

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

Types of basic activities:
processing of precious metals

Unit: LVL

ANAUDED
Annual Account
for the period from 01.01.2007 to 30.09. 2007

State Revenue Service territorial office : Latgale suburb department

Date submitted: _____

Date received: _____

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/ single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

CONTENT

	Page
Information on the Company	3
Profit or loss statement	4
Balance sheet	
assets	5
liabilities	6
Account on changes in equity capital	7
Account on cash flow	8
Appendix to the annual account:	
1. Accounting policy and methods applied	9
2. Explanatory notes to the profit or loss statement items	10-11
3. Explanatory notes to the balance sheet items	12-14

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

INFORMATION ON THE COMPANY

Company name	<i>JSC /A/S/ "Rīgas juvelierizstrādājumu rūpnīca"</i>
Company legal status	<i>Joint-Stock Company</i>
Single identification No, place and date of incorporation	<i>40003044420, 10 December 1991</i>
Legal address	<i>Terēzes iela 1, Rīga, LV-1012, tel 7272790</i>
Mailing address	<i>Terēzes iela 1, Rīga, LV-1012</i>
Type of activity	<i>Processing precious metals</i>
Name, address, tel. of the Unit of Business Activities	<i>workshop: Terēzes iela 1, Rīga, LV-1012 pawnshop: Terēzes iela 1, Rīga, LV-1012</i>
Member composition of the JSC Council	
appointed:	<i>Vidis Zaķis Igors Istomins Eļena Vasuļa Jurijs Čerņecovs Tatjana Reznigskā</i>
Member composition of the JSC Board of Directors	
appointed	<i>Vladimirs Cadovičs Alefjūna Struļeviča Ančevskis Aleksandrs</i>
Bank accounts	
<i>JSC "SEB Latvijas Unibanku"</i>	<i>LV62UNLA0001000243901</i>
Chief Accountant	<i>Korņilova Raisa</i>
Year of Account	<i>From 01.01.2007 to 31.12.2007</i>
Auditor	<i>LLC /SIA/ "Auditoru firma "Finansists" Tālavas gatve 11-4, Rīga, LV- 1029 ID. No LV-40002046180 Nelli Jermoļicka Qualified Auditor (Latvian Association of Qualified Auditors certif. No 102)</i>
Annual account for the period	<i>From 01.01.2007 to 30.09.2007</i>
Average number of employees on 30.06.2007	<i>36 people</i>

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

***Profit or loss statement for the period from
01.01.2007 to 30.09.2007 and 01.01.2006 to 30.09.2006***

Parameter designation	Appendices	2007 Ls	2006 Ls	2007 EUR	2006 EUR
Net turnover	1	288 648	263 919	410 709	375 523
Manufacturing expenditures of sold products	2	-266 392	-209 242	-379 042	-297 725
Gross profit or loss		22 256	54 677	31 667	77 798
Selling costs	3	-7 269	-5 983	-10 342	-8 513
Administrative expenses	4	-73 906	-60 486	-105 159	-86 063
Other revenue of the Company business operations	5	31 016	17 837	44 132	25 380
Other expenses of the Company business operations	6	-10 533	-37 108	-14 987	-52 800
Other interest income and similar	7	114	210	162	299
Profit or loss before extraordinary items and taxation		-38 322	-30 853	-54 527	-43 899
Extraordinary income	8	1 612	68	2 294	96
Contingencies		-1 364		-1 941	
Profit or loss before taxation and minority interest		-38 074	-30 785	-54 174	-43 803
Other taxes	9	-3 792	-2 312	-5 396	-3 290
Loss for the year of account (net income)		-41 866	-33 097	-59 570	-47 093
Profit or loss per ONE stock, annual		-0.009	-0.007	-0.009	-0.007
Profit or loss per ONE stock as from commencement of operations		-0.791	-0.785	-0.791	-0.785

Appendix from Page 9. to 14. shall constitute an integral part to the present financial statement

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

Balance sheet as at 30.september 2007 un 2006

ASSETS	Appen- dices	2007 Ls	2006 Ls	2007 EUR	2006 EUR
Long-term investments					
II Fixed assets					
Land, buildings, constructions and perennial plantations		187 148	202 454	266 288	288 065
Long-term investments in the rented fixed assets		10 406	26 017	14 806	37 019
Equipment and machinery		974	703	1 386	1002
Other fixed assets and inventory		21480	8 337	30 563	11 862
Total fixed assets	1	220 008	237 511	313 043	337 948
Total long-term investments		220 008	237 511	313 043	337 948
Current assets					
I Inventory					
Raw materials, direct materials and auxiliary materials	2	209 634	181 088	298 282	257 665
Unfinished products		132 236	126 254	188 155	179 643
Finished goods and goods for sale		166 822	203 081	237 367	288 958
Advance payments for goods	3	310	442	441	629
Total inventory		509 002	510 865	724 245	726 895
II Debtors' indebtedness					
Indebtedness of customers and clients	4	357 632	357 566	508 864	508 771
Other debtors	5	2 295	209	3 265	297
Expenses of subsequent periods	6	3 204	7 778	4 560	11 067
Total debtors		363 131	365 553	516 689	520 135
Funds (total)	7	88 963	100 179	126 853	142 542
Total current assets		961 096	976 597	1 367 517	1 389 572
Assets grand total		1 181 104	1 214 108	1 680 560	1 727 520

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

LIABILITIES	Appen- dices	2007 Ls	2006 Ls	2007 EUR	2006 EUR
<i>I Equity capital</i>					
Stock or share capital (fixed capital)	8	4 742 980	4 742 980	6 748 653	6 748 653
Revaluation reserve of long-term investments		176 474	177 598	251 100	252 699
Retained earnings					
a) retained earnings from previous years		-3 712 042	-3 688 023	-5 281 760	-5 247 584
b) retained earnings for the year of account		-41 866	-33 097	-59 570	-47 093
<i>Total retained earnings</i>		-3 753 908	-3 721 120	- 5 341 330	-5 294 677
Total equity capital		1 165 546	1 199 458	1 658 423	1 706 675
<i>III Creditors</i>					
1.Long-term debts					
Deferred tax liability amounts		2 789	2 965	3 968	4 219
Total long-term debts		2 789	2 965	3 968	4 219
2 Short-term debts					
Debts to suppliers and businessmen			245		348
Taxes and social security liabilities	9	5 883	5 442	8 371	7 743
Other creditors	10	6 886	5 998	9 798	8 535
Total short-term debts		12 769	11 685	18 169	20 845
Total creditors		15 558	14 650	22 137	20 845
Liabilities grand total		1 181 104	1 214 108	1 680 560	1 727 520

Appendix frostam Page 9 to 14 shall constitute an integral part to the present financial tement

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Alefīna Struļeviča

Member of the Board

Aleksandrs Ančevskis

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

Account on changes in equity capital
For period from 01.01.2007 to 30.09.2007 and 01.01.2006 to 30.09.2006

	Stock or share capital (fixed capital)	Revaluation reserve of long-term investments	Retained earnings from previous years	Profit for the year of account	Total equity capital
	L V L	L V L	L V L	L V L	L V L
Remaining amount on 30 september 2006	4 742 980	177 598	-3 688 023	-33 097	1 199 458
Remaining amount on 30 september 2007	4 742 980	176 474	-3 712 042	-41 866	1 165 546

	Stock or share capital (fixed capital)	Revaluation reserve of long-term investments	Retained earnings from previous	Profit for the year of account	Total equity capital
	EUR	EUR	EUR	EUR	EUR
Remaining amount on 30 september 2006	6 748 653	252 699	-5 247 584	-47 093	1 706 675
Remaining amount on 30 september 2007	6 748 653	251 100	-5 281 760	-59 570	1 658 423

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single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

**ACCOUNT ON CASH FLOW for the PERIOD having EXPIRED
on 30.September 2007 (by direct method)**

	2007	2006	2007	2006
	LVL	LVL	EUR	EUR
I. Cash flow from basic activities				
Proceeds from no product selling and provision of services	367 763	321 368	523 280	457 265
Payments to suppliers, staff, other expenditures of basic activities	-403 830	-316 384	-574 598	-450 174
Receipts and expenditures from other basic activities of the Company	49 411	24 615	70 305	35 024
Gross basic activities cash flow	13 344	29 599	18 987	42 115
Expenditures for real property tax payments (-)	-3 792	-2 312	-5 396	-3 289
Cash flow before extraordinary items	9 552	27 287	13 591	38 826
Net basic activities cash flow	9 552	27 287	13 591	38 826
II. Cash flow of investment operations				
Acquisition of fixed assets and intangible investments (-)	-19 635	-1 090	-27 938	-1 551
Sale of fixed assets	1 612		2 294	
Net cash flow of investment operations	-18 023	-1 090	-25 644	-1 551
V. Net cash flow for the year of account	-8 471	26 197	-12 053	37 275
VI. Cash and equivalents thereof at the beginning of period	97 434	73 982	138 636	105 267
VII. Cash and equivalents thereof at the end of period	88 963	100 179	126 583	142 542

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

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Alefrīna 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.

Annual account for the period : from 1 January 2007 to 30 september 2007

Money value and revaluation of foreign currency : EUR =0.702804Ls

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

Appendices to the annual account

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

I. Net turnover	2007	2006	2007	2006
	LVL	LVL	EUR	EUR
Jewelry production	232 602	221 216	330 963	314 762
Workshop (jewelry repairs)	48 920	36 631	69 607	52 121
Pawnshop (jewelry)	897	719	1 276	1 023
Production of thermal energy	6 229	5 353	8 863	7 617
Total	288 648	263 919	410 709	375 523

2. Manufacturing expenditures of sold products

Labour wages	74 094	55 148	105 426	78 469
Labour state social security obligatory contributions	17 475	13 048	24 865	18 566
Water	540	751	768	1 068
Electric energy	4 064	2 654	5 782	3 776
Gas	7 118	7 489	10 128	10 656
Direct materials	157 808	98 411	224 541	140 026
Branding of jewelry at State Assay Supervision Inspection	4 505	3 529	6 410	5 021
Low-grade inventory, and tools	547	1 379	778	1 962
Auxiliary materials	1 527	907	2 173	1 291
Depreciation of fixed assets	327	1 320	465	1 878
Current repairs (equipment, facilities)	6 332	4 217	9 010	6 000
Long-term investments' writing-off in the leased fixed assets	11 708	11 708	16 659	16 659
Carpet replacement (workshop)	70	59	100	84
Lease payment for the production facilities	7 588	6 745	10 797	9 597
Changes in stock and value of the unfinished products	-54 033	-37 005	-76 882	-52 653
Changes in stock and value of the finished products	26 671	37 547	37 949	53 425
Transitional expenses	51	1 335	73	1 900
Total	266 392	209 242	379 042	297 725

3. Selling costs

Labour wages	5 485	3 995	7 804	5 684
Labour state social security obligatory contributions	1 321	962	1 879	1 369
Advertising	463	978	659	1 392
Consignment notes		48		68
Total	7 269	5 983	10 342	8 513

4. Administration expenditures

Lawyer service		36		51
Communication expenditures	1 615	1 697	2 298	2 415
Annual account expenditures	84		120	
Business activity risk duty	81	81	115	115
Bank services	243	217	346	309
To REB and the Financial and Capital Market Commission	3 791	3 746	5 394	5 330
Office costs	400	418	569	595
Electric energy	1 214	872	1 727	1 241
Depreciation of fixed assets	4 524	4 626	6 437	6 582

Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

Appendices to the profit or loss calculation (continued)

Sewerage cleaning		256		364
Deratization costs	70	90	100	128
Traveling allowances	625	1 038	889	1 477
Current repairs in premises		1 006		1 431
Administration wages	30 319	23 713	43 140	33 741
Administration state social security obligatory contributions	7 248	3 517	10 313	5 004
Lease of land	2 656	2 642	3 779	3 759
Waste disposal	319	299	454	425
Security services	11 607	10 401	16 515	14 799
Computer, printer, telefax, cash register servicing costs	332	779	472	1 108
Expenditures of statutory regulations	316	512	450	729
Expenditures for organizing of annual general meeting and amendments to Articles of Association	333	525	474	747
Expenditures for insurance of motor transport	110	118	157	168
Motor transport expenditures for administration	2 435	3 141	3 465	4 469
Water	39	44	55	63
Project documentation	5 268		7 496	
Other administration expenditures	277	712	394	1 013
Total	73 906	60 486	105 159	86 063

5. Other income from the Company business activities

Sale of various materials		4 042		5 751
Income from the currency selling or buying	101	297	144	423
Leasing out premises	30 488	13 492	43 380	19 197
Income from woker for supernormative losses		2		3
Return hopeless debtors a duty	427	4	608	6
Total	31 016	17 837	44 132	25 380

6. Other expenditures from the Company business activities

Loss from sales of materials		3 759		5 349
Loss from writing-off the basic means	2 127		3 026	
Loss from revaluation of materials		21 299		30 306
Writing-off indebtedness of bad debtors		1 507		2 144
Depreciation of the leased-out premises		3 423		4 870
Expenditures from the currency buying or selling	8 406	7 120	11 961	10 131
Total	10 533	37 108	14 987	52 800

7. Other interest and similar income

Interest on the remaining amount of monies in bank	114	92	162	131
Bank rates		118		168
Total	114	210	162	299

8. Extraordinary income

Sale of fixed assets	1 612	68	2 294	96
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9. Extraordinary expenditures

Sale of fixed assets	1 364		1 941	
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10. Real property tax

	3 792	2 312	5 396	3 290
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"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

Appendices to the annual account

3. Explanatory notes to the balance sheet items

I. Fixed assets

		Lands, buildings constructions	Long-term investments leased fixed assets	Equipment and machinery	Other fixed assets	Total	
		LVL	LVL	LVL	LVL	LVL	EUR
Initial value 30.09.2006.		243 131	74 026	63 553	42 692	423 402	602 447
Initial value 30.09.2007.		239 089	74 026	64 100	45 959	423 174	602 122
Depreciation 30.09.2006.		40 678	48 009	62 849	34 355	185 891	264 499
Depreciation 30.09.2007		51 941	63 620	63 126	24 479	203 166	289 079
Residual value 30.09.2006.	Ls	202 453	26 017	704	8 337	237 511	
	EUR	288 065	37 019	1 002	11 862		337 948
Residual value 30.09.2007.	Ls	187 148	10 406	974	21 480	220 008	
	EUR	266 288	14 806	1 386	30 563		313 043

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

Fixed assets are not encumbered.

Vehicles are insured.

2.Raw materials,direct materials and auxiliary	2007 LVL	2006 LVL	2007 EUR	2006 EUR
Gold	146 618	102 686	208 619	146 109
Silver	2 721	3 244	3 872	4 616
Precious stones, semiprecious stones	52 581	68 289	74 816	97 167
Auxiliary materials	1 017	303	1 447	431
Low-value materials and inventory	1 467	929	2 087	1 322
Fuel	10	10	14	14
Motor transport tyres	159	159	226	226
Tools	4 966	5 347	7066	7 608
Construction materials for current repairs	95	121	135	172
Total	209 634	181 088	298 282	257 665

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007 to 30.09.2007

Appendices to the balance sheet (continued)

3. Advance payments for products

	2007	2006	2007	2006
	LVL	LVL	EUR	EUR
To LLC /SIA/ NESTE for fuel	205	165	292	235
To State Assay Supervision Inspectorate for branding	105	191	149	272
THAT SIA		86		122
Total	310	442	441	629

4. Indebtedness of customers and clients

Indebtedness of customers and clients	336 644	336 918	479 001	479 392
Settlements with other debtors	977	360	1 390	512
Settlements for lease	20 011	20 288	28 473	28 867
Customer and client accounting value.total	357 632	357 566	508 864	508 771

5. Other debtors

VAT accepted	2 120	33	3 016	47
Settlements with employees	175	175	249	249
Other debtors		1		1
Total	2 295	209	3 265	297

6. Expenditures for the subsequent periods

Payment for the rented ground	885	857	1 259	1 219
Advertising costs	884	102	1 258	145
Insurance of vehicles	51	96	73	137
Deratization	30	30	43	43
Lietišķas informācijas dienests (laws of the Republic of Latvia)	82	68	117	97
Newspapers, journals	22	103	31	146
Project documentation		5 268		4 496
Riga Stock Exchange for the stock quotation	1 250	1 254	1 779	1 784
Total	3 204	7 778	4 560	11 067

7. Monetary instruments

Monetary instruments in cash	17 533	17 461	24 947	24 845
Monetary instruments in operating accounts	71 430	82 718	101 636	117 697
Total	88 963	100 179	126 583	142 542

8. Information of the aggregate Company own stocks and shares

The JSC was founded on 10 December 1991 with fixed capital Ls 4742980, composed of 4742980 shares, share par value constituting LVL 1,00

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.

Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Annual account for the period from 01.01.2007to 30.09.2007

Appendices to the balance sheet (continued)

	2007	2006	2007	2006
	LVL	LVL	EUR	EUR
9. Taxes and social security payments				
Personal income tax	2 109	2 047	3 001	2 912
State social security obligatory payments	3 753	3 386	5 340	4 818
Natural resources tax	12		17	
Business activity risk duty	9	9	13	13
VAT				
Total	5 883	5 442	8 371	7 743
10. Other creditors (short-term)				
Wages	6 856	5 968	9 755	8 492
Alimonies	30	30	43	43
Total	6 886	5 998	9 798	8 535