

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

“RIGA SHIPYARD” JSC
financial statements for 9 months of the year 2005
(not audited)
(not consolidated)

Riga, 2005

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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,		
Aivars Stolders	Member of the Board,		
Igors Komarovs	Member of the Board,		
Larisa Artemenko	Member of the Board,		
Janis Davidovics	Member of the Board, (appointed		on
	27.05.2005)		
Name, surnames and positions of members of the Council			
Janis Davidovics	Chairman of the Council, (resigned on 26.05.2005)		
Sergejs Golcins	Deputy Chairman of the Council, (resigned on 29.07.2005)		
	Chairman of the Council (appointed on 29.07.2005)		
Anatolijs Ustinovs	Member of the Council, (resigned 29.07.2005)		
	Deputy Chairman of the Council (appointed on 29.07.2005)		
Girts Stelbovics	Member of the Council,		
Aleksandrs Cernavskis	Member of the Council,		
Andris Kravalis	Member of the Council, (appointed on 29.07.2005)		
Chief accountant	Marina Pudova, phone 7080868		
Annual report	1 January – 30 September 2005		
Tax authority	SRS Riga regional institution Ziemeļu district division		
Name and address of an 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 2005 year 9 months and 2004 year 9 months

	Remarks	2005 9 months Ls	2004 9 months Ls	2005 9 months EUR	2004 9 months EUR
1. Net turnover	(1)	23 889 845	14 437 887	33 992 187	20 543 262
2. Sold production operating costs	(2)	22 481 764	13 220 038	31 988 668	18 810 419
3. Gross profit or losses		1 408 081	1 217 849	2 003 519	1 732 843
4. Selling costs	(3)	46 230	54 525	65 779	77 582
5. Administration costs	(4)	561 106	497 585	798 382	708 000
6. Other enterprise's business activity's income	(5)	1 404 796	1 348 872	1 998 845	1 919 272
7. Other enterprise's business activity's costs	(6)	1 182 710	1 158 455	1 682 845	1 648 333
8. Profit & Loss off business activity's		1 022 831	856 156	1 455 358	1 218 200
9. Income from investments in capital of related and associated companies					
10. Other percents and the like income	(7)	1 171	71 576	1 666	101 843
11. Write-offs of the value of long-term financial investments and short-term securities					
12. Payment off percents and the like costs	(8)	98 912	77 523	140 739	110 305
13. Profit & Loss prior to extra ordinary items and taxes		925 090	850 209	1 316 285	1 209 738
14. Extraordinary income					
15. Extraordinary expense					
16. Profit & loss prior to taxes		925 090	850 209	1 316 285	1 209 738
17. Income taxes of the enterprise for the year of account		87 230	99 441	124 117	141 492
18. Other taxes	(9)	36 115	34 058	51 387	48 460
19. Year of account profit & loss (net income)		801 745	716 710	1 140 781	1 019 786

Chairman of the Board _____ V. Melniks

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Balance as at 30 September 2005 year

ASSETS	Remarks	30.09.2005 Ls	30.09.2004 Ls	30.09.2005 EUR	30.09.2004 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	(10)	20 919		29 765	
4. Goodwill					
5. Advance payments of intangible investments		40 733		57 958	
Intangible investments in total		61 652		87 723	
II Fixed assets					
1. Lands, buildings, constructions, perennial plants		2 520 910	2 144 188	3 586 932	3 050 905
2. Long-term investments into leased fixed assets		24 664	15 535	35 094	22 104
3. Equipment and machinery		3 502 257	2 577 841	4 983 263	3 667 937
4. Other fixed assets and stock		323 837	291 794	460 779	415 185
5. Up building of fixed assets and unfinished building objects costs		905 637	261 628	1 288 605	372 264
6. Advanced payments for fixed assets		59 632	12 187	84 849	17 341
Fixed assets in total	(11)	7 336 937	5 303 173	10 439 522	7 545 736
III Long-term financial investments					
1. Participation in capital of related companies					
2. Participation in capital of associated companies	(12)	2 268 417	2 164 782	3 227 667	3 080 207
3. Other equities and investments	(13)	165	165	235	235
4. Other loans and other long-term debtors	(14)	583 604	405 105	830 394	576 412
5. Loans to copartners of the enterprises and to the directorship	(15)	362 285	497 000	515 485	707 167
Long-term financial investments in total		3 214 471	3 067 052	4 573 781	4 364 021
Long-term investments in total		10 613 060	8 370 225	15 101 026	11 909 757
Current assets					
I Reserves					
1. Raw materials, direct materials and auxiliary materials	(16)	2 838 988	2 896 799	4 039 516	4 121 774
2. Unfinished production	(17)	1 512 566	2 110 306	2 152 187	3 002 695
3. Production and goods ready for sale					
4. Advance payments for goods	(18)	304 254	648 856	432 914	923 239
Reserves in total		4 655 808	5 655 961	6 624 617	8 047 708
II Debts of debtors					
1. Debts of buyers and customers	(19)	3 544 389	2 160 349	5 043 211	3 073 900
2. Debts of related companies		-			
3. Associated companies debts	(20)		124 613		177 308
4. Other debtors	(21)	1 082 137	1 346 943	1 539 742	1 916 527
5. Short-term loans to copartners of the enterprise's and to the directorship	(22)	1 093 155	1 044 979	1 555 419	1 486 871
6. Next period costs	(23)	48 803	46 286	69 440	65 859
7. Recognized incomes		3 494 424		4 972 117	
Debtors in total		9 262 908	4 723 170	13 179 929	6 720 465
III Short-term financial investments					
1. Participation in capital of related companies			2 077 806		2 956 451
Short-term financial investments in total		0	2 077 806	0	2 956 451
IV. Cash assets	(24)	23 696	495 620	33 716	705 204
Current assets in total		13 942 412	12 952 557	19 838 262	18 429 828
Assets in total		24 555 472	21 322 782	34 939 288	30 339 585

Chairman of the Board _____ V. Melniks

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LIABILITIES	Remarks	30.09.2005 Ls	30.09.2004 Ls	30.09.2005 EUR	30.09.2004 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		2 869 487	2 718 069	4 082 912	3 867 464
b) year of account retained earnings		801 745	716 710	1 140 780	1 019 786
Retained earnings in total		3 671 232	3 434 779	5 223 692	4 887 250
Equity capital in total		15 343 339	15 106 886	21 831 604	21 495 162
II Provision for liabilities and charges					
1. Provision for pensions and similar obligations					
2. Provision for contingent tax					
3. Other provisions	(26)	197 107		280 458	
Provision for liabilities and charges in total		197 107	0	280 458	0
III Creditors					
I Long-term debts					
1. Liability of leasing		8 660		12 322	
2. Next period income			91 809		130 632
Long-term debts in total		8 660	91 809	12 322	130 632
II Short-term debts					
1. Loans from credit institutions	(27)	1 507 500	1 306 822	2 144 979	1 859 440
2. Other loans					
3. Liability of leasing	(28)	6 771		9 634	
4. Advance payments received from buyers	(29)	3 534 712	1 302 149	5 029 442	1 852 791
5. Debts to suppliers and contractors	(30)	3 194 663	2 464 356	4 545 596	3 506 463
6. Debts to related companies					
7. Debts to associated companies	(31)	41 408	351 859	58 918	500 650
8. Taxes and social insurance payments	(32)	179 780	179 482	255 804	255 380
9. Other creditors	(33)	297 636	188 941	423 498	268 839
10. Next period income			91 810		130 634
11. Unpaid previous years dividends	(34)	243 896	238 668	347 033	339 594
12. Accrued liabilities					
Short-term creditors in total		9 006 366	6 124 087	12 814 904	8 713 791
Creditors in total		9 015 026	6 215 896	12 827 226	8 844 423
Total		24 555 472	21 322 782	34 939 288	30 339 585

Chairman of the Board _____ V. Melniks

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Cash flow statement for 9 months of the year 2005 and 2004

	2005 year 9 months Ls	2004 year 9 months Ls	2005 year 9 months EUR	2004 year 9 months EUR
A. Cash flow from primary activity				
- Sales income	20 629 309	14 244 846	29 352 861	20 268 590
- Cash to suppliers, personnel and others primary activity costs	(19 391 411)	(14 842 387)	(27 591 492)	(21 118 814)
- Gross cash flow from primary activity	1 237 898	(597 541)	1 761 369	(850 224)
- Interest paid	(98 912)	(77 523)	(140 739)	(110 305)
- Corporate income tax	(64 332)	(69 417)	(91 536)	(98 772)
- Primary activity before extraordinary items				
- Cash flow from extraordinary items				
Net cash flow from primary activity	1 074 654	(744 481)	1 529 094	(1 059 301)
B. Cash flow from investment activity				
- Selling out of shares				
- Paid for fixed assets acquisition	(1 161 356)	(512 131)	(1 652 461)	728 697
- Received for the fixed assets sold	4 708	51 966	6 699	73 941
- Loans granted	(20 296)	(70 653)	(28 878)	100 530
- Repayment of loans				
- Interest received	1 171		1 666	
Net cash flow from investment activity	(1 175 773)	530 818	(1 672 974)	(755 286)
C. Cash flow from financial activities				
- Loan received	258 600	1 306 822	367 954	1 859 440
- Loan repaid	(161 066)	-	(229 176)	-
- Dividend paid	(190)	(63)	(270)	(89)
Net cash flow from financial activities	97 344	1 306 759	138 508	1 859 351
Net cash flow and equivalent increase or decrease (A+B+C)	(3 775)	31 460	(5 372)	44 764
Cash and equivalent thereof at beginning of the period of accounts	27 471	464 160	39 088	660 440
Cash and equivalent thereof at the end of the period of account	23 696	495 620	33 716	705 204

Chairman of the Board _____ V. Melniks

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Changes in own capital report for 2004 and 2005 year 9 months.						
Types of changes	Stock or		Retained		Total	
	Share		earnings			
	capital					
	LVL	EUR	LVL	EUR	LVL	EUR
Balance as at 31.12.2003.	11672107	16607912	2951511	4199622	14623618	20807534
Stock or share capital						
increase/decrease						
Increase/decrease of reserves						
Dividends			(233442)	(332158)	(233442)	(332158)
Period of account net profit & loss			716710	1019786	716710	1019786
Balance as at 30.09.2004.	11672107	16607912	3434779	4887250	15106886	21495162
Balance as at 31.12.2004.	11672107	16607912	3102929	4415070	14775036	21022982
Stock or share capital						
increase/decrease						
Increase/decrease of reserves						
Dividends			(233442)	(332158)	(233442)	(332158)
Period of account net profit & loss			801745	1140780	801745	1140780
Balance as at 30.09.2005.	11672107	16607912	3671232	5223692	15343339	21831604

EPS to 30.09.2005. $801745 \text{ LVL} : 11672107 = 0,069 \text{ LVL}$ or
 $0,098 \text{ EUR}$ to 30.09.2004. EPS $-0,061 \text{ LVL}$ or $0,087 \text{ EUR}$

Chairman of the Board _____ V. Melniks

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Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 30.09.2005.

Notes to the financial statements

Accounting policy

(1) General principles

The annual report has been prepared in compliance with “International accounting standard

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

Cash flow statement has been prepared as per third method.

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

(2) 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.

(3) 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 last two years was as following:

	30.09.2005	30.09.2004
	<u>Ls</u>	<u>Ls</u>
1 USD	0,583	0,544
1 EUR	0,702804	0,671
1 NOK	0,0899	0,0804
1 GBP	1,031	0,986
1 RUB	0,0204	0,0186

(4) 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, losses.

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

(5) Participation in capitals of associated companies.

Associated enterprise investment is valued in accordance with own capital methods.

Pursuant to the resolution of the board of directors the depreciation of positive incorporeal assets has been estimated as per the linear method, proceeding from a 20-year time of the provided appropriate exploitation. Depreciation deductions have been reflected in the profit & loss calculation item “Long-term financial investments’ writing off.”

(6) Other long-term investments.

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

(7) 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.

(8) Long-term contract

Initial and final dates of execution of the contract about creation of an active are in the different accounting periods.

Incomes of long-term contracts admit according to a degree of their readiness. The degree of readiness is determined surveying results of work personally and physically ascertaining the termination of a part of works of the named contracts.

(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) Recognized incomes

The recognized incomes of long-term contracts in conformity of a degree of their readiness.

(11) Cash and cash equivalents

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

(12) Accumulation for holidays

Accumulation 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.

(13) Taxes

There has been made reconciliation of taxes liabilities by data of SRS Ziemeļu 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) Comparative information

Comparing to the period of previous report, accounting and appraisal methods is changed in accordance to request of International accounting Standard.

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Profit & Loss calculation supplement

(1) Net turnover

	2005 year 9 months Ls	2004 year 9 months Ls
On aspects of business		
- Shipbuilding	7 889 809	3 960 405
- Ship repair	15 657 771	10 048 593
- Mechanical engineering	176 956	263 247
- Other works	165 309	165 642
Total	23 889 845	14 437 887

(2) Sold products operating costs

	2005 year 9 months Ls	2004 year 9 months Ls
Material costs (raw materials and materials, value of goods, services from outside)	17 946 912	8 897 302
Remuneration of labor	2 994 189	2 552 573
Social insurance costs	659 555	593 657
Depreciation of fixed assets	458 930	389 477
Other costs	422 178	787 029
Total	22 481 764	13 220 038

(3) Selling costs

	2005 year 9 months Ls	2004 year 9 months Ls
Advertisement	46 230	54 525
Total	46 230	54 525

(4) Administration costs

	2005 year 9 months Ls	2004 year 9 months Ls
Liaison costs	11 700	16 049
Office maintenance costs	5 171	5 798
Annual report costs	0	9 254
Salary of administration	134 856	140 228
Remuneration of the board	138 858	104 802
Remuneration of the council	97 243	69 846
Social insurance costs	75 898	68 452
Depreciation of fixed assets	39 963	33 083
Transport costs, travel allowances	27 199	19 929
Legal services	17 448	13 122
Representation costs	12 770	17 022
Total	561 106	497 585

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

	2005 year 9 months Ls	2004 year 9 months Ls
Income generated by transport services rendering	4 384	4 578
Income generated by leased FA payments and public services	277 928	273 202
Tugboat services income	65 304	37 989
Selling out of raw materials and materials	501 230	707 453
Income generated by fluctuation of currency rate	366 131	153 530
Educational services	8 185	607
Income generated by chemical analyses	2 356	1 154
Income generated by realization of fixed assets	4 708	51 965
Income generated by difference between face value of certificates and costs on their acquisition	91 810	91 810
Increase of reserves due to inventory	0	0
Previous year income	17 374	16 617
Reimbursement of losses	52 870	0
Decrease in reserves	-	-
Education expenses recovery	-	-
Currency selling income	0	2 568
Other income	12 516	7 399
Total	1 404 796	1 348 872

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

	2005 year 9 months Ls	2004 year 9 months Ls
Material purchase costs	464 020	652 841
Losses due to currency rate fluctuation	279 602	192 776
Losses incurred by currency selling out	81 430	59 242
Compressed air purchase costs		
Social infrastructure objects costs (medical services)	5 434	5 038
Costs on tugboat services	35 063	14 695
The donations	2 150	0
Material benefits	410	10 725
Burial costs	2 380	2 561
Damage	45 926	0
Costs incurred by fixed assets' exclusion	4 539	11 387
Representation costs	8 526	10 956
Costs on maintenance of leased FA	165 140	195 956
Special reserved sum provided for unsecured debts	87 891	-
Other costs	199	2 278
Total	1 182 710	1 158 455

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(7) Other percents and the like income

	2005 year 9 months Ls	2004 year 9 months Ls
Depositing percentage	879	2 592
Bank interests	163	439
Interests income for loans	13	68 509
Received penalty payments	116	36
Total	1 171	71 576

(8) Payment off percents and the like costs

	2005 year 9 months Ls	2004 year 9 months Ls
Paid off penalty	315	295
Paid off interests	50 286	35 209
Guarantee maintenance	48 311	42 019
Total	98 912	77 523

(9) Other taxes

	2005 year 9 months Ls	2004 year 9 months Ls
Buildings and constructions real estate tax	18 198	16 141
Real estate tax	17 917	17 917
Total	36 115	34 058

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(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						
01.01.2005			24 611		40 733	65 344
Bought						
Written off						
Relocated						
Revaluated						
30.09.2005.	0	0	24 611	0	40 733	65 344
Depreciation						
01.01.2005			3 692			3 692
Estimated						
Written off						
30.09.2005						
Balance value						
01.01.2005			24 611			24 611
Balance value						
30.09.2005			20 919		40 733	61 652

(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								
01.01.2005	3 677 077	24 664	8 502 694	607 116	-	500 427	11 877	13 323 855
Bought	329 573		689 379	68 609	-	1 492 771	751 596	3 331 928
Written off			55 499	2 330	-	1 087 561	703 841	1 849 231
Relocated					-			
30.09.2005	4 006 650	24 664	9 136 574	673 395	-	905 637	59 632	14 806 552
Depreciation								
01.01.2005	1 376 606		5 240 208	304 246	-			6 921 060
Estimated	109 134		445 535	47 175	-			601 844
Written off			51 426	1 863	-			53 289
30.09.2005	1 485 740	-	5 634 317	349 558	-	-	-	7 469 615
Balance value								
01.01.2005	2 300 471	24 664	3 262 486	302 870	-	500 427	11 877	6 402 795
Balance value								
30.09.2005	2 520 910	24 664	3 502 257	323 837	-	905 637	59 632	7 336 937

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Supplements to the balance sheet

(12) Participation in capital of associated companies

	30.09.2005	30.09.2004
	Ls	Ls
Branch enterprise “Tosmare shipyard” JSC investment value	2 268 417	2 164 782
Total	2 268 417	2 164 782

(13) Other equities and investments

	30.09.2005	30.09.2004
	Ls	Ls
“Baltic International Bank” JSC 33 shares	165	165
	-	-
Total	165	165

(14) Other loans and other long-term debtors

	30.09.2005	30.09.2004
	Ls	Ls
Student loan payout	40 178	32 355
Shares loan payout	543 426	372 750
Total	583 604	405 105

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

	30.09.2005	30.09.2004
	Ls	Ls
Long-term loans	362 285	497 000
Total	362 285	497 000

Supplement to the balance sheet

(16) Raw materials, direct materials and auxiliary materials

	30.09.2005	30.09.2004
	Ls	Ls
1. Metal ware	79 158	81 180
2. Timbering	10 775	7 372
3. Metal	1 777 596	1 883 076
4. Pipes	231 364	177 598
5. Wire cables	5 081	5 542
6. Non-ferrous metals	142 755	124 504
7. Fuel	40 358	53 898
8. Coveralls	3 067	4 525
9. Equipment	81 007	79 918
10. Spare parts	9 304	9 115
11. Cables	34 775	39 343
12. Varnish and paint	41 321	31 655
13. Building materials	40 118	13 289
14. Household goods	5 104	5 477
15. Tools	26 725	36 622
16. Technical rubber ware	33 310	35 647
17. Other	277 170	308 038
Total	2 838 988	2 896 799

(17) Unfinished production

	30.09.2005	30.09.2004
	Ls	Ls
Unfinished production is shown in the balance sheet at production cost, excluding administration costs.		
Main unfinished production objects are as following:		
1) Shipbuilding orders	798 605	1 572 583
2) Ship repair orders	687 914	435 537
3) Mechanical engineering orders	25 360	99 355
4) Various	687	2 831
Total	1 512 566	2 110 306

(18) Advance payments for goods

	30.09.2005	30.09.2004
	Ls	Ls
For materials	304 254	648 856
Total	304 254	648 856

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Supplement to the balance sheet

(19) Debts of buyers and customers

	30.09.2005	30.09.2004
	Ls	Ls
Buyers and customers accounting value	4 209 504	2 763 206
Generated reserves	(665 115)	(602 857)
Balance net value	3 544 389	2 160 349

(20) Associated companies debts

	30.09.2005	30.09.2004
	Ls	Ls
“Tosmare shipyard” JSC	0	124 613
Total	0	124 613

(21) Other debtors

	30.09.2005	30.09.2004
	Ls	Ls
Accounting value	1 303 013	1 498 569
Generated reserves	(220 876)	(151 626)
Balance net value	1 082 137	1 346 943

Other debtors debts are as following:

	30.09.2005	30.09.2004
	Ls	Ls
Accounted VAT	31 618	18 045
Overpaid taxes		
- Value added tax	122 114	178 544
- Enterprise income tax		
Payments personal debts	6 072	4 318
Payment of salary	272	254
Short-term loans for “Tosmare Shipyard” JSC’S shares	19 500	32 340
Short-term loans	253 502	1 030 192
“Remars-Riga” Ltd. stricken debt	479 138	0
Advance payments:		
Shipbuilding	136 458	0
Ship repair	13 002	0
Other	0	0
Other debtors	20 461	83 250
Total	1 082 137	1 346 943

Supplement to the balance sheet

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

	30.09.2005	30.09.2004
	Ls	Ls
Total	1 093 155	1 044 979

(23) Next period costs

	30.09.2005	30.09.2004
	Ls	Ls
Enterprise’s property insurance premium sum	16 398	20 330
Subscription to the press	52	134
Inviting of specialists	7 473	8 941
Insurance of health	11 700	8 237
Check of floating means	7 564	4 962
Expenses for repair of the rented basic means	1 898	3 682
Advertisement	3 718	0
Total	48 803	46 286

(24) Cash assets

	30.09.2005	30.09.2004
	Ls	Ls
Money at a cash department	4 104	2 039
Money on current accounts	19 592	57 431
Deposit	0	436 150
Total	23 696	495 620

(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 000000 on 30 December 1998.
2. Growth of the equity capital up to Ls 11 672 107 on 30 December 1999.

(26) Other provisions

	30.09.2005	30.09.2004
	Ls	Ls
Provision for leaves	197 107	0
Total	197 107	0

Supplement to the balance sheet

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

	30.09.2005	30.09.2004
	Ls	Ls
Nordea Bank Finland Plc. Latvian branch	1 507 500	1 306 822
Total	1 507 500	1 306 822

Overdraft and guarantee contract No 2003/4/OD/GA with the overdraft limit 5 500 000 Ls also overdraft – 1 500 000 EUR, overdraft contract No 2002/59/OD with the overdraft limit USD 2 500 000 Mortgage, session contracts and contract of pledge were signed, for the amplification of obligations.

(28) Liability of leasing

	30.09.2005	30.09.2004
	Ls	Ls
Hanza leasing including:		
Long (- term)	8 660	0
Short (-term)	6 771	0
Total	15 431	0

(29) Advance payments received from buyers

	30.09.2005	30.09.2004
	Ls	Ls
For shipbuilding	3 065 454	1 258 194
For ship repair	462 213	36 048
Others	7 045	7 907
Total	3 534 712	1 302 149

(30) Debts to suppliers and contractors

	30.09.2005	30.09.2004
	Ls	Ls
Debts for services	150 851	97 330
Debts for materials	484 363	492 603
Debts subcontractors	2 559 449	1 874 423
Total	3 194 663	2 464 356

“Riga shipyard” JSC
financial statements for 9 months of the year 2005

(31) Debts to associated companies

	30.09.2005	30.09.2004
	Ls	Ls
“Tosmare shipyard” JSC	41 408	
Total	41 408	

(32) Taxes and social insurance payments

	30.09.2005	30.09.2004
	Ls	Ls
Social insurance payments	100 032	105 736
Residents income tax	78 371	71 287
Enterprise income tax	0	1 448
Risk tax	377	403
Natural resources tax	1 000	608
Total	179 780	179 482

(33) Other creditors

	30.09.2005	30.09.2004
	Ls	Ls
Salary	190 767	164 035
Payments for deductions from salary	2 217	2 529
Payments by return to personae	2 669	0
Payments for credit cards	1 817	4 122
Payments for debts to other enterprises	100 166	18 255
Total	297 636	188 941

(34) Unpaid previous years dividends

31.12.2004	10 644
Calculated	233 442
Paid off	190
30.09.2005	243 896

Chairman of the Board _____ V. Melniks

30 November 2005