

JSC "Rīgas juvelierizstrādājumu rūpnīca"
Unified registration Nr. 40003044420
Address : Terēzes iela 1, Rīga LV-1012

Main activities:
processing of precious metals

Unit: Ls

Account
of the period from 01.01.2012 to 31.03.2012

State Revenue Service territorial office: Latgale suburb department

Submission date: _____

Date of receipt: _____

Rīga

SATURS

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INFORMATION about the COMPANY

Name of the Company	<i>JSC "Rīgas juvelierizstrādājumu rūpnīca"</i>
Legal Status of the Company	<i>Joint Stock Company</i>
Unified Registration №, place and date of incorporation	<i>40003044420 10 th December 1991</i>
Legal address	<i>Terēzes iela 1, Rīga, LV-1012, t.67272790</i>
Mailing address	<i>Terēzes iela 1, Rīga, LV-1012</i>
Type of activity	<i>Manufacturing and wholeselling jewellery</i>
Name, address. Tel.of Unit of Business Activities	<i>workshop: Terēzes iela 1, Rīga, LV-1012</i>
Composition of the Council members	<i>Vidis Zaķis Igoris Istomins Eļena Vasuļa Juris Čerņecovs Tatjana Reznigiska</i>
Composition of the Board of Directors members	<i>Vladimirs Cadovičs Alefīna Struļeviča Aleksandrs Ančevskis</i>
Bank accounts	
<i>JSC "SEB Latvijas Unibanka" LVL</i>	<i>LV62UNLA0001000243901</i>
<i>JSC "SEB Latvijas Unibanka" EUR</i>	<i>LV64UNLA0050018797523</i>
Chief accountant	<i>Natalja Beļšova</i>
Year of account	<i>from 01.01.2012. to 31.03.2012.</i>
Auditor	<i>Aivars Rutkis 240254-12201 certified auditor (LZRA cert.Nr.18)</i>
Average number of employees	<i>16</i>

Management Report

Information about the Company

AS „Rīgas juvelierizstrādājumu rūpnīca” registered office is at 1 Terezēs Street, Riga, LV-1012.

The Company is registered in the Commercial Register under unified registration number 40003044420. The equity capital of the company is 4 742 980 LVL that is divided into 4742980 shares with share's nominal value of 1 LVL.

Chairman of the Company's Board is Vladimirs Cadovičs, other Members of the Board: Alefīna Struļeviča and Aleksandrs Ančevskis.

The Company's Auditor is Certified Auditor Aivars Rutkis (Certificate No. 18).

Main shareholders:

Vladimirs Cadovičs –531 785 shares

"MALEKS S" SIA – 239 200 shares

Igors Istomins – 1 160 000 shares

Marija Ančevska – 1 540 000 shares

Other - 56 people

The Company's business for the accounting year

AS „Rīgas juvelierizstrādājumu rūpnīca” business is processing of precious metals, production and repairs of jewelry.

Name, address, telephone of the structural unit for economic activity:

workshop: 1 Terezēs Street, Riga, LV-1012, tel. 67277365

JSC „Rīgas juvelierizstrādājumu rūpnīca” has no holding and subsidiary companies.

The Company closed its fiscal year with the results as follows:

Result before extraordinary items and taxes is profit: 6 599 LVL

Net result: 5 673 LVL

Net turnover for 1.01.2012- 31.03.2012 was equal to 99 521 LVL. It has increased for 30% compared with 01.01.2011- 31.03.2011.

In 2012 the Company efficiently cooperated with Lithuanian company "FORTUNATAS" and Spanish company "Aragon Carmona".

In order to improve cooperation with current customers and to attract new customers, the Company presented its product collections on the Internet at: www.rigagold.lv.

In 2012 the Company expanded its range of jewelry, following the customers' requirements and the latest fashion tendencies.

Events for developing the Company

Taking into consideration the global financial crisis, the Company plans to implement its new business ideas, researching local and foreign markets for reaching better sales results.

It intends to develop the existing Internet homepage, offering its range of jewelry.

The Company plans to involve partners from the European member-states and Russia for producing new jewelry models, and to create much more efficient opportunities for cooperating with wholesalers in Latvia.

It intends also to analyze paying capacity of customers and to sell products in accordance with the results of analysis, in some cases correcting payment terms.

For mastering new sales markets, the Company should make considerable investments, which are currently impossible without attracting additional funds. Efforts made by the Company's Board and Council in finding investors with their market niche gave no results so far.

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Alefīna Struļeviča

Member of the Board

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 31.03.2012.

Hereby it is confirmed by the Company managers that upon drawing the present report for period, 01.01.2012- 31.03.2012, appropriate accounting methods were used, the same were applied on consistent basis, and reasonable and cautious decisions are made.

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

Alektina Struļeviča

Member of the Board

Aleksandrs Ančevskis

Profit or loss statement for 2012 and 31 March 2011

Parameters	Annexes	2012 LVL	2011 LVL	2012 EUR	2011 EUR
Net turnover	1	99 521	76 746	141 606	109 200
Manufacturing expenditures of sold products	2	-50 675	-42 474	-72 104	-60 435
Gross profit or loss		48 846	34 272	69 502	48 765
Selling expenses	3	-34 383	-29 651	-48 923	-42 190
Administrative expenses	4	-22 118	-20 536	-31 471	-29 220
Other operating revenue	5	15 756	14 116	22 419	20 085
Other operating expenses	6	-1 502	-1 101	-2 137	-1 567
Other interest income and similar income	7	0	0	0	0
Profit or loss before extraordinary items and taxes		6 599	-2 900	9 390	-4 126
Profit or loss before taxation		6 599	-2 900	9 390	-4 126
Deferred corporate income tax					
Other taxes	8	-926	-931	-1 318	-1 325
Loss in the reporting year (net revenue)		5 673	-3 831	8 072	-5 451
Profit or loss per one stock in a year		0,001	-0,001	0,002	-0,001
Profit or loss per one stock from the beginning		-0,795	-0,805	-1,13	-1,143

Balance sheet on 2012 and 31 March 2011.

<i>Assets</i>	<i>Annexes</i>	2012 LVL	2011 LVL	2012 EUR	2011 EUR
<i>I. Long-term investments</i>					
<i>I Fixed assets</i>					
Land, buildings, constructions and perennial plantations		100 823	109 843	143 458	156 293
Long-term investment in rented fixed assets				0	0
Equipment and machinery		90	235	128	334
Other fixed assets and inventory		3 857	5 398	5 488	7 681
<i>Total fixed assets</i>		104 770	115 476	149 074	164 308
<i>II Investment property</i>		32 530	35 464	46 286	50 461
<i>Total investment property</i>		32 530	35 464	46 286	50 461
<i>Total long-term investments</i>	1	137 300	150 940	195 360	214 768
<i>2. Current assets</i>					
<i>III Inventory</i>					
Raw materials, direct materials and auxiliary materials	2	203 313	263 060	289 288	374 301
Unfinished products	3	146 754	106 853	208 812	152 038
Finished products and products for sale	4	168 943	195 542	240 384	278 231
Advance payments for goods	5	254	218	361	310
<i>Total inventory</i>		519 264	565 673	738 846	804 880
<i>IV Indebtedness of the debtors</i>					
Debts of the customers and clients	6	391 840	296 322	557 538	421 628
Other debtors	7	11	11	16	16
Expenses of the subsequent period	8	463	628	659	894
<i>Total debtors</i>		392 314	296 961	558 213	422 537
<i>V Short-term financial investments</i>					
Other securities		0	0	0	0
<i>Total short-term financial investments</i>		0	0	0	0
<i>Funds (total)</i>	9	49 889	41 467	70 986	59 002
<i>Total current assets</i>		961 467	904 101	1 368 044	1 286 420
<i>Grand total assets</i>		1 098 767	1 055 041	1 563 405	1 501 188

<i>Liabilities</i>	<i>Annexes</i>	2012 LVL	2011 LVL	2012 EUR	2011 EUR
<i>I Equity capital</i>					
Stock or share capital (fixed capital)	10	4 742 980	4 742 980	6 748 653	6 748 653
Revaluation reserves of long-term investments		108 258	113 956	154 037	162 145
Undistributed profit					
a) undistributed profit from the previous year		-3 776 592	-3 816 246	-5 373 606	-5 430 029
b) undistributed profit for the reporting year		5 673	-3 831	8 072	-5 451
<i>Total undistributed profit</i>		-3 770 919	-3 820 077	-5 365 534	-5 435 480
<i>Total equity capital</i>		1 080 319	1 036 859	1 537 155	1 475 317
<i>II Reserves</i>	11	5 903	0	0	0
<i>Total reserves</i>		5 903	0	0	0
<i>III Creditors</i>					
<i>2 Short-term debts</i>					
Indebtedness to suppliers and contractors		907	783	1 291	1 114
Taxes and social security liabilities	12	7 806	7 432	11 107	10 575
Other creditors	13	3 832	3 957	5 452	5 630
Accrued liabilities		0	6 010	0	8 551
<i>Total short-term debts</i>		12 545	18 182	17 850	25 871
<i>Total creditors</i>		12 545	18 182	17 850	25 871
<i>Grand total liabilities</i>		1 098 767	1 055 041	1 555 005	1 501 188

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Alejtīna Struļeviča

Member of the Board
Aleksandrs Ančevskis

Report on changes in the equity capital in 2012 and 2011 on 31 March

	Stock or share capital (fixed)	Revaluation reserves of long term investments	Undistributed profit from the previous year	Profit in the reporting year	Total equity capital
	LVL	LVL	LVL	LVL	LVL
Residual value on 31 March 2011	4 742 980	119 954	-3 796 160	-15 244	1 051 530
Residual value on 31 March 2012	4 742 980	108 258	-3 776 592	5 673	1 080 319

	Stock or share capital (fixed)	Revaluation reserves of long term investments	Undistributed profit from the previous year	Profit in the reporting year	Total equity capital
	EUR	EUR	EUR	EUR	EUR
Residual value on 31 March 2011	6 748 653	170 679	-5 401 449	-21 690	1 496 192
Residual value on 31 March 2012	6 748 653	154 037	-5 373 606	8 072	1 537 155

Chairman of the Board

Member of the Board

Member of the Board

Vladimirs Cadovičs

Aleština Struļeviča

Aleksandrs Ančevskis

**CASH FLOW STATEMENT for the period which ENDED
31.03.2012 (by direct method)**

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
I. Cash flow of main activities				
Revenue from the sales of the products and provided services	65 952	30 455	93 841	43 334
Payments to suppliers, staff, other expenditures on main activities	-81 466	-87 183	-115 916	-124 050
Other revenue and expenditures on main activities	27 657	25 612	39 352	36 443
Gross cash flow of the main activities	12 143	-31 116	17 278	-44 274
Expenditures on interest payments				
Expenditures on tax payments for the real property (-)	-926	-931	-1 318	-1 325
Cash flow before extraordinary items	11 217	-32 047	15 960	-45 599
Net cash flow of the main activities	11 217	-32 047	15 960	-45 599
II. Cash flow of investment activities				
Acquisition of fixed assets and intangible investments (-)	-75	0	-107	0
Received interest (+)	0	0	0	0
Net cash flow of investment operations	-75	0	-107	0
V. Net cash flow in the reporting year	11 142	-32 047	15 854	-45 599
VI. Cash and its equivalents at the beginning of the period	38 747	73 514	55 132	104 601
VII. Cash and its equivalents at the end of the period	49 889	41 467	70 986	59 002

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Alešina Struļeviča

Member of the Board

Aleksandrs Ančevskis

Annexes to the annual report

1. Accounting policy and applied methods

Accounting policy and applied methods in the reporting year haven't been changed.

Reporting period from 01.01.2012. to 31.03.2012.

Value of money and foreign currency exchange

Figures are set out in the Financial Statements in the Latvian national currency - lats (LVL)

All monetary assets and liabilities in foreign currencies are recalculated into lats according to the exchange rate set by the Bank of Latvia on the last date of the reporting year.

Foreign currency exchange rates at the end of the reporting year in the last two years were following:

31.03.2012		31.03.2011	
EUR	0,702804	EUR	0,702804

Annexes to the annual report

2. Explanatory notes to the profit or loss statement

1.Net turnover	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Sales of jewellery	60 806	64 814	86 519	92 222
Sales of jewellery in the EU	7 564		10 763	
Workshop (jewellery repair)	12 394	11 478	17 635	16 332
Pawnshop (jewellery)	0	454	0	646
Sales of investment gold	18 757	0	26 689	0
Total	99 521	76 746	141 606	109 200

2.Manufacturing expenditures of sold products

Purchasing and manufacturing expenses of the sold jewels	47 182	39 509	67 134	56 216
Costs of sold investment gold	7 375		10 494	
Direct materials	228	0	324	0
Assaying of jewellery at the State Assay Supervision Inspection	170	105	242	149
Low-value materials and inventory	285	561	406	798
Auxiliary materials	38	0	54	0
Changes of reserves and value of unfinished production.	-4 603	2 291	-6 549	3 260
Insurance of products	0	8		11
Other expenditures		0	0	0
Total	50 675	42 474	72 104	60 435

3. Selling expenses

Workers' salary	9 611	8 701	13 675	12 380
Obligatory social payments for workers	2 247	2 065	3 197	2 938
Advertising	0	0	0	0
Residential services (water, electricity, gas)	15 292	13 045	21 759	18 561
Rent of the land and premises	3 845	2 529	5 471	3 598
Depreciation of fixed assets (without the adm.building)	3 386	3 297	4 818	4 691
Other selling costs	2	14	3	20
Total	34 383	29 651	48 923	42 190

4. Administrative expenses

Communication costs	641	525	912	747
Bank services	59	63	84	90
To "NASDAQ OMX Riga" for work connected with shares	3 125	3 125	4 446	4 446
Office expenditures	237	230	337	327
Depreciation of fixed assets (administrative building)	819	819	1 165	1 165
Costs of business trips	0	605	0	861
Salary of administration	10 260	9 000	14 599	12 806
Obligatory social payments for administration	2 307	2 168	3 283	3 085
Tax of risk of the business activity	13	12	18	17
Security services	1 887	2 173	2 685	3 092
Expenditures on insurance of motor transport	281	235	400	334
Expenditures on motor transport for administration (fuel, repair)	1 138	1 315	1 619	1 871
Representation expenses	93	33	132	47
Other administrative costs (lawyers 773 and from 777)	1 258	233	1 790	332
Total	22 118	20 536	31 471	29 220

Annexes to the profit or loss calculation (continued)

5. Other income of business activities

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
Income from buying and selling currency	-	-	0	0
Production of thermal energy	8 545	6 664	12 158	9 482
Leasing out premises	7 211	7 263	10 260	10 334
Other income (655, 819)	-	189	0	269
Total	15 756	14 116	22 419	19 816

6. Other expenditures of business activities

Loss from buying and selling currency	273	128	388	182
Other expenditures	829, from 7550	973	1 749	1 384
Total	1 502	1 101	2 137	1 567

7. Other interest and similar income

Bank interest income	0	0	0	0
Total	0	0	0	0

8.Real property tax

926	931	1 318	1 325
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Annexes to the annual report

3.Explanatory notes to the items of the balance sheet

1. Long-term investments

	Investment property	Buildings, constructions	Long-term investments in leased fixed assets	Equipment and machinery	Other fixed assets	Total	
	LVL	LVL	LVL	LVL	LVL	LVL	EUR
Initial value 31.03.2011.	58 700	180 389	74 026	64 356	46 265	423 736	602 922
Initial value 31.03.2012.	58 700	180 389	74 026	64 356	39 095	416 566	592 720
Depreciation 31.03.2011.	23 236	70 546	74 026	64 121	40 867	272 796	388 154
Depreciation 31.03.2012.	26 170	79 566	74 026	64 266	35 238	279 266	397 360
Residual value 31.03.2011.	LVL	35 464	109 843	0	235	5 398	150 940
	EUR	50 461	156 293	0	334	7 681	214 768
Residual value 31.03.2012.	LVL	32 530	100 823	0	90	3 857	137 300
	EUR	46 286	143 458	0	128	5 488	195 360

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

Fixed assets are not burdened.

Automobiles are insured.

	2012 LVL	2011 LVL	2012 EUR	2011 EUR
2. Raw materials, direct materials and auxiliary				
gold	148 838	207 545	211 777	295 310
silver	2 772	2 087	3 944	2 970
precious stones, semiprecious stones	46 440	47 622	66 078	67 760
other auxiliary materials	0	49	0	70
low-value materials and inventory	642	886	913	1 261
instruments	4 583	4 583	6 521	6 521
materials for current repairs	38	288	54	410
Total	203 313	263 060	289 288	374 301
3.Unfinished production				
Unfinished production and orders	146 754	106 853	208 812	152 038
Total	146 754	106 853	208 812	152 038
4. Finished production and goods for sale				
	168 943	195 542	240 384	278 231
Total	168 943	195 542	240 384	278 231
5. Advance payments for products				
SIA NESTE for fuel	254	218	0	310
Total	254	218	0	310

Annexes to the balance sheet (continued)

	2012	2011	2012	2011
	LVL	LVL	EUR	EUR
6. Indebtedness of clients and customers				
Payments for jewellery	344 468	265 788	490 134	378 182
Pawnshop's credit for pledge	0	4 085	0	5 812
Purification of gold	37 330	18 248	53 116	25 965
Lease payments	10 042	8 201	14 288	11 669
Total net debts of customers and clients	391 840	296 322	557 538	421 628

7. Other debtors

Payments to workers				
Security sum VENDEN	11	11	16	16
Others (overpayments of the State social security obligatory payments)	0	0	0	0
Total	11	11	16	16

8. Expenditures of the subsequent period

Lease payments for land	0	0	0	0
Insurance of the transport	65	159	92	226
Lietišķas informācijas dienests (Laws of the Republic of Latvia)	398	462	566	657
Newspapers, journals	0	7	0	10
Total	463	628	659	894

9. Cash funds

Money in cash	8 826	6 436	12 558	9 158
Money in operating accounts	41 063	35 031	58 427	49 845
Total	49 889	41 467	70 986	59 002

10. Information about the aggregate own stocks and shares of the company.

The JSC was founded on the 10 th December in 1991 with fixed capital Ls 4742980, composed of 4742980 shares, vakue per share is 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 a dematerialized form.

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

11. Accumulation

Accumulations for vacation	4 961	3 219	7 059	4 580
Accumulations for doubtful debtors	942	2 791	1 340	3 971
Total	5 903	6 010	8 399	8 551

12. Taxes and social security payments

Personal Income Tax	1 131	936	1 609	1 332
State social security obligatory payments	2 014	2 258	2 866	3 213
Tax of risk of the business activity	3	4	4	6
Business motor vehicles tax	185		263	
Value added tax	4 473	4 234	6 365	6 024
Total	7 806	7 432	11 107	10 575

13. Other creditors (short-term)

Salaries	3 794	3 768	5 398	5 361
Payments to workers (advance payments)	38	189	54	269
Total	3 832	3 957	5 452	5 630