

“RIGA SHIPYARD” JSC /AS “RĪGAS KUĢU BŪVĒTAVA /

***“RIGA SHIPYARD” JSC***

***financial statements for 3 months of the year 2013***

***(not audited)***

***Content***

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### **Information on the company**

Name of the company	<b>Joint stock company “Riga shipyard”</b>
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	<ul style="list-style-type: none"><li>– building and repair of ships, yachts, catamarans, roll trailers and technological equipment</li><li>– Port services</li><li>– Wood processing, manufacturing of furniture designed for various functional purposes etc.</li></ul>
Associate enterprise	“Tosmare Shipyard” JSC Reg.No. 42103022837
Address	42/44 Generala Baloza Street, Liepaya
Partnership	49,72%
Associate enterprise	“Remars Granula” SIA Reģ.Nr.54103022521
Address	2 Gales street, Riga, LV-1015
Partnership	49,80%
Name, surnames and positions of members of the Board	
Vasilijs Melniks	Chairman of the Board,
Igors Komarovs	Member of the Board,
Larisa Artemenko	Member of the Board,
Irina Rudzate	Member of the Board, (resigned on 04.02.2013)
Einars Buks	Member of the Board
Name, surnames and positions of members of the Council	
Sergejs Golicins	Chairman of the Council,
Anatolijs Ustinovs	Deputy Chairman of the Council,
Aleksandrs Cernavskis	Member of the Council,
Jekaterina Melnika	Member of the Council,
Gaidis Andrejs Zeibots	Member of the Council
Annual report	<b>1 January – 31 March 2013</b>
Tax authority	SRS Large tax payers department
Name and address of an auditor	Sworn auditors firm KSIA “ UHY ORIENTS N” LSAA certificate No 28 83/85 -12 A.Čaka street , Riga, LV-1011 Latvija  Natalija Zaiceva, LACA certificate. No. 138

***Notification on liability of the board***

The Board of JSC “Riga Shipyard” (The Company) endorses that, according to information available at the time of preparing this report, Financial statements give a true picture of the Company’s financial situation on 31st March, 2013 and its performance and cash flow in all significant aspects. The above mentioned financial statements are as per requirements of legislation of Latvian Republic.

The board endorses that, preparing this report:

- there were used corresponding accounting methods, their application was consequent;
- there were made reasonable and prudent resolutions;
- it was guided by business continuation principle.

The Board of the enterprise is liable for preparation of a financial report, grounding on initial accountancy per each accounting period, which correctly reflects financial situation of the enterprise as at the end of the year of account, and ensures the financial report has been prepared complying with Latvian Legislation.

The Board is liable for administering of respective accounting reports, for perseverance of means of the enterprise, as well as for elimination of deceit and other dishonest acts.

**JSC “Riga Shipyard”**  
**Chairman of the Board**

***V. MELNIKS***

Member of the Board

***I.KOMAROVS***

Member of the Board

***L.ARTEMENKO***

Member of the Board

***E.BUKS***

May 31<sup>st</sup>, 2013

**Profit or Loss statement**  
**For the years ending 31st of March 2013 and 31st of March 2012**

		<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
		<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
		<b>Ls</b>	<b>Ls</b>	<b>EUR</b>	<b>EUR</b>
Net turnover	1	5941095	9701718	8453417	13804301
Sold production operating costs	2	6488715	10027520	9232610	14267876
<b>Gross profit or losses</b>		<b>(547620)</b>	<b>(325802)</b>	<b>(779193)</b>	<b>(463575)</b>
Selling costs	3	14560	13443	20717	19128
Administration costs	4	137389	183917	195487	261690
Other enterprise's business activity's income	5	358063	847913	509478	1206472
Other enterprise's business activity's costs	6	183084	761741	260505	1083860
<b>Profit &amp; Losses of business activity's</b>		<b>(524590)</b>	<b>(436990)</b>	<b>(746424)</b>	<b>(621781)</b>
Other percents and the like income	7	2045	7600	2910	10814
Payment of interest and the like costs	8	55496	25377	78964	36108
<b>Profit &amp; Losses prior to extra ordinary items and taxes</b>		<b>(578041)</b>	<b>(454767)</b>	<b>(822478)</b>	<b>(647075)</b>
<b>Profit &amp; loss prior to taxes</b>		<b>(578041)</b>	<b>(454767)</b>	<b>(822478)</b>	<b>(647075)</b>
Income taxes of the enterprise		10096	0	14365	0
Other taxes		0	0	0	0
<b>Year of account profit &amp; loss (net income)</b>		<b>(588137)</b>	<b>(454767)</b>	<b>(836843)</b>	<b>(647075)</b>
Profit or loss per share		(0,05)	(0.04)	(0,07)	(0.06)

Chairman of the Board

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**E.BUKS**

“Riga shipyard” JSC  
report on period till 31<sup>st</sup> of March 2013

**Balance Sheet at 31 March 2012**

ASSETS	Remarks	31.03.2013 Ls	31.03.2012 Ls	31.03.2013 EUR	31.03.2012 EUR
<i>Long-term investments</i>					
<b>I Intangible investments</b>					
Other intangible investments		126725	161100	180313	229226
Advance payments of intangible investments		2000		2846	
<b>Intangible investments in total</b>	9	<b>128725</b>	<b>161100</b>	<b>183159</b>	<b>229226</b>
<b>II Fixed assets</b>					
Buildings, constructions, perennial plants		4316064	4294662	6141206	6110754
Long-term investments into leased fixed assets		11657	16487	16587	23459
Equipment and machinery		13976678	14183705	19887021	20181593
Other fixed assets and stock		184255	220594	262171	313878
Up building of fixed assets and unfinished building objects costs		812916	525939	1156675	748343
Advanced payments for fixed assets		7380	73347	10501	104363
<b>Fixed assets in total</b>		<b>19308950</b>	<b>19314734</b>	<b>27474161</b>	<b>27482390</b>
<b>III Property deposit</b>					
		<b>409426</b>	<b>424956</b>	<b>582561</b>	<b>604657</b>
<b>Fixed assets and property deposit in total</b>	10	<b>19718376</b>	<b>19739690</b>	<b>28056722</b>	<b>28087047</b>
<b>IV Long-term financial investments</b>					
Partnership in capital of related companies			2390		3400
Partnership in capital of associated companies	11	3394958	3394958	4830590	4830590
Other equities and investments	12	165	165	235	235
Other loans and other long-term debtors	13	507203	522573	721685	743554
Loans to copartners of the enterprises and to the directorship	14	292284	302284	415883	430111
Long-term deposit					
<b>Long-term financial investments in total</b>		<b>4194610</b>	<b>4222370</b>	<b>5968393</b>	<b>6007890</b>
<b>Long-term investments in total</b>		<b>24041711</b>	<b>24123160</b>	<b>34208274</b>	<b>34324163</b>
<i>Current assets</i>					
<b>I Reserves</b>					
Raw materials, direct materials and auxiliary materials	15	4964958	3567491	7064499	5076082
Unfinished production	16	4075674	1000283	5799162	1423274
Unfinished order	17	44074	970860	62712	1381409
Advance payments for goods	18	5014042	53031459	7134339	75456968
<b>Reserves in total</b>		<b>14098748</b>	<b>58570093</b>	<b>20060712</b>	<b>58570093</b>
<b>II Debts of debtors</b>					
Debts of buyers and customers	19	2543424	2577950	3618966	3668093
Associated companies debts	20	873546	1227126	1242944	1746043
Other debtors	21	1555677	1871856	2213529	2663413
Short-term loans to share holders and management of the company	22	20000	10000	28457	14229
Next period costs	23	40869	42574	58151	60578
Accrued proceeds	24	16476169	81513742	23443476	115983605
<b>Debtors in total</b>		<b>21509685</b>	<b>87243248</b>	<b>30605523</b>	<b>124135961</b>
<b>III Short-term financial investments</b>					
<i>Short-term deposit</i>					
<i>Cash assets</i>					
		<b>2076899</b>	<b>2354825</b>	<b>2955161</b>	<b>3350614</b>
<b>Short-term deposit and cash assets in total</b>	25	<b>2076899</b>	<b>2354825</b>	<b>2955161</b>	<b>3350614</b>
<b>Current assets in total</b>		<b>37685332</b>	<b>148168166</b>	<b>53621396</b>	<b>210824308</b>
<b>Assets in total</b>		<b>61727043</b>	<b>172291326</b>	<b>87829670</b>	<b>245148471</b>

“Riga shipyard” JSC  
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**Balance Sheet at 31 March 2013**

<b>LIABILITIES</b>		Remarks	<b>31.03.2013</b> Ls	<b>31.03.2012</b> Ls	<b>31.03.2013</b> EUR	<b>31.03.2012</b> EUR
<b>I</b>	<b>Equity capital</b>					
	<b>Stock or share capital (equity capital)</b>	26	11672107	11672107	16607912	16607912
	Overrate reserved of financial fixed assets	27	8473199	8473199	12056273	12056273
	Retained earnings					
	a) previous years retained earnings		3775871	3621090	5372582	5152347
	b) year of account retained earnings		(588137)	(454767)	(836843)	(647075)
	<i>Retained earnings in total</i>		<i>3187734</i>	<i>3166323</i>	<i>4535739</i>	<i>4505273</i>
	<b>Equity capital in total</b>		<b>23333040</b>	<b>23311629</b>	<b>33199924</b>	<b>33169458</b>
<b>II</b>	Reserves		50000		71144	
	<i>Reserves in total</i>		<b>50000</b>		<b>71144</b>	
<b>III</b>	<b>Creditors</b>					
<b>I</b>	<b>Long-term debts</b>					
	Liability of Liability of leasing		41618	91113	59217	129642
	Deferred taxation reserves liabilities		2079623	2085456	2959037	2967337
	<i>Long-term debts in total</i>		<b>2121241</b>	<b>2176569</b>	<b>3018254</b>	<b>3096979</b>
<b>II</b>	<b>Short-term debts</b>					
	Loans from credit institutions	28	4795650	2992284	6823595	4257637
	Liability of leasing	29	58406	34232	83104	48708
	Other credit					
	Advance payments received from buyers	30	27306747	140763506	38854001	200288425
	Debts to suppliers and contractors	31	2792376	2226637	3973192	3168219
	Debts to associated companies	32	85979		122337	
	Taxes and social insurance payments	33	325935	115952	463765	164985
	Other creditors	34	203918	218919	290149	311494
	Unpaid previous years dividends	35	23326	24652	33190	35077
	Next period income			834		1187
	Accrued liabilities	36	630425	426112	897015	606302
	<i>Short-term creditors in total</i>		<b>36222762</b>	<b>146803128</b>	<b>51540348</b>	<b>208882034</b>
	<b>Creditors in total</b>		<b>38344003</b>	<b>148979697</b>	<b>54558602</b>	<b>211979013</b>
	<b>Liabilities total</b>		<b>61727043</b>	<b>172291326</b>	<b>87829670</b>	<b>245148471</b>

Chairman of the Board

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May 31<sup>st</sup>, 2013

“Riga shipyard” JSC  
report on period till 31<sup>st</sup> of March 2013

**Cash flow Statement for 3 months of the year 2013 and 2012** (as per direct method)

	2013 3 months Ls	2012 3 months Ls	2013 3 months EUR	2012 3 months EUR
<b>A. Cash flow from primary activity</b>				
Sales and service income	9255353	40213107	13169181	57218096
Cash to suppliers, personnel and others primary activity costs	31790923	58421411	45234408	83126179
<b>Gross cash flow from primary activity</b>	<b>(22535570)</b>	<b>(18208304)</b>	<b>(32065227)</b>	<b>(25908083)</b>
Interest paid	55496	25377	78964	36108
Expenditures for income tax payments	3518		5006	
Primary activity before extraordinary items	(22594584)	(18233681)	(32149197)	(25944191)
Cash flow from extraordinary items				
<b>Net cash flow from primary activity</b>	<b>(22594584)</b>	<b>(18233681)</b>	<b>(32149197)</b>	<b>(25944191)</b>
<b>B. Cash flow from investment activity</b>				
Related enterprises shares acquisition				
Selling out of shares				
Paid for fixed assets acquisition	113806	174239	161931	247920
Received for the fixed assets sold		5935		8445
Loans granted				
Decrease of long-term deposit				
Repayment of loans				
Interest received	2045	7600	2910	10814
<b>Net cash flow from investment activity</b>	<b>(111761)</b>	<b>(160704)</b>	<b>(159021)</b>	<b>(228661)</b>
<b>C. Cash flow from financial activities</b>				
Loan received	1090082	2400802	1551047	3416033
Loan repaid				
Loan received				
Dividend paid				
<b>Net cash flow from financial activities</b>	<b>1090082</b>	<b>2400802</b>	<b>1551047</b>	<b>3416033</b>
Result of currency exchange rates changing	32805	(44697)	46677	(63598)
<b>Net cash flow and equivalent increase or decrease (A+B+C)</b>	<b>(21583458)</b>	<b>(16038280)</b>	<b>(30710494)</b>	<b>(22820417)</b>
<b>Cash and equivalent thereof at beginning of the period of accounts</b>	<b>23660357</b>	<b>18393105</b>	<b>33665655</b>	<b>26171031</b>
<b>Cash and equivalent thereof at the end of the period of account</b>	<b>2076899</b>	<b>2354825</b>	<b>2955161</b>	<b>3350614</b>
Chairman of the Board				<b>V. MELNIKS</b>
Member of the Board				<b>I.KOMAROVS</b>
Member of the Board				<b>L.ARTEMENKO</b>
Member of the Board				<b>E.BUKS</b>
May 31 <sup>st</sup> , 2013				



**Changes in own capital report for 3 months 2013 and 2012**

Types of changes	Stock or Share Capital		Long-term asset reevaluation reserve		Retained earnings		Total	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
<b>Balance as at 31.12.2011</b>	<b>11672107</b>	<b>16607912</b>	<b>8473199</b>	<b>12056273</b>	<b>3621090</b>	<b>5152348</b>	<b>23766396</b>	<b>33816533</b>
Wear of revaluated part of the equipment								
Changes in bonds of postponed taxes								
Period of account net profit & loss					(454767)	(647075)	(454767)	(647075)
<b>Balance as at 31.03.2012</b>	<b>11672107</b>	<b>16607912</b>	<b>8473199</b>	<b>12056273</b>	<b>3166323</b>	<b>4505273</b>	<b>23311629</b>	<b>33169458</b>
<b>Balance as at 31.12.2012</b>	<b>11672107</b>	<b>16607912</b>	<b>8473199</b>	<b>12056273</b>	<b>3775871</b>	<b>5372582</b>	<b>23921177</b>	<b>34036767</b>
Wear of revaluated part of the equipment								
Changes in bonds of postponed taxes								
Period of account net profit & loss					(588137)	(836843)	(588137)	(836843)
<b>Balance as at 31.03.2013</b>	<b>11672107</b>	<b>16607912</b>	<b>8473199</b>	<b>12056273</b>	<b>3187734</b>	<b>4535739</b>	<b>23333040</b>	<b>33199924</b>

EPS for 31.03.2013 LVL (588137) :11672107 =(0,05) LVL vai ( 0,07 )EUR

EPS for 31.03.2012 (0,04) LVL vai( 0,06) EUR

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**E.BUKS**

May 31<sup>st</sup>, 2013

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 31.03.2013

Notes mentioned on pages 10<sup>th</sup> - 29<sup>th</sup> are to be an integral part of this annual report

## **Notes to the financial statements**

### **Accounting policy**

#### **(1) General principles**

Annual report has been prepared according to laws of Latvian Republic „Regarding Accountancy” and „Regarding Annual report”, rules of cabinet of Ministers of Latvian Republic No. 481 „ On cash flow report and report on changes of contents of own equity and the order of preparing”; and according to Rules of Cabinet of Ministers Latvian Republic No. 488 enforcement of law “Regarding Annual Report”, which must be used starting from July 1<sup>st</sup> of year 2011. The sums included in Financial Statements are gained, based on prior costs method. Compared to previous report year the methods used by the Enterprise and the methods of evaluating have not been changed. Profit & Loss calculation has been prepared as per turnover costs scheme. Cash flow statement has been prepared as per direct method. The enclosed financial statements are made in Latvian national currency – lats (LVL).

#### **(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) Income recognition and net sales**

Net sales contain the total value of goods and services sold during the year excluding discounts value added tax and costs related to sales. Income is recognized according to the following principles:

- Revenue from ship repair are recognised in the reporting period when the relevant services were provided;
- Sales of goods - after significant ownership risk and rewards have been passed to the buyer;
- Revenue from shipbuilding - under the percentage of completion method (also see the remark 11 to policy of accountancy);
- Income from fines and penalties - at the moment of receiving the payments;
- Interest income - on an accrual basis;
- dividends – when there is legal basis for them

The revenue from ship repair is recognized based on level of completion. Costs related to repair services contracts are recognized by the moment of their appearance. If it is not possible to estimate believably the result of service contract, the income is recognized just as much as costs arising from the contract are possible to get back. If it is possible to estimate the result and there is a large possibility that contract will result as profit, the income of such contract are recognized during the contract time. If there is possibility that total of contract costs will exceed total of contract incomes, than the expected loss is to be recognized as expenses at once.

The Enterprise is using the percentage method, to determine recognizable volume of income at exact period. According to this method the Enterprise determines the level of completion of the jobs, to calculate the costs related to fulfilment of the agreement which have arisen till the Balance date, comparing it to the total expected costs, expressing this comparison in percents. The costs which outcome during the report period, which are related to further actions with the contract, are excluded from the costs related to the contract, by calculating the level of completion. It is shown as the raw material and materials and other assets, depending on its character.

The Enterprise shows as assets huge gross debt amounts of the customers, according to jobs for all of the contracts in progress, and for which there has costs appeared, by counting it to recognized profit (and taking off the recognized expenditures) and taking off the amount of Invoices released to the clients. Debtor’s debts bonds for the invoices released, but unpaid invoices, as well as retention, which appears as “Debts of customers and clients”.

The Enterprise shows as bonds of Clients gross debt amount, according to jobs for all contracts being in progress, for which the sum of released invoices exceeds the expenditures incurred and added to the recognized profit (and taking off the recognized expenditures). The advances received from the client appear as “Advance received from the customers”.

#### (4) Segment Content

**Operating Segment** is identifiable public (consuming goods and services) section, which is characterized by the risks and benefits that differs from the risks and benefits of other part of public. **Geographical Segment** is identifiable public that sells good and provides services in the particular economic environment and which is characterized by the risks and benefits that differs from the other part of public acting in the other economic environment.

#### (5) Revaluation of foreign currency in lats

(a) Currency used in transactions and accounting.

Items of the Company financial reports are accounted for in the currency of the economic environment, in which the Company operates (accounting currency). Items of financial reports are expressed in Latvian Lats (LVL), which is the Company accounting currency and reporting currency.

(b) Transactions and balances

All transactions in foreign currencies are converted to the accounting currency based upon the currency exchange rate of the relevant transaction date. Profit or loss obtained in the result of converting these transactions and monetary assets and liabilities in foreign currencies into lats based upon the year-end currency exchange rate are reflected in the Profit/ Loss Statement.

Exchange rates of most often used currencies, by **March 31<sup>st</sup>** were as follows:

	<b>31.12.2013</b>	<b>30.12.2012</b>
	<b>Ls</b>	<b>Ls</b>
1 USD	0,547	0,531
1 EUR	0,702804	0,702804
1 NOK	0,0938	0,0951
1 GBP	0,829	0,857
1 RUB	0,0177	0,0174

#### (6) Fixed assets and low-grade stock

Intangible and fixed assets are initially defined at the purchase cost, excluding the wear accumulated. The accusation value includes the expenditures, which are directly related to the acquisition of the fixed asset. Depreciation is calculated on a straight-line basis applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets:

##### Depreciation % per annum

Buildings	2-15
Other buildings and constructions	3,5 - 20
Technological equipment	5-50
Other fixed assets and stock	10-40

Wear of basic means begins to count from the first date of the next month after its delivery to exploitation and is finished by the first date of the next after its exclusion from the basic means.

Company capitalizes permanent assets with value more than Ls 100 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 losses.

In case of the obvious evident that as a result of fixed asset's repair and reconstruction in the future the economical achieved effect would be higher that the primary defined outputs then such investments are capitalized as an additional cost of fixed assets staff. With capitalization of the spare parts installation expense the remaining cost of exchange spare parts is written off to the profit or losses account.

Net profit or losses from fixed assets disposal is calculated as the difference between fixed assets balanced value and income received from the sales and defined in the income or loss calculation of the period where they had occurred from.

To calculate enterprise's income tax the depreciation of the fixed assets was estimated pursuant to rates and requirements under article 13 of LR law “On enterprises' income tax”. Low-grade stock booked at the purchase prices and costs was 100% <sub>11</sub> written off after commissioning.

**(7) Property deposits**

Investment property is buildings, constructions and their parts that the Company owns (as owner or renter acc. to financial leasing) to get rent or to wait prices rising (appreciation), but not to use for production of goods, providing a services, for administrative purposes or to sell in course of economic activity.

**(8) Affiliated undertaking deposits.**

Affiliated undertaking deposits are accounted according to its prior value, which means the costs of acquisition. Accordingly to this method the value of the investment is created by value of affiliated purchase and the costs related to the purchase.

**(9) Other long-term investments.**

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

**(10) 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. The reserves are valued at the lowest net sales value, purchase or production first cost.

Unfinished production has been reflected as costs related to employees, purchase of raw materials and services, excluding administration costs.

**(11) Long-term contract**

Due to the character to the contract on establishing an asset and performed activities the dates of starting and completing the contract performance falls within different reporting periods. Revenues and costs related to the contract are recognised as revenues and expenditure, accordingly, taking into account the percentage volume of completion of contract works as on the Balance Sheet date. (see 3<sup>rd</sup> explanation “The recognition of income and net turnover”).

**(12) Debtors**

Debtors' debts in the balance sheet have been shown at the net value, obtained deducting provisions for doubtful debts from the total amount of Debtor's debts. Debtors' actual sum complies with contracts and other accounting basic documents. Provisions for doubtful debts. are calculated by individual evaluation of every Debtor. Provisions for doubtful debts. reflect evaluation of estimated loss on the date of balance. Hopeless debts are to be written off when its recovery is admitted as impossible.

**(13) Accumulated income**

Riga Shipyard's new building and ship repair incomes are acknowledged respective to its executive degree (see see 3<sup>rd</sup> explanation “The recognition of income and net turnover”).

**(14) Cash and cash equivalents**

In the report of cash flow consist of the money in cash-box, remnants of active bank cont and demand deposits in the credit institutions with term to 90 days.

**(15) Equity capital and dividends**

Base shares are classified as share capital. Dividends payable to the Company shareholders are recorded as liabilities during the Company financial reporting period when the Company shareholders approve the relevant dividends.

**(16) Revaluation reserve**

The growth of revaluation value is decreased, when revaluated fixed asset is eliminated or disposed.

**(17) Savings**

Savings are possible bonds, caused by happening of report year or in previous years and by the moment of preparing the report, probably it will be necessary, that operational goods will flow away and the amount can be quite believably determined. Savings are estimated according to current value of costs, which will be necessary to solve the bonds after valuation.

**(18) Reserves for unused vocations**

Vocation cost reserves was calculated: average earning of past six month of the period reported per number of days of unused days of vacation by the end of year of period.

**(19) Income tax of the enterprise**

Enterprise income tax was calculated according to Latvia Republic tax laws. Tax laws in 2013 and further fixed tax rate is 15%.

Deferred taxation was referable to all short-term distinctions, which appear as a result of making accountancy of earnings and expenses according to tax laws. Deferred taxation is liability, which was calculated using tax rates. The main short-term distinctions appear from distinctions of fixed assets and nonmaterial wealth depreciation norms in taxes and financial bookkeeping calculation.

Deferred taxation assets item was included in financial reports only when regain of assets is real.

**(20) Profit per share**

Profit per share is determined by dividing the net profit or loss attributable to the Company shareholders with the weighted average number of shares.

**(21) Related parties**

Related parties are the Company’s major shareholders, Board members and Council member, their close family members and the companies, that are controlled or affected by the above mentioned persons. Also related parties are the companies that are controlled or affected by the final controlling member. Related parties are as well the Company’s related and associated companies, whose financial and main activity is under the Company’s significant influence.

**(22) Bookkeeping arrangement**

The bookkeeping accountancy has been arranged with the help of computers using the software (Microsoft Business Solutions – NAVISION 4.0).

**(23) 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.

**(24) Financial risks**

The principal financial instruments of the Company are money. The main objective of these financial instruments is to provide financing for the operations of the Company. The Company interacts with various other financial instruments, for example, trade receivables and payables and other creditors, following directly from its operations.

Financial risks, connected with the financial instruments of the Company, mainly, are interest rate risk, liquidity risk and credit risk.

In the conditions of regular activities the Enterprise is subject to credit and foreign exchange risks.

**Credit risk**

The Company is subject to the credit risk with respect to the debts of its buyers, debts of affiliated and customers, issued short-term loans and money and its equivalents. The Company manages its credit risk constantly reviewing the repayment history of the client debts and stating the credit conditions for each client separately. The Company has no significant concentration of credit risk on any separate business partner or group of partners corresponding to the similar description.

**Percentage risk**

Enterprise is subjected from credit interest rate changing risk.

**Currency risk**

The enterprise is having international operations and it is a subject to foreign currencies risk, which is generally caused by US dollar (USD).. As of 2005 the Bank of Latvia has stated a fixed official currency exchange rate for lats against euro, i.e. 0.702804, and ensures that the market rate will not differ from the official rate by more than 1%. As far as the Bank of Latvia maintains the above mentioned exchange corridor, the Company will not have a significant currency exchange risks in respect of assets and liabilities nominated in euro.

**Liquidity risk**

The Company follows cautious liquidity risk management and accordingly maintains sufficient amount of cash and ensures availability of financing by using loan facilities granted by banks.

The Company management monitors operative forecasts of liquidity reserves based upon expected cash flow. Most of the Company liabilities are short-term. The management considers that the Company will have sufficient liquid funds obtained from core operations and utilisation of loan facilities with the Latvian banks

**(25) Retraining**

In order to meet post classification for year 2013 the comparative readings for year 2012 in necessary cases individual post classification has changed.

Supplements to Annual Report  
**Supplement to Profit or Loss Statement**

**(1) Net turnover**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
	Ls	Ls	EUR	EUR
Shipbuilding	3692409	8051535	5253825	11456302
Ship repair	1751918	1623092	2492755	2309452
Mechanical engineering	484094	7244	688804	10307
Other works	12674	19847	18033	28240
<b>Total</b>	<b>5941095</b>	<b>9701718</b>	<b>8453417</b>	<b>13804301</b>

**(2) Sold products operating costs**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
	Ls	Ls	EUR	EUR
Material costs (raw materials and materials, value of goods, services from outside)	5275026	8606072	7505686	12245337
Salary	725165	821528	1031817	1168929
Social tax	169481	197172	241150	280550
Depreciation of fixed assets	257612	272208	366549	387317
Other costs	61431	130540	87408	185743
<b>Total</b>	<b>6488715</b>	<b>10027520</b>	<b>9232610</b>	<b>14267876</b>

**(3) Selling costs**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
	Ls	Ls	EUR	EUR
<b>Advertisement</b>	14560	13443	20717	19128
<b>Total</b>	<b>14560</b>	<b>13443</b>	<b>20717</b>	<b>19128</b>

**(4) Administration costs**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
	Ls	Ls	EUR	EUR
Liaison costs	2706	3782	3850	5381
Office maintenance costs	1107	640	1575	911
Salary of administration	12209	12605	17372	17935
Remuneration of the board	34345	62074	48869	88323
Remuneration of the council	29250	38250	41619	54425
Social insurance costs	17628	26268	25082	37376
Depreciation of fixed assets	3167	3713	4506	5283
Transport costs, travel allowances	8012	11682	11400	16622
Legal services	4472	1525	6363	2170
Assurance	793	782	1128	1113
Representation costs	2007	2889	2856	4111
Representation costs of the car	21693	19707	30867	28040
<b>Total</b>	<b>137389</b>	<b>183917</b>	<b>195487</b>	<b>261690</b>

**Supplement to Profit or Loss Statement (continuation)**

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

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
Income generated by leased FA payments and public services	149991	354882	213418	504952
Tugboat services income	34453	32691	49022	46515
Selling out of raw materials and materials	40404	277022	57490	394167
Income generated by chemical analyses	55	197	78	280
Net income generated by realization of fixed assets	0	4539	0	6458
Previous year income	0	1084	0	1542
Currency selling income	34820	147972	49544	210545
Mediation services	84336	28112	119999	40000
Other income	14004	1414	19927	2013
<b>Total</b>	<b>358063</b>	<b>847913</b>	<b>509478</b>	<b>1206472</b>

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

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
Material purchase costs	28846	261229	41044	371695
Losses incurred by currency exchange rate fluctuations	0	192669	0	274143
Losses incurred by currency selling out	1724	0	2453	0
Medical services	1906	2118	2712	3014
Costs on tugboat services	22149	16996	31515	24183
Material benefits	80	120	114	171
Burial costs	1536	498	2186	709
Net loss incurred by fixed assets’ exclusion	0	1299	0	1848
Representation costs	3077	4502	4378	6406
Costs on maintenance of leased FA	113944	281388	162128	400379
Other costs	9822	922	13975	1312
<b>Total</b>	<b>183084</b>	<b>761741</b>	<b>260505</b>	<b>1083860</b>



**Supplement to Profit or Loss Statement (continuation)**

**(7) Other percents and the like income**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
	Ls	Ls	EUR	EUR
Depositing percentage	1686	6920	2399	9846
Bank interests	359	1	511	2
Interests income for loans	0	4	0	6
Received penalty payments	0	675	0	960
<b>Total</b>	<b>2045</b>	<b>7600</b>	<b>2910</b>	<b>10814</b>

**(8) Payment off percents and the like costs**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
	Ls	Ls	EUR	EUR
Paid off interests	34204	12501	48668	17787
Guarantee maintenance	21292	12876	30296	18321
<b>Total</b>	<b>55496</b>	<b>25377</b>	<b>78964</b>	<b>36108</b>

**Supplement to Profit or Loss Statement (continuation)**

**(9) Other intangible investments LVL**

	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
<b>Initial value</b>						
01.01.2012			242267			<b>242267</b>
Bought						
Relocated						
Written off						
31.03.2012	0	0	242267			<b>242267</b>
<b>Depreciation</b>						
01.01.2012			72534			<b>72534</b>
Estimated			8633			<b>8633</b>
Written off						
31.03.2012	0	0	81167			<b>81167</b>
<b>Balance value 01.01.2012</b>	<b>0</b>	<b>0</b>	<b>169733</b>			<b>169733</b>
<b>Balance value 31.03.2012</b>	<b>0</b>	<b>0</b>	<b>161100</b>			<b>161100</b>

**(9) Other intangible investments EUR**

	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
<b>Initial value</b>						
01.01.2012			344716			<b>344716</b>
Bought						
Written off						
Relocated						
Revaluated						
31.03.2012	0	0	344716			<b>344716</b>
<b>Depreciation</b>						
01.01.2012			103207			<b>103207</b>
Estimated			12284			<b>12284</b>
Written off						
31.03.2012	0	0	115490			<b>115490</b>
<b>Balance value 01.01.2012</b>	<b>0</b>	<b>0</b>	<b>241509</b>			<b>241509</b>
<b>Balance value 31.03.2012</b>	<b>0</b>	<b>0</b>	<b>229226</b>			<b>229226</b>

**Supplement to Profit or Loss Statement (continuation)**

**(9) Other intangible investments LVL**

	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
<b>Initial value</b>						
01.01.2013			242267			<b>242267</b>
Bought					2000	<b>2000</b>
Relocated						
Written off						
31.03.2013	0	0	242267		2000	<b>244267</b>
<b>Depreciation</b>						
01.01.2013			106949			<b>106949</b>
Estimated			8593			<b>8593</b>
Written off						
31.03.2013	0	0	115542			<b>115542</b>
<b>Balance value 01.01.2013</b>	<b>0</b>	<b>0</b>	<b>135318</b>			<b>135318</b>
<b>Balance value 31.03.2013</b>	<b>0</b>	<b>0</b>	<b>126725</b>		<b>2000</b>	<b>128725</b>

**(9) Other intangible investments EUR**

	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
<b>Initial value</b>						
01.01.2013			344716			<b>344716</b>
Bought					2846	<b>2846</b>
Written off						
Relocated						
Revaluated						
31.03.2013	0	0	344716		2846	<b>347562</b>
<b>Depreciation</b>						
01.01.2013			152176			<b>152176</b>
Estimated			12227			<b>12227</b>
31.03.2013	0	0	164403			<b>164403</b>
<b>Balance value 01.01.2013</b>	<b>0</b>	<b>0</b>	<b>192540</b>			<b>192540</b>
<b>Balance value 31.03.2013</b>	<b>0</b>	<b>0</b>	<b>180313</b>		<b>2846</b>	<b>183159</b>

**Supplement to Profit or Loss Statement (continuation)**

**Supplements to the balance sheet**

**(10) Report on long-term investments movement LVL**

	Buildings, constructions Ls	Investments assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction Ls	Advance Payment for FA Ls	Total Ls
<b>Initial value</b>								
<b>01.01.2012</b>	<b>6842006</b>	<b>576395</b>	<b>16487</b>	<b>20495036</b>	<b>983153</b>	<b>295020</b>	<b>18567</b>	<b>29226664</b>
Bought	24197	1143		161251	3095	420605	90383	<b>700674</b>
Written off				2986		189686	35603	<b>228275</b>
Relocated								
<b>31.03.2012</b>	<b>6866203</b>	<b>577538</b>	<b>16487</b>	<b>20653301</b>	<b>986248</b>	<b>525939</b>	<b>73347</b>	<b>29699063</b>
<b>Depreciation</b>								
<b>01.01.2012</b>	<b>2522476</b>	<b>145860</b>		<b>6265738</b>	<b>748724</b>			<b>9682798</b>
Estimated	49065	6722		206311	16930			<b>279028</b>
Written off				2453				<b>2453</b>
Relocated								
<b>31.03.2012</b>	<b>2571541</b>	<b>152582</b>		<b>6469596</b>	<b>765654</b>			<b>9959373</b>
<b>Balance value 01.01.2012</b>	<b>4319530</b>	<b>430535</b>	<b>16487</b>	<b>14229298</b>	<b>234429</b>	<b>295020</b>	<b>18567</b>	<b>19543866</b>
<b>Balance value 31.03.2012</b>	<b>4294662</b>	<b>424956</b>	<b>16487</b>	<b>14183705</b>	<b>220594</b>	<b>525939</b>	<b>73347</b>	<b>19739690</b>

**(10) Fixed assets (EUR)**

	Buildings, constructions	Investment assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
<b>Initial value</b>								
<b>01.01.2012</b>	<b>9735298</b>	<b>820136</b>	<b>23459</b>	<b>29161809</b>	<b>1398901</b>	<b>419775</b>	<b>26419</b>	<b>41585797</b>
Bought	34429	1626	0	229440	4404	598467	128603	<b>996969</b>
Written off				4249		269899	50659	<b>324807</b>
Relocated								
<b>31.03.2012</b>	<b>9769727</b>	<b>821762</b>	<b>23459</b>	<b>29387000</b>	<b>1403305</b>	<b>748343</b>	<b>104363</b>	<b>42257959</b>
<b>Depreciation</b>								
<b>01.01.2012</b>	<b>3589160</b>	<b>207540</b>		<b>8915343</b>	<b>1065338</b>			<b>13777381</b>
Estimated	69813	9565		293554	24089			<b>397021</b>
Written off				3490				<b>3490</b>
Relocated								
<b>31.03.2012</b>	<b>3658973</b>	<b>217105</b>		<b>9205407</b>	<b>1089427</b>			<b>14170912</b>
<b>Balance value 01.01.2012</b>	<b>6146138</b>	<b>612596</b>	<b>23459</b>	<b>20246466</b>	<b>333563</b>	<b>419775</b>	<b>26419</b>	<b>27808416</b>
<b>Balance value 31.03.2012</b>	<b>6110754</b>	<b>604657</b>	<b>23459</b>	<b>20181593</b>	<b>313878</b>	<b>748343</b>	<b>104363</b>	<b>28087047</b>

*“Riga shipyard” JSC*  
report on period till 31<sup>st</sup> of March 2013

**Supplement to Profit or Loss Statement (continuation)**

**(10) Report on long-term investments movement LVL**

	Buildings, constructions Ls	Investments assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction Ls	Advance Payment for FA Ls	Total Ls
<b>Initial value</b>								
<b>01.01.2013</b>	<b>7085466</b>	<b>589112</b>	<b>11657</b>	<b>20727400</b>	<b>1004754</b>	<b>647599</b>	<b>3970</b>	<b>30069958</b>
Bought				163250	5288	165317	3410	<b>337265</b>
Written off	51				118			<b>169</b>
Relocated								
<b>31.03.2013</b>	<b>7085415</b>	<b>589112</b>	<b>11657</b>	<b>20890650</b>	<b>1009924</b>	<b>812916</b>	<b>7380</b>	<b>30407054</b>
<b>Depreciation</b>								
<b>01.01.2013</b>	<b>2718163</b>	<b>172788</b>		<b>6733724</b>	<b>811986</b>			<b>10436661</b>
Estimated	51239	6898		180248	13801			<b>252186</b>
Written off	51				118			<b>169</b>
Relocated								
<b>31.03.2013</b>	<b>2769351</b>	<b>179686</b>		<b>6913972</b>	<b>825669</b>			<b>10688678</b>
<b>Balance value 01.01.2013</b>	<b>4367303</b>	<b>416324</b>	<b>11657</b>	<b>13993676</b>	<b>192768</b>	<b>647599</b>	<b>3970</b>	<b>19633297</b>
<b>Balance value 31.03.2013</b>	<b>4316064</b>	<b>409426</b>	<b>11657</b>	<b>13976678</b>	<b>184255</b>	<b>812916</b>	<b>7380</b>	<b>19718376</b>

**(10) Fixed assets (EUR)**

	Buildings, construction s	Investment assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
<b>Initial value</b>								
<b>01.01.2013</b>	<b>10081710</b>	<b>838231</b>	<b>16587</b>	<b>29492433</b>	<b>1429636</b>	<b>921450</b>	<b>5650</b>	<b>42785697</b>
Bought				232284	7524	235225	4851	<b>479884</b>
Written off	73				168			<b>241</b>
Relocated								
<b>31.03.2013</b>	<b>10081637</b>	<b>838231</b>	<b>16587</b>	<b>29724717</b>	<b>1436992</b>	<b>1156675</b>	<b>10501</b>	<b>43265340</b>
<b>Depreciation</b>								
<b>01.01.2013</b>	<b>3867597</b>	<b>245855</b>		<b>9581226</b>	<b>1155352</b>			<b>14850030</b>
Estimated	72907	9815		256470	19637			<b>358829</b>
Written off	73				168			<b>241</b>
Relocated								
<b>31.03.2013</b>	<b>3940431</b>	<b>255670</b>		<b>9837696</b>	<b>1174821</b>			<b>15208618</b>
<b>Balance value 01.01.2013</b>	<b>6214113</b>	<b>592376</b>	<b>16587</b>	<b>19911207</b>	<b>274284</b>	<b>921450</b>	<b>5650</b>	<b>27935667</b>
<b>Balance value 31.03.2013</b>	<b>6141206</b>	<b>582561</b>	<b>16587</b>	<b>19887021</b>	<b>262171</b>	<b>1156675</b>	<b>10501</b>	<b>28056722</b>

**Supplement to the balance sheet (continuation)**

**(11) Partnership in capital of associated companies**

	31.03.2013. Ls	Share capital (%)	31.03.2012. Ls	Share capital (%)	31.03.2013 EUR	31.03.2012 EUR
Branch enterprise “Tosmares kuģubūvetava” JSC investment value	2551593	49,72	2551593	49,72	3630590	3630590
SIA “Remars Granula”	843365	49,80	843365	49,80	1200000	1200000
<b>Investments</b>	<b>3394958</b>		<b>3394958</b>		<b>4830590</b>	<b>4830590</b>

**(12) Other equities and investments**

Name enterprise	Parts or shares value		31.03.2013			31.03.2012		
	2013	2012	Quantity	Ls	EUR	Quantity	Ls	EUR
“Baltic International Bank” JSC	5	5	33	165	235	33	165	235
<b>Total</b>	<b>5</b>	<b>5</b>	<b>33</b>	<b>165</b>	<b>235</b>	<b>33</b>	<b>165</b>	<b>235</b>

**(13) Other loans and other long-term debtors**

	2013 year 3 months Ls	2012 year 3 months Ls	2013 year 3 months EUR	2012 year 3 months EUR
Student loan payout	68741	69111	97810	98336
Debt for shares	438462	453462	623875	645218
<b>Kopā</b>	<b>507203</b>	<b>522573</b>	<b>721685</b>	<b>743554</b>

**(14) Loans to co-partners of the enterprises and to the directorship**

	2013 3 months Ls	2012 3 months Ls	2013 3 months EUR	2012 3 months EUR
Long-term loans	292284	302284	415883	430111
<b>Total</b>	<b>292284</b>	<b>302284</b>	<b>415883</b>	<b>430111</b>

	Ls	Euro
<b>Copartners and directorship</b>		
Including: Long-term	292284	415883
Short-term	20000	28457
<b>31.03.2013</b>	<b>312284</b>	<b>444340</b>

There is a debt of management for JSC “ Tosmares kuģubūvetava” shares in this position.

**Supplement to the balance sheet (continuation)**

**(15) Raw materials, direct materials and auxiliary materials**

	<b>2013</b> <b>3 months</b> <b>Ls</b>	<b>2012</b> <b>3 months</b> <b>Ls</b>	<b>2013</b> <b>3 months</b> <b>EUR</b>	<b>2012</b> <b>3 months</b> <b>EUR</b>
1. Metal ware	60660	61702	86311	87794
2. Timbering	2896	6275	4121	8929
3. Metal, non-ferrous metals, pipes	2445372	2018073	3479451	2871459
4. Wire cables	1067	1182	1518	1682
5. Fuel	12002	9045	17077	12870
6. Coveralls	7748	10802	11024	15370
7. Equipment	230483	22712	327948	32316
8. Cables	96145	25213	136802	35875
9. Varnish and paint	44715	93820	63624	133494
10. Household goods	489	1510	696	2149
11. Technical rubber ware	11179	11556	15906	16443
12. Other	2052202	1305601	2920021	1857701
<b>Total</b>	<b>4964958</b>	<b>3567491</b>	<b>7064499</b>	<b>5076082</b>

**(16) Unfinished production**

	<b>2013</b> <b>3 months</b> <b>Ls</b>	<b>2012</b> <b>3 months</b> <b>Ls</b>	<b>2013</b> <b>3 months</b> <b>EUR</b>	<b>2012</b> <b>3 months</b> <b>EUR</b>
Shipbuilding orders	4075674	1000283	5799162	1423274
<b>Total</b>	<b>4075674</b>	<b>1000283</b>	<b>5799162</b>	<b>1423274</b>

These columns reflect the orders with up to 10% (zero cycle) executive degree from contractual value.

**(17) Unfinished orders**

	<b>2013</b> <b>3 months</b> <b>Ls</b>	<b>2012</b> <b>3 months</b> <b>Ls</b>	<b>2013</b> <b>3 months</b> <b>EUR</b>	<b>2012</b> <b>3 months</b> <b>EUR</b>
1) Ship repair orders	12504	952028	17792	1354614
2) Mechanical engineering orders	25957	13937	36933	19831
3) Various	5613	4895	7987	6964
<b>Total</b>	<b>44074</b>	<b>970860</b>	<b>62712</b>	<b>1381409</b>

**Supplement to the balance sheet (continuation)**

**(18) Advance payments for goods**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
For goods	5014042	53031459	7134339	75456968
<b>Total</b>	<b>5014042</b>	<b>53031459</b>	<b>7134339</b>	<b>75456968</b>

**(19) Debts of buyers and customers**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
Buyers and customers accounting value	2801519	2697973	3986202	3838870
Generated reserves for doubtful debtors	(258095)	(120023)	(367236)	(170777)
<b>Balance net value</b>	<b>2543424</b>	<b>2577950</b>	<b>3618966</b>	<b>3668093</b>

**(20) Associated companies debts**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
“Tosmares kuģu būvētava” JSC debt for service and materials	0	362666	0	516027
SIA “Remars Granula” debt for service	99	199	141	283
SIA “Remars Granula” debt for credit*	332288	323102	472803	459733
SIA “Remars Granula” debt for credit According to assignment agreement **	541159	541159	770000	770000
<b>Total</b>	<b>873546</b>	<b>1227126</b>	<b>1242944</b>	<b>1746043</b>

\*According to the agreement the “Borrower” pays percentage at the end of the loan return.

\*\* the debt is secured by a pledge



**Supplement to the balance sheet (continuation)**

**(21) Other debtors**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
Accounting value	1563164	1879335	2224181	2674055
Generated reserves	(7487)	(7479)	(10652)	(10642)
<b>Balance net value</b>	<b>1555677</b>	<b>1871856</b>	<b>2213529</b>	<b>2663413</b>

**Other debtors debts are as following:**

Accounted VAT	424	424	603	603
Overpaid taxes or advance payments				
Value added tax	724561	380622	1030957	541576
Real estate tax	524	0	746	0
Payments personal debts	9721	212	13832	302
Payment of salary	322	456	458	649
Short-term loans for “Tosmares kuģubūvetava” JSC’S shares	29942	14942	42604	21261
Advance payment of service	666583	1379992	948462	1963552
Account with other debtors	123600	95208	175867	135470
<b>Total</b>	<b>1555677</b>	<b>1871856</b>	<b>2213529</b>	<b>2663413</b>

**(22) Short-term loans to the enterprise’s share holders and management**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
	20000	10000	28457	14229
<b>Total</b>	<b>20000</b>	<b>10000</b>	<b>28457</b>	<b>14229</b>

**(23) Next period costs**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
Enterprise’s property insurance premium sum	9882	6333	14061	9011
Subscription to the press	130	191	185	272
Check of floating means	0	3374		4801
Expenses for repair of the rented basic means	3615	6538	5144	9303
Advertisements	0	285	0	406
Payment lease of land	5978	5978	8506	8506
Costs of Representative cars	133	1717	189	2443
Exhibition	9578	3259	13629	4637
Software maintenance services	0	3632	0	5168
Others	11553	11267	16437	16031
<b>Total</b>	<b>40869</b>	<b>42574</b>	<b>58151</b>	<b>60578</b>

**Supplement to the balance sheet (continuation)**

**(24) Accrued proceeds**

	2013 3 months Ls	2012 3 months Ls	2013 3 months EUR	2012 3 months EUR
Shipbuilding	15651036	157431451	22269418	21956976
Floating oil rig	0	65247360	0	92838629
Ship repair	825133	834931	1174058	1188000
<b>Total</b>	<b>16476169</b>	<b>81513742</b>	<b>23443476</b>	<b>115983605</b>

this item reflects the costs related to the contract and recognized profit

**(25) Cash assets**

	2013 3 months Ls	2012 3 months Ls	2013 3 months EUR	2012 3 months EUR
Money at a cash department	1846	4891	2627	6959
Money on current accounts	2075053	15151	2952534	21558
Other money means*	0	2334783	0	3322097
<b>Total</b>	<b>2076899</b>	<b>2354825</b>	<b>2955161</b>	<b>3350614</b>

**(26) Stock or share capital (equity capital)**

“Riga shipyard” JSC was founded in 1995 with the equity capital of Ls 10 000 000, which was comprised of 10 000 000 shares, face value of one share made up Ls 1.

The joint stock company is public and its shares are quoted on exchange market A/S NASDAQ OMX SECOND LIST. All the shares give equal rights for dividends receive, liquidation quotes and vote rights at the shareholders meeting. 1 share gives 1 vote right. The enterprise does not have shares that it held or anybody else on its behalf.

Amendments to the Statutes:

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.

**“Rīgas kuģu būvētava” JSC shareholders on the 31.03.2013**

	31.03.2013 Ls	%	31.03.2012 Ls	%	2013 year EUR	2012 year EUR
“Remars-Rīga” JSC	5819194	49.86	5819194	49.86	8279967	8279967
Other limited companies	1862545	15.95	2258286	28.57	2650163	3213251
Private personae	3990368	34.19	3594627	21.57	5677782	5114694
<b>Total</b>	<b>11672107</b>	<b>100</b>	<b>11672107</b>	<b>100</b>	<b>16607912</b>	<b>16607912</b>

**Supplement to the balance sheet (continuation)**

**(27) Long term investments revaluation reserves**

	<b>2013</b> <b>3 months</b> Ls	<b>2011</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> EUR	<b>2011</b> <b>3 months</b> EUR
	8473199	8473199	12056273	12056273
<b>Total</b>	<b>8473199</b>	<b>8473199</b>	<b>12056273</b>	<b>12056273</b>

Revaluation reserve was established due to revaluation of floating docks, by certified external evaluator.

**(28) Loans from credit institutions (short-term)**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
	4795650	2992284	6823595	4257637
<b>Total</b>	<b>4795650</b>	<b>2992284</b>	<b>6823595</b>	<b>4257637</b>

1. The enterprise had concluded the Overdraft and guarantee line agreement Nr 2003 / 4 / OD / GA and Overdraft agreement No2012-187-OD with JSC “Nordea Bank Finland Plc.” On march 31<sup>st</sup> 2013 2 floating docks, two floating cranes, 14 portal cranes, two running new building project and debtor debts had been pawned as a guarantee to the received loan.

The balance value of stuff pawned is LVL 14 940 034

2. There is also a contract No. RKB 12.12.2012/CL concluded with JSC “UniCreditBank” on creditline, floating docks are pawned as a guarantee, and a Cession contract was concluded.

The balance value of stuff pawned is LVL 3 496 876

**(29) Liability of leasing**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
Long-term	41618	91113	59217	129642
Short-term	58406	34232	83104	48708
<b>Total</b>	<b>100024</b>	<b>125345</b>	<b>142321</b>	<b>178350</b>

**(30) Advance payments received from buyers**

	<b>2013</b> <b>3 months</b> Ls	<b>2012</b> <b>3 months</b> Ls	<b>2013</b> <b>3 months</b> EUR	<b>2012</b> <b>3 months</b> EUR
For shipbuilding	27242314	140331771	38762321	199674121
For ship repair	63887	427899	90905	608845
Others	546	3836	775	5459
<b>Total</b>	<b>27306747</b>	<b>140763506</b>	<b>38854001</b>	<b>200288425</b>

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