



**JOINT STOCK COMPANY**  
**GOLDINVEST ASSET MANAGEMENT**

**Unaudited financial statements**  
**for 12 months of 2011**

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**TABLE OF CONTENTS**

Company information	3
Management report	4-5
Profit and loss statement	6
Balance Sheet	7-8
Overview of changes in the equity capital	9
Annex	10

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**Company Information**

Firm	<b>„GOLDINVEST ASSET MANAGEMENT”</b>
Legal status	<b>JOINT STOCK COMPANY, until 11.08.2010</b> <b>Limited liability company</b>
Number, place and date of registration	<b>40003335793</b> <b>Riga, 3 April, 1997</b> <b>Re-registration in the Enterprise Register</b> <b>09.03.2004.</b>
Registered address	<b>Brīvības gatve 214, Riga, LV-1039</b>
Shareholders and the proportion of equity capital	<b>Barrow Consulting Ltd., foreign merchant</b> <b>Registered address Euro – trust Company</b> <b>Complex, Ajeltake Island, Ajeltake Road,</b> <b>Majuro, Marshall Islands MH 96960 – owns</b> <b>48.17% of capital</b>  <b>Gints Feņuks owns 28.07 % of capital</b>  <b>Ints Kalniņš owns 0.64 % of capital</b>  <b>SIA Nekustamā īpašuma projektu aģentūra</b> <b>pieder 13.45 % no kapitāla</b>
Board	<b>Jānis Lāma – Member of the Board</b>
Council as of 11.08.2010	<b>Pēteris Avotiņš – Chairman of the Council</b>  <b>Gints Feņuks – Deputy Chairman of the</b> <b>Council</b>  <b>Dmitrijs Čelebijs – Member of the Council</b>
Accounting year	<b>1 January – 31 December 2011</b>
Information about subsidiary companies	<b>SIA „VEF Komunikāciju serviss” (Ltd.),</b> <b>Brīvības gatve 214, Rīga, LV-1039.</b> <b>share – 58%</b>  <b>OOO „Goldinvest Asset Menedzment” (Ltd.),</b> <b>11933, Moscow, Lenin's Prospect 37A-24.</b> <b>share –100%</b>
Information about branch office	<b>Goldinvest Asset Management Vilnius Filialas,</b> <b>Kalvariju g.3/A Juozapavičiaus g.1, Vilnius</b>
Accountancy	<b>SIA „Baricentrs” (Ltd.)</b> <b>NMNR LV40003511763</b> <b>Biķernieku iela 12b-81, Rīga, LV – 1039</b>

## **Management report**

### ***Main performance results***

For the Joint Stock Company "Goldinvest Asset Management" (hereinafter - the Company or Goldinvest) the year 2011 has been a year of strong growth. Last year the Company managed to increase its turnover to LVL 5.14 million, reaching an increase of 57% over a year earlier, when the turnover totaled to LVL 3.28 million. Net profit has increased very significantly and reached LVL 120 thousand (LVL 0.14 per share); a year earlier the profit was only LVL 1.5 thousand. These positive results have been achieved by:

- 1) increasing levels of supply to investors, who bought bullion,
- 2) optimization of recycling processes and
- 3) implementing quality control measures.

Goldinvest is dealing in the consumer and industrial precious metal purchasing, processing and sales business, as well as in buying and selling of business investment precious metals (gold, palladium, platinum, silver, etc.). In order to increase the competitiveness of the company, in 2011 Goldinvest invested in the purchase of equipment necessary for analysis of precious metals. The equipment allows for rapid and accurate determination of the precious metal contents in the material supplied, to prevent errors and reduce the risks, when accepting the material and making settlements with suppliers, reducing the potential losses for the company of up to 5% of the transaction value. The total investment in fixed assets in 2011 was LVL 20 thousand.

The value of Goldinvest assets in 2011 increased by 38% and by the end of the year amounted to LVL 2.011 million. At the end of 2010 the value of assets was LVL 1.46 million. During the reporting period the company has increased its equity capital up to LVL 855 000 through capitalization of loans of shareholders and attracting a new shareholder SIA "Nekustamā Īpašuma Projektu Aģentūra", related to the founders. Also in 2011 the company has managed to increase the "SEB Bank" credit line up to EUR 350 000.

On March 22, 2011, the company's shares were listed in North First list of NASDAQ OMX Riga exchange. At the initial stage, the primary objective of listing the shares on the stock exchange is to inform the potential investors and ensure a wide publicity, with a view to raise additional funds for growth in future public offer.

### ***Branches and agencies abroad***

The Company has a registered and successfully operating branch in Lithuania, Vilnius. The branch in Vilnius carries out market studies and advertises the product. Distribution contracts on the rights to sell investment gold are concluded with several Latvian and Lithuanian companies. Services of the Company are used by Lithuanian clients. During the reporting period, the dealer contract was concluded on the trading in coins issued by the Bank of Lithuania.

During the first six months, the restructuring of the Russian subsidiary OOO Goldinvest Asset Management was accomplished, resulting in the increase of the Goldinvest assets in the company to 100%. The first store, owned by the subsidiary company in Moscow, for bullion purchasing and selling was opened and is working well.

Tasks of the subsidiary company are to study potential clients in the Federation of Russia and CIS countries, advertise services and possibilities of the Company, establish partnerships with local companies, financial and processing companies, summarize and evaluate local legislation (i.e. customs legislation) that could affect operation of the Company. By opening a trade and purchase centre of precious metals, the objective was set to increase sales and revenues from jewelry purchasing, processing, and trading in silver and gold coins.

### ***Financial risk management***

The Company may be affected by several financial risks, including credit risk, foreign currency rate, fluctuation risk of precious metal prices and interest rates. The Company management carries out measures to minimize the potential adverse impact of the financial risks on the financial performance of the Company. Risk factors to the Company are inability to prognosticate sales amounts of goods and services in long term, price fluctuations of precious metals in global markets, fluctuations of currency exchange rate, especially of LVL/USD, LVL/EUR, USD/EUR, and quality of purchased scrap metals containing precious metals. Also, limiting regulatory enactments of different countries for circulation of precious metals.

Financial means that may have an adverse impact on concentration level of credit risk are mainly cash and debts of clients and customers. The Company has introduced and follows credit policy, i.e. the Company sells services on credit only to clients with good credit history and not exceeding the credit ceiling set for each client. The debts of clients and customers are presented in their retrievable value. Company partners in financial transactions are local financial institutions with respective credit history.

Results of economic activity of the Company are directly dependent on the amount and price of sold goods and rendered services. With the amount and price of sales falling, also the financial performance of the Company will worsen.

One of the main risks is influence of macroeconomic processes on the Company, as a result of which expenses of offered goods and services may increase. Also, cycle of macroeconomics in Latvia and the world may notably affect operation of the Company.

### ***Future outlook***

In 2012, Goldinvest plans to continue the ongoing projects, focusing especially on the following activities:

- \* increasing the equity capital of the Company and activation of quotation of shares on the list of alternative share market NASDAQ OMX Riga First North;
- \* to improve the quality of customer service, achieving faster and more efficient servicing of customer orders by introducing new possibilities in the e-shop service and procedure of payments;
- \* to implement new and innovative solutions in trade of investment gold and precious metals;
- \* promotion of growth of the subsidiary company in Russia, supplying customers with different types of precious metals, as well as through purchase and exports of raw materials containing precious metals;
- \* to increase the number of customers in the Republic of Lithuania by studying the needs and demand of Lithuanian customers. To open a trade and purchase center of precious metals in the Republic of Lithuania;
- \* to improve expertise system of raw materials of precious metals with the aim to exclude and eliminate errors in determination of content of precious metals by purchasing and equipping a laboratory in Riga;
- \* to study and research other alternative supply sources and regions of raw materials containing precious metals in Northern Europe and Ukraine.
- \* planning to increase the turnover by 20% in excess of LVL 6 million;
- \* planning to increase the profits in 2012 to LVL 150 000.



---

Jānis Lāma  
Member of the Board  
In Riga, 23 February, 2012.

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**Profit and Loss Statement**

	<b>Annex</b>	<b>2011 LVL</b>	<b>2010 LVL</b>
1. Net turnover	1	5 137 031	3 280 984
2. Production expenses for sold goods	2	(4 873 117)	(3 193 759)
<b>3. Gross profit</b>		<b>263 914</b>	<b>87 225</b>
4. Cost of sales	3	(48 189)	(76 451)
5. Administrative expenses	4	(58 774)	(31 765)
6. Other interest receivable and similar income	5	24 452	67 204
7. Interest payable and similar charges	6	(67 004)	(39 477)
<b>Profit before taxation</b>		<b>114 399</b>	<b>6 736</b>
8. Corporate income tax for the accounting year		-	(5 285)
9. <b>Total profit or loss</b>		<b>114 399</b>	<b>1 451</b>



---

Jānis Lāma  
Member of the Board

In Riga, 23 February, 2012

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

<b>Balance Sheet</b>	<b>Annex</b>	<b>31.12.2011.</b>	<b>(1) 31.12.2010.</b>
<b>Assets</b>		<b>LVL</b>	<b>LVL</b>
<b>Long-term investments</b>			
<b>I Intangible assets:</b>			
Concessions, patents, licenses, brand names and similar rights		466	906
<b>Intangible assets, total:</b>	7	<b>466</b>	<b>906</b>
<b>II Fixed assets:</b>			
Other fixed assets and inventory		35	12 670
<b>Fixed assets, total:</b>	8	<b>35 256</b>	<b>12 670</b>
<b>III Long-term financial investments:</b>			
Participation in capital of related undertakings	9	234	234 385
Loans to related undertakings	10	273	273 934
Other long-term debtors	11	-	65 520
Other securities and investments in capital	12	484	484 861
<b>Long-term financial investments, total:</b>		<b>993 180</b>	<b>1 058 700</b>
<b>Long-term investments, total:</b>		<b>1 028 902</b>	<b>1 072 276</b>
<b>Current assets</b>			
<b>I Reserves:</b>			
Finished products and goods for sale		352	188 234
Advance payments for goods		2 005	2 030
<b>Reserves, total:</b>	13	<b>354 988</b>	<b>190 264</b>
<b>II Debtors:</b>			
Debts of customers and clients	14	601 945	164 313
Other debtors	15	-	9 873
Short-term loans to the Company management	16	11 228	10 781
Deferred costs	17	1 263	1 856
<b>Debtors, total:</b>		<b>614 436</b>	<b>186 823</b>
<b>IV Cash:</b>	18	13 060	9 000
<b>Current assets, total:</b>		<b>982 484</b>	<b>386 087</b>
<b><u>Assets, total</u></b>		<b><u>2 011</u></b>	<b><u>1 458</u></b>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**Balance Sheet**

(2)

	<b>Annex</b>	<b>31.12.2011. LVL</b>	<b>31.12.2010. LVL</b>
<b><u>Liabilities</u></b>			
<b>Equity capital:</b>			
Equity or share capital (equity capital)	19	855 000	300 000
Reserves:			
a) other reserves		-	-
Retained earnings			
a) Retained earnings from the previous years		1 302	(149)
b) Retained earnings from the accounting year		114 399	1 451
<b>Equity capital, total:</b>		<b>970 701</b>	<b>301 302</b>
<b>Reserves</b>			
Other reserves	20	14 305	11 813
<b>Reserves, total</b>		<b>14 305</b>	<b>11 813</b>
<b>Creditors:</b>			
<b>Long-term creditors:</b>			
Other loans	21	267 280	189 080
<b>Long-term creditors, total:</b>		<b>267 280</b>	<b>189 080</b>
<b>Short-term creditors:</b>			
Loans from financial credit institutions	22	249 268	167 582
Loans to be turned into shares	23	-	555 000
Other loans	24	278 936	50 989
Settlements for received advance payments		140 561	-
Debts to clients and customers		85 408	177 491
Taxes and mandatory state social insurance contributions	25	-	2 287
Other loans	26	5 377	2 819
<b>Short-term creditors, total:</b>		<b>759 550</b>	<b>956 168</b>
<b>Creditors, total</b>		<b>1 026 830</b>	<b>1 145 248</b>
<b><u>Liabilities, total</u></b>		<b><u>2 011 836</u></b>	<b><u>1 458 363</u></b>



\_\_\_\_\_  
Jānis Lāma  
Member of the Board

In Riga, 23 February, 2012



**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**Overview of changes in the equity capital in 2010 and 2011**

	Equity capital LVL	Other reserves LVL	Retained earnings LVL	Total LVL
<b>Balance as at 31st December 2009</b>	<b>300 000</b>	-	<b>(149)</b>	<b>299 851</b>
Profit of the accounting year	-	-	1 451	1 451
<b>Balance as at 31st December 2010</b>	<b>300 000</b>	-	<b>1 302</b>	<b>301 302</b>
Increased equity capital	555 000	-	-	555 000
Profit of the accounting year	-	-	114 399	114 399
<b>Balance as at 31st December 2011</b>	<b>855 000</b>	-	<b>115 701</b>	<b>970 701</b>



\_\_\_\_\_  
 Jānis Lāma  
 Member of the Board

In Riga, 23 February, 2012

## **Annex**

### **Accounting policy**

#### **(a) General principles**

The Annual report is elaborated in line with the Law on Accountancy and the Law on Annual Reports of the Republic of Latvia and according to Latvian accountancy standards. The profit or loss account is elaborated according to the function of expense method.

Overview of the cash flow is elaborated according to the indirect method.

In comparison with the previous year, the accounting and valuation methods used by the Company are not changed.

#### **(b) Applied accounting principles**

Items of financial reports have been assessed in line with the following accounting principles:

- a) It is assumed that the Company will operate also in future.
- b) The same assessment methods as last year have been used.
- c) Assessment has been performed with due caution:
  - only profit gained only until the balance sheet date has been included in the report;
  - all predictable risk amounts and losses that have occurred in the accounting year or previous years have been taken into account, even if they were found between the balance sheet date and the day of preparation of the report;
  - all value decrease and depreciation amounts have been calculated and taken into account, regardless of whether the accounting year is concluded with profit or loss.
- d) Income and expenses related to the accounting year have been taken into account, regardless of the payment date, or reception or issue date of invoice. Expenses have been harmonized with income in the accounting period.
- e) Contents of assets and liabilities items have been assessed separately.
- f) Opening balance of the accounting year corresponds to the closing balance of previous year.
- g) All items notably affecting assessment of users or decision making of the accounting year have been stated, low-significance items are joined and their details are provided in annex.
- h) Economic transactions in the annual report have been presented taking into account their economic content and essence, not legal form.

#### **(c) Income acknowledgement and net turnover**

Net turnover is the value sum of the products and services sold over the year, deducting any discounts and value added tax. The income from sales of products is acknowledged, when the customer has accepted the goods according to delivery conditions thereof. The income from sales of services is acknowledged, when the service is provided.

#### **(d) Conversion of foreign currency into Lats**

Accountancy of Komunikaciju centrs Ltd is in Latvian Lats. All transactions in foreign currency are converted into Lats according to the official currency rate set by the Bank of Latvia at the very day of transaction. Monetary assets and liabilities in foreign currency are converted into Lats according to the official currency rate set by the Bank of Latvia on the last day of the accounting year. Profit or loss due to conversion of the value of transactions, monetary assets and liabilities is included in the profit or loss account for the respective period.

#### **(e) Investments**

##### *Subsidiary company*

Subsidiary company is a company controlled by parent company that can determine financial and operational policy of the company to benefit from activity of the company.

Share in subsidiary company is initially acknowledged in purchase expenses. If value of share on the balance sheet date is lower than purchase expenses or assessment in the balance sheet of previous year, and the decrease of value is expected to last, it is assessed according to the lowest value.

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(f) Information about non-preparation of consolidated financial reports**

Consolidated annual report is not prepared pursuant Clause 8 of the law On Consolidated Annual Reports regarding exemption from the obligation to prepare consolidated annual reports if it does not exceed at least two criteria set by the law.

**(g) Intangible assets and fixed assets**

Intangible assets and fixed assets are presented at their purchase value, deducting accrued depreciation and accrued decrease of value. The purchase value includes all and any costs, which are directly related to the purchase of the intangible or fixed asset. The purchase value of licenses intended for purchased software includes the license purchase value and costs in relation to the introduction of these for further use.

The depreciation of other assets is calculated according to the straight-line method over the useful period of use of the respective intangible or fixed assets, in order write off the purchase value of the intangible or fixed assets till the estimated value thereof by the end of its useful life, applying the following rates set by the management.

	<b>% per annum</b>
Intangible assets	33
Technologies	20-50
Other devices and equipment, vehicles	10-25

In case the book value of any intangible or fixed asset exceeds its retrievable value, the value of the respective intangible or fixed asset is immediately written off till its retrievable value. The retrievable value is higher than the actual value of the respective intangible or fixed asset, deducting cost of sales or usage values.

Further costs are included in the assets of the balance sheet or acknowledged as a separate asset only, where there is high probability that the future commercial benefits in relation with this item will flow into the company and the costs of this budget line may be truthfully identified. Such costs are written off within the residual useful life of the respective fixed asset. Where the set reserve part costs are capitalized, the residual value of the substituted part is written off in the profit or loss account. Running repair and maintenance costs of the fixed assets are included in the respective profit or loss account, when the costs existed.

Profit or loss from exclusion of fixed assets is calculated as a balance between the book value and the income from the sale thereof, and is included in the respective profit or loss account, when the income was generated.

**(h) Reserves**

Reserves are indicated in the lowest from costs or net sales value. The costs are calculated according to the FIFO method. Net sales value is a sales price of the reserves, which is determined during the normal operation of a company, deducting completion costs and cost of sales from the price. In case where the net sales value of the reserves is less than their costs, accruals for these reserves are created in order to decrease their value till net sales value.

**(i) Debtors debts**

The debtors' debts in the balance sheet are presented in the amortized purchase value, deducting accruals for the value decrease. Accruals for the value decrease are created in cases, when there is reasonable evidence that the Company will not receive the debts in full value according to the initially set payback deadlines. The accrual volume is the balance between accounting sum of the debtors' debt and the retrievable value thereof.

**(j) Taxes**

The corporate income tax costs for the accounting year are included in the financial report, based on calculations made by the management according to existing tax laws and regulations of the Republic of Latvia.

**(k) Cash and its equivalents**

Cash and its equivalents consist of cash in hand and cash at bank.

**(l) Corporate income tax**

The calculated corporate income tax is calculated according to conditions of the Law on Corporate Income Tax, determining income subject to taxation and applying the official 15% tax rate.

**(m) Financial risk management**

Based on existing proportion of financial assets and liabilities in foreign currency, the currency risk is insignificant.

**(n) Accrued liabilities**

Accruals are intended for the covering of particular losses, liabilities or costs of the present or previous accounting years, and which are forecast or reasonably known, but the volume or incurring of liabilities and the coverage date thereof are unclear, at the time the present annual report is elaborated.

As at the end of the accounting year the following accruals are created:

Accrued liabilities for unused annual leave are calculated according to number of days of unused annual leave as at 31 December 2010 and the average daily salary during the last six months of the accounting year;

**(o) Deferred tax liabilities**

Deferred corporate income tax was calculated for temporary balance due to time deviation, which arises due to the differences between values of assets and liabilities in the financial reports and the value thereof for tax base. The deferred tax was calculated according to the official 15 % rate. The said balances have mainly arisen due to different fixed assets' depreciation rates, which are applied for commercial and tax accounting. The deferred tax asset based on caution principle is not acknowledged.

**(p) Related parties, transactions with related parties**

A party is deemed related with the Company, where:

- a) The Party either directly or indirectly controls, is being controlled of is jointly controlled with the Company (parent companies, affiliates and other holding affiliates), the Party owns shares, which entitles it to a significant hold of the Company, or the Party has a joint control over the Company;
- b) Party is an associated undertaking of the Company;
- c) Party is a partnership, in which the Company is a member thereof;
- d) Party is member of the board of the Company or its parent company;
- e) Party is a close family member of any natural person subject to a) or d);
- f) Party is a company, which is controlled, jointly controlled or which is under significant impact of natural persons according to d) and e), or which either directly or indirectly owns significant rights to vote through either any of d) or e) natural person.

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(1) Net turnover**

Turnover is the income generated from basic economic activities of the Company during the period of one year – production sales, deducting any discounts and value added tax.

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Income from sales of investment gold and other precious metals and precious metal-containing secondary materials	5 137 031	3 280 816
Other income	-	168
	<u><b>5 137 031</b></u>	<u><b>3 280 984</b></u>

**(2) Production expenses for sold goods**

This item presents costs related to reaching the net turnover – costs of goods or services in the production or purchase cost price and costs related to the purchase of goods/ services.

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Investment gold, recycled materials of other precious metals and containing precious metals	4 778 498	3 113 557
Service costs	24 760	29 853
Transportation of goods	5 156	6 660
Payroll	51 886	32 631
Reserves for leave	-	1 996
Statutory social insurance dues	12 507	8 478
Commercial risk due	28	22
Other external costs	282	562
	<u><b>4 873 117</b></u>	<u><b>3 193 759</b></u>

**(3) Cost of sales**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Advertisement costs	13 351	18 507
Insurance payments	4 221	3 001
Household costs	1 058	3 675
Business trip costs	8 197	5 746
Office rent and utilities' costs	12 656	9 646
Depreciation of fixed assets	6 718	9 387
Transport costs	240	310
Staff training	1748	2 473
	<u><b>48 189</b></u>	<u><b>76 451</b></u>

**(4) Administrative expenses**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Legal advice	16 375	5 816
Accountancy service	3 893	3 773
Annual report and audit services	-	1 000
Communication costs	15 883	3 970
Office costs	223	7 061
Cash turnover extra costs	13 237	5 262
Transport costs	7 853	4 740
Representation costs	1 310	143
	<u><b>58 774</b></u>	<u><b>31 765</b></u>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(5) Other interest income and similar income**

	<b>2011.</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Interest income	762	23 358
Income from currency and investment gold market price fluctuations	-	7 186
Income from currency fluctuations - net	4 954	10 943
Received penalty fees	-	7
Other income	18 736	25 710
	<u><b>24 452</b></u>	<u><b>67 204</b></u>

**(6) Interest payments and similar expenditures**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Paid interest	59 522	14 076
Reversed previously accrued interest	-	16 436
Paid penalty fees	8	39
Other costs	7 474	8 926
	<u><b>67 004</b></u>	<u><b>39 477</b></u>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(7) Intangible assets**

	<b>Software LVL</b>	<b>Total LVL</b>
<b>Initial value</b>		
<b>31.12.2009.</b>	<b>2 709</b>	<b>2 709</b>
Purchase value	40	40
<b>31.12.2010.</b>	<b>2 749</b>	<b>2 749</b>
Purchase value	-	-
<b>31.12.2011</b>	<b>2 749</b>	<b>2 749</b>
<b>Depreciation</b>		
<b>31.12.2009.</b>	<b>1 089</b>	<b>1 089</b>
Calculated for 2010	754	754
<b>31.12.2010.</b>	<b>1 843</b>	<b>1 843</b>
Calculated as on 31.12.2011.	439	439
<b>31.12.2011.</b>	<b>2 282</b>	<b>2 282</b>
<b>Book value as on 31.12.2010</b>	<b>906</b>	<b>906</b>
<b>Book value as on 31.12.2011.</b>	<b>466</b>	<b>466</b>

**(8) Fixed assets**

	<b>Other fixed assets and inventory LVL</b>	<b>Total LVL</b>
<b>Initial value</b>		
<b>31.12.2009.</b>	<b>41 400</b>	<b>41 400</b>
Purchased	10 123	10 123
Adjustment	(223)	(223)
<b>31.12.2010.</b>	<b>51 300</b>	<b>51 300</b>
Purchased	28 883	28 883
<b>30.06.2011.</b>	<b>80 183</b>	<b>80 183</b>
<b>Depreciation</b>		
<b>31.12.2009.</b>	<b>29 518</b>	<b>29 518</b>
Calculated for 2010	9 112	9 112
<b>31.12.2010.</b>	<b>38 630</b>	<b>38 630</b>
Calculated as at 31.12.2011	6 297	6 297
<b>31.12.2011.</b>	<b>44 927</b>	<b>44 927</b>
<b>Net book value as at 31.12.2010.</b>	<b>12 670</b>	<b>12 670</b>
<b>Net book value as at 31.12.2011</b>	<b>35 256</b>	<b>35 256</b>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(9) Investments in subsidiaries**

	<b>LVL</b>
<b>Book value as at 31.12.2010</b>	234 385
Purchase as at 31.12.2011	
Liquidation or sales as at 31.12.2011	
Dividends calculated as at 31.12.2011	
Foreign exchange rate fluctuations due to foreign investment revaluation	
<b>Book value as at 31.12.2011.</b>	<b>234 385</b>

In order to use the rights to vote for additional 14% shares in VEF “Komunikāciju Serviss”, a task for voting from physical entity Guntis Lipiņš should be received. The condition is valid until the Company makes the final payment to Guntis Lipiņš for purchase of shares of “VEF Komunikāciju Serviss” Ltd and “VEF” JSC. Pursuant to contract concluded with Guntis Lipiņš, payment should be performed until 31 December 2012.

**(10) Loans to affiliated undertakings**

	<b>LVL</b>			
<b>Book value as at 31.12.2010</b>	273 934			
Amount lent as at 31.12.2011				
Amounts repaid as at 31.12.2011				
Value adjustments as at 31.12.2011	-			
Loan outstanding value as at 31.12.2011	273 934			
<b>Book value as at 31.12.2011</b>	<b>273 934</b>			
<b>Loans by currency:</b>	<b>2011</b>		<b>2010</b>	
	<b>Currency</b>	<b>LVL</b>	<b>Currency</b>	<b>LVL</b>
LVL		273 934		273 934
		<b>273 934</b>		<b>273 934</b>

As a result of cession, the Company overtook the residual debt from another legal entity “VEF Komunikāciju Serviss” Ltd in the amount of LVL 273 934 issued by founder of the Company Barrow Consulting Ltd. Pursuant to conditions of loan contract and agreement, the interest-free debt should be repaid by 2014. The loan is not subject to loan guarantee.

**(11) Other long-term debtors**

<b>Book value as at 31.12.2009</b>	
Purchase in 2010	65 520
Purchase value as at 31.12.2010	65 520
<b>Book value as at 31.12.2010</b>	<b>65 520</b>
Purchase as at 31.12.2011.	
Loan adjustments	(65 520)
<b>Book value as at 31.12.2011</b>	



**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

During the reporting period, in accordance with the Netting Agreement of 11 May, 2011, a credit assignment of the debt 120 000 USD or 65 520 LVL (in accordance with the promissory notes 1,567,636 AA) of the Ukrainian company Sermeta Corporation, registration code 319577797, to company founder Barrow Consulting Ltd. was carried out. According to the terms of the Netting Agreement, Barrow Consulting Ltd. deletes the appropriate amount of claim against the Company.

**( 12) Other securities and capital investments**

	<b>LVL</b>
<b>Book value as at 31.12.2010</b>	<b>484 861</b>
Purchase as at 31.12.2011.	
Purchase value as at 31.12.2011.	
Revaluation reserve as at 31.12.2011.	
Accrued losses due to revaluation as at 31.12.2011.	
<b>Book value as at 31.12.2011.</b>	<b>484 861</b>

As at 31 May, 2011, the Company has a significant hold in the “VEF” JSC, where it owns 426 377 voting shares. In order to use the rights to vote for 164 051 VEF shares of closed emission, a task for voting from physical entity Guntis Lipiņš should be received. The condition is valid until the Company makes the final payment to Guntis Lipiņš for purchase of shares of “VEF Komunikāciju Serviss” Ltd and “VEF” JSC. Pursuant to contract concluded with Guntis Lipiņš, payment should be performed until 31 December 2012. Until fulfillment of the contract, 164 051 shares of VEF JSC are registered in the internal shareholder register of VEF JSC on the name of Company.

The purchase value of investments is presented, based on the opinion of the management that the investments are not kept with the aim to sell these and there is no set deadline. According to the abovementioned assumptions the securities are not adjusted according to the market price as at the balance sheet day.

**( 13) Reserves**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Investment gold, recycled materials of other precious metals and materials containing precious metals	352 983	188 234
Advance payments for goods	2 005	2 030
	<b>354 988</b>	<b>190 264</b>

**( 14) Trade and other receivables**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Book value of trade receivables	601 945	164 313
	<b>601 945</b>	<b>164 313</b>

**( 15) Other debtors**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Payments to other debtors	-	5 793
Overpaid taxes (see Note 25)	-	4 080
	<b>-</b>	<b>9 873</b>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(16) Loans to Company shareholders and management**

<b>Book value as at 31.12.2010</b>	<b>10 781</b>
Amount lent as at 31.12.2011	-
Allowance for doubtful loan balances as at 31.12.2011	
Loan amounts repaid	-
<b>Book value as at 31.12.2011</b>	<b>11 228</b>

<b>Loans by currencies:</b>	<b>2011</b>		<b>2010</b>	
	<b>Currency</b>	<b>LVL</b>	<b>Currency</b>	<b>LVL</b>
USD	-	-	2 505	1 340
EUR	-	-	5 000	3 514
LVL	-	11 228		5 927
		<u><b>11 228</b></u>		<u><b>10 781</b></u>

**( 17) Deferred expenses**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Deferred expenses	1 263	1 856
	<u><b>1 263</b></u>	<u><b>1 856</b></u>

**( 18) Cash**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Cash at bank	5 655	5 167
Cash in hand	7 405	3 833
	<u><b>13 060</b></u>	<u><b>9 000</b></u>

**(19) Equity capital**

On 31 December 2011, equity capital of the Company in the amount of LVL 855 000 has been registered, consisting of 855 000 ordinary dematerialized registered shares with the nominal value of LVL 1 each.

**( 20 ) Other accruals**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Accruals for unused annual leave	9 502	9 502
Accruals for payable taxes	4 803	2 311
	<u><b>14 305</b></u>	<u><b>11 813</b></u>

**( 21) Long-term share of the loans**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Credit facility from shareholder non-resident*	267 280	160 658
Loans from a physical entity of the Republic of Latvia	-	28 422
	<u><b>267 280</b></u>	<u><b>189 080</b></u>

\* A contract on credit facility of 25 September 2000 with amendments of 24 April 2006 for sum of the credit facility 1 500 000 USD, due as by 1 October 2015, annual interest rate is 3 %. At the end of the year the basic amount is LVL 185 138.

**(22) Loans from credit institutions**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
SEB JSC credit facility	249 268	167 582
	<u><b>249 268</b></u>	<u><b>167 582</b></u>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

*Credit facility*

A contract on credit facility was concluded with JSC "SEB banka" on 21st July 2008. As of 31 May 2011 the credit spent amounts to LVL 173 821. Contract ends on 20th July 2011, and the annual interest rate is a 3-month EURIBOR + 4.33%. Guarantor of the liabilities is other legal entity of the Republic of Latvia, a shareholder of the Company SIA „Nekustamā īpašuma Projektu aģentūra” (Real Estate Project Agency).

**(23) Loans to be turned into shares**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Gints Feņuks	-	90 000
SIA „Nekustamā īpašuma projektu aģentūra”	-	115 000
Barrow Consulting LLC	-	350 000
	<u>-</u>	<u>555 000</u>

Increase of equity capital registered on 11 January 2011.

**(24) Other loans**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Loan from resident of Latvia – physical entity	170 595	2 802
Loan from resident of Latvia – legal entity	57 189	1 891
Loan from resident of Latvia – legal entity*	38 218	45 381
Loan from the a credit institution	12 934	915
	<u>278 936</u>	<u>50 989</u>

\* A loan agreement with "JO Investicijas" Ltd was concluded on 10th July 2008 for the total sum – EUR 60 000; annual interest rate is 20% of the loan for the time period of its use. A possessory pledge contract RKL – 100708JO serves as security of the loan; the pledgee is provided investment gold, the value of which is evaluated as 100% of the loan value.

**(25) Other creditors**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Calculated, but unpaid wages	5 377	2 819
	<u>5 377</u>	<u>2 819</u>

**(26) Average number of employees in the Company**

	<b>2011.</b>	<b>2010</b>
Average number of employees in the accounting year in Latvia	9	7
Average number of employees in the accounting year in Lithuania branch	2	2
	<u>11</u>	<u>9</u>

**( 28) Personnel costs**

	<b>2011</b>	<b>2010</b>
	<b>LVL</b>	<b>LVL</b>
Payroll and accruals for annual leave	51 886	34 627
Mandatory state social insurance contributions	12 507	8 478
Commercial risk fee	28	22
	<u>64 421</u>	<u>43 127</u>

**GOLDINVEST ASSET MANAGEMENT JSC**  
**ANNUAL REPORT JANUARY-DECEMBER 2011**

**(29) Off-balance sheet liabilities**

As on the end of 2010, The Company has granted a security as an off-balance sheet liability, pledging 792 shares of “VEF Komunikāciju Serviss” Ltd in favor of TKB Asset Management LLC with the maximum amount of the security LVL 210 840, where debtor is Fund Administrate LLC (1220 N. Market Street, Suite 606, DE 19801, Wilmnigton, Delaware, USA). During the reporting period these liabilities have been canceled and the Company's guarantee is not valid.

**(30) Transactions with related parties**

Entity related to the Company	Sold products and rendered services LVL	Purchased products and services LVL	Debts to related entities LVL	Debts of related entities LVL
			LVL	LVL
Nekustamā īpašuma projektu aģentūra SIA	-	-		57 189
Barrow Consulting LLC	-	-		267 280
Pēteris Avotiņš	-	-		112 904
Gints Feņuks	-	-		23 858
<b>Total</b>	-	-		<b>461 231</b>

**(31) Events after the end of the accounting year**

Shares of “Goldinvest Asset Management” JSC are being quoted on the alternative share market NASDAQ OMX Riga First North since 22 March 2011.

Short title of issuer	<b>GAM</b>
Exchange code	<b>GAM1R</b>
Nominal value	<b>1.00 LVL</b>
Total number of securities	<b>855 000</b>




---

Jānis Lāma  
Member of the Board

In Riga, 23 February, 2012