

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/ single ID 40003044420  
Account for the period from 01.01.2010 to 31.12.2010

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

***ACCOUNT***  
***for the period from 01.01.2010 to 31.12.2010***

State Revenue Service territorial office: Latgale suburb department

Date submitted: \_\_\_\_\_

Date received: \_\_\_\_\_

## ***CONTENT***

	<b>Page</b>
Information on the Company	3
Management report	4
Statement on the Company management responsibility	5
Profit or loss statement	6
Balance sheet	
assets	7
liabilities	8
Accounts or changes in equity capital	9
Account on cash flow	10
Appendix to the annual account:	
1. Accounting policy and methods applied	11.-12
2. Explanatory notes to the profit or loss statement items	13.-14
3. Explanatory notes to the balance sheet items	15.-17

**INFORMATION ON THE COMPANY**

<b>Company name</b>	JSC [AS] "Rīgas juvelierizstrādājumu rūpnīca"
<b>Company legal status</b>	Joint-Stock Company
<b>Single identification №, place and date of incorporation</b>	40003044420, 10 December 1991
<b>Legal address</b>	Terēzes iela 1, Rīga, LV-1012, tel 7272790
<b>Mailing adress</b>	Terēzes iela 1, Rīga, LV-1012
<b>Type of activity</b>	Processing precious metals
<b>Name, address. Tel.of Unit of Business Activities</b>	workshop: Terēzes iela 1, Rīga, LV-1012 pawnshop: Terēzes iela 1, Rīga, LV-1012
<b>Member composition of the JSC Council</b>	Vidis Zaķis Igors Istomins Eļena Vasuļa Jurijs Čerņecovs Tatjana Reznigskā
<b>Member composition of the JSC Board of Directors</b>	Vladimirs Cadovičs Alefīna Struļeviča Aleksandrs Ančevskis
<b>Bank account</b> <b>JSC "SEB BANKA"</b>	LV62UNLA0001000243901
<b>Chief Accountant</b>	Natalja Beļšova
<b>Account for the period</b>	from 01.01.2010 to 31.12.2010
<b>Auditor</b>	LLC [SIA] "Auditoru firma "Finansists" Tālavas gatve 11-4, Rīga, LV-1029 ID.№ LV40002046180  Nelli Jermolicka Qualified Auditor (Latvian Association of Qualified Auditors cert
<b>Average number of employees</b>	16 persons

## ***Management report***

### **Information about company**

JSC „Rīgas juvelierizstrādājumu rūpnīca” legal address Terezes iela 1, Rīga, LV-1012.

Company is registered in Commercial register with a single registration number 40003044420. Share capital of the company is 4 742 980 LVL, which consists of 4742980 shares having nominal value LVL 1.

Chairman of the Board of the company is Vladimirs Cadovičs, other Members of the Board are: Alefīna Struļeviča un Aleksandrs Ančevskis.

Auditor of the Company is certified controller Nelli Jerņolicka (certificate No.102).

Largest share holders of the Company are:

Vladimirs Cadovics – 531 785 shares

Olegs Perežilo – 380 000 shares

Igors Istomins – 1 160 000 shares

Marija Ančevska – 1 160 000 shares

### **Operation of the Company during the year of account**

Field of operation of JSC „Rīgas juvelierizstrādājumu rūpnīca” is processing of precious metals, production and repair of jewellery.

Name, address, telephone of the structural unit of operation:

workshop: Terezes iela 1, Rīga, LV-1012, tel.: 67277365

pawnshop: Terezes iela 1, Rīga, LV-1012, tel.: 67277365

AS „Rīgas juvelierizstrādājumu rūpnīca” does not have parent and subsidiary companies.

The Company closed the financial year with the following results:

Annual result before extraordinary items and taxes is: -11 243 LVL

Nett result: -15 152 LVL

The recession of general economy in the state has led to recession of demand for products of our company in 2010.

Manufacture of jewels is not renewed.

The Company has begun advertising of the trade mark and made production in Latvia and other Baltic and European Union countries.

The Company continues work on attraction of investors in 2010.

The company has begun active cooperation with the companies from Russia and Lithuania in 2010.

It is planned to begin work with the Spanish manufacturer in 2011.

### **Development activities of the Company**

The Company further development: taking into account world financial crisis conditions Company plans to develop new business possibilities, research of the local and external market, executing an increase of products sale enterprises.

In connection with a gold prices growing, to execute products' assortment analysis and assortment change in according to new mode tendencies and demand. To attract partners from European Union countries and Russia with a goal to make new jeweller models.

To activate a collaboration with exsisting clients also to attract new clients, offering the models of a new collection mutually adventagalous conditions.

### **Proposals to decrease losses**

To analyse expenses, on purpose to reduce the cost price of jewels

Chairman of the Board

Member of the Board

Member of the Board

Vladimirs Cadovičs

Alefīna Struļeviča

Aleksandrs Ančevskis

**Statement on the Company management responsibility**

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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 31.12.2010.

Hereby it is confirmed by the Company managers that upon drawing the present report for period, expiring on 31 December 2010, 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*

**Profits or loss statements for the period from**

**01.01.2010 to 31.12.2010 and 01.01.2009 to 31.12.2009**

Parameter designation	Appendices	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Net turnover	1	245 825	258 870	349 777	368 339
Manufacturing expenditures of sold products	2	-197 193	-249 920	-280 580	-355 604
<b>Gross profit or loss</b>		<b>48 632</b>	<b>8 950</b>	<b>69 197</b>	<b>12 735</b>
Selling costs	3	-102 527	-13 445	-145 883	-19 131
Administrative expenses	4	-72 360	-89 678	-102 959	-127 600
Other revenue of the Company business operations	5	127 365	41 133	181 224	58 527
Other expenses of the Company business operations	6	-12 379	-372	-17 614	-529
Other interests income and similar	7	104	102	148	145
Other interest and similar expenditures	8	-78	-30	-111	-43
<b>Profit or loss before extraordinary items and taxations</b>		<b>-11 243</b>	<b>-53 340</b>	<b>-15 997</b>	<b>-75 896</b>
<b>Profit or loss before taxation and minority interest</b>		<b>-11 243</b>	<b>-53 340</b>	<b>-15 997</b>	<b>-75 896</b>
Different corporate income tax					
Other taxes	9	-3 909	-4 495	-5 562	-6 396
<b>Loss for the year of account (net income)</b>		<b>-15 152</b>	<b>-57 835</b>	<b>-21 559</b>	<b>-82 292</b>
<b>Profit or loss for ONE stock, annual</b>		<b>-0,002</b>	<b>-0,011</b>	<b>-0,003</b>	<b>-0,016</b>
<b>Profit or loss for ONE stock as from commencement of operations</b>		<b>-0,804</b>	<b>0,800</b>	<b>-1,144</b>	<b>1,139</b>

Appendix from Page 9 to 13 shall constitute an integral part to the present financial statement

**Balance sheet at 31 december 2010 and 2009**

ASSETS	Appen- dices	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>1. Long-term investments</b>					
<b>I Fixed assets</b>					
Land, building, constructions and perenial plantations		112 097	121 116	159 500	172 333
Equipment and machinery		305	584	434	831
Other fixed assets and inventory		6 456	10 042	9 186	14 288
<b>Total fixed assets</b>		<b>118 858</b>	<b>131 742</b>	<b>169 120</b>	<b>187 452</b>
<b>II Investments property</b>		36 198	39 134	51 505	55 683
<b>Total investments property</b>		<b>36 198</b>	<b>39 134</b>	<b>51 505</b>	<b>55 683</b>
<b>Total long-term investments</b>	1	<b>155 056</b>	<b>170 876</b>	<b>220 625</b>	<b>243 135</b>
<b>2. Current assets</b>					
<b>III Inventory</b>					
Raw materials, direct materials and auxiliary materials	2	258 444	187 496	367 733	266 783
Unfinished products	3	115 333	90 692	164 104	129 043
Finished goods and goods for sale	4	212 370	140 278	302 175	199 598
Advance payment for goods	5	340	26	484	37
<b>Total inventory</b>		<b>586 487</b>	<b>418 492</b>	<b>834 496</b>	<b>595 460</b>
<b>IV Debtors' indebtedness</b>					
Indebtedness of customers and clients	6	284 020	399 976	404 124	569 115
Other debtors	7	11	11	16	16
Expenses of subsequent perios	8	628	7 672	894	10 916
Accumulate income	9	0	3 757	0	5 346
<b>Total debtors</b>		<b>284 659</b>	<b>411 416</b>	<b>405 033</b>	<b>585 392</b>
<b>V Shot-term financial investments</b>					
Other securities		0	0	0	0
<b>Total shot-term financial investments</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funds (total)</b>	10	<b>73 514</b>	<b>83 906</b>	<b>104 601</b>	<b>119 387</b>
<b>Total current assets</b>		<b>944 660</b>	<b>913 814</b>	<b>1 344 130</b>	<b>1 300 240</b>
<b>Assets grand total</b>		<b>1 099 716</b>	<b>1 084 690</b>	<b>1 564 755</b>	<b>1 543 375</b>

<b>LIABILITIES</b>	<b>Appendices</b>	<b>2010 LVL</b>	<b>2009 LVL</b>	<b>2010 EUR</b>	<b>2009 EUR</b>
<b><i>I Equity capital</i></b>					
Stock or share capital (fixed capital)	11	4 742 980	4 742 980	6 748 653	6 748 653
Revaluation reserve of long-term investments		113 956	119 954	162 145	170 679
<i>Retained earnings</i>				0	0
a) retained earnings from previous year		-3 796 160	-3 738 325	-5 401 449	-5 319 157
b) retained earnings for the year of account		-15 152	-57 835	-21 559	-82 292
<i>Total retained earnings</i>		-3 811 312	-3 796 160	-5 423 008	-5 401 449
<b><i>Total equity capital</i></b>		<b>1 045 624</b>	<b>1 066 774</b>	<b>1 487 789</b>	<b>1 517 883</b>
<b><i>II Accumulation</i></b>					
Other accumulation	12	3 219	2 555	4 580	3 635
<b><i>Total other accumulation</i></b>		<b>3 219</b>	<b>2 555</b>	<b>4 580</b>	<b>3 635</b>
<b><i>III Creditors</i></b>					
<b><i>2. Short-term debts</i></b>					
Indebtedness to suppliers and contractors	13	30 241	184	43 029	262
Taxes and social security liabilities	14	11 598	7 916	16 502	11 263
Other creditors	15	3 031	3 326	4 313	4 732
Accrued liabilities	16	6 003	3 935	8 541	5 599
<b><i>Total short-term debts</i></b>		<b>50 873</b>	<b>15 361</b>	<b>72 386</b>	<b>21 857</b>
<b><i>Total creditors</i></b>		<b>50 873</b>	<b>15 361</b>	<b>72 386</b>	<b>21 857</b>
<b><i>Liabilities grand total</i></b>		<b>1 099 716</b>	<b>1 084 690</b>	<b>1 564 755</b>	<b>1 539 739</b>

Appendix from Page 9 to 13 shall constitute an integral part to the present financial statement

Chairman of the Board  
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Member of the Board  
Alefina Struļeviča

Member of the Board  
Aleksandrs Ančevskis



### ***Account on changes in equity capital, year 2009 and 2010***

	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
<b>Remaining amount on 31 December 2008</b>	<b>4 742 980</b>	<b>126 267</b>	<b>-3 715 292</b>	<b>-23 033</b>	<b>1 130 922</b>
Transferred losses			-23 033	23 033	0
Losses in year of account				-57 835	-57 835
Reserve reduction		-6 313			-6 313
<b>Remaining amount on 31 December 2009</b>	<b>4 742 980</b>	<b>119 954</b>	<b>-3 738 325</b>	<b>-57 835</b>	<b>1 066 774</b>
Transferred losses			-57 835	57 835	0
Losses in year of account				-15 152	-15 152
Reserve reduction		-5 998			-5 998
<b>Remaining amount on 31 December 2010</b>	<b>4 742 980</b>	<b>113 956</b>	<b>-3 796 160</b>	<b>-15 152</b>	<b>1 045 624</b>

	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
<b>Remaining amount on 31 December 2008</b>	<b>6 748 653</b>	<b>179 662</b>	<b>-5 286 384</b>	<b>-32 773</b>	<b>1 609 157</b>
Transferred losses			-32 773	32 773	0
Losses in year of account				-82 292	-82 292
Reserve reduction		-8 983			-8 983
<b>Remaining amount on 31 December 2009</b>	<b>6 748 653</b>	<b>170 679</b>	<b>-5 319 157</b>	<b>-82 292</b>	<b>1 517 883</b>
Transferred losses			-82 292	82 292	0
Losses in year of account				-21 559	-21 559
Reserve reduction		-8 534			-8 534
<b>Remaining amount on 31 December 2009</b>	<b>6 748 653</b>	<b>162 145</b>	<b>-5 401 449</b>	<b>-21 559</b>	<b>1 487 789</b>

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**ACCOUNT ON CASH FLOW for the PERIOD having EXPIRED**  
on 31 december 2010 (by direkt method)

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>I. Cash flow from basic activities</b>				
Proceeds from no product selling and provision of services	174577	328 480	248 401	467 385
Payments to suppliers, staff, other expenditures of basic activities	-261641	-379 632	-372 282	-540 168
Receipts and expenditures from other basic activities of the Company	81040	58 230	115 310	82 854
<b>Gross basic activities cash flow</b>	<b>-6 024</b>	<b>7 078</b>	<b>-8 571</b>	<b>10 071</b>
Expenditures for percentage payments	0	-30	0	-43
Expenditures for real property tax payments (-)	-3909	-4 495	-5 562	-6 396
<b>Cash flow before extraordinary items</b>	<b>-9 933</b>	<b>2 553</b>	<b>-14 133</b>	<b>3 633</b>
<b>Net basic activities cash flow</b>	<b>-9 933</b>	<b>2 553</b>	<b>-14 133</b>	<b>3 633</b>
<b>II. Cash flow of investment operations</b>				
Acquisition of fixed assets and intangible investments (-)	-563	-306	-801	-435
Acquisition/sale of securities (+)	0	22 457	0	31 953
Interest received (+)	104	102	148	145
<b>Net cash flow of investment operations</b>	<b>-459</b>	<b>22 253</b>	<b>-653</b>	<b>31 663</b>
<b>V. Net cash flow for the yer of account</b>	<b>-16 416</b>	<b>31 884</b>	<b>-23 358</b>	<b>35 296</b>
<b>VI. Cash and equivalents thereof at the begininig of period</b>	<b>83 906</b>	<b>59 100</b>	<b>119 387</b>	<b>84 092</b>
<b>VII. Cash and equivalents thereof at the end of period</b>	<b>73 514</b>	<b>83 906</b>	<b>104 601</b>	<b>119 387</b>

Chairman of the Board  
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Member ot the Board  
*Aleřina Struļeviča*

Member ot the Board  
*Aleksandrs Ančevskis*

## Appendices to the annual account

### 1. Accounting policy and methods applied

#### General principles

Annual account is developed in accordance with the laws of the Republic of Latvia "On Accounting" and "On Annual Accounts of Enterprises" and corresponding to the Latvian accountancy standards. The following Latvian accountancy standards (LGS) are applied in development of the present annual account: 1.LGS, 2.LGS, 3. LGS ", 4. LGS ", 5. LGS, 6.LGS, 7.LGS, 8.LGS, 9.LGS, 10.LGS

Profit or loss statement has been developed in correspondence with the turnover expenditures method.

Cash flow statement has been developed according to the direct method.

Financial statement is providing true and clear representation of the Company funds, liabilities, financial condition and profits or losses.

Accounting policy ensures that financial statements is providing information, which:

1. Is appropriate for users of the financial statements in order to make decisions
2. Is credible to such extent that statements:

\*are properly revealing the Company results and financial condition - revealing not only the legal form of transactions, but also economic substance thereof, are neutral ones, i.e. Are unbiased, are cautious;

\*are perfect in any significant aspects.

#### Principles of accounting applied

Items of the annual account are assessed in accordance with the following accountancy principles:

a) It is assumed that the Company will proceed with its operations even further.

b) The same methods of assessment are applied as for the preceding year of account.

c) Assessment of items is performed with proper caution, in compliance with conditions as follows:

\* the account includes exclusively the profits earned until the date when balance sheet is drawn;

consideration, also when the same have become known within the time period from the date of balance sheet to the date when the annual account is drawn;

date of payment and the date when bill is received or invoice. Expenditures are attuned to income within the relevant accounting periods.

e) Components for the items of assets and liabilities are assessed separately.

f) Opening balance for the year of account correspond to closing balance of the preceding year.

g) All the items are specified, which exert significant impact on evaluation and decision-making of users of the annual account.

g) Business transactions are reflected in the annual account, taking into consideration their economic content and substance rather than legal form.

**Accounting period** from January 2010 to December 2010

#### Money value and revaluation of foreign currency

Indices reflected by these financial statements are expressed in national currency of Latvia - lats (LVL).

Items of any monetary assets and liabilities are recalculated to lats according to currency rate fixed by the Bank of Latvia on the last day of the year of account.

Foreign currency rates at the end of accounting period during the last two years were as follows:

2010.12.31		2009.12.31	
EUR	0.702804	EUR	0.702804

relevant period.

#### Long-term and short-term items

In the short-term assets the asset amounts are indicated:

\* which are intended to be sold or consumed within the normal cycle of business operations;  
the date of balance;

\* it is cash or equivalent thereof having unlimited capacities to be used.

Other assets are classified as long-term ones.

As short-term liabilities the amounts of liabilities are indicated:

\*whereby settlements are envisaged the normal cycle of business operations;

\*which should be settled not later than within twelve months after the date of balance.

Other liabilities are classified as long-term ones.

"Rīgas juvelierizstrāda" juma rūpnīca" JSC /AS/ single ID 40003044420  
Account for the period from 01.01.2010 to 31.12.2010

The Company's long-term liabilities are including also those amounts, which are due in less than one year provided than:  
\*initial term of liabilities exceeded one year;

#### Cash and cash equivalents

Cash and cash equivalents are composed of cash and balances of bank current accounts.

#### Depreciation of intangible investments and fixed assets

depreciation.

Depreciation is calculated by the linear method, taking as basis the following depreciation norms:

##### Fixed assets:

*Buildings and constructions	5%
*Technological equipment	20%
*Means of transport	20%
*Other fixed assets	20%
*Furniture	20%
*Computers and data storage facilities	35%
*Depreciation for land is not calculated.	

#### Inventory assessment

In the inventory assessment method of direct expenditures is used. In the balance sheet the inventories are specified by prime cost for acquisition thereof. Value of the obsolete, slow turnover or damaged inventories is written-off. Inventory residues are examined in the annual stocktaking.

#### Debtors' indebtedness

Debtors' indebtedness in the balance sheet are indicated as net (acquisition) value, by deduction from the initial value of special accruals for doubtful and bad debtors' indebtedness. Accruals for doubtful and bad debtors' indebtedness are developed in cases when the management considers recovery of said debtors' indebtedness to be questionable.

#### Taxes

Expenditures of the corporate income tax for the year of account are included in the financial statement, based on calculations performed by the management in accordance with tax laws of the Republic of Latvia.

#### Related parties

As related parties are deemed to be the Company shareholders, members of the Board of Directors, their close members of family and companies where the said entities are having control or significant impact.

#### Application of assessments

Requirements of the Latvian laws are providing that upon development of financial statements, management of the enterprise shall assess and assumptions having impact on assets and liabilities specified by accounts and off-balance as the day for development of annual account, as well as the specified receipts and expenditures of the accounting period. Actual results may be different from these estimates.

## Appendices to the account

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

1. Net turnover	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Jewelry production	175 198	183 492	249 284	261 086
Workshop (jewelry repairs)	48 354	54 507	68 802	77 556
Pawnshops (jewelry)	3 169	3 723	4 509	5 297
Production of thermal energy	19 104	17 148	27 183	24 399
<b>Total</b>	<b>245 825</b>	<b>258 870</b>	<b>349 777</b>	<b>368 339</b>

### 2. Manufacturing expenditures of sold products

Salary of workers	0	87 287	0	124 198
Obligatory social payments of workers	0	20 453	0	29 102
Purchasing expenses of the sold jewels	42 065	0	59 853	0
Expenses for manufacturing of jewels	7 156	0	10 182	0
Lease payments for the production facilities	0	9 315	0	13 254
Utilities	0	33 717	0	47 975
Direct materials	255	74 667	363	106 242
Assaying of jewelry at State Assay Supervision Inspection	1 314	3 642	1 870	5 182
Low-grade inventory, and tools	360	1 303	512	1 854
Auxiliary materials	4	1 106	6	1 574
Depreciation of fixed assets	0	289	0	411
Current repairs (equipment, facilities)	0	739	0	1 052
Long-term investments' writing-off in the leased fixed assets	0	0	0	0
Changes in stock and value of the unfinished products	-3 708	2 844	-5 276	4 047
Changes in stock and value of the finished products	149 548	14 483	212 788	20 607
Tax undeducted part	23	14	33	20
Tax of nature resources	79	62	112	88
Goods insurance	97	0	138	0
<b>Total</b>	<b>197 193</b>	<b>249 921</b>	<b>280 580</b>	<b>355 606</b>

### 3. Selling costs

Salary of workers	34 461	6 584	49 034	9 368
Obligatory social payments of workers	8 160	1 586	11 611	2 257
Utilities	33 848	0	48 161	0
Accumulations for vacations	625	1 102	889	1 568
Expenses on advertising	2 312	3 095	3 290	4 404
Rent of the earth and premises	13 857	0	19 717	0
Depreciation of fixed assets	6 794	0	9 667	0
Goods write-off	2 459	0	3 499	0
Other selling costs	11	1 078	16	1 534
<b>Total</b>	<b>102 527</b>	<b>13 445</b>	<b>145 883</b>	<b>19 131</b>

### 4. Administration expenditures

Salary of workers	34 138	36 270	48 574	51 608
Obligatory social payments of workers	8 224	8 668	11 702	12 333
Accumulations for vacations	39	1 454	55	2 069
Business activity risk duty	49	99	70	141
Communication expenditures	2 491	2 546	3 544	3 623
Annual account expenditures	700	850	996	1 209
Lawyer services	3 977	300	5 659	427
Bank services	242	194	344	276

"Rīgas juvelierizstrādaļumu rūpnīca" JSC /AS/ single ID 40003044420  
Account for the period from 01.01.2010 to 31.12.2010

**Appendices to the profit or loss calculation (continued)**

	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>	<b>EUR</b>	<b>EUR</b>
Office costs	1 302	1 288	1 853	1 833
Computer, printer, telefax, cash register servicing costs	0	553	0	787
Expenditures of statutory regulary	0	416	0	592
To "NASDAQ OMO Riga"	5 000	4 989	7 114	7 099
Expenditures for organization of annual general meeting and amendments to Articles of Association	205	516	292	734
Traveling allowances	1 170	320	1 665	455
Depreciation of fixed assets	3 280	9 905	4 667	14 094
Carpet replacement (workshop)	120	49	171	70
Electric energy	0	5 054	0	7 191
Water	4	14	6	20
Lease of land	0	4 895	0	6 965
Waste disposal	300	232	427	330
Deratization costs	0	50	0	71
Security services	6 356	5 606	9 044	7 977
Expenditors for insurance of motor transport	325	601	462	855
Motor transport expenditures for administration	3 968	3 358	5 646	4 778
Expenditors for representation	338	35	481	50
Other administration expenditures	132	1 416	188	2 015
<b>Total</b>	<b>72 360</b>	<b>89 678</b>	<b>102 959</b>	<b>127 600</b>

**5. Other income from the Company business activities**

Revolution reserve of long-term investments reduction	5 998	6 313	8 534	8 983
Income from revaluation of finished goods	94 991	1 069	135 160	1 521
Leasing out premises	26 247	32 340	37 346	46 016
Result of a course change of currencies	83	0	118	0
Addition of value of securities	0	1 411	0	2 008
Other	46	0	65	0
<b>Total</b>	<b>127 365</b>	<b>41 133</b>	<b>181 224</b>	<b>58 527</b>

**6. Other expenditures from the Company business activities**

Currency purchases or sale net result	249	32	354	46
Gifts and support	100	340	142	484
Building pulling down project	6 356	0	9 044	0
Other expenditures	5 674	0	8 073	0
<b>Total</b>	<b>12 379</b>	<b>372</b>	<b>17 614</b>	<b>529</b>

**7. Other interest and similar income**

Bank interest income	104	102	148	145
<b>Total</b>	<b>104</b>	<b>102</b>	<b>148</b>	<b>145</b>

**8. Other interest and similar expenditures**

Penalties	78	30	111	43
<b>Total</b>	<b>78</b>	<b>30</b>	<b>111</b>	<b>43</b>

**9. Real property tax**

	3 909	4 495	5 562	6 396
<b>Total</b>	<b>3 909</b>	<b>4 495</b>	<b>5 562</b>	<b>6 396</b>

Appendices to the annual account

**3. Explanatory notes to the balance sheet items**

**1. Fixed assets**

	Investment property	Lands, buildings construction	Long-term investments leased fixed	Equipment and machinery	Other fixed assets	Total	
	LVL	LVL	LVL	LVL	LVL	LVL	EUR
Initial Value 31.12.2009.	58 700	180 389	74 026	64 356	46 265	<b>423 736</b>	<b>602 922</b>
Initial Value 31.12.2010.	58 700	180 389	74 026	64 356	46 828	<b>424 299</b>	<b>603 723</b>
Depreciation 31.12.2009.	19 566	59 273	74 026	63 772	36 223	<b>252 860</b>	<b>359 787</b>
Depreciation 31.12.2010.	22 502	68 292	74 026	64 051	40 372	<b>269 243</b>	<b>383 098</b>
Residual value 31.12.2009	LVL	<b>39 134</b>	<b>121 116</b>	<b>0</b>	<b>584</b>	<b>10 042</b>	
	EUR	<b>55 683</b>	<b>172 333</b>	<b>0</b>	<b>831</b>	<b>14 288</b>	<b>243 135</b>
Residual value 31.12.2010	LVL	<b>36 198</b>	<b>112 097</b>	<b>0</b>	<b>305</b>	<b>6 456</b>	
	EUR	<b>51 505</b>	<b>159 500</b>	<b>0</b>	<b>434</b>	<b>9 186</b>	<b>220 625</b>

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

Residues of fixed assets as at 31.12.2009. are checked in stocktaking on 31.12.2009.

Fixed assets are not encumbered.

Vehicles are insured.

**2. Raw materials, direct material and auxiliary**

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
gold	202 287	130 565	287 828	185 777
silver	2 087	2 087	2 970	2 970
precious stones, semiprecious stones	48 362	49 077	68 813	69 830
other auxiliary materials	49	49	70	70
low-value materials and inventory	741	817	1 054	1 162
tools	4 583	4 583	6 521	6 521
construction materials for current repairs	288	300	410	427
fuel in tanks of cars	47	18	67	26
<b>Total</b>	<b>258 444</b>	<b>187 496</b>	<b>367 733</b>	<b>266 783</b>

**3. Unfinished products**

Unfinished manufacture	115 333	90 692	164 104	129 043
<b>Total</b>	<b>115 333</b>	<b>90 692</b>	<b>164 104</b>	<b>129 043</b>

**4. Finished production and goods on sale**

Goods in warehouse	212 370	140 278	302 175	199 598
<b>Total</b>	<b>212 370</b>	<b>140 278</b>	<b>302 175</b>	<b>199 598</b>

**5. Advance payments for products**

To LLC /SIA/ NESTE for fuel	340	26	484	37
<b>Total</b>	<b>340</b>	<b>26</b>	<b>484</b>	<b>37</b>

**Appendices to the balance sheet (continued)**

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>6. Indebtedness of cusmomert and clients</b>				
Indebtedness of customers and clients	248 567	365 484	353 679	520 037
Settlements with other debtors	16 969	25 457	24 145	36 222
Credit on the security in a pawnshop	3 618	3 036		
Settlements for lease	14 866	5 999	21 152	8 536
<b>Total</b>	<b>284 020</b>	<b>399 976</b>	<b>398 976</b>	<b>564 795</b>

**7. Other debtors**

VENDEN pledge	11	11	16	16
<b>Total</b>	<b>11</b>	<b>11</b>	<b>16</b>	<b>16</b>

**8. Expenditures for the subsequent periods**

Insurance of vehicles	159	65	226	92
Lietišķas inormācijas dienests (laws of the Republic of Latvia)	108	43	154	61
Newspaper, journals	354	0	504	0
Project documentation	0	7 564	0	10 763
NASDAQ OMO Rīga for the stock quotation	7	0	10	0
<b>Total</b>	<b>628</b>	<b>7 672</b>	<b>894</b>	<b>10 916</b>

**9. Saved incomes**

Bills written out in 2010	0	3 757	0	5 346
<b>Total</b>	<b>0</b>	<b>3 757</b>	<b>0</b>	<b>5 346</b>

**10. Money resources**

Monetary in cash	8 516	8 121	12 117	11 555
Monetary in operating accounts	64 998	75 785	92 484	107 832
<b>Total</b>	<b>73 514</b>	<b>83 906</b>	<b>104 601</b>	<b>119 387</b>

**11. 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 form.

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



**Appendices to the balance sheet (continued)**

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
<b>12. Other accumulation</b>				
Accumulation on holiday	3 219	2 555	4 580	3 635
<b>Total</b>	<b>3 219</b>	<b>2 555</b>	<b>4 580</b>	<b>3 635</b>
<b>13. Indebtedness to suppliers and contractors</b>				
Venden SIA	2	0	3	0
EPS SIA carpets change	12	11	17	16
AM Pakalpojumi SIA	91	0	129	0
Rīgas ūdens SIA	228	173	324	246
Federal Express Corporation	44	0	63	0
NASDAQ OMX Riga AS	756	0	1 076	0
Koslovskis Miks	2	0	3	0
DIALMA GIOIELLI S.A.S.	29 106	0	41 414	0
<b>Total</b>	<b>30 241</b>	<b>184</b>	<b>43 029</b>	<b>262</b>
<b>14. Taxes and social security payments</b>				
VAT	8 165	5 531	11 618	7 870
State social security obligatory payments	2 232	1 290	3 176	1 836
Personal income tax	1 118	1 029	1 591	1 464
Natural resources tax	79	62	112	88
Business activity duty	4	4	6	6
<b>Total</b>	<b>11 598</b>	<b>7 916</b>	<b>16 502</b>	<b>11 263</b>
<b>15. Other creditors (short-term)</b>				
Salaries	2 866	3 319	4 078	4 723
Advance calculations	165	7	235	10
<b>Total</b>	<b>3 031</b>	<b>3 326</b>	<b>4 313</b>	<b>4 732</b>
<b>16. Accured liabilities</b>				
Latvenergo SIA	2 518	2 270	3 583	3 230
Latvijas gāze AS	3 346	983	4 761	1 399
Lattelecom SIA	53	52	75	74
FINANSISTS SIA	0	425	0	605
Prior SIA	0	70	0	100
Latvijas Mobilais Telefons SIA	86	135	122	192
<b>Total</b>	<b>6 003</b>	<b>3 935</b>	<b>8 541</b>	<b>5 599</b>