

“Riga shipyard” JSC /Rīgas Kuģu Būvētava A/S/

“RIGA SHIPYARD” JSC
financial statements for 9 months of the year 2006
(not audited)
(not consolidated)

Riga, 2006

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Information on the company

Name of the company	Joint stock company “Riga shipyard”
Legal status	Joint stock company
Incorporation number, place and date	000304589, 5 December 1991, companies register, Riga 40003045892, 26 August 2004, commercial register, Riga
Registered office	2 Gales street, Riga, LV-1015
Stock capital of the enterprise	Ls 11 672 107
Core business of the enterprise	- building and repair of ships, yachts, catamarans, roll trailers and technological equipment -Port services -Wood processing, manufacturing of furniture designed for various functional purposes etc.
Associate enterprise	“Tosmare Shipyard” JSC
Address	42/44 Generala Baloza Street, Liepaya
Partnership	49,72%
Name, surnames and positions of members of the Board	
Vasilijs Melniks	Chairman of the Board, p. ID 310867-10726
Aivars Stolders	Member of the Board, p. ID 060569-10634
Igors Komarovs	Member of the Board, p. ID 040756-10902
Larisa Artemenko	Member of the Board, p. ID 030349-12926
Janis Davidovics	Member of the Board, p. ID 060363-11507(resigned on 25.06.2006)
Name, surnames and positions of members of the Council	
Sergejs Golicins	Chairman of the Council p. ID 250154-10952
Anatolijs Ustinovs	Deputy Chairman of the Council p. ID 010146-10964)
Girts Stelbovics	Member of the Council, p. ID 280566-10102(resigned on 26.07.2006)
Aleksandrs Cernavskis	Member of the Council, p. ID 230770-10102
Andris Kravalis	Member of the Council, p. ID 250977-11002
Juris Kaksitis	Member of the Council p. ID 270443-10124 (appointed on 26.07.2006)
Chief accountant	Marina Pudova, phone 7080868
Annual report	1 January – 30 September 2006
Tax authority	SRS Riga regional institution Ziemeļu district division
Name and address of the auditor	Natalija Zaiceva, p ID 140366-10722 A sworn auditor (LSAA certificate No 138)
Responsible person	Sworn auditors firm KSIA “ORIENTS N” LSAA certificate No 28 Larisa Artemenko Member of the board t.7353411 E-mail :larisa@riga-shipyard.com

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Profit & Loss calculation for 2006 year 9 months and 2005 year 9 months

	Remarks	2006 9 months Ls	2005 9 months Ls	2006 9 months EUR	2005 9 months EUR
1. Net turnover	(1)	20 448 320	20 395 421	29 095 338	29 020 070
2. Sold production operating costs	(2)	19 869 396	19 031 620	28 271 603	27 079 556
3. Gross profit or losses		578 924	1 363 801	823 735	1 940 514
4. Selling costs	(3)	53 352	46 230	75 913	65 779
5. Administration costs	(4)	561 360	498 843	798 743	709 790
6. Other enterprise's business activity's income	(5)	891 593	1 125 194	1 268 622	1 601 007
7. Other enterprise's business activity's costs	(6)	516 835	903 108	735 390	1 285 007
8. Profit & Loss of business activity's		338 970	1 040 814	482 311	1 480 945
9. Income from investments in capital of related and associated companies					
10. Other percents and the like income	(7)	48 374	1 171	68 830	1 666
11. Write-offs of the value of long-term financial investments and short-term securities					
12. Payment of percents and the like costs	(8)	127 479	98 912	181 386	140 739
13. Profit & Loss prior to extra ordinary items and taxes		259 865	943 073	369 755	1 341 872
14. Extraordinary income					
15. Extraordinary expense					
16. Profit & loss prior to taxes		259 865	943 073	369 755	1 341 872
17. Income taxes of the enterprise for the year of account		87 395	87 230	124 352	124 117
18. Other taxes	(9)	38 742	36 115	55 125	51 387
19. Year of account profit & loss (net income)		133 728	819 728	190 278	1 166 368

Chairman of the Board _____ *V. Melniks*

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Balance as at 30 September 2006 year

ASSETS	Remarks	30.09.2006 Ls	30.09.2005 Ls	30.09.2006 EUR	30.09.2005 EUR
Long-term investments					
I Intangible investments					
1. Research and development costs					
2. Concessions, patents, licences, trade-marks and similar right					
3. Other intangible investments		38 403	20 919	54 643	29 765
4. Goodwill					
5. Advance payments of intangible investments		150 191	40 733	213 703	57 958
Intangible investments in total	(10)	188 594	61 652	268 346	87 723
II Fixed assets					
1. Lands, buildings, constructions, perennial plants		3 100 557	2 520 910	4 411 695	3 586 932
2. Long-term investments into leased fixed assets		17 074	24 664	24 294	35 094
3. Equipment and machinery		3 611 151	3 502 257	5 138 205	4 983 263
4. Other fixed assets and stock		424 309	323 837	603 737	460 779
5. Up building of fixed assets and unfinished building objects costs		734 810	905 637	1 045 540	1 288 605
6. Advanced payments for fixed assets		10 380	59 632	14 769	84 849
Fixed assets in total	(11)	7 898 281	7 336 937	11 238 240	10 439 522
III Long-term financial investments					
1. Participation in capital of related companies					
2. Participation in capital of associated companies	(12)	2 164 782	2 164 782	3 080 207	3 080 207
3. Other equities and investments	(13)	165	165	235	235
4. Other loans and other long-term debtors	(14)	595 344	583 604	847 098	830 394
5. Loans to copartners of the enterprises and to the directorship	(15)	362 284	362 285	515 484	515 485
Long-term financial investments in total		3 122 575	3 110 836	4 443 024	4 426 321
Long-term investments in total		11 209 450	10 509 425	15 949 610	14 953 566
Current assets					
I Reserves					
1. Raw materials, direct materials and auxiliary materials	(16)	3 344 595	2 838 988	4 758 930	4 039 516
2. Unfinished production	(17)	6 507 265	4 114 373	9 259 004	5 854 225
3. Production and goods ready for sale					
4. Unfinished order	(18)	559 193	910 600	795 660	1 295 667
5. Advance payments for goods	(19)	928 324	304 254	1 320 886	432 914
Reserves in total		11 339 377	8 168 215	16 134 480	11 622 322
II Debts of debtors					
1. Debts of buyers and customers	(20)	3 118 457	3 544 389	4 437 165	5 043 211
2. Debts of related companies					
3. Associated companies debts					
4. Other debtors	(21)	632 357	1 082 137	899 763	1 539 742
5. Short-term loans to copartners of the enterprise's and to the directorship	(22)	1 055 607	1 093 155	1 501 993	1 555 419
6. Next period costs	(23)	43 213	48 803	61 487	69 440
7. Recognized incomes					
Debtors in total		4 849 634	5 768 484	6 900 408	8 207 812
III Short-term financial investments					
1. Participation in capital of related companies					
Short-term financial investments in total					
IV. Cash assets	(24)	33 393	23 696	47 514	33 716
Current assets in total		16 222 404	13 960 395	23 082 402	19 863 850
Assets in total		27 431 854	24 469 820	39 032 012	34 817 416

Chairman of the Board _____ *V. Melniks*

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LIABILITIES	Remarks	30.09.2006 Ls	30.09.2005 Ls	30.09.2006 EUR	30.09.2005 EUR
Equity capital					
1. Stock or share capital (equity capital)	(25)	11 672 107	11 672 107	16 607 912	16 607 912
2. Retained earnings					
a) previous years retained earnings		2 901 999	2 765 852	4 129 173	3 935 452
b) year of account retained earnings		133 729	819 728	190 279	1 166 368
Retained earnings in total		3 035 728	3 585 580	4 319 452	5 101 820
Equity capital in total		14 707 835	15 257 687	20 927 364	21 709 732
II Provision for liabilities and charges					
1. Provision for pensions and similar obligations					
2. Provision for contingent tax					
3. Other provisions					
Provision for liabilities and charges in total					
III Creditors					
I Long-term debts					
1. Liability of leasing	(26)	7 759	8 660	11 040	12 322
2. Deferred taxation reserves liabilities		319 634		454 798	
Long-term debts in total		327 393	8 660	465 838	12 322
II Short-term debts					
1. Loans from credit institutions	(27)	471 048	1 507 500	670 241	2 144 979
2. Other loans					
3. Liability of leasing		2 287	6 771	3 254	9 634
4. Advance payments received from buyers	(28)	8 097 176	3 534 712	11 521 243	5 029 442
5. Debts to suppliers and contractors	(29)	2 647 072	3 194 663	3 766 444	4 545 596
6. Debts to related companies					
7. Debts to associated companies		133 269	41 408	189 625	58 918
8. Taxes and social insurance payments	(30)	187 409	179 780	266 659	255 804
9. Other creditors	(31)	241 517	297 636	343 648	423 498
10. Next period income					
11. Unpaid previous years dividends	(32)	248 439	243 896	353 497	347 033
12. Accrued liabilities		368 409	197 107	524 199	280 458
Short-term creditors in total		12 396 626	9 203 473	17 638 810	13 095 362
Creditors in total		12 724 019	9 212 133	18 104 648	13 107 684
Total		27 431 854	24 469 820	39 032 012	34 817 416

Chairman of the Board _____ *V. Melniks*

30 November 2006

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Cash flow statement for 9 months of the year 2006 and 2005

	2006 year 9 months Ls	2005 year 9 months Ls	2006 year 9 months EUR	2005 year 9 months EUR
A. Cash flow from primary activity				
- Sales income	25 719 237	20 629 309	36 595 177	29 352 861
- Cash to suppliers, personnel and others primary activity costs	(23 610 710)	(19 391 411)	(33 595 014)	(27 591 492)
- Gross cash flow from primary activity	2 108 527	1 237 898	3 000 163	1 761 369
- Interest paid	(110 574)	(98 912)	(157 333)	(140 739)
- Corporate income tax	(45 860)	(64 332)	(65 253)	(91 536)
- Primary activity before extraordinary items				
- Cash flow from extraordinary items				
Net cash flow from primary activity	1 952 093	1 074 654	2 777 577	1 529 094
B. Cash flow from investment activity				
- Selling out of shares				
- Paid for fixed assets acquisition	(595 213)	(1 161 356)	(846 912)	(1 652 461)
- Received for the fixed assets sold	15 176	4 708	21 593	6 699
- Loans granted	(11 501)	(20 296)	(16 364)	(28 878)
- Repayment of loans	10 023		14 261	
- Interest received	4 048	1 171	5 760	1 666
Net cash flow from investment activity	(577 467)	(1 175 773)	(821 662)	(1 672 974)
C. Cash flow from financial activities				
- Loan received	471 048	258 600	670 242	367 954
- Loan repaid	(1 811 834)	(161 066)	(2 578 008)	(229 176)
- Dividend paid	(680)	(190)	(967)	(270)
Net cash flow from financial activities	(1 341 466)	97 344	(1 908 733)	138 508
Fluctuations of rates currency result	(13 812)		(19 652)	
Net cash flow and equivalent increase or decrease (A+B+C+D)	19 348	(3 775)	27 530	(5 372)
Cash and equivalent thereof at beginning of the period of accounts	14 045	27 471	19 984	39 088
Cash and equivalent thereof at the end of the period of account	33 393	23 696	47 514	33 716

Chairman of the Board _____ *V. Melniks*

30 November 2006

Changes in own capital report for 2006 and 2005 year 9 months.						
Types of changes	Stock or		Retained		Total	
	Share		earnings			
	capital					
	LVL	EUR	LVL	EUR	LVL	EUR
Balance as at 31.12.2004.	11672107	16607912	2999294	4267610	14671401	20875522
Stock or share capital						
Increase/decrease						
Increase/decrease of reserves						
Dividends			(233442)	(332158)	(233442)	(332158)
Period of account net profit & loss			819728	1166368	819728	1166368
Balance as at 30.09.2005.	11672107	16607912	3585580	5101820	15257687	21709732
Balance as at 31.12.2005.	11672107	16607912	3135441	4461331	14807548	21069243
Stock or share capital						
Increase/decrease						
Increase/decrease of reserves						
Dividends			(233442)	(332158)	(233442)	(332158)
Period of account net profit & loss			133729	190279	133729	190279
Balance as at 30.09.2006.	11672107	16607912	3035728	4319452	14707835	20927364

EPS to 30.09.2006. $133729 \text{ LVL} : 11672107 = 0,01 \text{ LVL}$ or $0,01 \text{ EUR}$ to 30.09.2005. $\text{EPS} -0,07 \text{ LVL}$ or $0,10 \text{ EUR}$

Chairman of the Board _____ **V. Melniks**

November 30, 2006

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 30.09.2006.

Notes to the financial statements for 9 months of the years 2006 and 2005.

Accounting policy

(1) General principles

The annual report has been prepared in compliance with LR laws “On accounting” and “On enterprises’ annual reports”, as well as in compliance with accounting principles in the Republic of Latvia.

Profit & Loss calculation has been prepared as per turnover costs scheme.

Cash flow statement has been prepared as per third method.

Comparing to previous year of account methods of accountancy and evaluation applied in the Company haven’t changed.

The annual report has been prepared basing on the conception of continuation of business.

(2) Agency continuation

Present financial report has been prepared with reference to uninterrupted operation of company that an active realization and repayment liability is preceding in an ordinary way.

(3) Net turnover

Net turnover is a total sum of services rendered and sold within the nine months and services free from tax and granted trade discounts.

(4) Revaluation of foreign currency in lats

All the company accounting is carried out into lats.

All transactions within the year made in foreign currency have been converted into lats pursuant to the currency exchange rate officially established by the Bank of Latvia on a respective day of a transaction.

Foreign currency exchange rate as at the end of the year of account within the last two years was as following:

	30.09.2006	30.09.2005
	<u>Ls</u>	<u>Ls</u>
1 USD	0.552000	0.583
1 EUR	0.702804	0.702804
1 NOK	0.085200	0.0899
1 GBP	1.042000	1.031
1 RUB	0.020600	0.0204

(5) Fixed assets and low-grade stock

Fixed assets have been evaluated as per initial costs value, deducting accumulated depreciation. Depreciation has been calculated as per linear method, considering the rate established by the JSC order No.4 dated 8 January 2002. Calculation of depreciation of the fixed assets was commenced starting with the first date of the month next to commissioning and was finished on the first date of the month next to their exclusion from the fixed assets’ number.

Company capitalizes permanent assets with value more Ls 50 and time of valid usage is more than 1 year. Increased value of revaluing permanent assets is reflected as moving towards long-term investments revaluation reserve. It is attributed to the dissolution of permanent assets in the calculation of profits, incomes and losses.

Low-grade stock booked at the purchase prices and costs was 100% written off after commissioning.

(6) Affiliated undertaking deposits.

Affiliated undertaking deposits are shown taking into account SGS Nr.27, 28, 36 as well as SFPS Nr.3 requirements. Though since year 2004 goodwill amortization and 36 SGS requirements were suspended.

(7) Other long-term investments.

Other long-term investments have been reflected in purchase costs.

(8) Reserves

Raw materials, materials and goods subject to sale were booked at the purchase price, including costs related to purchase, and were accounted as per FIFO methods. Sum of Illiquid assets', stored in the enterprise's warehouses, in comparison to total commodity stock was not essential.

Balance of reserves has been shown at the lowest costs.

Unfinished production has been reflected at the prime cost, excluding administration costs.

(9) Debtors

Debtors' debts in the balance sheet have been shown at the net value. Debtors' actual sum complies with contracts and other accounting basic documents.

(10) Cash and cash equivalents

In the report of cash flow consist of the money in cash-box and remnants of active bank cont.

(11) Accumulation for holidays

Accumulations for payments on holidays are formed, taking into account quantity of days of holiday to all workers and defining the average salary of workers in day.

(12) Reserves for unused vocations

Vocation cost reserves was calculated considering vocation days and average earnings for all workers.(Valuation was made in addition to annval report.

(13) Taxes

There has been made reconciliation of taxes liabilities by data of SRS Ziemelu division.

(14) Bookkeeping arrangement

The bookkeeping has been arranged using a chart of accounts endorsed in the company. The bookkeeping accountancy has been arranged with the help of computers.

(15) Use of estimation

In financial reports enterprise management must make estimations, assumptions which influence presented assets and liabilities at the date of annual report processing. Real results can differ from estimations.

(16) Financial risks

In ordinary work enterprise was subjected to credit risk and currency risk.

(17) Credit risk

Financial plants potentially dangerous for enterprise are rest of money and its equivalents, account receivable, deposit.

(18) Percentage risk

Enterprise is subjected from credit interest rate changing risk.

(19) Currency risk

Enterprise is subjected from currency changing risk in marketing and purchases operations, borrowings in different currency. Financial risk is possible in relation of Ls to USD.

(20) Dividend

Dividend was reflex as fixed in announced period.

(21) Comparative information

Comparing to the period of previous report, accounting and appraisal methods is changed in accordance to request of International accounting Standard. (View annotations 6,12).

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Profit & Loss calculation supplement

(1) Net turnover

	2006 year 9 months Ls	2005 year 9 months Ls
On aspects of business		
- Shipbuilding	6 722 150	4 395 385
- Ship repair	13 341 826	15 657 771
- Mechanical engineering	311 464	176 956
- Other works	72 880	165 309
Total	20 448 320	20 395 421

(2) Sold products operating costs

	2006 year 9 months Ls	2005 year 9 months Ls
Material costs (raw materials and materials, value of goods, services from outside)	15 478 432	14 606 866
Remuneration of labor	2 868 340	2 883 613
Social insurance costs	667 045	680 429
Depreciation of fixed assets	543 851	467 869
Other costs	311 728	392 843
Total	19 869 396	19 031 620

	2006 year 9 months Ls	2005 year 9 months Ls
(3) Selling costs		
Advertisement	53 352	46 230
Total	53 352	46 230

	2006 year 9 months Ls	2005 year 9 months Ls
(4) Administration costs		
Liaison costs	9 241	10 675
Office maintenance costs	7 130	9 536
Administration salary	45 841	48 326
Remuneration of the board	165 979	138 858
Remuneration of the council	149 249	97 243
Social insurance costs	57 412	55 024
Depreciation of fixed assets	30 570	31 024
Transport costs	41 544	46 908
Travel expenses	27 170	31 031
Legal services	8 294	17 448
Representation costs	18 930	12 770
Total	561 360	498 843

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(5) Other enterprise’s business activity’s income

	2006 year 9 months Ls	2005 year 9 months Ls
Income generated from transport services rendering	8 190	4 384
Income generated from leased FA payments and public services	379 245	277 928
Tugboat services income	77 948	65 304
Selling out of raw materials and materials	231 646	501 230
Income generated from fluctuation of currency rate	127 081	86 529
Educational services	710	8 185
Income generated from chemical analyses	3 158	2 356
Income generated from realization of fixed assets	15 176	4 708
Income generated from difference between face value of certificates and costs of their acquisition	0	91 810
Payment entry for territory	6 947	17 374
Reimbursement of losses	0	52 870
Other income	41 492	12 516
Total	891 593	1 125 194

(6) Other enterprise’s business activity’s costs

	2006 year 9 months Ls	2005 year 9 months Ls
Material purchase costs	198 674	464 020
Losses incurred by currency selling out	86 601	81 430
Social infrastructure objects costs (medical services)	7 017	5 434
Costs on tugboat services	36 456	35 063
The donations	4 903	2 150
Material benefits	110	410
Burial costs	5 198	2 380
Damage	0	45 926
Costs incurred by fixed assets’ exclusion	2 225	4 539
Representation costs	13 070	8 526
Costs on maintenance of leased FA	162 299	165 140
Special reserved sum provided for unsecured debts	0	87 891
Other costs	282	199
Total	516 835	903 108

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(7) Other percents and the like income

	2006 year 9 months Ls	2005 year 9 months Ls
Depositing percentage	1 796	879
Bank interests	28	163
Interests income for loans	40 394	13
Received penalty payments	6 156	116
Total	48 374	1 171

(8) Payment of percents and the like costs

	2006 year 9 months Ls	2005 year 9 months Ls
Paid off penalty	172	315
Paid off interests	52 700	50 286
Guarantee maintenance	74 607	48 311
Total	127 479	98 912

(9) Other taxes

	2006 year 9 months Ls	2005 year 9 months Ls
Buildings and constructions real estate tax	20 824	18 198
Real estate tax	17 918	17 917
Total	38 742	36 115

(10) Other intangible investments

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments total
Initial value						
01.01.2006			51 242		72 422	123 664
Acquired			-		77 769	77 769
Written off			-			
Relocated			-			
Revaluated			-			
30.09.2006.			51 242		150 191	201 433
Depreciation						
01.01.2006			5 153		-	5 153
Estimated			7 686		-	7 686
Written off						
30.09.2006			12 839			12 839
Balance value						
01.01.2006			46 089		72 422	118 510
Balance value						
30.09.2006			38 403		150 191	188 594

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(11) Report on long-term investments movement

	Land, buildings, constructions Ls	Long-term investments into leased FA Ls	Equipment and machinery Ls	Other fixed assets Ls	Building of fixed assets Ls	Unfinished construction Ls	Advance Payment for FA Ls	Total Ls
Initial value								
01.01.2006	4 579 791	17 074	9 293 993	708 483	-	474 756	27 017	15 101 114
Acquired	182 932		570 698	139 693	-	1 153 378	205 756	2 252 457
Written off			90 417	2 965	-	893 324	222 393	1 209 099
Relocated								
30.09.2006	4 762 723	17 074	9 774 274	845 211	-	734 810	10 380	16 144 472
Depreciation								
01.01.2006	1 526 218	-	5 768 641	365 219	-	-	-	7 660 078
Estimated	135 948	-	476 540	57 055	-	-	-	669 543
Written off			82 058	1 372	-	-	-	83 430
30.09.2006	1 662 166	-	6 163 123	420 902	-	-	-	8 246 191
Balance value								
01.01.2006	3 053 573	17 074	3 525 352	343 264	-	474 756	27 017	7 441 036
Balance value								
30.09.2006	3 100 557	17 074	3 611 151	424 309	-	734 810	10 380	7 898 281

(12) Participation in capital of associated companies

	2006 year 9 months Ls	2005 year 9 months Ls
Branch enterprise “Tosmare shipyard” JSC investment value	2 164 782	2 164 782
Total	2 164 782	2 164 782

(13) Other equities and investments

	2006 year 9 months Ls	2005 year 9 months Ls
“Baltic International Bank” JSC 33 shares	165	165
Total	165	165

(14) Other loans and other long-term debtors

	2006 year 9 months Ls	2005 year 9 months Ls
Student loan payout	51 917	40 178
Shares loan payout	543 426	543 426
Total	595 343	583 604

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(15) Loans to copartners of the enterprises and to the directorship

	2006 year 9 months Ls	2005 year 9 months Ls
Long-term loans	362 285	362 285
Total	362 285	362 285

(16) Raw materials, direct materials and auxiliary materials

	2006 year 9 months Ls	2005 year 9 months Ls
Total	3 344 595	2 838 988

(17) Unfinished production

	2006 year 9 months Ls	2005 year 9 months Ls
Shipbuilding orders	6 507 265	4 114 373
Total	6 507 265	4 114 373

(18) Unfinished order

	2006 year 9 months Ls	2005 year 9 months Ls
1) Ship repair orders	5 687 024	6 839 547
2) Mechanical engineering orders	4 330 60	2 299 95
3) Various	2007	6831
Total	559 193	910 600

(19) Advance payments for goods

	2006 year 9 months Ls	2005 year 9 months Ls
For materials	928 323	304 254
Total	928 323	304 254

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(20) Debts of buyers and customers

	2006 year 9 months Ls	2005 year 9 months Ls
Buyers and customers accounting value	3 783 572	4 209 504
Accrual disputable debtor	(665 115)	(665 115)
Balance net value	3 118 457	3 544 389

(21) Other debtors

	2006 year 9 months Ls	2005 year 9 months Ls
Accounting value	783 749	1 303 013
Generated reserves	(151 392)	(220 876)
Net value balance	632 357	1 082 137

Other debtors debts are as following:

	2006 year 9 months Ls	2005 year 9 months Ls
Accounted VAT	2 967	31 618
Overpaid taxes		
- Value added tax	191 234	122 114
- Enterprise income tax	42 510	0
Payment of salary		
Short-term loans for “Tosmare Shipyard” JSC’S shares	15 000	19 500
Short-term loans	268 916	253 502
Advance payments on services	82 629	149 460
Other debtors	29 101	505 943
Total	632 357	1 082 137

(22) Short-term loans to the enterprise’s copartners and directorship

	2006 year 9 months Ls	2005 year 9 months Ls
Total	1 055 607	1 093 155

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(23) Next period costs

	2006 year 9 months Ls	2005 year 9 months Ls
Enterprise’s property insurance premium sum	11 643	16 398
Subscription to the press	671	52
Inviting of specialists	13 927	7 473
Insurance of health	0	11 700
Check of floating means	6 818	7 564
Expenses for repair of the rented basic means	1 897	1 898
Advertisement	638	3 718
Other	7 619	0
Total	43 213	48 803

(24) Cash assets

	2006 year 9 months Ls	2005 year 9 months Ls
Money at a cash department	3 181	4 104
Money on current accounts	30 212	19 592
Total	33 393	23 696

(25) Stock or share capital (equity capital)

“Riga shipyard” JSC was founded in 1995 with the equity capital of Ls 10 000000, which was comprised of 10 000000 shares, face value of one share made up Ls 1.

The joint stock company is public and its shares are quoted on Securities Exchange.

Amendments to the Acts:

1. Growth of the equity capital up to Ls 11 000 000 on 30 December 1998.
2. Growth of the equity capital up to Ls 11 672 107 on 30 December 1999.

(26) Liability of leasing

	2006 year 9 months Ls	2005 year 9 months Ls
Hanza leasing including:		
Long (-term)	7 759	8 660
Short (-term)	2 287	6 771
Total	10 046	15 431

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(27) Loans from credit institutions (short-term)

	2006 year 9 months Ls	2005 year 9 months Ls
Nordea Bank Finland Plc. Latvian branch	471 048	1 507 500
Total	471 048	1 507 500

Overdraft and guarantee contract No 2003/4/OD/GA with the overdraft limit 15 000 000 EURO.
Mortgage, session contracts and contract of pledge were signed, for the amplification of obligations.

(28) Advance payments received from buyers

	2006 year 9 months Ls	2005 year 9 months Ls
For shipbuilding	8 079 366	3 065 454
For ship repair	8 033	462 213
Others	9 777	7 045
Total	8 097 176	3 534 712

(29) Debts to suppliers and contractors

	2006 year 9 months Ls	2005 year 9 months Ls
Debts for services and materials	780 230	635 214
Debts subcontractors	1 866 842	2 559 449
Total	2 647 072	3 194 663

(30) Taxes and social insurance payments

	2006 year 9 months Ls	2005 year 9 months Ls
Social insurance payments	109 585	100 032
Residents income tax	76 192	78 371
Enterprise income tax	-	0
Risk tax	239	377
Natural resources tax	1 393	1 000
Total	187 409	179 780

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(31) Other creditors

	2006 year 9 months Ls	2005 year 9 months Ls
Salary	198 665	190 767
Payments for deductions from salary	1 541	2 217
Payments for debts to other enterprises	41 311	104 652
Total	241 517	297 636

(32) Unpaid previous years dividends

31.12.2005	15 677
Calculated	233 442
Paid off	680
30.09.2006	248 439

Chairman of the Board _____ *V. Melniks*

November 30, 2006

