

JSC |A/S| "Rīgas juvelierizstrādājumu rūpnīca"
Single reg.№ 40003044420
Adress: Terēzes iela 1, Rīga, LV-1012

Types of basic activities:
processing of precious metals

Unit: LVL

ACCOUNT
for the period from 01.01.2010 to 30.06.2010

State Revenue Service territorial office: Latgale suburb department

Date submitted: _____

Date received: _____

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INFORMATION ON THE COMPANY

Company name	JSC AS "Rīgas juvelierizstrādājumu rūpnīca"
Company legal status	Joint-Stock Company
Single identification №, place and date of incorporation	40003044420, 10 December 1991
Legal address	Terēzes iela 1, Rīga, LV-1012, tel 7272790
Mailing adress	Terēzes iela 1, Rīga, LV-1012
Type of activity	Processing precious metals
Name, address. Tel.of Unit of Business Activities	workshop: Terēzes iela 1, Rīga, LV-1012 pawnshop: Terēzes iela 1, Rīga, LV-1012
Member composition of the JSC Council	Vidis Zaķis Igoris Istomins Eļena Vasuļa Jurijs Čerņecovs Tatjana Reznigskā
Member composition of the JSC Board of Directors	Vladimirs Cadovičs Alefīna Struļeviča Aleksandrs Ančevskis
Bank account JSC "SEB Latvijas Unibanka"	LV62UNLA0001000243901
Chief Accountant	Natalja Beļšova
Year of Account	from 01.01.2010 to 30.06.2010
Auditor	LLC SIA "Auditoru firma "Finansists" Tālavas gatve 11-4, Rīga, LV-1029 ID.№ LV40002046180 Nelli Jermolicka Qualified Auditor (Latvian Association of Qualified Auditors cert
Average number of employees	16 peple

Management report

Information about company

JSC „Rīgas juvelierizstrādājumu rūpnīca” legal address Terezes iela 1, Rīga, LV-1012.

Company is registered in Commercial register with a single registration number 40003044420. Share capital of the company is 4 742 980 LVL, which consists of 4742980 shares having nominal value LVL 1.

Chairman of the Board of the company is Vladimirs Cadovičs, other Members of the Board are: Alefīna Struļeviča un Aleksandrs Ančevskis.

Auditor of the Company is certified controller Nelli Jerņolicka (certificate No.102).

Largest share holders of the Company are:

Vladimirs Cadovics – 531 785 shares

Olegs Perežilo – 380 000 shares

Igors Istomins – 1 160 000 shares

Marija Ančevska – 1 160 000 shares

Operation of the Company during the year of account

Field of operation of JSC „Rīgas juvelierizstrādājumu rūpnīca” is processing of precious metals, production and repair of jewellery.

Name, address, telephone of the structural unit of operation:

workshop: Terezes iela 1, Rīga, LV-1012, tel.: 67277365

pawnshop: Terezes iela 1, Rīga, LV-1012, tel.: 67277365

AS „Rīgas juvelierizstrādājumu rūpnīca” does not have parent and subsidiary companies.

The Company closed the financial year with the following results:

Annual result before extraordinary items and taxes is: 4 294 LVL

Nett result: 57 274 LVL

The recession of general economy in the state has led to recession of demand for products of our company in 2010.

Manufacture of jewels is not renewed.

The Company has begun advertising of the trade mark and made production in Latvia and other Baltic and European Union countries.

The Company continues work on attraction of investors in 2010.

Development activities of the Company

The Company further development: taking into account world financial crisis conditions Company plans to develop new business possibilities, research of the local and external market, executing an increase of products sale enterprises.

In connection with a gold prices growing, to execute products' assortment analysis and assortment change in according to new mode tendencies and demand. To attract partners from European Union countries and Russia with a goal to make new jeweller models.

To activate a collaboration with existing clients also to attract new clients, offering the models of a new collection mutually adventagous conditions.

Proposals to decrease losses

Foreseen to perfect the Company production structure with the purpose of to diminish charges.

The Company management vehicle and amount of workers was diminished.

Chairman of the Board

Member of the Board

Member of the Board

Vladimirs Cadovičs

Alefīna Struļeviča

Aleksandrs Ančevskis

Statement on the Company management responsibility

The Company management shall be held responsible for development of financial statements, based on the initial bookkeeping records concerning each accounting period, which is true and impartial reflection of financial condition of the Company at the 30.06.2010, as well as results of activities.

Hereby it is confirmed by the Company managers that upon drawing the present report for period, expiring on 30 June 2010, appropriate accounting methods were used, the same were applied on consistent basis, and reasonable and cautious decisions are made. Hereby it is confirmed by the Company management.

The Company management shall be held responsible for conducting of appropriate bookkeeping accounts, for maintenance of the Company funds, as well as for prevention of fraudulent activities and other on other ignominies.

Hereby it is confirmed by the Company management that data and explanations requisite for the audit have been provided thereby.

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Aleŕīna Struļeviča

Member of the Board
Aleksandrs Ančevskis

Profits or loss statements for the period from

01.01.2010 to 30.06.2010 and 01.01.2009 to 30.06.2009

Parameter designation	Appendices	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Net turnover	1	57 274	125 940	81 494	179 196
Manufacturing expenditures of sold products	2	-12 337	-119 945	-17 554	-170 666
Gross profit or loss		44 937	5 995	63 940	8 530
Selling costs	3	-506	-6 510	-720	-9 263
Administrative expenses	4	-49 723	-52 494	-70 749	-74 692
Other revenue of the Company business operations	5	17 873	21 483	25 431	30 568
Other expenses of the Company business operations	6	-8 383	-1 221	-11 928	-1 737
Other interests income and similar	7	96	31	137	44
Profit or loss before extraordinary items and taxations		4 294	-32 716	6 110	-46 551
Profit or loss before taxation and minority interest		4 294	-32 716	6 110	-46 551
Different corporate income tax				0	
Other taxes	8	-1 955	-2 248	-2 782	-3199
Loss for the year of account (net income)		2 339	-34 964	3 328	-49 749
				0	
Profit or loss for ONE stock, anual		0,001	-0,007	0,001	-0,010
Profit or loss for ONE stock as from commencement of operations		-0,800	-0,796	-1,14	-1,132

Appendix from Page 9 to 13 shall constitute an integral part to the present financia statement

Balance sheet at 30 June 2010 and 2009

ASSETS	Appen- dices	2010 LVL	2009 LVL	2010 EUR	2009 EUR
1. Long-term investments					
I Fixed assets					
Land, building, constructions and perennial plantations		116 606	125 626	165 915	178 750
Long-term investments in the rented fixed assets					
Equipment and machinery		444	723	632	1 029
Other fixed assets and inventory		8 573	12 138	12 198	17 271
Total fixed assets		125 623	138 487	178 745	197 049
II Investments property		37 666	40 601	53 594	57 770
Total investments property		37 666	40 601	53 594	57 770
Total long-term investments	1	163 289	179 088	232 339	254 819
2. Current assets					
III Inventory					
Raw materials, direct materials and auxiliary materials	2	240 317	199 512	341 940	283 880
Unfinished products		102 160	109 783	145 361	156 209
Finished goods and goods for sale		248 148	177 046	353 083	251 914
Advance payment for goods	3	0	256	0	364
Total inventory		590 625	486 597	840 384	692 367
IV Debtors' indebtedness					
Indebtedness of customers and clients	4	205 585	371 878	292 521	529 135
Other debtors	5	17 490	111	24 886	158
Expenses of subsequent periods	6	146	10 313	208	14 674
Total debtors		223 221	382 302	317 615	543 967
V Shot-term financial investments					
Other securities		0	21 046	0	29 946
Total shot-term financial investments		0	21 046	0	29 946
Funds (total)	7	101 677	36 142	144 673	51 425
Total current assets		915 523	926 087	1 302 672	1 287 759
Assets grand total		1 078 812	1 105 176	1 535 011	1 572 524

LIABILITIES	Appendices	2010 LVL	2009 LVL	2010 EUR	2009 EUR
I Equity capital					
Stock or share capital (fixed capital)		4 742 980	4 742 980	6 748 653	6 748 653
Revaluation reserve of long-term investments		119 954	126 267	170 679	179 662
<i>Retained earnings</i>				0	0
a) retained earnings from previous year		-3 796 160	-3 738 325	-5 401 449	-5 319 157
b) retained earnings for the year of account		2 339	-34 964	3 328	-49 749
<i>Total retained earnings</i>		-3 793 821	-3 773 289	-5 398 121	-5 368 907
Total equity capital		1 069 113	1 095 958	1 521 211	1 559 408
II Accumulations					
Total accumulations		2 555		3 635	
III Creditors					
2. Short-term debts					
		852		1 212	
Taxes and social security liabilities	9	2 502	7 199	3 560	10 243
Other creditors	10	3 790	2 019	5 393	2 873
Total short-term debts		7 144	9 218	10 165	13 116
Total creditors		7 144	9 218	10 165	13 116
Liabilities grand total		1 078 812	1 105 176	1 535 011	1 572 524

Appendix from Page 9 to 13 shall constitute an integral part to the present financial statement

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Alefīna Struļeviča

Member of the Board
Aleksandrs Ančevskis

Account on changes in equity capital, 30.06.2010 and 30.06.2009.

	Stock or share capital (fixed)	Revaluation reserve of long-term investments	Retained earnings from previous year	Profit for the year of account	Total equity capital
	LVL	LVL	LVL	LVL	LVL
Remaining amount on 30 June 2009	4 742 980	126 267	-3 738 325	-34 964	1 095 958
Remaining amount on 30 June 2010	4 742 980	119 954	-3 796 160	2 339	1 069 113

	Stock or share capital (fixed)	Revaluation reserve of long-term investments	Retained earnings from previous year	Profit for the year of account	Total equity capital
	EUR	EUR	EUR	EUR	EUR
Remaining amount on 30 June 2009	6 748 653	179 662	-5 319 157	-49 749	1 559 408
Remaining amount on 30 June 2010	6 748 653	170 679	-5 401 449	3 328	1 521 211

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Alejtīna Struļeviča

Member of the Board
Aleksandrs Ančevskis

ACCOUNT ON CASH FLOW for the PERIOD having EXPIRED
 on 30 june 2010 (by direkt method)

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
I. Cash flow from basic activities				
Proceeds from no product selling and provision of services	103 858	124 213	147 777	176 739
Payments to suppliers, staff, other expenditures of basic activities	-129 037	-196 145	-183 603	-279 089
Receipts and expenditures from other basic activities of the Company	44 809	51 191	63 757	72 838
Gross basic activities cash flow	19 630	-20 741	27 931	-29 512
Expenditures for real property tax payments (-)	-1 955	-2 248	-2 782	-3 199
Cash flow before extraordinary items	17 675	-22 989	25 149	-32 710
Net basic activities cash flow	17 675	-22 989	25 149	-32 710
II. Cash flow of investment operations				
Acquisition of fixed assets and intangible investments (-)				
Interest received (+)	96	31	137	44
Net cash flow of investment operations	96	31	137	44
V. Net cash flow for the yer of account	17 771	-22 958	25 286	-32 666
VI. Cash and equivalents thereof at the begininig of period	83 906	59 100	119 387	84 092
VII. Cash and equivalents thereof at the end of period	101 677	36 142	144 673	51 425

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Aleřina Struļeviča

Member of the Board
Aleksandrs Ančevskis

Appendices to the annual account

1. Accounting policy and methods applied

The accounting policy and applied methods in the accounting periods has not changed.

Accounting period : from 01 January 2010 to 30 June 2010

Money value and revaluation of foreign currency:

2010.06.30		2009.06.30	
EUR	0,702804	EUR	0,702804

Appendices to the account

2. Explanatory notes to items of the profit or loss calculation

1. Net turnover	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Jewelry production	24 357	86 699	34 657	123 362
Workshop (jewelry repairs)	22 186	26 006	31 568	37 003
Pawnshops (jewelry)	1 578	1 691	2 245	2 406
Production of thermal energy	9 153	11 544	13 024	16 426
Total	57 274	125 940	81 494	179 196

2. Manufacturing expenditures of sold products

Labour wages	16 176	52 043	23 016	74 051
Labour state social security obligatory contributions	3 812	12 107	5 424	17 227
Lease payments for the production facilities		5 862	0	8 341
Communal costs	15 198	20 753	21 625	29 529
Direct materials	81	60 235	115	85 707
Branding of jewelry at State Assay Supervision Inspection	311	2 241	443	3 189
Low-grade inventory, and tools	174	73	248	104
Auxiliary materials		1 104	0	1 571
Depreciation of fixed assets	140	1 584	199	2 254
Current repairs (equipment, facilities)		739	0	1 052
Changes in stock and value of the unfinished products	-5 368	-4 511	-7 638	-6 419
Changes in stock and value of the finished products	76 804	-32 285	109 282	-45 937
Overvalue of products	-94 991	0	-135 160	0
Total	12 337	119 945	17 554	170 666

3. Selling costs

Labour wages		3 402	0	4 841
Labour state social security obligatory contributions		820	0	1 167
Advertising	495	1 210	704	1 722
Consignment notes	11	1 078	16	1 534
Total	506	6 510	720	9 263

4. Administration expenditures

Communication expenditures	1 226	1 017	1 744	1 447
Business activity risk duty	24	55	34	78
Bank services	108	106	154	151
To "NASDAQ OMO Rīgas" and the Financial and Capital Market Commission	3 275	2 498	4 660	3 554
Office costs	731	560	1 040	797
Electric energy	0	0	0	0
Depreciation of fixed assets	8 010	6 706	11 397	9 542

Appendices to the profit or loss calculation (continued)

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Sewerage cleaning	0	0	0	0
Deratization costs	0	0	0	0
Traveling allowances	1 170	320	1 665	455
Administration wages	16 744	19 321	23 825	27 491
Administration state social security obligatory contributions	4 034	4 585	5 740	6 524
Lease of land	6 664	0	9 482	0
Waste disposal	158	0	225	0
Security services	4 459	15 000	6 345	21 343
Carpet replacement (workshop)	52	0	74	0
Computer, printer, telefax, cash register servicing costs	208	0	296	0
Expenditures of statutory regulary	97	0	138	0
Expenditures for organization of annual general meeting and amendments to Articles of Association	0	0	0	0
Expenditors for insurance of motor transport	233	198	332	282
Motor transport expenditures for administration	2 224	1 828	3 164	2 601
Water	250	0	356	0
Expenditors for representation	56	0	80	0
Other administration expenditures		300	0	427
Total	49 723	52 494	70 749	74 692

5. Other income from the Company business activities

Income from the currency selling or buying	85		121	
Income from revaluation of finished goods		1 117	0	1 589
Income from the currency selling or buying			0	0
Leasing out premises	17 788	20 366	25 310	28 978
Total	17 873	21 483	25 431	30 568

6. Other expenditures from the Company business activities

Loss from the currency selling or buying		32	0	46
Project	7 564		10 763	
Other expenditures	819	1 189	1 165	1 692
Total	8 383	1 221	11 928	1 737

7. Other interest and similar income

Interest on the remaining amount of monies in bank	96	31	137	44
Total	96	31	137	44

10. Real property tax

1 955	2 248	2 782	3 199
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Appendices to the annual account

3. Explanatory notes to the balance sheet items

1. Fixed assets

		Investment property	Lands, buildings construction	Long-term investments leased fixed	Equipment and machinery	Other fixed assets	Total	
		LVL	LVL	LVL	LVL	LVL	LVL	EUR
Initial Value 30.06.2009.		58 700	180 389	74 026	64 356	46 265	423 736	602 922
Initial Value 30.06.2010.		58 700	180 389	74 026	64 356	46 265	423 736	602 922
Depreciation 30.06.2009.		18 099	54 763	74 026	63 633	34 127	244 648	348 103
Depreciation 30.06.2010.		21 034	63 783	74 026	63 912	37 692	260 447	370 583
Residual value 30.06.2009.	LVL	40 601	125 626	0	723	12 138	179 088	
	EUR	57 770	178 750	0	1 029	17 271		254 819
Residual value 30.06.2010.	LVL	37 666	116 606	0	444	8 573	163 289	
	EUR	53 594	165 915	0	632	12 198		232 339

Fixed assets in the balance sheet are reflected as the residual value

Fixed assets are not encumbered.

Vehickes are insured.

2. Raw materials, direct material and auxiliary

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
gold	183 749	140 173	261 451	199 448
silver	2 087	2 106	2 970	2 997
precios stones, semiprecious stones	48 715	50 217	69 315	71 452
other auxiliary materials	49	251	70	357
low-value materials and inventory	817	1 494	1 162	2 126
fuel	18	0	26	0
motor transport tyres	0	293	0	417
tools	4 583	4 654	6 521	6 622
construction materials for current repairs	299	324	425	461
Total	240 317	199 512	341 940	283 880

Appendices to the balance sheet (continued)

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
3. Advance payments for products				
To LLC /SIA/ NESTE for fuel	0	256	0	364
Total	0	256	0	364

4. Indebtedness of customers and clients

Indebtedness of customers and clients	181 613	361 617	258 412	514 535
Lombard credit against a mortgage	4 095		5 827	
Gold on cleaning	13 512		19 226	
Settlements with other debtors		2 575		3 664
Settlements for lease	6 365	7 686	9 057	10 936
Total	205 585	371 878	292 521	529 135

5. Other debtors

Settlement with employees	470	100	669	142
Pledge VENDEN	11		16	
VAT overpayment	17 009		24 202	
Real property tax		11		16
Total	17 490	111	24 886	158

6. Expenditures for the subsequent periods

Payment for the rented ground		803	0	1 143
Insurance of transport	103	404	147	575
Lietišķas informācijas dienests (laws of the Republic of Latvia)			0	0
Newspaper, journals	43		61	0
Project documentation		7 564	0	10 763
NASDAQ OMO Rīga Stock Exchange for the stock quotation		1 542	0	2 194
Total	146	10 313	208	14 674

7. Monetary instruments

Monetary instruments in cash	8 351	8 587	11 882	12 218
Monetary instruments in operating accounts	93 326	27 555	132 791	39 207
Total	101 677	36 142	144 673	51 425

8. Information of the aggregate Company own stock and shares

The JSC was founded on 10 December 1991 with fixed capital Ls 4742980, composed of 4742980 shares, share par value constituting Ls 1,-

All the stocks are ordinary stocks with voting rights.

From the totality of Company stocks 4 493 700 stocks are bearer stocks in dematerialized form.

From the totality of Company stocks 249 280 are registered stocks in dematerialized form.

Appendices to the balance sheet (continued)

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
10. Taxes and social security payments				
Personal income tax	1 185	873	1 686	1 242
State social security obligatory payments	1 313	1 011	1 868	1 439
Business activity duty	4	9	6	13
VAT	0	5 306	0	7 550
Total	2 502	7 199	3 560	10 243
11. Other creditors (short-term)				
Wages	3 320	2 019	4 724	2 873
Settlement with employees	470		669	
	3 790	2 019	5 393	2 873