

Freeport of Riga Authority

*Summary financial statements
for the year 2015**

Riga, 2016

** This version of summary financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, the original language version of financial statements takes precedence over this translation.*

**FREEPORT OF RIGA AUTHORITY
SUMMARY FINANCIAL STATEMENTS**

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KPMG Baltics SIA
Vesetas iela 7,
Rīga, LV-1013
Latvija

Tālrunis +371 67038000
Fakss +371 67038002
kpmg.com/lv

Independent Auditor's Report

To the board of Freeport of Riga Authority

Report on the summary financial statements

The accompanying summary financial statements, as set out on pages 4 to 7, which comprise the balance sheet, the related statement of income and expenses as at and for the year ended 31 December 2015, and note, explaining basis of preparation of summary financial statements, are derived from the audited financial statements of Freeport of Riga Authority for the year ended 31 December 2015

We expressed an unmodified audit opinion on financial statements of Freeport of Riga Authority, prepared in accordance with Latvian Law „On Annual Reports”, in our report dated 20 June 2016. Summary financial statements do not reflect the effects of events and circumstances that occurred subsequent to 20 June 2016, when our auditor's report was issued.

The summary financial statements do not contain statement of changes in equity, cash flow statement and full set of disclosures, and therefore do not contain all the information required by Latvian Law „On Annual Reports”. Reading the summary financial statements, therefore, is not a substitute for reading audited financial statements of Freeport of Riga Authority, prepared in accordance with Latvian Law „On Annual Reports” for the year ended 31 December 2015.

Management's Responsibility for the summary financial statements

Management is responsible for the preparation of summary financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, „Engagements to Report on Summary Financial Statements”.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Freeport of Riga Authority for the year ended 31 December 2015 are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

KPMG Baltics SIA
Licence Nr. 55

Armine Movsisjana
Board Member
Riga, Latvia
29 June 2016

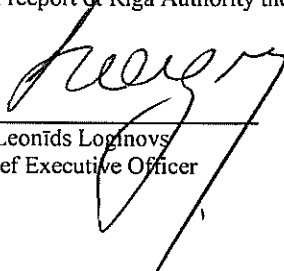
Inga Lipšāne
Latvian Certified Auditor
Certificate Nr. 112

**FREEPORT OF RIGA AUTHORITY
SUMMARY FINANCIAL STATEMENTS
BALANCE SHEET
AS AT 31 DECEMBER 2015**

ASSETS	31.12.2015 EUR	31.12.2014 EUR (Restated)
Long-term investments		
Intangible assets		
Intangible assets	214,674	203,542
Expenses of intangible assets formation	6,900	3,543
Total intangible assets	221,574	207,085
Fixed assets		
Land, buildings and constructions	263,849,156	119,847,715
Leasehold improvements	25,705	4,942
Equipment and machinery	9,484,236	14,311,636
Other fixed assets	3,222,976	3,302,034
Construction in progress	2,758,343	99,662,324
Prepayments for fixed assets	893,315	288,075
Total fixed assets	280,233,731	237,416,726
Investment property		
Investment property	98,784,234	119,537,068
Cost of creating investment property	300,209	301,767
Prepayments for investment property	-	123,122
Total investment property	99,084,443	119,961,957
Long-term financial investments		
Investments in subsidiaries	18,302,708	13,232,708
Total-long term financial investments	18,302,708	13,232,708
Total long-term investments	397,842,456	370,818,476
Current assets		
Stock		
Raw materials	426,407	509,261
Prepayments for goods	899	554
Total stock	427,306	509,815
Receivables		
Trade receivables	3,499,659	3,464,928
Other receivables	395,979	533,968
Prepaid expenses	391,961	270,978
Total receivables	4,287,599	4,269,874
Cash and cash equivalents	11,551,683	2,937,554
Total current assets	16,266,588	7,717,243
TOTAL ASSETS	414,109,044	378,535,719

The accompanying Note 1 on page 7 forms an integral part of these summary financial statements

On behalf of Freeport of Riga Authority the summary financial statements were signed on 29 June 2016 by:



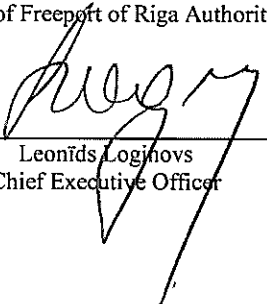
 Leonids Lognovs
 Chief Executive Officer

**FREEPORT OF RIGA AUTHORITY
SUMMARY FINANCIAL STATEMENTS
BALANCE SHEET
AS AT 31 DECEMBER 2015**

EQUITY AND LIABILITIES	31.12.2015 EUR	31.12.2014 EUR
Shareholders' equity		
Long-term investment revaluation reserve	1,013,614	1,013,614
Reserves:		
a) statutory reserves	144,721,796	136,028,024
b) other reserves	107,139,206	125,525,186
Surplus for the reporting year	9,141,269	8,693,772
Total equity	262,015,885	271,260,596
Provisions	4,404,917	2,299,555
Liabilities		
Long-term liabilities		
Loans from credit institutions	62,978,831	51,550,672
Accounts payable to suppliers and contractors	218,443	230,944
Other long-term liabilities	311,182	-
Deferred income	70,254,159	33,738,977
Total long-term liabilities	133,762,615	85,520,593
Short-term liabilities		
Loans from credit institutions	4,978,631	1,597,382
Customer advances	4,478	27,734
Accounts payable to suppliers and contractors	1,883,015	12,835,634
Other liabilities	4,891,426	4,482,849
Taxes and compulsory state social security contributions	578,506	438,501
Deferred income	1,545,969	30,125
Accrued liabilities	43,602	42,750
Total short-term liabilities	13,925,627	19,454,975
Total liabilities	147,688,242	104,975,568
TOTAL EQUITY AND LIABILITIES	414,109,044	378,535,719

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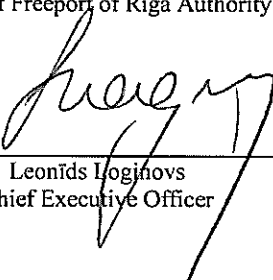
Leonīds Logiņovs
Chief Executive Officer

**FREEPORT OF RIGA AUTHORITY
SUMMARY FINANCIAL STATEMENTS
STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 EUR	2014 EUR
Operating revenue	53,543,219	52,145,388
Cost of services provided	<u>(32,879,972)</u>	<u>(32,738,170)</u>
Gross surplus	20,663,247	19,407,218
Administrative expenses	(9,218,031)	(8,920,212)
Other operating income	1,423,998	191,129
Other operating expenses	(3,611,249)	(1,622,976)
Income from investments in subsidiary	481,466	-
Interest and similar income	35,021	193,137
Interest and similar expenses	<u>(158,969)</u>	<u>(350,317)</u>
Surplus before taxes	9,615,483	8,897,979
Other taxes	(474,214)	(204,207)
Surplus for the reporting year	<u>9,141,269</u>	<u>8,693,772</u>

The accompanying Note 1 on page 7 forms an integral part of these summary financial statements

On behalf of Freeport of Riga Authority the summary financial statements were signed on 29 June 2016 by:



 Leonīds Logiņovs
 Chief Executive Officer

**FREEPORT OF RIGA AUTHORITY
SUMMARY FINANCIAL STATEMENTS**

NOTE TO THE SUMMARY FINANCIAL STATEMENTS

Note 1 SUMMARY FINANCIAL STATEMENTS PREPARATION PRINCIPLES

These summary financial statements for the year ended 31 December 2015 are prepared by the decision of the management of Freeport of Riga Authority to be submitted to different institutions and other users. These summary financial statements comprise the balance sheet as at 31 December 2015 and the related statement of income and expenses for the year 2015. Full version of audited financial statements of Freeport of Riga Authority for the year ended 31 December 2015 was prepared in accordance with Latvian Law "On Annual Reports". Management considers that summary financial statements preparation principles are in accordance with the purpose of these statements.