

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

Main activities:
NACE code red.3212
processing of precious metals

Unit: LVL

Annual report
of the period from 01.01.2013 to 31.03.2013

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

State Revenue Service territorial office: Latgale suburb department

Rīga, 2013.

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Management Report

Information about the Company

AS „Rīgas juvelierizstrādājumu rūpnīca” registered office is at 1 Terezes 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: Aleksandrs Struļevičs and Aleksandrs Ančevskis.

The Company's Auditor is Certified Auditor Sandra Dzerele (Certificate No. 82).

The Company's major shareholders are:

Marija Ančevska – 1 540 000 shares

Igors Istomins – 1 160 000 shares

Vladimirs Cadovičs – 531 785 shares

Others - 972 people with shares 5% or less of the total number of shares - 1 511 195 shares

The Company has no operative and financial leasing, or bank's credits, loans or borrowings. Assets set out on the Company's balance sheet are not encumbered.

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 Terezes Street, Riga, LV-1012, tel. 67277365

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

The Company doesn't have any agencies and affiliates registered abroad.

Net turnover for 01.01.2013- 31.03.2013 was equal to 126 715 LVL. It has increased for 27% compared with the previous accounting period.

Related companies

The Company has its related company SIA "Grabes pansija", unified reg. No. 40003648860, 1 Terezes Street, Riga.

Vladimirs Cadovičs is a holder of a 100% share in the authorized capital of [SIA "Grabes pansija"](#).

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Aleksandrs Struļevičs

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 31.03.2013

Hereby it is confirmed by the Company managers that upon drawing the present report for period, 01.01.2013- 31.03.2013, 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

Aleksandrs Struļevičs

Member of the Board

Aleksandrs Ančevskis

BALANCE SHEET

<i>ASSETS</i>	Appendixes	31.03.2013. LVL	31.03.2012. LVL	31.03.2013. EUR	31.03.2012. EUR
I. Long-term investments					
I Fixed assets					
Land, buildings, constructions and perenial plantations		91 804	100 823	130 625	143 458
Equipment and machinery		38	90	54	128
Other fixed assets and inventory		2 579	3 857	3 670	5 488
Total fixed assets		94 421	104 770	134 349	149 074
II Investment property		29 594	32 530	42 108	46 286
Total investment property		29 594	32 530	42 108	46 286
Total long-term investments	1	124 015	137 300	176 457	195 360
2. Current assets					
III Inventory					
Raw materials, direct materials and auxiliary materials	2	316 144	203 313	449 832	289 288
Unfinished products	3	73 452	146 754	104 513	208 812
Finished products and products for sale	4	119 377	168 943	169 858	240 384
Advance payments for goods	5	0	254	0	361
Total inventory		508 973	519 264	724 203	738 845
IV Indebtedness of the debtors					
Debts of the customers and clients	6	422 917	391 840	601 757	557 538
Other debtors	7	11	11	16	16
Expenses of the subsequent period	8	474	463	674	659
Total debtors		423 402	392 314	602 447	558 213
Funds (total)	9	115 872	49 889	164 871	70 986
Total current assets		1 048 247	961 467	1 491 521	1 368 044
Grand total assets		1 172 262	1 098 767	1 667 979	1 563 405

BALANCE SHEET

Liabilities	Appendixes	31.03.2013.	31.03.2012.	31.03.2013.	31.03.2012.
		LVL	LVL	EUR	EUR
I Equity capital					
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		102 845	108 258	146 335	154 037
Undistributed profit					
a) undistributed profit from previous year		(3 699 837)	(3 776 592)	(5 264 394)	(5 373 606)
b) undistributed profit for the reporting year		10 801	5 673	109 213	8 072
<i>Total undistributed profit</i>		<i>(3 689 036)</i>	<i>(3 770 919)</i>	<i>(5 249 025)</i>	<i>(5 365 534)</i>
Total equity capital		1 156 789	1 080 319	1 645 963	1 537 156
II Reserves	11	5 405	5 903	7 691	8 399
<i>Total reserves</i>		5 405	5 903	7 691	8 399
III Creditors					
2 Short-term debts					
Indebtedness to suppliers and contractors	12	632	907	899	1 291
Taxes and social security liabilities	13	5 018	7 806	7 140	11 107
Other creditors	14	4 418	3 832	6 286	5 452
Accrued liabilities	15	0	0	0	0
Total short-term debts		10 068	12 545	14 325	17 850
Total creditors		10 068	12 545	14 325	17 850
Grand total liabilities		1 172 262	1 098 767	1 667 979	1 563 405

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	Appendices	31.03.2013. LVL	31.03.2012. LVL	31.03.2013. EUR	31.03.2012. EUR
1. Net turnover	16	126 715	99 521	180 299	141 606
2. Manufacturing expenditures of sold products	17	(69 022)	(50 675)	(98 209)	(72 104)
3. Gross profit or loss		57 693	48 846	82 090	69 502
4. Selling expenses	18	(34 533)	(34 383)	(49 136)	(48 923)
5. Administrative expenses	19	(27 408)	(22 118)	(38 998)	(31 471)
6. Other operating revenue	20	16 875	15 756	24 011	22 419
7. Other operating expenses	21	(900)	(1 502)	(1 281)	(2 137)
8. Profit or loss before extraordinary items and taxes		11 727	6 599	16 686	9 390
9. Profit or loss before taxation		11 727	6 599	16 686	9 390
10. Other taxes	22	(926)	(926)	(1 318)	(1 318)
11. Profit or loss in the reporting year		10 801	5 673	15 368	8 072
12. Profit or loss per one stock in a year		0,002	0,001	0,002	0,001
13. Profit or loss per one stock from the beginning		-0,778	-0,795	-0,764	-0,795

Appendix from Page 11 to 15 is an integral part to the present financial statement

Report on changes in the equity capital 31.03.2013. and 31.03.2012.

	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
Remaining amount on 31.03.2012.	4 742 980	108 258	(3 776 592)	5 673	1 080 319
Remaining amount on 31.03.2013.	4 742 980	102 845	(3 699 837)	10 801	1 156 789

	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
Remaining amount on 31.03.2012.	6 748 653	154 037	(5 373 606)	8 072	1 537 156
Remaining amount on 31.03.2013.	6 748 653	146 335	(5 264 394)	15 368	1 645 962

Appendix from Page 11 to 15 is an integral part to the present financial statement

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

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Member of the Board

Aleksandrs Ančevskis

CASH FLOW STATEMENT
(by direct method)

		31.03.2013.	31.03.2012.	31.03.2013.	31.03.2012.
	Pielikumi	LVL	LVL	EUR	EUR
I. Cash flow from main activities					
Revenue from the sales of the products and provided services		115 116	65 952	163 795	93 841
Payments to suppliers, staff, other expenditures on main activities		(95 905)	(81 466)	(136 461)	(115 916)
Other revenues and expenditures on main activities		33 072	27 657	47 057	39 352
Gross cash flow of the main activities		52 283	12 143	74 392	17 278
Expenditures on tax payments for the real property (-)	26	(926)	(926)	(1 318)	(1 318)
Cash flow before extraordinary items		51 357	11 217	73 074	15 960
Net cash flow of the main activities		51 357	11 217	73 074	15 960
II. Cash flow of investment activities					
Acquisition of fixed assets and intangible investments	1	(413)	(75)	(588)	(107)
Received interest	22			-	-
Net cash flow of investment operations		(413)	(75)	(588)	(107)
V. Net cash flow in the reporting year	*	50 944	11 142	72 487	15 854
VI. Cash and its equivalents at the beginning of the period	9	64 928	38 747	92 384	55 132
VII. Cash and its equivalents at the end of the period	9	115 872	49 889	164 871	70 986

Chairman of the Board

Vladimirs Cadovičs

Member of the Board

Aleksandrs Struļevičs

Member of the Board

Aleksandrs Ančevskis

Appendixes to the annual report

1.Explanatory notes to the items of the balance sheet

1.Fixed assets

	Investment property	Buildings, constructions	Other fixed assets	Equipment and machinery	Long-term investments in leased fixed assets	Total LVL	Total EUR
Initial Value							
31.03.2012.	58 700	180 389	39 095	64 356	74 026	416 566	592 720
31.03.2013.	58 700	180 389	44 931	64 356	74 026	422 402	601 024
Depreciation							
31.03.2012.	26 170	79 566	35 238	64 266	74 026	279 266	397 360
31.03.2013.	29 106	88 585	42 352	64 318	74 026	298 387	424 566
Residual value							
31.03.2012.	32 530	100 823	3 857	90	-	137 300	195 360
Residual value							
31.03.2013.	29 594	91 804	2 579	38	-	124 015	176 457

Buildings, constructions and vehicles are insured.

Real Estate property includes buildings:Notif. Nr.PIPN-13-34980-mp/13-34739-AL/05-07 from 30.01.2013.

- Cadastre Nr. 0100 035 0142 004, Riga, property assessed value - 52 461 Ls;
- Cadastre Nr.0100 035 0142 006, Riga, property assessed value - 111 650 Ls;
- Cadastre Nr.0100 035 0143 003, Riga, property assessed value - 69 564 Ls;
- Cadastre Nr.0100 035 0144 002, Riga, property assessed value - 7 682 Ls;
- Cadastre Nr.0100 035 0146 001, Riga, property assessed value -5591 Ls;

All fixed assets are used in economic activity. Fixed assets are not encumbered.

Investment property is a building leased for economic activity.

2. Raw materials, direct materials and auxiliary materials

	31.03.2013. LVL	31.03.2012. LVL	31.03.2013. EUR	31.03.2012. EUR
gold	260 691	148 838	370 930	211 777
silver	4 800	2 772	6 830	3 944
precious stones, semiprecious stones	45 828	46 440	65 207	66 078
low-value materials and inventory	642	642	913	913
Instruments	4 145	4 583	5 898	6 521
materials for current repairs	38	38	54	54
Total	316 144	203 313	449 832	289 287

3.Unfinished products

	LVL	LVL	EUR	EUR
Unfinished products and orders	73 452	146 754	104 513	208 812

Appendixes to the balance sheet (continued)

	31.03.2013.	31.03.2012.	31.03.2013.	31.03.2012.
	LVL	LVL	EUR	EUR
4. Finished production and goods for sale				
Total	119 377	168 943	169 858	240 384

5. Advance payments for products

To LLC/SIA/ NESTE for fuel

	0	254	0	361
Total	0	254	0	361

6. Debts of customers and clients

All debts are being received in one year period.

Payments for jewellery	407 040	344 468	579 166	490 134
Purification of gold	9 216	37 330	13 113	53 116
Payments for lease	7 283	10 042	10 363	14 288
Accumulation for doubtful debtors Ltd "Inze plus"	-622	0	-885	0
Total net debts of customers and clients	422 917	391 840	601 757	557 538

off the balance

accumulation for doubtful debtors on 31.12.2012 622

7. Other debtors

Security sum VENDEN

	11	11	16	16
Total	11	11	16	16

8. Expenditures for the subsequent period

Insurance of the transport	51	65	73	92
Lietišķas informācijas dienests (Laws of the Republic of Latvia)	423	398	602	566
Total	474	463	675	658

9. Money resources

Money in cash	8 915	8 826	12 685	12 558
Money in operating accounts	106 957	41 063	152 186	58 427
Total	115 872	49 889	164 871	70 985

10. 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 Ls 4742980, composed of 4742980 shares, share per 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.

Appendixes to the balance sheet (continued)

		31.03.2013.	31.03.2012.	31.03.2013.	31.03.2012.
		LVL	LVL	EUR	EUR
11. Accumulation					
Accumulation for unused vacations:		5 405	4 961	7 691	7 059
off the balance	accumulation for doubtful debtors	622	-	942	-
Reclassified from accrued liabilities					
Total		5 405	5 903	7 691	8 399

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

Total	632	907	899	1 291
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13. Taxes and social security payments

Personal Income Tax	1 242	1 131	1 767	1 609
State social security obligatory payments	2 221	2 014	3 160	2 866
Tax of risk of the business activity	4	3	6	4
Business motor vehicles tax	0	185	0	263
Value added tax	1 551	4 473	2 207	6 365
Total	5 018	7 806	7 140	11 107

14. Other creditors (short-term)

Salaries	4 017	3 794	5 716	5 398
Payments to workers (advance payments)	401	38	571	54
Total	4 418	3 832	6 287	5 452

Appendixes to the annual report

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

16. Net turnover	31.03.2013. LVL	31.03.2012. LVL	31.03.2013. EUR	31.03.2012. EUR
Jewellery sale	47 379	60 806	67 414	86 519
Workshops (jewellery repair)	12 648	12 394	17 996	17 635
Pawnshops (jewellery)	0	-	-	-
Sales of investment gold	66 585	18 757	94 742	26 689
Jewellery sales in the EU (Lithuania)	103	7 564	147	10 763
Total	126 715	99 521	180 299	141 606

17. Manufacturing expenditures of sold products

Purchasing and manufacturing expenses of the sold jewels	68 255	54 557	97 118	77 628
Services for manufacturing of the jewels	0	266	0	378
Assaying of jewellery at the LPB*	0	170	0	242
Low-value inventory and tools	0	285	0	406
Changes in stock and value of the unfinished products	767	-4 603	1 091	-6 549
Insurance of goods	0	0	0	0
An undeducted part of taxes	0	0	0	0
Other expenses				0
Total	69 022	50 675	98 209	72 104

* State Assay Supervision Inspection

18. Selling costs

Workers' salary	9 629	9 611	13 701	13 675
Obligatory social payments for workers	2 271	2 247	3 231	3 197
Advertising expenses	2 104	0	2 994	0
Residential services (water, electricity, gas)	15 584	15 292	22 174	21 759
Rent of the land and premises	2 529	3 845	3 598	5 471
Depreciation of fixed assets	2 411	3 386	3 431	4 818
Other selling costs	5	2	7	3
Total	34 533	34 383	49 136	48 923

19. Administrative expenditures

Communication expenditures	578	641	822	912
Bank services	59	59	84	84
To "NASDAQ OMX Riga" for shares and other	3 125	3 125	4 446	4 446
Office costs	335	237	477	337
Depreciation of the fixed assets (administrative building)	819	819	1 165	1 165
Travelling allowances	1 291	0	1 837	0
Salary of the administration	10 200	10 260	14 513	14 599
Obligatory social payments for the administration	2 355	2 307	3 351	3 283
Payment for the risk of the business activity	13	13	18	18
Security services	2 612	1 887	3 717	2 685
Expenditures on insurance of motor transport	279	281	397	400
Expenditures on motor transport for administration (fuel, repair)	1 453	1 138	2 067	1 619
Expenditures on representation	79	93	112	132
Other administrative expenditures, including expenses on lawyers	4 210	1 258	5 990	1 790
Total	27 408	22 118	38 998	31 471

Appendixes to the profit or loss calculation (continued)

	31.03.2013.		31.03.2012.	
	LVL	LVL	EUR	EUR
20. Other income of the business activities				
Production of thermal energy	8 515	8 545	12 116	12 158
Leasing out premises	6 753	7 211	9 609	10 260
Other income (655, 819)	1 607	0	2 287	0
Total	16 875	15 756	24 011	22 419
21. Other expenditures from the business activities				
Losses from selling or buying currencies 2	0	273	0	388
Other expenditures (economic)	900	1 229	1 281	1 749
Total	900	1 502	1 281	2 137
22. Real property tax				
Total	926	926	1 318	1 318