax liabilities	24	4 550	4 353
<b>Long-term payables total</b>		<b>4 550</b>	<b>4 353</b>
<b>Short-term payables</b>			
Prepayment received from customers		492	193
Trade payables		15 073	29 074
Taxes and social insurance payments	25	36 558	30 920
Other payables		12 775	11 384
<b>Short-term payables total</b>		<b>64 898</b>	<b>71 571</b>
<b>Payables total</b>		<b>69 448</b>	<b>75 924</b>
<b>Shareholders' equity and liabilities total</b>		<b>1 538 099</b>	<b>1 478 354</b>

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26 November 2014

## Cash flow statement for the period ended 30 September 2014

	Note	2014 EUR	2013 EUR
<b>Cash flow from operating activities</b>			
Income from sale of goods and provision of services		1 000 891	921 750
Payments to suppliers, employees, other expenses arising from basic operations		(915 073)	(895 766)
<b>Gross cash flow from basic operations</b>		<b>85 818</b>	<b>25 984</b>
Expenses for enterprise income tax payments		(10 545)	(14 057)
<i>Net cash flow from operating activities</i>		<u>75 273</u>	<u>11 927</u>
<b>Cash flow from investing activities</b>			
Purchase of capital shares of associated company		-	(552)
Purchase of fixed assets and intangible investments		(21 889)	(31 514)
Dividends received		-	1 839
<i>Net cash flow from investing activities</i>		<u>(21 889)</u>	<u>(30 227)</u>
<b>Cash flow from financing activities</b>			
Subsidies received as a state support		6 673	5 140
Dividends paid		(59 142)	(60 108)
<i>Net cash flow from financing activities</i>		<u>(52 469)</u>	<u>(54 968)</u>
<b>Result of foreign exchange rate fluctuations</b>		<u>(454)</u>	<u>(390)</u>
<b>Increase/ decrease of cash and its equivalents</b>		<u>461</u>	<u>(73 658)</u>
<b>Cash and its equivalents at the beginning of the period</b>		<u>265 904</u>	<u>298 365</u>
<b>Cash and its equivalents at the end of the period</b>	21	<u>266 365</u>	<u>224 707</u>

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**Statement on changes in shareholders' equity for the period ending  
30 September 2014**

	Share capital	Retained earnings carried forward from previous years	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
<b>31.12.2012</b>	<b>601 078</b>	<b>678 906</b>	<b>81 787</b>	<b>1 361 771</b>
Profit for 2012 transferred to retained earnings of previous years	-	81 787	(81 787)	-
Dividends for 2012	-	(60 108)	-	(60 108)
Retained earnings for the reporting year	-	-	92 591	92 591
<b>30.09.2013</b>	<b>601 078</b>	<b>700 585</b>	<b>92 591</b>	<b>1 394 254</b>
<b>31.12.2013</b>	<b>601 078</b>	<b>700 585</b>	<b>70 095</b>	<b>1 371 758</b>
Profit for 2013 transferred to retained earnings of previous years	-	70 095	(70 095)	-
Dividends for 2013	-	(59 142)	-	(59 142)
Retained earnings for the reporting year	-	-	149 109	149 109
<b>30.09.2014</b>	<b>601 078</b>	<b>711 538</b>	<b>149 109</b>	<b>1 461 725</b>

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26 November 2014



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

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### **(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***

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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 9 months from 1 January to 30 September 2014.

### ***Revaluation of foreign currencies***

The Company's functional currency and the currency used in the Financial Statements is euro (EUR) – the sole legal mean of payment in the Republic of Latvia since January 1, 2014. All transactions in foreign currencies are converted into euro according to the euro foreign exchange reference rate published by the European Central Bank on the day of particular transaction being performed.

All showings of the year 2013 have been converted into euro according to the fixed foreign exchange rate for converting lats into euro (1 EUR = 0.702804 LVL) determined by the Council of the European Union.

Monetary assets and liabilities, which are shown in foreign currencies, are converted into euro according to the fixed euro foreign exchange reference rate published by the European Central Bank on the last day of the reporting period.

	<b>30.09.2014</b>	<b>30.09.2013</b>
USD	1.25830	1.34895

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***

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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	10, 20, 25, 40 and 59 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	2014 EUR	2013 EUR
Livestock sperm	469 972	438 560
Milk laboratory services	216 281	206 485
Treatment of supervisory data	88 009	78 681
Cow exterior appraisal	4 919	4 080
Artificial insemination of livestock	32 727	32 524
Other income	63 285	59 854
	<b>875 193</b>	<b>820 184</b>

Distribution of net sales according to the geographical markets:

	2014 EUR	2013 EUR
Latvia	875 193	820 184
	<b>875 193</b>	<b>820 184</b>

Earnings from agricultural activities represented in net sales:

	2014 EUR	2013 EUR
Earnings from agricultural activities	875 193	820 184
	<b>875 193</b>	<b>820 184</b>

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

	2014 EUR	2013 EUR
Changes in sperm stock value	30 305	18 354
Written-off sperm	-	(7 962)
Changes in stud bull herd value	7 050	10 080
	<b>37 355</b>	<b>20 472</b>

### (5) Other operating income

	2014 EUR	2013 EUR
State support for agricultural	6 673	5 140
	<b>6 673</b>	<b>5 140</b>

## Notes to the Financial Statements

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### (6) Personnel costs

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Salaries for work	266 368	243 370
Life insurance with cash value accrual	9 558	10 300
State social insurance contributions	62 161	58 327
Health insurance	7 562	7 427
Other costs	1 637	2 661
	<b>347 286</b>	<b>322 085</b>

### (7) Other operating expenses

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Insurance payments	1 469	1 333
Business trip expenses	2 900	2 274
Selling expenses	1 498	2 406
The costs of accreditation and employee training	1 261	2 599
The costs of security services	952	952
Taxes applied on the vehicles	1 239	997
Company's management and administrative expenses	15 368	15 278
Other costs	6 949	5 347
	<b>31 636</b>	<b>31 186</b>

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

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Income from shareholding in the company capitals	-	1 839
Income from securities	32	45
Recovered doubtful and bad debts	2 954	1 436
Other income	3	-
	<b>2 989</b>	<b>3 320</b>

## Notes to the Financial Statements

### (9) Interest payments and similar costs

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Losses from foreign currency exchange rate fluctuations	1 162	261
Employees' leisure and other costs not connected with operating activities	3 070	3 192
	<b>4 232</b>	<b>3 453</b>

### (10) Other taxes

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Real estate tax	1 635	1 612
	<b>1 635</b>	<b>1 612</b>

### (11) Intangible assets

	<b>Concessions, patents, licenses, trade marks and similar rights</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>
<b>Initial value</b>		
<b>31.12.2013</b>	<b>1 025</b>	<b>1 025</b>
Purchased	-	-
Disposed	-	-
<b>30.09.2014</b>	<b>1 025</b>	<b>1 025</b>
<b>Accrued depreciation</b>		
<b>31.12.2013</b>	<b>1 025</b>	<b>1 025</b>
Calculated depreciation	-	-
Depreciation of excluded investments	-	-
<b>30.09.2014</b>	<b>1 025</b>	<b>1 025</b>
<b>Book value as at 31.12.2013</b>	<b>-</b>	<b>-</b>
<b>Book value as at 30.09.2014</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
	EUR	EUR	EUR	EUR
<b>Initial value</b>				
<b>31.12.2013</b>	<b>378 017</b>	<b>479 524</b>	<b>122 811</b>	<b>980 352</b>
Purchased	-	16 409	5 480	21 889
Disposed	-	(33 529)	(1 577)	(35 106)
<b>30.09.2014</b>	<b>378 017</b>	<b>462 404</b>	<b>126 714</b>	<b>967 135</b>
<b>Accrued depreciation</b>				
<b>31.12.2013</b>	<b>221 249</b>	<b>418 303</b>	<b>112 456</b>	<b>752 008</b>
Calculated depreciation	11 907	17 873	4 154	33 934
Depreciation of excluded fixed assets	-	(33 529)	(1 577)	(35 106)
<b>30.09.2014</b>	<b>233 156</b>	<b>402 647</b>	<b>115 033</b>	<b>750 836</b>
<b>Book value as at 31.12.2013</b>	<b>156 768</b>	<b>61 221</b>	<b>10 355</b>	<b>228 344</b>
<b>Book value as at 30.09.2014</b>	<b>144 861</b>	<b>59 757</b>	<b>11 681</b>	<b>216 299</b>

As at 30 September 2013, the cadastral value of **real estate – land and constructions** - was EUR **157 893**

As at 30 September 2014, the cadastral value of **real estate – land and constructions** - was EUR **158 004**

### (13) Investment properties

	Land	Total
	EUR	EUR
<b>Book value as at 31.12.2012</b>	<b>120 944</b>	<b>120 944</b>
Increase/decrease of value due to revaluation	-	-
<b>Book value as at 30.09.2013</b>	<b>120 944</b>	<b>120 944</b>
<b>Book value as at 31.12.2013</b>	<b>86 795</b>	<b>86 795</b>
Increase/decrease of value due to revaluation	-	-
<b>Book value as at 30.09.2014</b>	<b>86 795</b>	<b>86 795</b>

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

	2014	2013
	% from total share capital	% from total share capital
	EUR	EUR
Ltd “Animal Breeders Association of Latvia” (SIA „Latvijas šķirnes dzīvnieku audzētāju savienība” ) Legal address: Republikas laukums 2, Rīga, LV-1010, Latvia	36.3	36.3
	83 954	83 954
	<b>83 954</b>	<b>83 954</b>



## Notes to the Financial Statements

### (15) Other securities and investments

	<b>EUR</b>
Purchase value as at 30.09.2013	683
<b>Book value as at 30.09.2013</b>	<b>683</b>
Purchase value as at 30.09.2014	683
<b>Book value as at 30.09.2014</b>	<b>683</b>

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

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Bull semen	534 614	486 055
Other goods for sale	9 988	12 967
	<b>544 602</b>	<b>499 022</b>

### (17) Trade receivables

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Accounting value of trade receivables	210 837	188 741
Provisions for doubtful trade receivables	(7 518)	(5 104)
	<b>203 319</b>	<b>183 637</b>

### (18) Other receivables

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
VAT for received goods and services	254	228
Other receivables	285	336
	<b>539</b>	<b>564</b>

### (19) Prepaid expenses

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

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Advertising costs	129	296
Insurance	3 236	3 163
Press and legislation updates' subscription	625	699
Other prepaid expenses	91	339
	<b>4 081</b>	<b>4 497</b>

## Notes to the Financial Statements

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

	2014			2013		
	Number	Market price	Amount EUR	Number	Market price	Amount EUR
SEB Euro reserve fund	15 044	2.07046	31 148	15 044	2.06787	31 110
			<u>31 148</u>			<u>31 110</u>

Money market fund shares have no guaranteed interest rate. In 2014 the profitability was 0.12 %. Exclusion of money market fund shares is carried out at the Company's request.

### (21) Cash in EUR and foreign currencies according to the European Central Bank's foreign exchange reference rates

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

	Currency	2014		2013	
		EUR	EUR	EUR	EUR
Cash in hand	LVL	-	-	5 802	8 255
Cash in hand	EUR	-	6 651	-	-
Cash in bank	LVL	-	-	151 952	216 208
Cash in bank	EUR	-	259 714	-	244
			<u>266 365</u>		<u>224 707</u>

### (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 (1.42 euro).

	2014 EUR	2013 EUR
Ordinary common shares with voting rights	599 655	599 655
Shares owned by the Board without voting rights	1 423	1 423
	<u>601 078</u>	<u>601 078</u>

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.

	2014 EUR	2013 EUR
Profit of the reporting period	149 109	92 591
Average weighted number of shares during the year	422 440	422 440
	<u>0.353</u>	<u>0.219</u>

## Notes to the Financial Statements

### (23) Other Provisions

	2014 EUR	2013 EUR
Provisions for vacations	6 926	8 176
	<b>6 926</b>	<b>8 176</b>

### (24) Provisions for deferred tax

	2014 EUR	2013 EUR
Temporary differences in fixed assets depreciation	37 263	37 195
Provisions for vacations	(6 926)	(8 176)
<b>Total temporary differences</b>	<b>30 337</b>	<b>29 019</b>
<b>Deferred tax provisions at the beginning of the period</b>	<b>4 550</b>	<b>4 353</b>
Increase or decrease	-	-
<b>Deferred tax provisions at the end of the period</b>	<b>4 550</b>	<b>4 353</b>

### (25) Taxes and social insurance payments

Tax type	Balance as at 31.12.2013 EUR	Calculated in 2014 EUR	Paid in 2014 EUR	Balance as at 30.09.2014 EUR
Corporate income tax	(999)	11 544	(10 545)	-
Value added tax	13 076	130 975	(123 713)	20 338
Social insurance contributions	-	89 825	(79 511)	10 314
Personal income tax	-	51 181	(45 335)	5 846
Real estate tax	-	1 635	(1 635)	-
Nature resource tax	28	154	(136)	46
Business risk duty	-	118	(104)	14
Tax for the exploitation of the vehicles	-	494	(494)	-
Tax applied on company owned motorcars	-	745	(745)	-
	<b>12 105</b>	<b>286 671</b>	<b>(262 218)</b>	<b>36 558</b>
<b>Including:</b>	<b>2013 EUR</b>			<b>2014 EUR</b>
Tax overpaid	(999)			-
Tax due	13 104			36 558
Tax overpaid declared in position “Other receivables”				

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

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

	<b>2014</b>	<b>2013</b>
Average number of persons employed during the reporting year	<u><b>36</b></u>	<u><b>35</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Council Members' salaries for work, including state social insurance contributions	7 481	7 858
Board Members' salaries for work, including state social insurance contributions	<u>33 921</u>	<u>27 814</u>
<b>Total remuneration to management members</b>	<u><b>41 402</b></u>	<u><b>35 672</b></u>

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 statement for nine months of 2014 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 apsēkļošanas stacija” assets, liabilities, financial condition and profit.

Interim statement for nine months of 2014 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*

26 November 2014