

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

Financial account
for the period from 01.01.2008 to 30.09.2008

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 Igors 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 BANKA"	LV62UNLA0001000243901
Chief Accountant	Raisa Korņilova
Aaccount for the period	from 01.01.2008 to 30.09.2008
Auditor	LLC SIA "Auditoru firma "Finansists" Tālavas gatve 11-4, Rīga, LV-1029 ID.№ LV40002046180 Nelli Jermoljicka Qualified Auditor (Latvian Association of Qualified Auditors cert
Average number of employees	37 peple

**Profits or loss statements for the period from
01.01.2008 to 30.09.2008 and 01.01.2007 to 30.09.2007**

Parameter designation	Appendices	2008 Ls	2007 Ls	2008 EUR	2007 EUR
Net turnover	1	301 174	288 648	428 532	410 709
Manufacturing expenditures of sold products	2	-258 475	-266 322	-367 777	-378 942
Gross profit or loss		42 699	22 326	60 755	31 767
Selling costs	3	-7 838	-7 269	-11 152	-10 342
Administrative expenses	4	-77 523	-73 976	-110 305	-105 259
Other revenue of the Company business operations	5	30 570	22 610	43 497	32 171
Other expenses of the Company business operations	6	-3	-2 127	-4	-3 026
Other interests income and similar	7	95	114	135	162
Profit or loss before extraordinary items and taxations		-12 000	-38 322	-17 074	-54 527
Extraordinary income	8		1612		2294
Contingencies	9		-1 364		-1 941
Profit or loss before taxation and minority		-12 000	-38 074	-17 074	-54 174
Other taxes	10	-3 493	-3 792	-4 970	-5 396
Loss for the year of account (net income)		-15 493	-41 866	-22 044	-59 570
Profit or loss for ONE stock, annual		-0.003	-0.009	-0.003	-0.009
Profit or loss for ONE stock as from commencement of operations		-0.786	-0.791	-0.786	-0.791

Appendix from Page 10 to 14 shall constitute an integral part to the present financial statement

Balance sheet at 30.september 2008 and 2007

ASSETS	Appen- dices	2008 Ls	2007 Ls	2008 EUR	2007 EUR
Long-term investments					
II Fixed assets					
Building, constructions		132 391	141 411	188 375	201 210
Long-term investments in the rented fixed assets			10 406		14 806
Equipment and machinery		688	974	979	1 386
Other fixed assets and inventory		15 095	21 480	21 478	30 563
Total fixed assets		148 174	174 271	210 832	247 965
Investments property		42 802	45 737	60 902	65 078
Total investments property		42 802	45 737	60 902	65 078
Total long-term investments	1	190 976	220 008	271 734	313 043
Current assets					
I Inventory					
Raw materials, direct materials and auxiliary materials	2	184 345	209 634	262 299	298 282
Unfinished products		127 296	132 236	181 126	188 155
Finished goods and goods for sale		188 224	166 822	267 818	237 367
Advance payment for goods	3	18298	310	26 036	441
Total inventory		518 163	509 002	737 279	724 245
II Debtors' indebtedness					
Indebtedness of customers and clients	4	356 815	357 632	507 702	508 864
Other debtors	5	73	2 295	104	3 265
Expenses of subsequent perios	6	5 008	3 204	7 126	4 560
Total debtors		361 896	363 131	514 932	516 689
Funds (total)	7	94 614	88 963	134 624	126 689
Total current assets		974 673	961 096	1 386 835	1 367 517
Assets grand total		1 165 649	1 181 104	1 658 569	1 680 560

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Account for the period from 01.01.2008 to 30.09.2008

LIABILITIES	Appen- dices	2008 Ls	2007 Ls	2008 EUR	2007 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		135 091	176 474	192 217	251 699
<i>Retained earnings</i>					
a) retained earnings from previous year		-3 715 292	-3 712 042	-5 286 384	-5 281 760
b) retained earnings for the year of account		-15 493	-41 866	-22 045	-59 570
Total retained earnings		-3 730 785	-3 753 908	-5 308 429	-5 341 330
<i>Total equity capital</i>		1 147 286	1 165 546	1 632 441	1 658 423
<i>III Creditors</i>					
<i>1. Long-term debts</i>					
Deffered tax liability amounts			2 789		3 968
<i>Total long-term debts</i>			2 789		3 968
<i>2. Short-term debts</i>					
Debts to suppliers and contract works	9	619		881	
Taxes and social security liabilities	10	10 125	5 883	14 406	8 371
Other creditors	11	7 619	6 886	10 841	9 798
<i>Total short-term debts</i>		18 363	12 769	26 128	18 169
<i>Total creditors</i>		18 363	15 558	26 128	22 137
<i>Liabilities grand total</i>		1 165 649	1 181 104	1 658 569	1 680 560

Appendix from Page 10 to 14 shall constitute an integral part to the present financial statement

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Aleŭtina Struļeviča

Member of the Board
Aleksandrs Ančevskis

Account on changes in equity capital
for period from 01.01.2008 to 30.09.2008 and 01.01.2007 to 30.09.2007

	Stock or share capital (fixed)	Revaluatio n reserve of long- term invest ments	Retained earnings from previous year	Profit for the year of account	Total equity capital
	LVL	LVL	LVL	LVL	LVL
Remaining amount on 30.september 2007	4 742 980	176 474	-3 712 042	-41 866	1 165 546
Remaining amount on 30.september 2008	4 742 980	135 091	-3 715 292	-15 493	1 147 286

	Stock or share capital (fixed)	Revaluatio n reserve of long- term invest ments	Retained earnings from previous year	Profit for the year of account	Total equity capital
	EUR	EUR	EUR	EUR	EUR
Remaining amount on 30.september 2007	6 748 653	251 100	-5 281 760	-59 570	1 658 423
Remaining amount on 30.september 2008	6 748 653	192 217	-5 286 384	-22 045	1 632 441

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Alektina Struļeviča

Member of the Board
Aleksandrs Ančevskis

**ACCOUNT ON CASH FLOW for the PERIOD having EXPIRED
on 30.september 2008.(by direkt method)**

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
I. Cash flow from basic activities				
Proceeds from no product selling and provision of services	358 776	367 763	510 492	523 280
Payments to suppliers, staff, other expenditures of basic activities	-422 140	-403 944	-600 651	-574 760
Receipts and expenditures from other basic activities of the Company	78 567	49 411	111 791	70 305
Gross basic activities cash flow	15 203	13 230	21 632	18 825
Expenditures for real property tax payments (-)	-3 397	-3 792	-4 833	-5 396
Cash flow before extraordinary items	11 806	9 438	16 799	13 429
Net basic activities cash flow	11 806	9 438	16 799	13 429
II. Cash flow of investment operations				
Acquisition of fixed assets and intangible investments (-)		-19 635		-27 938
Income from sale of fixed assets(+)		1 612		2 294
Interest received (+)	95	114	135	162
Net cash flow of investment operations	95	-17 909	135	-25 482
V. Net cash flow for the yer of account	11 901	-8 471	16 934	-12 053
VI. Cash and equivalents thereof at the begininig of period	82 712	97 434	117 690	138 636
VII. Cash and equivalents thereof at the end of period	94 613	88 963	134 624	126 583

Appendix from Page 10 to 14 shall constitute an integral part to the present financial statement

Chairman of the Board
Vladimirs Cadovičs

Member ot the Board
Alefina Struļeviča

Member ot 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 01.january 2008 to 30.september 2008

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

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Account for the period from 01.01.2008 to 30.09.2008

Appendices to the financial account

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

1. Net turnover

	2008	2007	2008	2007
	LVL	LVL	EUR	EUR
Jewelry production	231 974	232 602	330 069	330 963
Workshop (jewelry repairs)	56 937	48 920	81 014	69 607
Pawnshops (jewelry)	2 116	897	3 011	1 276
Production of thermal energy	10 147	6 229	14 438	8 863
Total	301 174	288 648	428 532	410 709

2. Manufacturing expenditures of sold products

Labour wages	84 463	74 094	120 180	105 426
Labour state social security obligatory contributions	19 930	17 475	28 358	24 865
Water	1 007	540	1 433	768
Electric energy	5 822	4 064	8 284	5 782
Gas	11 329	7 118	16 120	10 128
Direct materials	114 970	157 808	163 588	224 541
Branding of jewelry at State Assay Supervision Inspection	4 592	4 505	6 534	6 410
Low-grade inventory, and tools	382	547	543	778
Auxiliary materials	1 705	1 527	2 426	2 173
Depreciation of fixed assets	2 307	327	3 283	465
Current repairs (equipment, facilities)	2 770	6332	3 941	9 010
Long-term investments' writing-off in the leased fixed assets	6 504	11 708	9 254	16 659
Lease payments for the production facilities	7 588	7 588	10 797	10 797
Changes in stock and value of the unfinished products	9 083	-54 033	12 924	-76 882
Changes in stock and value of the finished products	-14 117	26 671	-20 087	37 949
Transitional expenses	140	51	199	73
Total	258 475	266 322	367 777	378 942

3. Selling costs

Labour wages	5 614	5 485	7 988	7 804
Labour state social security obligatory contributions	1 352	1 321	1 924	1 879
Advertising	866	463	1 232	659
Other selling costs	6		8	
Total	7 838	7 269	11 152	10 342

4. Administration expenditures

Communication expenditures	1 687	1 615	2 400	2 298
Annual account expenditures	31	84	44	120
Business activity risk duty	83	81	118	115
Bank services	268	243	381	346
To REB and the Financial and Capital Market Commission	3 752	3 791	5 339	5 394
Office costs	656	400	933	569
Electric energy	1 301	1214	1 851	1 727
Depreciation of fixed assets	5 233	4 524	7 446	6 437

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Account for the period from 01.01.2008 to 30.09.2008

Appendices to the profit or loss calculation (continued)

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
Deratization costs	73	70	104	100
Traveling allowances		625		889
Administration wages	31 231	30 319	44 438	43 140
Administration state social security obligatory contributions	7 398	7 248	10 526	10 313
Lease of land	3 069	2 656	4 367	3 779
Waste disposal	411	319	585	454
Security services	16 957	11 607	24 127	16 515
Carpet replacement(workshop)	54	70	77	100
Computer, printer, telefax, cash register servicing costs	655	332	932	472
Expenditures of statutory regulary	365	316	519	450
Expenditures for organization of annual general meeting and amendments to Articles of Association	664	333	945	474
Expenditors for insurance of motor transport	165	110	235	157
Motor transport expenditures for administration	3 076	2 435	4 377	3 465
Water	32	39	46	55
Writing-off project dokumentation		5268		7496
Other administration expenditures	362	277	515	394
Total	77 523	73 976	110 305	105 259

5. Other income from the Company business activities

Income from revaluation of finished goods	8 552		12 168	
Return of hopeless debts		427		608
Income from the currency selling or buying	139	101	198	144
Leasing out premises	21 879	22082	31 131	31419
Total	30 570	22 610	43 497	32 171

6. Other expenditures from the Company business activities

Exception of a fixed assets(expese)		2 127		3 026
Loss from the currency rate fluktuation	3		4	
Total	3	2 127	4	3 026

7. Other interest and similar income

Interest on the remaining amount of monies in bank	95	114	135	162
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8. Extraordinary income

Sale of fixed assets	1612	2294
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9.Extraordinary expenditures

Sale of fixed assets	1364	1941
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10.Real property tax

	3 493	3792	4 970	5396
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Appendices to the financial account

3. Explanatory notes to the balance sheet items

1. Long-term investment

	Fixed assets				Investment property	Total	
	Lands, buildings construction	Long-term investments leased fixed	Equipment and machinery	Other fixed assets			
	LVL	LVL	LVL	LVL	LVL	LVL	EUR
Initial value							
30.09.2007	180 389	74 026	64 100	45 959	58 700	423 174	602 122
Initial value							
30.09.2008	180 389	74 026	64 100	45 959	58 700	423 174	602 122
Depreciation							
30.09.2007	38 978	63 620	63 126	24 479	12 963	203 166	289 079
Depreciation							
30.09.2008	47 998	74 026	63 412	30 864	15 898	232 198	330 388
Residual value	Ls	141 411	10 406	974	21 480	45 737	220 008
30.09.2007	EUR	201 210	14 806	1 386	30 563	65 078	313 043
Residual value	Ls	132 391		688	15 095	42 802	190 976
30.09.2008	EUR	188 375		979	21 478	60 902	271 734

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

Vehicles are insured.

Fixed assets are not encumbered.

2. Raw materials, direct material and auxiliary

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
gold	119 484	146 618	170 011	208 619
silver	2 302	2 721	3 276	3 872
precious stones, semiprecious stones	54 734	52 581	77 879	74 816
other auxiliary materials	1 103	1 017	1 569	1 447
low-value materials and inventory	1 412	1 467	2 009	2 087
fuel	26	10	37	14
motor transport tyres	292	159	415	226
tools	4 817	4 966	6 854	7 066
construction materials for current repairs	175	95	249	135
Total	184 345	209 634	262 299	298 282

Appendices to the balance sheet (continued)

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
3. Advance payments for products				
To LLC /SIA/ NESTE for fuel	373	205	531	292
TO State Assay Supervision Inspectorate for branding	69	105	98	149
OAO"BRONICKIJ JUVELIR"	17 856		25 407	
Total	18 298	310	26 036	441

4. Indebtedness of cusmomert and clients

Indebtedness of customers and clients	348 864	336 644	496 389	479 001
Settlements with other debtors	2 790	977	3 970	1 390
Settlements for lease	5 161	20 011	7 343	28 473
Customer and client accounting value, total	356 815	357 632	507 702	508 864

5. Other debtors

VAT accepted		2 120		3 016
Sattlement with employees	73	175	104	249
Total	73	2 295	104	3 265

6. Expenditures for the subsequent periods

Payment for the rented ground	1 023	885	1 456	1 259
Advertising costs		884		1 258
Insurance of vehicles	77	51	110	73
Deratization	30	30	43	43
Lietišķas inormācijas dienests (laws of the Republic of Latvia)	90	82	128	117
Newspaper, journals	38	22	54	31
Project documentation	2 500		3 557	
Riga Stock Exchange for the stock quotation	1 250	1 250	1 778	1 779
Total	5 008	3 204	7 126	4 560

7. Monetary instruments

Monetary instruments in cash	18 639	17 533	26 521	24 947
Monetary instruments in operating accounts	75 975	71 430	108 103	101 636
Total	94 614	88 963	134 624	126 583

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

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

Appendices to the balance sheet (continued)

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
9. Advance to the received from customers				
Tempo Serviss"SIA	619		881	
Total	619		881	

10. Taxes and social security payments

Personal income tax	2 075	2 109	2 952	3 001
State social security obligatory payments	3 965	3 753	5 642	5 340
Natural resources tax	7	12	10	17
Business activity duty	9	9	13	13
VAT	4 069		5 789	
Total	10 125	5 883	14 406	8 371

11. Other creditors (short-term)

Wages	7 589	6 856	10 798	9 755
Alimonies	30	30	43	43
Total	7 619	6 886	10 841	9 798