

# *JSC " Tosmare" shipyard*

*31 mart 2005*  
for 3 months of 2005

**Not audited  
Financial report**

*Liepāja*

## **MANAGEMENT REPORT**

**On the financial statements for 3 months of the year 2005.**

For the first quarter of the year 2005 "Tosmare" shipyard has a positive increase, keeping a course for the production volume increasing.

For the first three month of the year 2005 turnover is 849 000 Ls (in year 2004 was 595 000 Ls ). Increasing is 42 %. Profit from the production activity for 3 month of the year 2005 is 16,7 thousand Ls (in year 2004 Shipyard has the negative profit from production activity 90,7 thousand Ls). Net profit for 3 month of the year 2005 is 3,1 Ls ( in year 2004 negative profit was 112,9 thousand Ls ).

In first 3 month 11 ships was under repair from Germany, USA, Estonia, Russia, Denmark and etc.

At present time works on Shipyard territory optimization are continued. Quantity of the production equipment is increasing (cranes and others mechanisms).

Shipyard is going to have a big scope of repair works during the summer period . Within the next few month a Shipyard will be ready to deliver a 2 new bulding ships to the owner.

Responsible person

## Profit and Loss Account for 3 months of the year 2005

(according to the circulating costs-based method)

Nr.		Notes	2005, 3 m.		2004, 3 m.	
			Ls	EUR	Ls	EUR
1.	Net turnover	1	849096	1208155	594904	846472
2.	Production costs of the products sold	2	832364	1184347	685671	975622
<b>3.</b>	<b>Gross profit or loss</b>		<b>16732</b>	<b>23801</b>	<b>-90767</b>	<b>-129150</b>
4.	Selling costs	3	2125	3024	8714	12399
5.	Administrative costs	4	19238	27373	8011	11399
6.	Other income as a result of economic activities of the company	5	46943	66794	24556	34940
7.	Other expenses as a result of economic activities the company	6	21093	30013	15431	21956
12.	Interest payment and similar costs	7	9042	12866	5211	7415
<b>15.</b>	<b>Profit or loss before special items and taxes</b>					
			<b>12177</b>	<b>17321</b>	<b>-103578</b>	<b>-147337</b>
17.	Extra-budgetary expenses					
<b>18.</b>	<b>Profit or loss before taxes</b>		<b>12177</b>	<b>17321</b>	<b>-103578</b>	<b>-147337</b>
19.	Corporate income tax for the year of account					
20.	Other taxes	8	9104	12954	9299	13231
<b>21.</b>	<b>Profit or loss for the yer of account (net incomes)</b>					
			<b>3073</b>	<b>4371</b>	<b>-112877</b>	<b>-160565</b>

31.03.2005.

Ls

1 EUR

0.702804

**Balance Sheet as of 2005.03.31.**

<b>ASSETS</b>	<b>Notes N</b>	<b>2005.03.31.</b>		<b>2004.12.31.</b>	
		<b>Ls</b>	<b>EUR</b>	<b>Ls</b>	<b>EUR</b>
<b>II Fixed assets</b>					
1. land,buildings and structures and long-term plantings	60	1967181	2799046	1945475	2768162
2. Long term lease fixed assets	70				
3. Machinery and equipment	80	1145873	1630430	1175110	1672031
4. Other fixed assets and inventory	90	18558	26406	16365	23285
5. Fixed assets formation costs	100	37771	53743	45041	64088
6. Advance payments for the fixed assets	110				
<b>TOTAL</b>	<b>120</b>	<b>3169383</b>	<b>4509626</b>	<b>3181991</b>	<b>4527565</b>
<b>III Long-term financial investments</b>					
1. Participation in the related companies capital	130				
2. Loans to the related companies	140				
3. Participation in the associated companies capital	150				
4. Loans to the associated companies	160				
5. Other securities and investments	170				
6. Other loans	180	5224	7433	5224	7433
7. Owners stocks and shares	190				
8. Loans of the Company to joint owners and management	200				
<b>TOTAL</b>	<b>210</b>	<b>5224</b>	<b>7433</b>	<b>5224</b>	<b>7433</b>
<b>TOTAL AMOUNT ACCORDING TO THE PART</b>	<b>220</b>	<b>3174607</b>	<b>4517059</b>	<b>3187215</b>	<b>4534998</b>
<b>CURRENT ASSETS</b>					
<b>I Stocks</b>					
1. Raw materials,direct materials and supplementary materials	230	488118	694529	362804	516224
2. Unfinished products	240	927755	1320076	706479	1005229
3. Finished products and goods for sales	250				
4. Ongoing orders	260				
5. Advance payments for goods	270	16181	23023	10553	15016
6. Working livestock and productive livestock	280				
<b>TOTAL</b>	<b>290</b>	<b>1432054</b>	<b>2037629</b>	<b>1079836</b>	<b>1536468</b>
<b>II Debtors</b>					
1. Buyers and customers debts	13	372571	530121	711676	1012624
2. Related companies debts					
3. Associated companies debts					
4. Other accounts receivable	14	70548	100381	45350	64527
5. Unpaid part of the compny capital					
6. Short-term loans of an enterprise to joint owners and managem					
7. Prepaid expenses	15	7357	10468	10419	14825
<b>TOTAL</b>		<b>450476</b>	<b>640970</b>	<b>767445</b>	<b>1091976</b>
<b>III Vērtspapīri un līdzdalība k securities and sharing in capitals</b>					
1. Participation in the related companies capital					
2. Owners stocks and shares					
3. Other securities and sharing in capitals					
<b>TOTAL</b>		<b>0</b>		<b>0</b>	
<b>IV Cash</b>	<b>16</b>	<b>1924</b>	<b>2738</b>	<b>3759</b>	<b>5349</b>
<b>TOTAL AMOUNT ACCORDING TO THE PART</b>		<b>1884454</b>	<b>2681336</b>	<b>1851040</b>	<b>2633793</b>
<b>BALANCE</b>		<b>5059061</b>	<b>7198395</b>	<b>5038255</b>	<b>7168791</b>

<b>LIABILITIES</b>	<b>Notes</b> N	<b>2005.03.31.</b>		<b>2004.12.31.</b>	
		<b>Ls</b>	<b>EUR</b>	<b>Ls</b>	<b>EUR</b>
<b>I OWNERS EQUITY</b>					
1. Share capital	17	3203397	4558023	3203397	4558023
2. Share issue extra charge					
3. Long-term investment revaluation reserve					
4. Reserves:					
a) reserves set by law					
b) owners shares reserves					
c) reserves provided for by the company Articles of Association					
d) other reserves					
<b>TOTAL</b>					
5. Undivided profit					
a) undivided profit for the previous year		-147698	-210155	-147698	-210155
b) undivided profit for the year of account		3073	4372		
		-144625	-205783	-147698	-210155
<b>TOTAL AMOUNT ACCORDING TO THE PART 1</b>		<b>3058772</b>	<b>4352240</b>	<b>3055699</b>	<b>4347868</b>
<b>III</b>					
<b>I Creditors</b>					
<u>Long-term accounts payable</u>					
1. loans against bonds					
2. Loans transferred in shares					
3. Loans from credit institutions					
4. Other loans					
5. Advance payments from customers					
6. Debts to suppliers and contractors					
7. Payment bills					
8. Debts to the related companies					
9. Debts to the associated companies					
10. Taxes and social security payments					
11. Other creditors					
12. Prepaid income					
13. Dividends for the year of account					
14 Unpaid dividends for the previous year					
<b>TOTAL</b>		0	0	0	0
<b>II Short-term accounts payable</b>					
1. Loans against bonds					
2. Loans transferred in shares					
3. Loans from credit institutions	18	612621	871681	616680	877457
4. Other loans					
5. Advance payments from customers	19	379380	539809	351396	499991
6. Debts to suppliers and contractors	20	692558	985421	711969	1013041
7. Bills payable					
8. Debts to the related companies					
9. Debts to the associated companies		224831	319906	208337	296437
10. Taxes and social security payments	21	35300	50227	42763	60846
11. Other creditors	22	55599	79110	51411	73151
12. Prepaid income					
13. Dividends for the year of account					
14. Unpaid dividends for the previous year					
<b>TOTAL</b>		2000289	2846155	1982556	2820923
<b>TOTAL AMOUNT ACCORDING TO THE PART 3</b>		<b>2000289</b>	<b>2846155</b>	<b>1982556</b>	<b>2820923</b>
<b>BALANCE</b>		<b>5059061</b>	<b>7198395</b>	<b>5038255</b>	<b>7168791</b>

Cash flow statement for 3 months of the year 2005

	2005.3 m.		2004.3 m.	
	Ls	EUR	Ls	EUR
<b>I. Cash from primary activity</b>				
Received from buyers	1049234	1492925	632058	899338
Paid to suppliers	781786	1112381	493172	701721
Wages and the related taxes paid	113125	160962	90820	129225
Interest paid	9042	12866	5211	7415
Interest received	5	7		
Corporate income tax				
Other tax payments	31292	44525	24620	35031
Other incomes	9393	13365	6084	8657
<b>Net cash flow from the primary activity</b>	<b>123387</b>	<b>175564</b>	<b>24319</b>	<b>34603</b>
<b>II. Cash flow from investment activities</b>				
Paid for the fixed assets acquisition	69370	98705	27323	38877
Received for the fixed assets sold				
Paid for long-terms investments				
Loans granted				
Loans repaid				
Shares purchasing				
Shares sales				
<b>Net cash flow from investment activities</b>	<b>-69370</b>	<b>-98705</b>	<b>-27323</b>	<b>-38877</b>
<b>III. Cash flow from financing</b>				
Loan received	177917	253153	140182	199461
Loan repaid	233769	332623	139931	199104
Dividend paid				
<b>Net cash flow from financial activities</b>	<b>-55852</b>	<b>-79470</b>	<b>251</b>	<b>357</b>
<b>Net cash flow and equivalent changes thereof</b>	<b>-1835</b>	<b>-2611</b>	<b>-2753</b>	<b>-3917</b>
<b>Cash and equivalent thereof in the beginning of the period of account</b>	<b>3759</b>	<b>5349</b>	<b>3571</b>	<b>5081</b>
<b>Cash and equivalent there of at the end of the period of account</b>	<b>1924</b>	<b>2738</b>	<b>818</b>	<b>1164</b>

Report on equity capital change for 3 months of 2005	Stock or share capital, Ls	Stock or share capital, EUR	Profit, Ls	Profit, EUR	TOTAL, Ls	TOTAL, EUR
Balance as of 31.12.2003.	3203397	2251360	-454934	-319729	2748463	1931631
balance as of 31.12.2004.	3203397	2251360	-147698	-103803	3055699	2147557
Net profit or loss for the period of account			3073	2160	3073	2160
Balance as of 31.03.2005.	3203397	2251360	-144625	-101643	3058772	2149717

EPS = -0,0451 Ls/akciju