

Akciju sabiedrība

**“SIGULDAS CILTS LIETU UN  
MĀKSLĪGĀS APSĒKLOŠANAS STACIJA”**

Reg. No. 40003013295

**FINANCIAL REPORT  
31 December 2006  
for the 12 months of 2006**

**Rīga district Sigulda village**

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## MANAGEMENT REPORT

### FINANCIAL DEVELOPMENT

The profit before taxes for the year 2006 was LVL 152064 (EUR 216368) showing a decrease of LVL 6650 (EUR 9462) in comparison to the previous years profit of LVL 158714 (EUR 225830).

The net turnover of cattle semen produce sales has risen by 11.9% points in reporting year against year 2005 while the net turnover of cattle monitoring program providing services has decreased by 14.3% points which caused the decrease of profit.

The commercial profitability has increased by 1.2% points from 19.3% in year 2005 to 20.5% in 2006.

### INVESTMENTS

The total amount of the long-term investments in the year 2006 was LVL 98006 (EUR 139449) consisting of:

- 1) LVL 48977 (EUR 69688) - renovation of Milk Quality Control Laboratories 3<sup>rd</sup> floor;
- 2) LVL 27807 (EUR 39565) - other fixed assets;
- 3) LVL 21222 (EUR 30196) - biological assets - breeding bulls.

### EVENTS AFTER THE DATE OF BALANCE

From the time when the balance is dated up to the date when the financial report is approved for publishing no significant events that could have had an effect on the estimations of the annual report have taken place.

### DEVELOPMENT ACTIVITIES OF THE COMPANY

In year 2007:

- 1) Company will continue to carry out and to implement overall quality ensuring system in accordance with the requirements of ISO 9001 Standards;
- 2) Company will keep on applying for the state subsidies to cover part of the costs of keeping high-quality breeding bulls and the expenses for purchasing these bulls from abroad.
- 3) Company will extend the range of services provided by the testing laboratory.

### PROPOSAL FOR THE DIPOSE OF PROFIT

The board proposes to pay out the profit of the reporting year LVL 42244.00 (EUR 60107.80) in dividends LVL 0.10 (EUR 0.14) per share.

Chairman of the board: Nils Ivars Feodorovs

Members of the board: Māra Buka

Valda Mālniece

**FINANCIAL REPORT**  
**BALANCE SHEET on 31 December 2006**

ASSETS	Annex No	31.12. 2006. LVL	31.12. 2005. LVL	31.12. 2006. EUR	31.12. 2005. EUR
<b>1. Long-term investments</b>					
I Intangible assets:					
1. Concessions, patents, licences and similar rights		62	93	88	132
I Total		62	93	88	132
II Fixed assets:					
1. Land, buildings, perennial plantations		201378	173578	286535	246979
2. Non-current investments in leasehold improvements		128322	152708	182586	217284
3. Equipment and machinery		10505	15560	14947	22140
4. Other fixtures, fittings and equipment		21684	17003	30853	24193
5. Costs of up-building of fixed assets and unfinished buildings		35	218	50	310
6. Advance payment for fixed assets		17946	342	25535	487
II Total		379870	359409	540506	511393
III Biological assets		54744	52925	77894	75306
IV Non-current financial investments					
1. Other securities and investments		3480	3480	4952	4952
IV Total		3480	3480	4952	4952
<b>Total of paragraph 1</b>		<b>438156</b>	<b>415907</b>	<b>623440</b>	<b>591783</b>
<b>2. Current assets</b>					
I Inventories:					
1. Raw materials and auxiliary materials		10116	14156	14394	20142
2. Finished goods and goods for sale		255520	226369	363572	322094
3. Prepayments for goods		311	-	443	-
I Total		265947	240525	378409	342236
II Receivables:					
1. Trade receivables	1.	50508	59041	71866	84008
2. Other receivables	2.	3724	4027	5299	5730
3. Prepaid expense		2320	3965	3301	5641
II Total		56552	67033	80466	95379
III Cash		132232	103339	188149	147038
<b>Total of paragraph 2</b>		<b>454731</b>	<b>410897</b>	<b>647024</b>	<b>584653</b>
<b>BALANCE</b>		<b>892887</b>	<b>826804</b>	<b>1270464</b>	<b>1176436</b>

EQUITY AND LIABILITIES	Annex No	31.12. 2006. LVL	31.12. 2005. LVL	31.12. 2006. EUR	31.12. 2005. EUR
<b>1. Capital and Reserves</b>					
1. Share capital		422440	422440	601078	601078
2. Retained earnings:					
a) brought forward		187735	71424	267123	101627
b) for the period		133237	145881	189579	207570
<b>Total of paragraph 1</b>		<b>743412</b>	<b>639745</b>	<b>1057780</b>	<b>910275</b>
<b>2. Provisions</b>					
1. Other provisions		10913	4505	15528	6410
<b>Total of paragraph 2</b>		<b>10913</b>	<b>4505</b>	<b>15528</b>	<b>6410</b>
<b>3. Liabilities</b>					
I Long-term liabilities:					
1. Other liabilities	3.	24237	72312	34486	102891
I Total		24237	72312	34486	102891
II Current liabilities:					
1. Other liabilities	4.	52476	47888	74667	68139
2. Trade payables		28604	26434	40700	37612
3. Taxes payable		22976	29222	32692	41579
4. Other liabilities	5.	10269	6698	14611	9530
II Total		114325	110242	162670	156860
<b>Total of paragraph 3</b>		<b>138562</b>	<b>182554</b>	<b>197156</b>	<b>259751</b>
<b>BALANCE</b>		<b>892887</b>	<b>826804</b>	<b>1270464</b>	<b>1176436</b>

**PROFIT OR LOSS ACCOUNT**  
(according to the method of period costs)

No.	Indication	Annex No	For the year 2006 LVL	For the year 2005 LVL	For the year 2006 EUR	For the year 2005 EUR
1.	Net turnover	6.	<b>740055</b>	<b>821738</b>	<b>1053003</b>	<b>1169228</b>
2.	Inventory changes of finished goods and unfinished production	7.	<b>19634</b>	<b>3557</b>	<b>27937</b>	<b>5061</b>
3.	Other revenues from economic activity	8.	<b>64283</b>	<b>32476</b>	<b>91467</b>	<b>46209</b>
4.	Material costs		<b>(301485)</b>	<b>(403136)</b>	<b>(428974)</b>	<b>(573611)</b>
	a) raw material and auxiliary material costs		(241835)	(205115)	(344100)	(291852)
	b) other costs		(59650)	(198021)	(84874)	(281759)
5.	Staff costs		<b>(233342)</b>	<b>(210412)</b>	<b>(332016)</b>	<b>(299389)</b>
	a) wages and salaries	9.	(188480)	(169742)	(268183)	(241521)
	b) social insurance payments		(44174)	(40054)	(62854)	(56992)
	c) other social security expense		(688)	(616)	(979)	(876)
6.	Value and asset write-off		<b>(75680)</b>	<b>(33899)</b>	<b>(107683)</b>	<b>(48234)</b>
	a) depreciation write-off of fixed assets		(63021)	(29370)	(89671)	(41790)
	b) residual value of excluded tangible fixed assets		(10755)	-	(15303)	-
	c) write-off of current assets		(1904)	(4529)	(2709)	(6444)
7.	Other expense of economic activity		<b>(45337)</b>	<b>(38236)</b>	<b>(64509)</b>	<b>(54405)</b>
8.	Other interest receivable and similar income	10.	<b>2631</b>	<b>1891</b>	<b>3744</b>	<b>2691</b>
9.	Other taxes	11.	<b>(18695)</b>	<b>(15265)</b>	<b>(26601)</b>	<b>(21720)</b>
10.	Profit/Loss before taxes		<b>152064</b>	<b>158714</b>	<b>216368</b>	<b>225830</b>
11.	Corporate income tax of the reporting period		<b>(18468)</b>	<b>(12357)</b>	<b>(26278)</b>	<b>(17583)</b>
12.	Other taxes	12.	<b>(359)</b>	<b>(476)</b>	<b>(511)</b>	<b>(677)</b>
13.	Profit/Loss of the reporting period		<b>133237</b>	<b>145881</b>	<b>189579</b>	<b>207570</b>
14.	Earnings per share (EPS)		0.315	0.345	0.449	0.491

## STATEMENT OF EQUITY CHANGES

Indication	Share capital LVL	Retained earnings LVL	Total LVL	Share capital EUR	Retained earnings EUR	Total EUR
<b>Balance at 31 December 2004</b>	<b>422440</b>	<b>92546</b>	<b>514986</b>	<b>601078</b>	<b>131681</b>	<b>732759</b>
Dividends calculated for the year 2004	-	(21122)	(21122)	-	(30054)	(30054)
Earning of the reporting year 2005	-	145881	145881	-	207570	207570
<b>Balance at 31 December 2005</b>	<b>422440</b>	<b>217305</b>	<b>639745</b>	<b>601078</b>	<b>309197</b>	<b>910275</b>
Dividends calculated for the year 2005	-	(29570)	(29570)	-	(42074)	(42074)
Earning of the reporting year 2006	-	133237	133237	-	189579	189579
<b>Balance at 31 December 2006</b>	<b>422440</b>	<b>320972</b>	<b>743412</b>	<b>601078</b>	<b>456702</b>	<b>1057780</b>

**CASH FLOW STATEMENT**  
( by direct method)

No.	Income and expense positions	For the year 2006 LVL	For the year 2005 LVL	For the year 2006 EUR	For the year 2005 EUR
<b>I</b>	<b>Cash flow of basic activity</b>				
1.	Taxable sales revenue	881614	944162	1254424	1343421
2.	Payments to suppliers, staff and other basic activity expense	(759102)	(782422)	(1080105)	(1113286)
3.	Other revenue from the basic economic activity of a company	33183	32193	47215	45807
4.	Net cash flow of basic economic activity	<b>155695</b>	<b>193933</b>	<b>221534</b>	<b>275942</b>
<b>II</b>	<b>Cash flow of investment</b>				
1.	Purchase of tangible fixed and intangible fixed assets	(66949)	(78032)	(95260)	(111030)
2.	Proceeds from disposal of fixed assets	31958	170	45472	242
3.	Dividends received	440	-	626	-
4.	Net cash flow of investment	<b>-34551</b>	<b>-77862</b>	<b>-49162</b>	<b>-110788</b>
<b>III</b>	<b>Cash flow of financing</b>				
1.	Buying out leasehold	(63323)	(70539)	(90101)	(100368)
2.	Dividends paid	(29570)	(21122)	(42074)	(30054)
3.	Net cash flow of financing	<b>-92893</b>	<b>-91661</b>	<b>-132175</b>	<b>-130422</b>
<b>IV</b>	<b>Result from foreign currency fluctuation</b>	<b>642</b>	<b>872</b>	<b>914</b>	<b>1241</b>
<b>V</b>	<b>Net increase/decrease of cash</b>	<b>+28893</b>	<b>+25282</b>	<b>+41111</b>	<b>+35973</b>
<b>VI</b>	<b>Cash balance at the beginning of reporting year</b>	<b>103339</b>	<b>78057</b>	<b>147038</b>	<b>111065</b>
<b>VII</b>	<b>Cash balance at the end of reporting period</b>	<b>132232</b>	<b>103339</b>	<b>188149</b>	<b>147038</b>



## **ANNEX**

### **ACCOUNTING POLICY**

#### **I General Principles**

The financial report has been prepared according to law "On the Annual Accounts of Undertaking", "Latvian Accountancy Standards" and other normative documents.

Profit or loss account has been prepared according to scheme of vertical outline and classification by method of period costs.

Cash flow statement has been prepared according to direct method.

The applied accounting and appreciation methods are the same that had been used in the preceding reporting year.

#### **II Earning recognition and net turnover**

Net turnover is the total value of finished production and goods for sale as well as services provided without discounts and VAT during the year.

Other earnings are recognised at the moment of their origin or at the moment when legal rights on such earnings arise.

Other earnings are earnings from exclusion of fixed assets and state subsidies received.

Other interest receivable and similar income is income that is not directly from the economic activity.

#### **III Long-term investments**

Non-current investments have been appreciated according to their acquisition cost.

The cadastre value of the land in Riga district, Sigulda village, "Kalnabeites" 8, 8.78111 ha has been assessed at LVL 2140 (EUR 3045).

Biological assets - breeding animals (bulls) kept to produce agricultural produce for sale.

The write-off of the value of such non-current intangible assets as software is done on a straight-line basis annually for equal amount.

The stated depreciation of fixed intangible assets is calculated on a straight-line basis using the norms of amortisation defined by the stock company.

The norms of amortisation of specific investment categories are following:

Technological equipment and machinery	5; 6 and 7 years
Other fixtures and fittings	2 and 3 years
Economical equipment	3 and 5 years
Computing and similar devices	5 years

Equipment of value below LVL 50.00 (EUR 71) has been included in fixed assets with the amortisation norm – 1 year.

#### **IV Redeeming leasehold**

Such fixed assets as vehicles and technological equipment that have been purchased on financial lease involving the take-over of the related risks, have been booked according to their non-lease sales price. Lease interest and similar payments have been included in the profit or loss account of the year they have come into existence.

#### **V Receivables**

Balances of receivables stated in the balance sheet are at their net values, taken away the value of provisions for doubtful trade receivables.

The provisions are to be established for the debts that are recognised as doubtful and the evaluation of which has been done individually, and analysing the repayment of debts in the preceding years. At the end of the accounting year the non-collectable receivables are written off from the formerly established provisions, when their recovery is deemed impossible, but still carrying on their account in off-balance accounting till the due date overtime of liabilities or recovery of repayment.

All receivable amounts stated in the balance sheet are to be received in the coming year after the date of balance sheet.

## **VI Inventory**

The valuation of inventories in financial accountancy is being done using continuous inventory method. The inventories have been evaluated at their purchase or production cost price using weighted average price method.

There are planned losses of breeding bull semen due to impairment factor, genetic ageing or bacterial pollution, due to actual evaluation of individual animal, as well as taking into account the existing stores of semen, increase of qualitative productivity indicators and number of cows in country.

Decreased value of inventories is written-off as period costs of the reporting year.

## **VII Provisions**

Provisions for the liabilities have been made to cover the expenses of non-used holidays. These provisions for such liabilities have been represented according to their estimated value - as provisions for they are prospective by nature and they refer to the reporting year as well as to the previous years while the date of payment of such liabilities is not known at the time of reporting.

## **VIII Corporate income tax**

The corporate income tax for the reporting year has been calculated complying the legislative requirements of the Republic of Latvia. The applied tax rate for the corporate income tax in the year 2006 is 15%.

## **IX Convert of foreign currency into lats**

The measure of value and currency used in the annual report is lats - official currency of the Republic of Latvia.

All monetary positions of assets, equities and liabilities have been converted into lats according to the currency exchange rate by Bank of Latvia on the last day of accounting period – 31.12.2006.

	31.12.2006.	31.12.2005.
1 EUR	0.702804	0.702804

The profit or loss from the fluctuations on foreign exchange rates is shown in the Profit or loss account of the particular reporting period.

For the informative purpose the, above stated positions have been converted to EUR according to the exchange rate of Bank of Latvia on 31.12.2006.

## **X Cash and its equivalents**

As from the Cash flow statement the cash and its equivalents is cash in the booking - office and the balances in the current accounts.

## **XI Subsidies**

Direct payments from budget as a financial assistance in a form of subsidies allocated to cover the costs of keeping high-quality bull breeds and similar expense have been included in the earnings of the period this assistance has been received.

## INFORMATION FOR THE BALANCE SHEET ON 31 DECEMBER 2006

		31.12.06. LVL	31.12.05. LVL	31.12.06. EUR	31.12.05. EUR
<b>1.</b>	<b>Trade receivables</b>				
	1.1. Account value of trade receivables	50580	59130	71969	84134
	1.2. Provisions for doubtful trade receivables	(72)	(89)	(103)	(126)
	Book value	<b>50508</b>	<b>59041</b>	<b>71866</b>	<b>84008</b>
<b>2.</b>	<b>Other receivables</b>				
	2.1. VAT for goods and services received	3118	3041	4436	4327
	2.2. Payments for amounts paid in advance	-	10	-	14
	2.3. Payments from other debtors	600	974	854	1386
	2.4. Payments to budget for real estate tax	6	2	9	3
	Total	<b>3724</b>	<b>4027</b>	<b>5299</b>	<b>5730</b>
<b>3.</b>	<b>Long-term liabilities</b>				
	3.1. Ltd."Unilīzings" contact on financial leasing, due date 15.07.2008.	1154	3038	1642	4323
	3.2. Ltd."Unilīzings" contact on financial leasing, due date 15.06.2008.	21976	63647	31269	90562
	3.3. Ltd."Unilīzings" contact on financial leasing, due date 25.02.2008.	757	5102	1077	7259
	3.4. Ltd."Unilīzings" contact on financial leasing, due date 25.01.2008.	350	-	498	-
	3.5. Ltd."Unilīzings" contact on financial leasing, due date 15.02.2007.	-	525	-	747
	Total	<b>24237</b>	<b>72312</b>	<b>34486</b>	<b>102891</b>
<b>4.</b>	<b>Current liabilities</b>				
	4.1. Ltd."Unilīzings" contact on financial leasing, due date 15.07.2008.	1884	1771	2681	2520
	4.2. Ltd."Unilīzings" contact on financial leasing, due date 15.06.2008.	41671	39086	59293	55614
	4.3. Ltd."Unilīzings" contact on financial leasing, due date 25.02.2008.	4345	4026	6182	5729
	4.4. Ltd."Unilīzings" contact on financial leasing, due date 25.01.2008.	4051	-	5764	-
	4.5. Ltd."Unilīzings" contact on financial leasing, due date 15.02.2007.	525	3005	747	4276
	Total	<b>52476</b>	<b>47888</b>	<b>74667</b>	<b>68139</b>
<b>5.</b>	<b>Other liabilities</b>				
	5.1. Wages and salaries	7531	6698	10715	9530
	5.2. Payments to budget for VAT	2738	-	3896	-
	Total	<b>10269</b>	<b>6698</b>	<b>14611</b>	<b>9530</b>

**INFORMATION FOR "PROFIT OR LOSS ACCOUNT"**

No.	Indication	For the year 2006 LVL	For the year 2005 LVL	For the year 2006 EUR	For the year 2005 EUR
<b>6.</b>	<b>Net turnover:</b>				
6.1.	Semen of domestic animals	379797	323547	540402	460366
6.2.	Artificial insemination of domestic animals	21031	21015	29924	29902
6.3.	Data processing of control and monitoring process	68517	202453	97491	288065
6.4.	Immunology-genetic laboratory services	10193	12104	14503	17222
6.5.	Milk laboratory analysis services	195018	207290	277486	294947
6.6.	Other	65499	55329	93197	78726
	<b>Total</b>	<b>740055</b>	<b>821738</b>	<b>1053003</b>	<b>1169228</b>
<b>7.</b>	<b>Inventory changes of finished goods and unfinished production</b>	<b>19634</b>	<b>3557</b>	<b>27937</b>	<b>5061</b>
	including write-off semen	(36697)	(19547)	(52215)	(27813)
<b>8.</b>	<b>Other revenues from economic activity:</b>				
8.1.	Revenue from state subsidies	32199*	32307*	45815*	45969
8.2.	Revenue from exclusion of fixt assets	31659	169	45047	240
8.3.	Other	425	-	605	-
	<b>Total</b>	<b>64283</b>	<b>32476</b>	<b>91467</b>	<b>46209</b>
<b>9.</b>	<b>Wages and salaries</b>	<b>188480</b>	<b>169742</b>	<b>268183</b>	<b>241521</b>
	including provisions for non-used holiday	6408	4505	9118	6410
<b>10.</b>	<b>Other interest receivable and similar income:</b>				
10.1.	Earnings from share capitals	440	-	626	-
10.2.	Interest	173	164	246	233
10.3.	Fluctuation of foreign currencies	1301	773	1851	1100
10.4.	Penalties	567	626	807	891
10.5.	Recovered doubtful and non-collectable receivables	140	285	200	406
10.6.	Other	10	43	14	61
	<b>Total</b>	<b>2631</b>	<b>1891</b>	<b>3744</b>	<b>2691</b>
<b>11.</b>	<b>Interest payable and similar expense:</b>				
11.1.	Interest paid and similar payments	7868	4958	11195	7055
	including interest for long-term loans	7868	4858	11195	7012
11.2.	Expense other than from economic activity	10827	10307	15406	14665
	<b>Total</b>	<b>18695</b>	<b>15265</b>	<b>26601</b>	<b>21720</b>
<b>12.</b>	<b>Other taxes:</b>				
12.1.	Real estate tax	359	476	511	677
	<b>Total</b>	<b>359</b>	<b>476</b>	<b>511</b>	<b>677</b>

\* Total amount of LVL 32199 (EUR 45815) including state subsidies received in the reporting period aimed to facilitate the development in the cattle-breeding industries in Latvia and in particular for keeping the high-quality breeding bulls, as well as the received as direct payments from the EU for the slaughtered animals.

## Rewards to board and council members for their work

	2006		2005	
	LVL	EUR	LVL	EUR
To members of the board:				
calculated wages and salaries	15436	21963	14109	20075
state social insurance mandatory payments paid	3605	5129	3300	4695
To members of the council				
calculated wages and salaries	3888	5532	3420	4866
state social insurance mandatory payments paid	936	1332	814	1158

## Prepaid expense

As the prepaid expenses there have are stated insurance costs, all kind of subscription and similar kind of expense for the year 2007.

## Provisions

Type of provisions	Balance at 31.12.2005.		Increase in 2006		Decrease in 2006		Balance at 31.12.2006.	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Provisions for non-used holidays	4505	6410	9639	13715	3231	4597	10913	15528
Total	4505	6410	9639	13715	3231	4597	10913	15528

## Liabilities

All liabilities are to be settled within the period of year except the ones stated in the interpretation of the balance sheet.

All taxes payable to budget are for the current month.

## Taxes and duties paid

Specification of tax	Balance at 31.12.2005.		Calculated for the year 2006		Paid in the year 2006		Balance at 31.12.2006.	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Corporate income tax	10101	14372	18573	26427	(23428)	(33335)	5246	7464
Value added tax	10549	15010	83952	119453	(86215)	(122673)	8286	11790
Personal income tax	3346	4761	38279	54466	(37959)	(54011)	3666	5216
Social insurance	5178	7368	60678	86337	(60132)	(85561)	5724	8144
Real estate tax	-2	-3	359	511	(339)	(482)	18	26
Natural resources tax	31	44	88	125	(101)	(143)	18	26
State duty for the risk of entrepreneurship	17	24	146	208	(151)	(215)	12	17
Total	29220	41576	202075	287527	(208325)	(296420)	22970	32683

Specification of tax	Balance at 31.12.2004.		Calculated for the year 2005		Paid in the year 2005		Balance at 31.12.2005.	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Corporate income tax	2103	2992	12357	17582	(4359)	(6202)	10101	14372
Value added tax	6616	9414	44614	63480	(40681)	(57884)	10549	15010
Personal income tax	3166	4505	35039	49856	(34859)	(49600)	3346	4761
Social insurance	4815	6851	55016	78281	(54653)	(77764)	5178	7368
Real estate tax	-12	-17	476	677	(466)	(663)	-2	-3
Natural resources tax	51	73	106	151	(126)	(180)	31	44
State duty for the risk of entrepreneurship	19	27	209	297	(211)	(300)	17	24
Total	16758	23845	147817	210324	(135355)	(192593)	29220	41576

### STATEMENT OF MOVEMENT OF LONG-TERM INVESTMENTS, LVL

Type of Long-term investment	Acquisition value				Depreciation				Residual value	
	31.12. 2005.	Purchased, transferred	Excluded, transferred	31.12. 2006.	31.12. 2005.	Calculated, transferred	Excluded, transferred	31.12. 2006.	31.12. 2005.	31.12. 2006.
<b>Intangible assets</b>	<b>720</b>	-	-	<b>720</b>	<b>627</b>	<b>31</b>	-	<b>658</b>	<b>93</b>	<b>62</b>
Land, buildings, perennial plantations	242234	48977	31612	259599	68656	11179	21614	58221	173578	201378
Non-current investments in leasehold improvements	161347	9652	-	170999	8639	34038	-	42677	152708	128322
Equipment and machinery	138601	4394	10322	132673	123041	9449	10322	122168	15560	10505
Other fixtures, fittings and equipment	55008	13761	1836	66933	38005	8324	1080	45249	17003	21684
Costs of up-building of fixed assets and unfinished buildings	218	-	183	35	-	-	-	-	218	35
Advance payment for fixed assets	342	17946	342	17946	-	-	-	-	342	17946
<b>Total Fixed assets</b>	<b>597750</b>	<b>94730</b>	<b>44295</b>	<b>648185</b>	<b>238341</b>	<b>62990</b>	<b>33016</b>	<b>268315</b>	<b>359409</b>	<b>379870</b>
<b>Biological assets</b>	<b>52925</b>	<b>21222</b>	<b>19403</b>	<b>54744</b>	-	-	-	-	<b>52925</b>	<b>54744</b>
<b>Financial investments</b>	<b>3480</b>	-	-	<b>3480</b>	-	-	-	-	<b>3480</b>	<b>3480</b>
<b>Total Long-term investments</b>	<b>654875</b>	<b>115952</b>	<b>63698</b>	<b>707129</b>	<b>238968</b>	<b>63021</b>	<b>33016</b>	<b>268973</b>	<b>415907</b>	<b>438156</b>

### STATEMENT OF MOVEMENT OF LONG-TERM INVESTMENTS, EUR

Type of Long-term investment	Acquisition value				Depreciation				Residual value	
	31.12. 2005.	Purchased, transferred	Excluded, transferred	31.12. 2006.	31.12. 2005.	Calculated, transferred	Excluded, transferred	31.12. 2006.	31.12. 2005.	31.12. 2006.
<b>Intangible assets</b>	<b>1024</b>	-	-	<b>1024</b>	<b>892</b>	<b>44</b>	-	<b>936</b>	<b>132</b>	<b>88</b>
Land, buildings, perennial plantations	344668	69688	44980	369376	97689	15906	30754	82841	246979	286535
Non-current investments in leasehold improvements	229576	13734	-	243310	12292	48432	-	60724	217284	182586
Equipment and machinery	197212	6251	14687	188776	175072	13444	14687	173829	22140	14947
Other fixtures, fittings and equipment	78269	19580	2612	95237	54076	11845	1537	64384	24193	30853
Costs of up-building of fixed assets and unfinished buildings	310	-	260	50	-	-	-	-	310	50
Advance payment for fixed assets	487	25535	487	25535	-	-	-	-	487	25535
<b>Total Fixed assets</b>	<b>850522</b>	<b>134788</b>	<b>63026</b>	<b>922284</b>	<b>339129</b>	<b>89627</b>	<b>46978</b>	<b>381778</b>	<b>511393</b>	<b>540506</b>
<b>Biological assets</b>	<b>75306</b>	<b>30196</b>	<b>27608</b>	<b>77894</b>	-	-	-	-	<b>75306</b>	<b>77894</b>
<b>Financial investments</b>	<b>4952</b>	-	-	<b>4952</b>	-	-	-	-	<b>4952</b>	<b>4952</b>
<b>Total Long-term investments</b>	<b>931804</b>	<b>164984</b>	<b>90634</b>	<b>1006154</b>	<b>340021</b>	<b>89671</b>	<b>46978</b>	<b>382714</b>	<b>591783</b>	<b>623440</b>



## INFORMATION ABOUT STOCK COMPANY

Name and registered office:	<b>Akciju sabiedrība "Siguldas ciltslietu un mākslīgās apsēklošanas stacija",</b> Number of registration No.40003013295 "Kalnabeites" 8, Siguldas pag., p.n. Sigulda LV-2150, Rīgas raj. Phone: +371 67972040, fax + 371 67970112
Period of account:	1 January 2006 – 31 December 2006
Type of basic activity:	Agriculture
Share capital:	On 31 December 2006 LVL 422440 (EUR 601078) Nominal value of one share LVL 1.00 (EUR 1.42) Total number of shares 422440 of which: 421440 shares (99.8% of share capital) are registered shares with equal voting rights in shareholders' meetings and giving the right to receive dividends and liquidation quota;  1000 shares (0.02% of share capital) are personal shares which are not included in the regulated market and can be obtained exclusively by members of the board. These shares provide only the right to receive dividends and liquidation quota.  There are no restrictions for the change of shareholders and do not exist any requirement for approval from the other shareholders of such change. There are no restrictions for voting rights and do not exist any similar restrictions.
Stake holder:	210391 (49.8 %) <b>SIA "Siguldas mākslīgās apsēklošanas stacija",</b> Number of registration No. 40003311954
Auditor:	<b>SIA"POKORA",</b> License No. 2.
Board:	<b>Nils Ivars Feodorovs</b> , chairman of the board, holds 400 shares. <b>Māra Buka</b> , member of the board, holds 12249 shares. <b>Valda Mālniece</b> , member of the board, holds 14260 shares.  There are no special regulations for the election of the members of the board, for changes in the membership of the board and for making amendments to the articles of incorporation. All members of the board have equal rights to represent the company. The chairman of the board represents the company individually while the rest two members of the board represent the company both together only. There is no agreement between the company and the members of the board about any kind of compensations.
Council:	<b>Renia Beķere</b> , head of the council, holds 5030 shares. <b>Inita Bedrīte</b> , vice head of the council, holds 1084 shares. <b>Irēna Ritmane</b> , member of the council, holds 6751 shares. <b>Ērika Everte</b> , member of the council, holds 2208 shares. <b>Danute Bajāre</b> , member of the council, holds 2423 shares.

Share holders who hold more than 5% of the shares with voting rights:

**SIA "Siguldas mākslīgās apsēklošanas stacija"**, Number of registration No. 40003311954, holds 49.8 % of shares.

Types of activities:

- Production of agricultural produce – high quality breeding bio-product (semen)
- Artificial insemination of domestic animals
- Herd-book record keeping
- Milk laboratory analysis
- Control, monitoring and herd register data processing
- Detection of parentage of bovine animals

Average number of employees in 2006 - 47, in 2005 - 48.

Chairman of the board: Nils Ivars Feodorovs

Members of the board: Māra Buka

Valda Mālniece

## STATEMENT ABOUT MANAGEMENT LIABILITY

According to our information financial report for the 12 months of 2006 has been prepared according to the existing legislative requirements and gives a real and clear idea about joint stock company's "Siguldas ciltslietu un mākslīgās apsēklošanas stacija" assets, liabilities, financial situation and profits.

The information that has been included in the management report is veritable.

The board of stock company "Siguldas ciltslietu un mākslīgās apsēklošanas stacija":

Chairman of the board Nils Ivars Feodorovs

Production and marketing department manager,  
member of the board, Māra Buka

Financial and accounting department manager,  
member of the board, Valda Mālniece