

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

**INTERIM STATEMENT**  
**for 3 months of 2010**

## ***Index of Contents***

---

	Page
Information on the Company	3
Profit or Loss Account	4
Balance sheet	5
Cash flow statement	7
Statement on changes in shareholders' equity	8
Notes to the Financial Statements	9
Report on Management Liability	22

## *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>„Kalnabēites”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>Solvīta Arcimoviča, Member of the Council</i> <i>Renia Beķere, Member of the Council</i>
Reporting year	<i>01.01.2010. – 31.03.2010.</i>
Auditors	<i>Anīta Sondore</i> <i>Sworn Auditor</i> <i>Certificate No. 129</i>  <i>AUDITS A.S., SIA</i> <i>„Pīlādži”, Līgatne parish,</i> <i>Līgatne area, LV-4108, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 27</i>

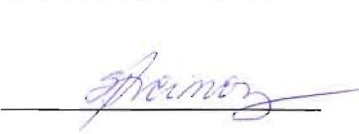
***Profit or loss account for the period ended 31 March 2010***

	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Net sales	3	156 950	168 702	223 319	240 041
Changes in stock of ready-made goods and unfinished products	4	16 420	62 209	23 364	88 516
Other operating income	5	7 093	3 522	10 093	5 012
Costs of materials:		(58 862)	(73 276)	(83 754)	(104 263)
a) raw materials and auxiliary costs of materials		(44 768)	(59 109)	(63 699)	(84 105)
b) other external costs		(14 094)	(14 167)	(20 055)	(20 158)
Personnel costs:	6	(79 531)	(82 486)	(113 162)	(117 367)
a) salaries for work		(61 161)	(63 534)	(87 024)	(90 401)
b) state social insurance compulsory contributions		(14 547)	(15 263)	(20 698)	(21 718)
c) other social insurance costs		(3 823)	(3 689)	(5 440)	(5 248)
Write-off of assets and values:		(17 545)	(17 772)	(24 964)	(25 287)
a) depreciation of fixed assets and amortization of intangible assets		(17 545)	(17 772)	(24 964)	(25 287)
Other operating costs	7	(10 352)	(11 517)	(14 729)	(16 388)
Other interest income and similar income	8	2 151	1 565	3 060	2 226
Interest payments and similar costs	9	(1 386)	(1 415)	(1 972)	(2 013)
<b>Profit or losses before taxes</b>		<b>14 938</b>	<b>49 532</b>	<b>21 255</b>	<b>70 477</b>
Enterprise income tax for the reporting year		(3 975)	(4 303)	(5 656)	(6 123)
Other taxes	10	(1 107)	(1 091)	(1 575)	(1 552)
<b>The profit or loss for the year</b>		<b>9 856</b>	<b>44 138</b>	<b>14 024</b>	<b>62 802</b>
<b>Equity per 1 share (EPS)</b>	21	<b>0.023</b>	<b>0.104</b>	<b>0.033</b>	<b>0.149</b>

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



Nils Ivars Feodorovs  
Chairman of the Board



Sarmīte Arcimoviča  
Member of the Board



Valda Mālniece  
Member of the Board

26 May 2010

## Balance sheet as at 31 March 2010

Assets	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>Long-term investments</b>					
<b>Intangible assets</b>					
Concessions, patents, licenses, trade marks and similar rights		-	17	-	23
<b>Intangible assets total</b>	11	-	17	-	23
<b>Fixed assets</b>					
Land parcels, buildings and constructions and perennial plantings		152 241	166 328	216 619	236 664
Equipment and machinery		52 501	94 880	74 703	135 003
Other fixed assets and inventory		15 222	14 327	21 659	20 385
Costs of up-building of fixed assets		468	-	665	-
<b>Fixed assets total</b>	12	220 432	275 535	313 646	392 052
<b>Investment properties</b>	13	120 000	16 245	170 745	23 114
<b>Biological assets</b>		40 729	50 118	57 952	71 312
<b>Long-term financial investments</b>					
Other securities and investments	14	3 480	3 480	4 952	4 952
<b>Long-term financial investments total</b>		3 480	3 480	4 952	4 952
<b>Long-term investments total</b>		384 641	345 395	547 295	491 453
<b>Current assets</b>					
<b>Stock</b>					
Raw materials, basic materials and auxiliary materials		10 439	14 649	14 854	20 843
Ready-made goods and goods for sale	15	311 171	316 200	442 756	449 912
Prepayments for goods		523	1 262	744	1 797
<b>Stock total</b>		322 133	332 111	458 354	472 552
<b>Receivables</b>					
Trade receivables	16	130 246	91 173	185 323	129 728
Other receivables	17	7 724	3 703	10 991	5 268
Prepaid expenses	18	40	50	56	71
<b>Receivables total</b>		138 010	94 926	196 370	135 067
<b>Short-term financial investments</b>					
Other securities and shareholding in capitals	19	21 371	5 111	30 408	7 272
<b>Short-term financial investments total</b>		21 371	5 111	30 408	7 272
<b>Cash</b>	20	137 537	161 644	195 698	229 998
<b>Current assets total</b>		619 051	593 792	880 830	844 889
<b>Assets total</b>		1 003 692	939 187	1 428 125	1 336 342

**Balance sheet as at 31 March 2010**

Shareholders' equity and liabilities	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>Shareholders' equity</b>					
Share capital	21	422 440	422 440	601 078	601 078
Retained earnings:					
Retained earnings carried forward from previous years		488 734	393 433	695 406	559 805
Retained earnings of the reporting year		9 856	44 138	14 024	62 802
<b>Shareholders' equity total</b>		<b>921 030</b>	<b>860 011</b>	<b>1 310 508</b>	<b>1 223 685</b>
<b>Payables</b>					
<b>Long-term payables</b>					
Deferred tax liabilities	22	5 712	9 961	8 127	14 174
<b>Long-term payables total</b>		<b>5 712</b>	<b>9 961</b>	<b>8 127</b>	<b>14 174</b>
<b>Short-term payables</b>					
Trade payables		24 951	11 053	35 502	15 727
Taxes and social insurance payments	23	19 305	23 401	27 469	33 297
Other payables		10 894	12 652	15 500	18 001
Accrued liabilities	24	21 800	22 109	31 019	31 458
<b>Short-term payables total</b>		<b>76 950</b>	<b>69 215</b>	<b>109 490</b>	<b>98 483</b>
<b>Payables total</b>		<b>82 662</b>	<b>79 176</b>	<b>117 617</b>	<b>112 657</b>
<b>Shareholders' equity and liabilities total</b>		<b>1 003 692</b>	<b>939 187</b>	<b>1 428 125</b>	<b>1 336 342</b>

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



Nils Ivars Feodorovs  
Chairman of the Board



Sarmīte Arcimoviča  
Member of the Board



Valda Mālniece  
Member of the Board

26 May 2010

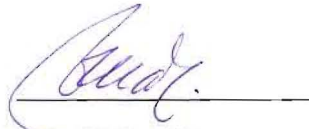
**Cash flow statement for the period ended 31 March 2010**

	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>Cash flow from operating activities</b>					
Income from sale of goods and provision of services		142 298	191 456	202 472	272 417
Payments to suppliers, employees, other expenses arising from basic operations		(171 890)	(197 727)	(244 578)	(281 340)
Other Company's basic income or expenses		8 476	4 878	12 060	6 941
<b>Gross cash flow from basic operations</b>		<b>(21 116)</b>	<b>(1 393)</b>	<b>(30 046)</b>	<b>(1 982)</b>
Expenses for tax payments		(5 082)	(5 394)	(7 231)	(7 675)
<b>Net cash flow from operating activities</b>		<b>(26 198)</b>	<b>(6 787)</b>	<b>(37 277)</b>	<b>(9 657)</b>
<b>Cash flow from investing activities</b>					
Purchase of fixed assets and intangible investments		(4 172)	(3 169)	(5 936)	(4 509)
<b>Net cash flow from investing activities</b>		<b>(4 172)</b>	<b>(3 169)</b>	<b>(5 936)</b>	<b>(4 509)</b>
<b>Cash flow from financing activities</b>					
Dividends paid		-	-	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Result of foreign exchange rate fluctuations</b>		<b>(209)</b>	<b>(125)</b>	<b>(297)</b>	<b>(178)</b>
<b>Increase/decrease of cash and its equivalents</b>		<b>(30 579)</b>	<b>(10 081)</b>	<b>(43 510)</b>	<b>(14 344)</b>
<b>Cash and its equivalents at the beginning of the period</b>		<b>168 116</b>	<b>171 725</b>	<b>239 208</b>	<b>244 342</b>
<b>Cash and its equivalents at the end of the period</b>	20	<b>137 537</b>	<b>161 644</b>	<b>195 698</b>	<b>229 998</b>

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

  
Nils Ivars Feodorovs  
Chairman of the Board

  
Sarmīte Arcimoviča  
Member of the Board

  
Valda Mālniece  
Member of the Board

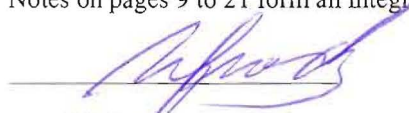
26 May 2010


**Statement on changes in shareholders' equity for the period ending  
31 March 2010**


	Share capital	Retained earnings	Retained earnings for the reporting year	Shareholders' equity total
	LVL	LVL	LVL	LVL
<b>31.12.2008</b>	<b>422 440</b>	<b>310 555</b>	<b>82 878</b>	<b>815 873</b>
Profit for 2008 transferred to retained earnings of previous years	-	82 878	(82 878)	-
Retained earnings for the reporting year	-	-	44 138	44 138
<b>31.03.2009</b>	<b>422 440</b>	<b>393 433</b>	<b>44 138</b>	<b>860 011</b>
<b>31.12.2009</b>	<b>422 440</b>	<b>359 638</b>	<b>129 096</b>	<b>911 174</b>
Profit for 2009 transferred to retained earnings of previous years	-	129 096	(129 096)	-
Retained earnings for the reporting year	-	-	9 856	9 856
<b>31.03.2010</b>	<b>422 440</b>	<b>488 734</b>	<b>9 856</b>	<b>921 030</b>

	Share capital	Retained earnings	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
<b>31.12.2008</b>	<b>601 078</b>	<b>441 880</b>	<b>117 925</b>	<b>1 160 883</b>
Profit for 2008 transferred to retained earnings of previous years	-	117 925	(117 925)	-
Retained earnings for the reporting year	-	-	62 802	62 802
<b>31.03.2009</b>	<b>601 078</b>	<b>559 805</b>	<b>62 802</b>	<b>1 223 685</b>
<b>31.12.2009</b>	<b>601 078</b>	<b>511 719</b>	<b>183 687</b>	<b>1 296 484</b>
Profit for 2009 transferred to retained earnings of previous years	-	183 687	(183 687)	-
Retained earnings for the reporting year	-	-	14 024	14 024
<b>31.03.2010</b>	<b>601 078</b>	<b>695 406</b>	<b>14 024</b>	<b>1 310 508</b>

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

  
Nils Ivars Feodorovs  
Chairman of the Board

  
Sarmīte Arcimoviča  
Member of the Board

  
Valda Mālniece  
Member of the Board

26 May 2010



## ***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,
- inspection of immune-genetic origin of cattle,
- milk recording data processing,
- animals breeding organization.

### **(2) Significant accounting principles**

#### ***Underlying principles of preparation of the Financial Statements***

The Company's Financial Statements have been prepared according to the Law *On Annual Reports* of the Republic of Latvia and the obligatory applicable Latvian Accounting Standards. 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 3 months from 1 January to 31 March 2010.

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

The Company's functional currency and the currency used in the Financial Statements is the Republic of Latvia national currency Lat (LVL). All transactions in foreign currencies are translated to Lats according to the exchange rate set by the Central Bank of Latvia on the day of making the respective transaction.

Monetary assets and liabilities, which are expressed in foreign currency, are translated to Lats to the exchange rate set by the Central Bank of Latvia on the last day of the reporting year.

	31.03.2010	31.03.2009
EUR	0.702804	0.702804

Currency exchange rate differences arising from settlements in currencies or when recognizing assets and liabilities using currency exchange rates, which differ from the initial currency exchange rates used for accounting of transactions, are recognized in the profit or loss account in net value.

### ***Recognition of income***

Income is recognized according to the conviction about the Company's possibility to gain economic benefit and in the amount, in which it is possible to state it, less value added tax and sales-related discounts. When recognizing income, also the following provisions are taken into account.

#### *Sale of goods*

Income is recognized when the Company has transferred to the purchaser major risks and indemnities related to the title of goods.

#### *Provision of services*

Income from services is recognized in the period when the services are provided.

#### *Penalty and delay charges*

Income from penalty and delay charges is recognized at the moment of their receipt.

#### *Interest*

Income is recognized according to the respective period of time.

### ***Long-term and short-term items***

Long-term items include amounts whose receipt, payments or write-off terms are due later after the end of the respective reporting year. Amounts, which are receivable, payable or written off during the year, are recognized in short-term items.

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

---

### ***Leasing transactions***

#### ***Financial leasing***

In cases when fixed assets are purchased on the conditions of financial leasing and the related risks and return are taken over, these fixed assets are recognized in the value, for which they could be purchased with immediate payment. Leasing interest payments and similar payments are included in the profit or loss account of that period when they occurred.

### ***Intangible assets and fixed assets***

In the balance sheet, all intangible assets and fixed assets are reflected at their purchase prices, less depreciation. Depreciation is calculated from the first date of the next month after their commissioning and finished on the first date of the subsequent month after it is excluded from fixed assets. Depreciation is calculated according to the straight line method and is written off during the useful life time of respective fixed assets by choosing the following annual depreciation rates as fixed by the management:

#### ***Intangible assets:***

Licenses	5 years
----------	---------

#### ***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	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Livestock sperm	75 933	82 031	108 043	116 720
Milk laboratory services	45 245	45 351	64 378	64 529
Treatment of supervisory data	16 790	13 156	23 890	18 719
Inspection of cows	4 838	6 187	6 884	8 803
Artificial insemination of livestock	4 459	4 700	6 344	6 687
Immune-genetic laboratory services	2 916	1 781	4 149	2 534
Other income	6 769	15 496	9 631	22 049
	<b>156 950</b>	<b>168 702</b>	<b>223 319</b>	<b>240 041</b>

Distribution of net sales according to the geographical markets:

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Latvia	156 950	168 207	223 319	239 337
Estonia	-	495	-	704
	<b>156 950</b>	<b>168 702</b>	<b>223 319</b>	<b>240 041</b>

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

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Changes in sperm stock value	16 420	54 795	23 364	77 966
Written-off sperm	-	-	-	-
Changes in stud bull herd value	-	7 414	-	10 550
	<b>16 420</b>	<b>62 209</b>	<b>23 364</b>	<b>88 516</b>

### (5) Other operating income

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
State support for agricultural	7 093	3 522	10 093	5 012
	<b>7 093</b>	<b>3 522</b>	<b>10 093</b>	<b>5 012</b>

## Notes to the Financial Statements

### (6) Personnel costs

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Salaries for work	61 161	63 534	87 024	90 401
State social insurance contributions	14 547	15 263	20 698	21 718
Health insurance	3 351	2 400	4 768	3 414
Other costs	472	1 289	672	1 834
	<b>79 531</b>	<b>82 486</b>	<b>113 162</b>	<b>117 367</b>

### (7) Other operating expenses

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Insurance payments	519	1 018	739	1 448
Business trip expenses	310	347	441	494
Selling expenses	1 147	1 830	1 633	2 604
Company's management and administrative expenses	6 550	6 424	9 319	9 141
Audit of the financial statement	-	70	-	100
Other costs	1 826	1 828	2 597	2 601
	<b>10 352</b>	<b>11 517</b>	<b>14 729</b>	<b>16 388</b>

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

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Income from securities	271	85	385	120
Interest income	1 383	1 356	1 968	1 930
Contractual penalties from clients	-	124	-	176
Recovered doubtful and bad debts	497	-	707	-
	<b>2 151</b>	<b>1 565</b>	<b>3 060</b>	<b>2 226</b>

## Notes to the Financial Statements

### (9) Interest payments and similar costs

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Losses from foreign currency exchange rate fluctuations	725	885	1 032	1 259
Employees' leisure and other costs not connected with operating activities	661	530	940	754
	<b>1 386</b>	<b>1 415</b>	<b>1 972</b>	<b>2 013</b>

### (10) Other taxes

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Real estate tax	1 107	1 091	1 575	1 552
	<b>1 107</b>	<b>1 091</b>	<b>1 575</b>	<b>1 552</b>

### (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
<b>Initial value</b>				
31.12.2009	720	720	1 024	1 024
Purchased	-	-	-	-
Disposed	-	-	-	-
31.03.2010	720	720	1 024	1 024
<b>Accrued depreciation</b>				
31.12.2009	718	718	1 022	1 022
Calculated depreciation	2	2	2	2
Depreciation of excluded investments	-	-	-	-
31.03.2010	720	720	1 024	1 024
<b>Book value as at 31.12.2009</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Book value as at 31.03.2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### (12) Report on movement of fixed assets

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Costs of up-building of fixed assets	Total
	LVL	LVL	LVL	LVL	LVL
<b>Initial value</b>					
<b>31.12.2009</b>	<b>255 107</b>	<b>357 311</b>	<b>85 951</b>	-	<b>698 369</b>
Purchased	-	2 498	1 674	468	4 640
Disposed	-	-	(1 211)	-	(1 211)
<b>31.03.2010</b>	<b>255 107</b>	<b>359 809</b>	<b>86 414</b>	<b>468</b>	<b>701 798</b>
<b>Accrued depreciation</b>					
<b>31.12.2009</b>	<b>99 340</b>	<b>295 252</b>	<b>70 442</b>	-	<b>465 034</b>
Calculated depreciation	3 526	12 056	1 961	-	17 543
Depreciation of excluded fixed assets	-	-	(1 211)	-	(1 211)
<b>31.03.2010</b>	<b>102 866</b>	<b>307 308</b>	<b>71 192</b>	-	<b>481 366</b>
<b>Book value as at 31.12.2009</b>	<b>155 767</b>	<b>62 059</b>	<b>15 509</b>	-	<b>233 335</b>
<b>Book value as at 31.03.2010</b>	<b>152 241</b>	<b>52 501</b>	<b>15 222</b>	<b>468</b>	<b>220 432</b>

As at 31 March 2009, the cadastral value of real estate – land and constructions - was LVL 230 216

As at 31 March 2010, the cadastral value of real estate – land and constructions - was LVL 113 994

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Costs of up-building of fixed assets	Total
	EUR	EUR	EUR	EUR	EUR
<b>Initial value</b>					
<b>31.12.2009</b>	<b>362 985</b>	<b>508 408</b>	<b>122 297</b>	-	<b>993 690</b>
Purchased	-	3 554	2 382	665	6 601
Disposed	-	-	(1 723)	-	(1 723)
<b>31.03.2010</b>	<b>362 985</b>	<b>511 962</b>	<b>122 956</b>	<b>665</b>	<b>998 568</b>
<b>Accrued depreciation</b>					
<b>31.12.2009</b>	<b>141 348</b>	<b>420 106</b>	<b>100 230</b>	-	<b>661 684</b>
Calculated depreciation	5 018	17 153	2 790	-	24 961
Depreciation of excluded fixed assets	-	-	(1 723)	-	(1 723)
<b>31.03.2010</b>	<b>146 366</b>	<b>437 259</b>	<b>101 297</b>	-	<b>684 922</b>
<b>Book value as at 31.12.2009</b>	<b>221 637</b>	<b>88 302</b>	<b>22 067</b>	-	<b>332 006</b>
<b>Book value as at 31.03.2010</b>	<b>216 619</b>	<b>74 703</b>	<b>21 659</b>	<b>665</b>	<b>313 646</b>

As at 31 March 2009, the cadastral value of real estate – land and constructions - was EUR 327 568

As at 31 March 2010, the cadastral value of real estate – land and constructions - was EUR 162 199



## Notes to the Financial Statements

### (13) Investment properties

	Land	Total	Land	Total
	LVL	LVL	EUR	EUR
Book value as at 31.12.2008	16 245	16 245	23 114	23 114
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 31.03.2009	16 245	16 245	23 114	23 114
Book value as at 31.12.2009	120 000	120 000	170 745	170 745
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 31.03.2010	120 000	120 000	170 745	170 745

### (14) Other securities and investments

	LVL	EUR
Purchase value as at 31.03.2009	3 480	4 952
Book value as at 31.03.2009	3 480	4 952
Purchase value as at 31.03.2010	3 480	4 952
Book value as at 31.03.2010	3 480	4 952

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

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Bull semen	306 469	303 131	436 066	431 317
Other goods for sale	4 702	13 069	6 690	18 595
	311 171	316 200	442 756	449 912

### (16) Trade receivables

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Accounting value of trade receivables	133 724	91 194	190 272	129 758
Provisions for doubtful trade receivables	(3 478)	(21)	(4 949)	(30)
	130 246	91 173	185 323	129 728

### (17) Other receivables

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
VAT for received goods and services	824	707	1 173	1 006
Overpayment of taxes	6 690	2 826	9 519	4 021
Other receivables	210	170	299	241
	7 724	3 703	10 991	5 268

## Notes to the Financial Statements

### (18) Prepaid expenses

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

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Insurance	40	45	56	63
Press subscription	-	5	-	8
	<u>40</u>	<u>50</u>	<u>56</u>	<u>71</u>

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

	Number	2010		Number	2009	
		Market price	Amount LVL		Market price	Amount LVL
SEB Lats reserve fund	15 044	1.42055	21 371	3 885	1.31548	5 111
			<u>21 371</u>			<u>5 111</u>

	Number	2010		Number	2009	
		Market price	Amount EUR		Market price	Amount EUR
SEB Lats reserve fund	15 044	2.02126	30 408	3 885	1.87176	7 272
			<u>30 408</u>			<u>7 272</u>

Money market fund shares have no guaranteed interest rate. In 2010, the profitability was about 5.22 %. Exclusion of money market fund shares is carried out at the Company's request.

### (20) Cash in LVL and foreign currencies according to the LCB exchange rate

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

	Currency	2010		Currency	2009	
		LVL	LVL		LVL	LVL
Cash in hand	LVL	-	4 651	-	7 312	
Cash in bank	LVL	-	96 094	-	138 142	
Cash in bank	EUR	52 351	36 792	23 036	16 190	
			<u>137 537</u>		<u>161 644</u>	

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

	Currency	2010		Currency	2009	
		EUR	EUR		EUR	EUR
Cash in hand	LVL	4 651	6 618	7 312	10 404	
Cash in bank	LVL	96 094	136 729	138 142	196 558	
Cash in bank	EUR	-	52 351	-	23 036	
			<u>195 698</u>		<u>229 998</u>	

## Notes to the Financial Statements

### (21) 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.

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Ordinary common shares with voting rights	421 440	421 440	599 655	599 655
Shares owned by the Board without voting rights	1 000	1 000	1 423	1 423
	<b>422 440</b>	<b>422 440</b>	<b>601 078</b>	<b>601 078</b>

421440 shares or 99.8% of the share capital are ordinary common shares with voting rights, 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 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.

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Profit of the reporting period	9 856	44 138	14 024	62 802
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	<b>0.023</b>	<b>0.104</b>	<b>0.033</b>	<b>0.149</b>

### (22) Provisions for deferred tax

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Temporary differences in fixed assets depreciation	59 881	88 518	85 203	125 950
Provisions for vacations	(21 800)	(22 109)	(31 019)	(31 458)
<b>Total temporary differences</b>	<b>38 081</b>	<b>66 409</b>	<b>54 184</b>	<b>94 492</b>
<b>Deferred tax provisions at the beginning of the period</b>	<b>9 961</b>	<b>13 067</b>	<b>14 174</b>	<b>18 593</b>
Increase or decrease	(4 249)	(3 106)	(6 047)	(4 419)
<b>Deferred tax provisions at the end of the period</b>	<b>5 712</b>	<b>9 961</b>	<b>8 127</b>	<b>14 174</b>

## Notes to the Financial Statements

### (23) Taxes and social insurance payments

Tax type	Balance as at 31.12.2009 LVL	Calculated in 2010 LVL	Paid in 2010 LVL	Balance as at 31.03.2010 LVL
Corporate income tax	(6 690)	3 975	(3 975)	(6 690)
Value added tax	5 251	20 880	(18 247)	7 884
Social insurance contributions	6 553	19 982	(19 622)	6 913
Personal income tax	3 673	12 863	(12 060)	4 476
Real estate tax	-	1 107	(1 107)	-
Nature resource tax	18	21	(18)	21
Business risk duty	10	32	(31)	11
	<b>8 815</b>	<b>58 860</b>	<b>(55 060)</b>	<b>12 615</b>

Including:	2009 LVL	2010 LVL
Tax overpaid	(6 690)	(6 690)
Tax due	15 505	19 305

Tax type	Balance as at 31.12.2009 EUR	Calculated in 2010 EUR	Paid in 2010 EUR	Balance as at 31.03.2010 EUR
Corporate income tax	(9 519)	5 656	(5 656)	(9 519)
Value added tax	7 472	29 709	(25 963)	11 218
Social insurance contributions	9 324	28 432	(27 920)	9 836
Personal income tax	5 226	18 303	(17 160)	6 369
Real estate tax	-	1 575	(1 575)	-
Nature resource tax	26	30	(26)	30
Business risk duty	14	46	(44)	16
	<b>12 543</b>	<b>83 751</b>	<b>(78 344)</b>	<b>17 950</b>

Including:	2009 EUR	2010 EUR
Tax overpaid	(9 519)	(9 519)
Tax due	22 062	27 469

### (24) Accrued liabilities

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Vacation reserve	21 800	22 109	31 019	31 458
	<b>21 800</b>	<b>22 109</b>	<b>31 019</b>	<b>31 458</b>

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

---

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

	<u>2010</u>	<u>2009</u>
Average number of persons employed during the reporting year	<u>42</u>	<u>42</u>

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

	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>	<b>EUR</b>	<b>EUR</b>
Council Members' salaries for work, including state social insurance contributions	1 647	1 675	2 344	2 383
Board Members' salaries for work, including state social insurance contributions	7 036	6 879	10 011	9 788
<b>Total remuneration to management members</b>	<b><u>8 683</u></b>	<b><u>8 554</u></b>	<b><u>12 355</u></b>	<b><u>12 171</u></b>

There are no special regulations worked out, which would regulate election of Board Members, changes in the composition of the Board and amending of the Articles of Association.

All Board Members have equal Company's representation rights. The Chairman of the Board represents the Company separately, but other Board Members can represent the Company only both together.

There is no agreement signed between the Company and the Board Members, which provides any compensations.

## ***Report on Management Liability***

---

According to the information being at our disposal, the Financial Statement for three months of the 2010 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 apseĶlošanas stacija” assets, liabilities, financial condition and profit.

Interim statements for 3 months of 2010 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 in  
branch of Laboratory*



---

Valda Māniece

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

26 May 2010