

JSC "Rīgas juvelierizstrādājumu rūpnīca"

Unified registration Nr. 40003044420

Address : Terēzes street 1, Rīga LV-1012

Main activities:

NACE code red .

3212 processing of precious metals

4777 retail jewellery trade in specialised stores

6820 renting and operating of leased real estate

Unit: EUR

Financial report
of the period from 01.01.2015 to 31.03.2015

that has been prepared according to the legislation standards of the Republic of Latvia

State Revenue Service territorial office: Latgale suburb department

Riga, 2015.

CONTENTS

	Page
<i>Financial Report:</i>	
Information about the company	3
Balance sheet	
Assets	4
Liabilities	5
Profit or loss statement	6
Statement of Changes in the equity capital	7
Statement of the cash flow	8
Appendix to the financial report:	
1. Explanatory notes to the balance sheet items	9
2. Explanatory notes to the profit or loss statement items	13

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 1, Rīga, LV-1012</i>		
Mailing address	<i>Terēzes 1, Rīga, LV-1012</i>		
Name of the Bank and bank accounts of the company	<i>JSC "SEB banka"</i>		
	<i>LV62UNLA 0001000243901</i>	<i>EUR</i>	
	<i>LV29UNLA00050020330171</i>	<i>USD</i>	

Shareholders and their shares %

Vladimirs Cadovičs	11,21%
Valentins Istomins	24,46%
Marija Ančevska	32,47%
"MALEKS S" SIA	5,67%
Others	26,19%

Composition of the Council members

Vidis Zakis
Igors Istomins
Jeļena Vasuļa
Svetlana Tolkačova
Tatjana Reznigskā

Composition of the Board of Directors members

Chairman of the Board	<i>Vladimirs Cadovičs</i>
Member of the Board	<i>Aleksandrs Strulevičs</i>
Member of the Board	<i>Aleksandrs Ančevskis</i>

For the period *from* 01.01.2015 *to* 31.03.2015.

Previous period *from* *to*

Average number of employees 17

Information about off-balance liabilities and pledged assets	Off-balance assets/liabilities are formed as reserves of the doubtful debtors. Total off-balance sum of assets/reserves is 1771 EUR
---	--

Auditor Aivars Rutkis
Certified auditor
LZRA sertif.Nr.18

BALANCE SHEET

ASSETS	Appendices	31.03.2015. EUR	31.03.2014. EUR
<i>I. Long-term investments</i>			
<i>I Intangible investments</i>			
Concessions,licenses and similar rights		421	534
<i>Total long-term investments</i>	1	421	534
<i>I Fixed assets</i>			
Land, buildings, constructions and perenial plantations		112 860	117 810
Equipment and machinery		0	0
Other fixed assets and inventory		35 482	47 081
<i>Total fixed assets</i>	2	148 342	164 891
<i>II Investment property</i>		33 757	37 934
<i>Total investment property</i>	2	33 757	37 934
Total long-term investments		182 520	203 359
<i>2. Current assets</i>			
<i>III Inventory</i>			
Raw materials, direct materials and auxiliary materials	3	412 765	392 603
Unfinished products	4	63 406	156 367
Finished products and products for sale	5	276 881	233 653
Advance payments for goods	6	95	1 302
<i>Total inventory</i>		753 147	783 925
<i>IV Indebtedness of the debtors</i>			
Debts of the customers and clients	7	514 194	519 549
Other debtors	8	142	979
Expenses of the subsequent period	9	3 454	3 714
<i>Total debtors</i>		517 790	524 242
<i>Funds (total)</i>	10	106 919	130 270
<i>Total current assets</i>		1 377 856	1 438 437
<i>Grand total assets</i>		1 560 376	1 641 796

BALANCE SHEET

Liabilities		Appendices	31.03.2015.	31.03.2014.
			EUR	EUR
<i>I Equity capital</i>				
Stock or share capital (fixed capital)	11		6 748 653	6 748 653
Revaluation reserves of long-term investments			132 894	131 472
Undistributed profit				
a) undistributed profit from previous year			(5 360 986)	(5 228 889)
b) undistributed profit for the reporting year			1 452	(51 897)
<i>Total undistributed profit</i>			<i>(5 359 534)</i>	<i>(5 280 786)</i>
<i>Total equity capital</i>			1 522 013	1 599 339
<i>II Reserves</i>		12	6 895	7 691
<i>Total reserves</i>			6 895	7 691
<i>III Creditors</i>				
<i>1 Long-term debts</i>				
Deferred income			-	16 962
<i>Total long-term debts</i>			-	16 962
<i>2 Short-term debts</i>				
Indebtedness to suppliers and contractors	13		12 978	3 251
Taxes and social security liabilities	14		10 551	6 620
Other creditors	15		7 939	7 933
<i>Total short-term debts</i>			31 468	17 804
<i>Total creditors</i>			31 468	17 804
<i>Grand total liabilities</i>			1 560 376	1 641 796

Appendix from Page 9 to 14 is an integral part to the present financial statement

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Aleksandrs Struļevičs

Member of the Board

Aleksandrs Ančevskis

PROFIT or LOSS STATEMENT'S CALCULATIONS

(by turnover expenditure method)

Parameters	Appendixes	31.03.2015. EUR	31.03.2014. EUR
1. Net turnover	16	230 038	138 294
2. Manufacturing expenditures of sold products	17	(161 287)	(107 805)
3. Gross profit or loss		68 751	30 489
4. Selling expenses	18	(48 336)	(61 333)
5. Administrative expenses	19	(34 220)	(38 475)
6. Other operating revenue	20	17 762	19 405
7. Other operating expenses	21	(1 050)	(528)
8. Profit or loss before extraordinary items and taxes		2 907	(50 442)
9. Profit or loss before taxation		2 907	(50 442)
10. Deferred tax			
11. Other taxes	22	(1 455)	(1 455)
12. Profit or loss in the reporting year		1 452	(51 897)
13. Profit or loss per one stock in a year		0,000	- 0,008
14. Profit or loss per one stock from the beginning		-0,794	-0,782

Appendix from Page 9 to 14 is an integral part to the present financial statement

Report on changes in the equity capital in 31.03.2015. and 31.03.2014.

	Stock or share capital (fixed)	Revaluation reserves of long- term investments	Undistributed profit from the previous year	profit for the reporting year	Total equity capital
	EUR	EUR	EUR	EUR	EUR
31.03.2014.	6 748 653	131 472	(5 228 889)	(51 897)	1 599 339
31.03.2015.	6 748 653	132 894	(5 360 986)	1 452	1 522 013

Appendix from Page 9 to 14 is an integral part to the present financial statement

CASH FLOW STATEMENT
(by direct method)

	Appendix	31.03.2015. EUR	31.03.2014. EUR
I. Cash flow from main activities			
Revenue from the sales of the products and provided services		150 537	140 305
Payments to suppliers, staff, other expenditures on main activities		(149 679)	(202 975)
Other revenues and expenditures on main activities		27 458	35 003
Gross cash flow of the main activities		28 316	(27 667)
Expenditures on tax payments for the real property (-)	22	(1 455)	(1 455)
Cash flow before extraordinary items		26 861	(29 122)
Net cash flow of the main activities		26 861	(29 122)
II. Cash flow of investment activities			
Acquisition of fixed assets and intangible investments	2	-	-
Net cash flow of investment operations		-	-
V. Net cash flow in the reporting year		26 861	(29 122)
VI. Cash and its equivalents at the beginning of the period	10	80 058	159 392
VII. Cash and its equivalents at the end of the period	10	106 919	130 270

Appendixes to the financial report

1.Explanatory notes to the items of the balance sheet

1.Intangible assets

	Licenses	Total EUR
Initial Value		
31.03.2014.	562	562
31.12.2015.	562	562
Depreciation		
31.03.2014.	28	28
31.12.2015.	141	141
Residual value		
31.03.2014.	534	534
31.12.2015.	421	421

2.Fixed assets

	Investment property	Buildings, constructions	Other fixed assets	Equipment and machinery	Long-term investments in leased fixed assets	Total EUR
Initial Value						
31.03.2014.	83 523	256 670	114 360	91 570	105 330	651 453
31.03.2015.	83 523	118 800	114 360	91 570	105 330	513 583
Depreciation						
31.03.2014.	45 589	138 860	67 279	91 570	105 330	448 628
31.03.2015.	49 766	5 940	78 878	91 570	105 330	331 484
Residual value						
31.03.2014.	37 934	117 810	47 081	-	-	202 825
Residual value						
31.03.2015.	33 757	112 860	35 482	-	-	182 099

Buildings, constructions and vehicles are insured.

Appendixes to the balance sheet (continued)

Real Estate property EUR 387 969 ,includes buildings:

- Cadastre Nr. 0100 035 0142 004, Rīga,	property assessed value - 74 642 EUR;	investment property
- Cadastre Nr.0100 035 0142 006, Rīga,	property assessed value - 181 027 EUR;	fixed
- Cadastre Nr.0100 035 0143 003, Rīga,	property assessed value - 113 415 EUR;	fixed
- Cadastre Nr.0100 035 0144 002, Rīga,	property assessed value - 10 930 EUR;	fixed
- Cadastre Nr.0100 035 0146 001, Rīga,	property assessed value - 7 955 EUR;	fixed

3. Raw materials, direct materials and auxiliary materials

	31.03.2015. EUR	31.03.2014. EUR
gold	331 171	313 406
silver	9 456	8 609
precious stones, semiprecious stones	65 199	63 654
low-value materials and inventory	913	913
Fuel (a/m)	77	68
Instruments	5 949	5 898
materials for current repairs	0	55
Total	412 765	392 603

4.Unfinished products

Unfinished products and orders	63 406	156 367
Total	63 406	156 367

5. Finished production and goods for sale

	276 881	233 653
Total	276 881	233 653

6. Advance payments for products

To LLC/SIA/ NESTE for fuel	95	455
Enet SIA	0	847
Total	95	1 302

7. Debts of customers and clients

All debts are being received in one year period.

Payments for jewellery	483 743	511 166
Purification of gold	15 785	6 790
Payments for lease	16 437	7 854
Accumulation for doubtful debtors	(1 771)	(6 261)
Total net debts of customers and clients	514 194	519 549

off the balance

accumulation for doubtful debtors on 31.03.2014

1 771	6 261
--------------	--------------

Appendixes to the balance sheet (continued)

	31.03.2015.	31.03.2014.
	EUR	EUR
8.Other debtors		
Creditcard	105	-
Business motor vehicles tax	0	21
Tax of risk of the business activity	6	7
Value added tax	0	928
Security sum VENDEN	31	23
Total	142	979

9. Expenditures for the subsequent period

Insurance of the transport	570	592
Lietišķas informācijas dienests (Laws of the Republic of Latvia)	451	414
Newspapers, journals	0	275
Engineering design (RJR reconstrucion)	2 433	2 433
Total	3 454	3 714

10. Money resources

Money in cash	12 355	20 380
Money in operating accounts	94 564	109 890
Total	106 919	130 270

11. Information on the aggregate own stocks and shares of the company.

The JSC was founded on the 10 th December in 1991 with fixed capital EUR 6 748 653, composed of 4 742 980 shares,share per value constituting EUR 1,4229

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.

12. Accumulation

Accumulation for unused vacations:	6 895	7 691
------------------------------------	--------------	--------------

13. Debts to suppliers and contractors (short-term)

Total	12 978	3 251
--------------	---------------	--------------

Appendixes to the balance sheet (continued)

	31.03.2015.	31.03.2014.
	EUR	EUR
14. Taxes and social security payments		
Personal Income Tax	2 174	2 460
State social security obligatory payments	3 721	4 160
Tax of risk of the business activity	-	-
Natural resources tax	-	-
Business motor vehicles tax	-	-
Value added tax	4 656	-
Total	10 551	6 620
15. Other creditors (short-term)		
Salaries	7 845	7 897
Payments to workers (advance payments)	94	36
Total	7 939	7 933

Appendixes to the annual report

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

16.Net turnover

	31.03.2015. EUR	31.03.2014. EUR
Jewellery sale	103 009	82 017
Discount	-	(88)
Workshops (jewellery repair)	34 567	22 093
Sales of investment gold	90 648	34 272
Jewellery sales in the EU	1 814	-
Total	230 038	138 294

17. Manufacturing expenditures of sold products

Purchasing and manufacturing expenses of the sold jewels	151 050	103 908
Assaying of jewellery at the LPB*	6	49
Changes in stock and value of the unfinished products	10 231	3 848
Total	161 287	107 805

* State Assay Supervision Inspection

18. Selling costs

Workers' salary	17 991	21 314
Obligatory social payments for workers	4 056	4 888
Raw materials written off	-	3 791
Advertising expenses	83	1 227
Residential services (water, electricity, gas)	15 302	18 511
Rent of the land and premises	5 472	5 472
Depreciation of fixed assets	4 938	6 007
Low-value inventory	494	119
Other selling costs	0	4
Total	48 336	61 333

19. Administrative expenditures

Communication expenditures	1 245	1 064
Bank services	225	344
To "NASDAQ OMX Riga" for shares and other	3 557	4 446
Office costs	455	467
Depreciation of the fixed assets (administrative building)	456	1 165
Travelling allowances	1 400	174
Salary of the administration	17 130	17 040
Obligatory social payments for the administration	3 674	3 851
Payment for the risk of the business activity	18	19
Security services	3 126	2 166
Expenditures on insurance of motor transport	258	302
Expenditures on motor transport for administration (fuel, repair)	2 005	2 142
Expenditures on representation	23	193
Other administrative expenditures, including expenses on lawyers	648	5 102
Total	34 220	38 475

Appendixes to the profit or loss calculation (continued)

20. Other income of the business activities

Production of thermal energy

Leasing out premises¹

Income of residential services (other persons)

Cost of residential services (other persons)

Other income (819)

Total

31.03.2015.	31.03.2014.
EUR	EUR
9 885	11 113
7 877	8 292
4 946	7 870
(4 946)	(7 870)
-	-
17 762	19 405

21. Other expenditures from the business activities

Other expenditures (economic)

Total

1 050	528
1 050	528

27. Real property tax

1 455	1 455
--------------	--------------