

Akciju sabiedrība

**“SIGULDAS CILTS LIETU UN
MĀKSLĪGĀS APSĒKLOŠANAS STACIJA”**
Reg. No. 40003013295

**INTERIM REPORT
for the 9 months of 2007**

30 September 2007

Rīga district Sigulda village

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FINANCIAL REPORT

BALANCE SHEET on 30 September 2007

ASSETS	Annex No	30.09. 2007. LVL	30.09. 2006. LVL	30.09. 2007. EUR	30.09. 2006. EUR
1. Long-term investments					
I Intangible assets:					
1. Concessions, patents, licences and similar rights		47	67	66	95
I Total		47	67	66	95
II Fixed assets:					
1. Land, buildings, perennial plantations		190681	165189	271315	235043
2. Non-current investments in leasehold improvements		99640	136872	141774	194751
3. Equipment and machinery		35885	12954	51061	18432
4. Other fixtures, fittings and equipment		19713	20601	28049	29313
5. Costs of up-building of fixed assets and unfinished buildings		2286	2011	3252	2861
6. Advance payment for fixed assets		4720	20000	6716	28457
II Total		352925	357627	502167	508857
III Biological assets		57809	69288	82255	98588
IV Non-current financial investments					
1. Other securities and investments		3480	3480	4952	4952
IV Total		3480	3480	4952	4952
Total of paragraph 1		414261	430462	589440	612492
2. Current assets					
I Inventories:					
1. Raw materials and auxiliary materials		16899	12007	24045	17085
2. Finished goods and goods for sale		284346	245016	404587	348626
3. Prepayments for goods		17	345	24	491
I Total		301262	257368	428656	366202
II Receivables:					
1. Trade receivables	1.	44962	71226	63976	101345
2. Other receivables	2.	2127	1692	3026	2408
3. Prepaid expense		2977	869	4236	1236
4. Accumulated earnings		90729	-	129095	-
II Total		140795	73787	200333	104989
III Cash		106721	93550	151851	133110
Total of paragraph 2		548778	424705	780840	604301
BALANCE		963039	855167	1370280	1216793

EQUITY AND LIABILITIES	Annex No	30.09. 2007. LVL	30.09. 2006. LVL	30.09. 2007. EUR	30.09. 2006. EUR
1. Capital and Reserves					
1. Share capital		422440	422440	601078	601078
2. Retained earnings:					
a) brought forward		278728	187735	396594	267123
b) for the period		138518	107550	197093	153030
Total of paragraph 1		839686	717725	1194765	1021231
2. Provisions					
1. Other provisions		10913	4505	15528	6410
Total of paragraph 2		10913	4505	15528	6410
3. Liabilities					
I Long-term liabilities:					
1. Other liabilities	3.	24237	76713	34486	109153
I Total		24237	76713	34486	109153
II Current liabilities:					
1. Other liabilities	4.	13306	13243	18933	18843
2. Prepayments received from customers		10855	-	15445	-
3. Trade payables		28009	11131	39853	15838
4. Taxes payable		13126	21824	18676	31053
5. Other liabilities	5.	9067	10026	12901	14265
6. Accumulated liabilities		13840	-	19693	-
II Total		88203	56224	125501	79999
Total of paragraph 3		112440	132937	159987	189152
BALANCE		963039	855167	1370280	1216793

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

No.	Indication	Annex No	For the 9 months of 2007 LVL	For the 9 months of 2006 LVL	For the 9 months of 2007 EUR	For the 9 months of 2006 EUR
1.	Net turnover	6.	613208	559435	872516	796004
2.	Inventory changes of finished goods and unfinished production		28811	29183	40995	41523
3.	Other revenues from economic activity	7.	24638	15686	35057	22319
4.	Material costs		(231797)	(227729)	(329818)	(324029)
	a) raw material and auxiliary material costs		(182875)	(186766)	(260208)	(265744)
	b) other costs		(48922)	(40963)	(69610)	(58285)
5.	Staff costs		(194033)	(169073)	(276084)	(240569)
	a) wages and salaries		(154030)	(136105)	(219165)	(193660)
	b) social insurance payments		(36699)	(32628)	(52218)	(46425)
	c) other social security expense		(3304)	(340)	(4701)	(484)
6.	Value and asset write-off		(51312)	(47705)	(73010)	(67878)
	a) depreciation write-off of fixed assets		(51280)	(46948)	(72965)	(66801)
	b) residual value of excluded tangible fixed assets		(31)	(757)	(44)	(1077)
	c) write-off of current assets		(1)	-	(1)	-
7.	Other expense of economic activity		(30009)	(35878)	(42699)	(51050)
8.	Other interest receivable and similar income	8.	1386	1912	1972	2721
9.	Other taxes	9.	(7562)	(9421)	(10760)	(13405)
10.	Profit/Loss before taxes		153330	116410	218169	165636
11.	Corporate income tax of the reporting period		(13980)	(8545)	(19892)	(12158)
12.	Other taxes	10.	(832)	(315)	(1184)	(448)
13.	Profit/Loss of the reporting period		138518	107550	197093	153030
14.	Earnings per share (EPS)		0.328	0.255	0.467	0.362

STATEMENT OF EQUITY CHANGES

Indication	Share capital LVL	Retained earnings LVL	Total LVL	Share capital EUR	Retained earnings EUR	Total EUR
Balance at 31 December 2005	422440	217305	639745	601078	309197	910275
Dividends calculated for the year 2005	-	(29570)	(29570)	-	(42074)	(42074)
Earning of the 9 months of year 2006	-	107550	107550	-	153030	153030
Balance at 30 September 2006	422440	295285	717725	601078	420153	1021231
Balance at 31 December 2006	422440	320972	743412	601078	456702	1057780
Dividends calculated for the year 2006	-	(42244)	(42244)	-	(60108)	(60108)
Earning of the 9 months of year 2007	-	138518	138518	-	197093	197093
Balance at 30 September 2007	422440	417246	839686	601078	593687	1194765

CASH FLOW STATEMENT
(by direct method)

No.	Income and expense positions	For the 6 months of 2007 LVL	For the 6 months of 2006 LVL	For the 6 months of 2007 EUR	For the 6 months of 2006 EUR
I	Cash flow of basic activity				
1.	Taxable sales revenue	651483	647895	926977	921872
2.	Payments to suppliers, staff and other basic activity expense	(594309)	(560359)	(845625)	(797319)
3.	Other revenue from the basic economic activity of a company	24826	16090	35324	22894
4.	Net cash flow of basic economic activity	82000	103626	116676	147447
II	Cash flow of investment				
1.	Purchase of tangible fixed and intangible fixed assets	(22368)	(36586)	(31827)	(52057)
2.	Proceeds from disposal of fixed assets	-	388	-	552
3.	Dividends received	440	-	626	-
4.	Net cash flow of investment	-21928	-36198	-31201	-51505
III	Cash flow of financing				
1.	Buying out leasehold	(43502)	(48166)	(61897)	(68534)
2.	Dividends paid	(42244)	(29570)	(60108)	(42074)
3.	Net cash flow of financing	-85746	-77736	-122005	-110608
IV	Result from foreign currency fluctuation	163	519	232	738
V	Net increase/decrease of cash	- 25511	-9789	-36298	-13928
VI	Cash balance at the beginning of reporting year	132232	103339	188149	147038
VII	Cash balance at the end of reporting period	106721	93550	151851	133110

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 2007 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 – 30.09.2007.

	30.09.2007.	30.09.2006.
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 30.09.2007.

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 30 SEPTEMBER 2007

		30.09.07. LVL	30.09.06. LVL	30.09.07. EUR	30.09.06. EUR
1.	Trade receivables				
	1.1. Account value of trade receivables	44962	71309	63976	101463
	1.2. Provisions for doubtful trade receivables	-	(83)	-	(118)
	Book value	44962	71226	63976	101345
2.	Other receivables				
	2.1. VAT for goods and services received	1228	646	1747	919
	2.2. Payments for amounts paid in advance	75	46	107	66
	2.3. Payments from other debtors	824	1000	1172	1423
	Total	2127	1692	3026	2408
3.	Long-term liabilities				
	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	4401	498	6262
	3.5. Ltd."Unilīzings" contact on financial leasing, due date 15.02.2007.	-	525	-	747
	Total	24237	76713	34486	109153
4.	Current liabilities				
	4.1. Ltd."Unilīzings" contact on financial leasing, due date 15.07.2008.	482	453	686	644
	4.2. Ltd."Unilīzings" contact on financial leasing, due date 15.06.2008.	10669	10008	15181	14240
	4.3. Ltd."Unilīzings" contact on financial leasing, due date 25.02.2008.	1117	1035	1589	1473
	4.4. Ltd."Unilīzings" contact on financial leasing, due date 25.01.2008.	1038	972	1477	1383
	4.5. Ltd."Unilīzings" contact on financial leasing, due date 15.02.2007.	-	775	-	1103
	Total	13306	13243	18933	18843
5.	Other liabilities				
	5.1. Wages and salaries	8331	6975	11854	9924
	5.2. Payments to budget for VAT	726	3051	1033	4341
	5.3. Other	10	-	14	-
	Total	9067	10026	12901	14265

INFORMATION FOR “PROFIT OR LOSS ACCOUNT”

No.	Indication	For the 9 months of 2007 LVL	For the 9 months of 2006 LVL	For the 9 months of 2007 EUR	For the 9 months of 2006 EUR
6.	Net turnover:				
6.1.	Semen of domestic animals	308872	290977	439485	414023
6.2.	Artificial insemination of domestic animals	16130	15958	22951	22706
6.3.	Data processing of control and monitoring process	52323	51053	74449	72642
6.4.	Immunology-genetic laboratory services	8365	6654	11902	9468
6.5.	Milk laboratory analysis services	176973	142577	251810	202869
6.6.	Other	50545	52216	71919	74296
	Total	613208	559435	872516	796004
7.	Other revenues from economic activity:				
7.1.	Revenue from state subsidies	24437*	14872	34771*	21161
7.2.	Revenue from exclusion of fixt assets	-	388	-	552
7.3.	Other	201	426	286	606
	Total	24638	15686	35057	22319
8.	Other interest receivable and similar income:				
8.1.	Earnings from share capitals	440	440	626	626
8.2.	Interest	189	109	269	155
8.3.	Fluctuation of foreign currencies	187	836	266	1190
8.4.	Penalties	498	387	709	551
8.5.	Recovered doubtful and non-collectable receivables	72	140	102	199
	Total	1386	1912	1972	2721
9.	Interest payable and similar expense:				
9.1.	Interest paid and similar payments	4236	6098	6027	8677
	including interest for long-term loans	4230	6098	6019	8677
9.2.	Penalties	12	-	17	-
9.3.	Expense other than from economic activity	3314	3323	4716	4728
	Total	7562	9421	10760	13405
10.	Other taxes:				
10.1.	Real estate tax	832	315	1184	448
	Total	832	315	1184	448

* Total amount of LVL 24437 (EUR 34771) 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.

Prepaid expense

As the prepaid expenses there have are stated insurance costs, all kind of subscription and similar kind of expense for the year 2008.

Provisions

Type of provisions	Balance at 31.12.2006.		Increase in the 9 months of 2007		Decrease in the 9 months of 2007		Balance at 30.09.2007.	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Provisions for non-used holidays	10913	15528	-	-	-	-	10913	15528
Total	10913	15528	-	-	-	-	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 31.12.2006		Calculated for the 9 months of 2007		Paid in the 9 months of 2007		Balance at 30.09.2007	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Corporate income tax	5246	7464	13980	19892	(19226)	(27356)	-	-
Value added tax	8286	11790	66013	93928	(69993)	(99591)	4306	6127
Personal income tax	3666	5216	30593	43530	(30946)	(44032)	3313	4714
Social insurance	5724	8144	50409	71725	(50678)	(72108)	5455	7761
Real estate tax	18	26	832	1184	(850)	(1210)	-	-
Natural resources tax	18	26	147	209	(125)	(178)	40	57
State duty for the risk of entrepreneurship	12	17	107	152	(107)	(152)	12	17
Total	22970	32683	162081	230620	(171925)	(244627)	13126	18676

Specification of tax	Balance at 31.12.2005.		Calculated for the 9 months of 2006		Paid in the 9 months of 2006		Balance at 30.09.2006	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Corporate income tax	10101	14372	8651	12309	(18752)	(26681)	-	-
Value added tax	10549	15010	67134	95523	(63645)	(90559)	14038	19974
Personal income tax	3346	4761	28104	39988	(28464)	(40500)	2986	4249
Social insurance	5178	7368	44819	63772	(45231)	(64358)	4766	6782
Real estate tax	-2	-3	315	448	(313)	(445)	-	-
Natural resources tax	31	44	71	101	(80)	(114)	22	31
State duty for the risk of entrepreneurship	17	24	110	157	(115)	(164)	12	17
Total	29220	41576	149204	212298	(156600)	(222821)	21824	31053

STATEMENT OF MOVEMENT OF LONG-TERM INVESTMENTS, LVL

Type of Long-term investment	Acquisition value				Depreciation				Residual value	
	31.12. 2006.	Purchased, transferred	Excluded, transferred	30.09. 2007.	31.12. 2006.	Calculated, transferred	Excluded, transferred	30.09. 2007.	31.12. 2006.	30.09. 2007.
Intangible assets	720	-	-	720	658	15	-	673	62	47
Land, buildings, perennial plantations	259599	-	-	259599	58221	10697	-	68918	201378	190681
Non-current investments in leasehold improvements	170999	-	(10703)	160296	42677	24400	(6421)	60656	128322	99640
Equipment and machinery	132673	40714	(5666)	167721	122168	15334	(5666)	131836	10505	35885
Other fixtures, fittings and equipment	66933	5315	(1500)	70748	45249	7256	(1470)	51035	21684	19713
Costs of up-building of fixed assets and unfinished buildings	35	2251	-	2286	-	-	-	-	35	2286
Advance payment for fixed assets	17946	4720	(17946)	4720	-	-	-	-	17946	4720
Total Fixed assets	648185	53000	(35815)	665370	268315	57687	(13557)	312445	379870	352925
Biological assets	54744	26099	(23034)	57809	-	-	-	-	54744	57809
Financial investments	3480	-	-	3480	-	-	-	-	3480	3480
Total Long-term investments	707129	79099	(58849)	727379	268973	57702	(13557)	313118	438156	414261

STATEMENT OF MOVEMENT OF LONG-TERM INVESTMENTS, EUR

Type of Long-term investment	Acquisition value				Depreciation				Residual value	
	31.12.2006.	Purchased, transferred	Excluded, transferred	30.09.2007.	31.12.2006.	Calculated, transferred	Excluded, transferred	30.09.2007.	31.12.2006.	30.09.2007.
Intangible assets	1024	-	-	1024	936	22	-	958	88	66
Land, buildings, perennial plantations	369376	-	-	369376	82841	15220	-	98061	286535	271315
Non-current investments in leasehold improvements	243310	-	(15229)	228081	60724	34719	(9136)	86307	182586	141774
Equipment and machinery	188776	57931	(8062)	238645	173829	21817	(8062)	187584	14947	51061
Other fixtures, fittings and equipment	95237	7562	(2134)	100665	64384	10324	(2092)	72616	30853	28049
Costs of up-building of fixed assets and unfinished buildings	50	3202	-	3252	-	-	-	-	50	3252
Advance payment for fixed assets	25535	6716	(25535)	6716	-	-	-	-	25535	6716
Total Fixed assets	922284	75411	(50960)	946735	381778	82080	(19290)	444568	540506	502167
Biological assets	77894	37136	(32775)	82255	-	-	-	-	77894	82255
Financial investments	4952	-	-	4952	-	-	-	-	4952	4952
Total Long-term investments	1006154	112547	(83735)	1034966	382714	82102	(19290)	445526	623440	589440

INFORMATION ABOUT STOCK COMPANY

Name and registered office:	Akciju sabiedrība "Siguldas ciltslietu un mākslīgās apsēklošanas stacija", 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 2007 – 30 September 2007
Type of basic activity:	Agriculture
Share capital:	On 30 September 2007 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 %) SIA "Siguldas mākslīgās apsēklošanas stacija", Number of registration No. 40003311954
Auditor:	SIA"POKORA", License No. 2.
Board:	Nils Ivars Feodorovs , chairman of the board, holds 400 shares. Māra Buka , member of the board, holds 12249 shares. Valda Mālniece , 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:	Inita Bedrīte , head of the council, holds 1084 shares. Maija Beča , vice head of the council, holds 3066 shares. Irēna Ritmane , member of the council, holds 6751 shares. Ērika Everte , member of the council, holds 2208 shares. Renia Beķere , head of the council until 20.04.2007. Danute Bajāre , member of the council until 01.09.2007.

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 during the period of 9 months in 2007 - 46, in 2006 - 47.

Interim financial report for the 9 months of 2007 has not been audited by certified auditor.

Chairman of the board: Nils Ivars Feodorovs

Members of the board: Māra Buka

Valda Mālniece