

*Freeport of Riga Authority*

*Condensed annual report  
for the year ended 31 December 2008*

*Riga, 2009*

**FREEPORT OF RIGA AUTHORITY**

**CONTENTS**

---

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>3</b>
<b>FINANCIAL STATEMENTS:</b>	
<b>BALANCE SHEET</b>	<b>4 – 5</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>6</b>

## INDEPENDENT AUDITORS' REPORT

To the Freeport of Riga Authority Board

### Report on the Financial Statements

We have audited the financial statements of the Freeport of Riga Authority for the year ended 31 December 2008, from which the condensed financial statements of the Freeport of Riga Authority were derived, in accordance with International Standards on Auditing issued by the International Federation of Accountants. In our report dated 5 June 2009 we expressed an unqualified opinion on the financial statements of the Freeport of Riga Authority for the year ended 31 December 2008, from which the condensed financial statements were derived.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the financial statements of the Freeport of Riga Authority for the year ended 31 December 2008 from which they were derived.

For a better understanding of the Freeport of Riga Authority financial position as of 31 December 2008 and the results of its operations for the year then ended and of the scope of our audit, the accompanying condensed financial statements should be read in conjunction with the financial statements of the Freeport of Riga Authority for the year ended 31 December 2008, from which the condensed financial statements were derived, and our audit report thereon.

SIA Ernst & Young Baltic  
Licence No. 17



Diāna Krišjāne  
Chairperson of the Board  
Latvian Certified Auditor  
Certificate No. 124

Riga, 30 June 2009

**FREEPORT OF RIGA AUTHORITY**

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

ASSETS	31/12/2008 LVL	31/12/2007 LVL
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Other intangible assets	92,126	82,650
Prepayments for intangible assets	-	425
<b>Total intangible assets</b>	<b>92,126</b>	<b>83,075</b>
<b>Tangible assets</b>		
Land, buildings and constructions	101,167,170	97,497,122
Leasehold improvements	2,833	8,286
Equipment and machinery	12,999,751	3,884,636
Other fixtures and fittings, tools and equipment	1,214,246	1,273,501
Construction in progress	10,329,395	5,242,509
Prepayments for tangible assets	1,019,298	7,450,300
<b>Total tangible assets</b>	<b>126,732,693</b>	<b>115,356,354</b>
<b>Non-current financial assets</b>		
Other securities and investments	-	-
Other loans and non-current receivables	1,210,227	1,330,251
<b>Total non-current financial assets</b>	<b>1,210,227</b>	<b>1,330,251</b>
<b>Total non-current assets</b>	<b>128,035,046</b>	<b>116,769,680</b>
<b>Current assets</b>		
<b>Inventories</b>		
Raw materials	576,597	470,525
Prepayments for goods	23,101	1,905
<b>Total inventories</b>	<b>599,698</b>	<b>472,430</b>
<b>Receivables</b>		
Trade receivables	2,003,896	1,945,328
Other receivables	4,034,145	2,513,376
Prepaid expense	334,525	277,512
<b>Total receivables</b>	<b>6,372,566</b>	<b>4,736,216</b>
<b>Cash</b>	<b>8,693,842</b>	<b>13,845,048</b>
<b>Total current assets</b>	<b>15,666,106</b>	<b>19,053,694</b>
<b>TOTAL ASSETS</b>	<b>143,701,152</b>	<b>135,823,374</b>

30 June 2009

For the Freeport of Riga Authority:

  
\_\_\_\_\_  
Leonīds Logmīvs  
Chief Executive Officer

**FREEPORT OF RIGA AUTHORITY**

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

<b>EQUITY AND LIABILITIES</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>LVL</b>	<b>LVL</b>
		<i>As adjusted</i>
<b>Equity</b>		
Non-current assets revaluation reserve	712,372	712,372
Reserves		
<i>a) statutory reserves</i>	45,931,069	33,251,352
<i>b) other reserves</i>	71,519,828	71,183,650
Surplus	7,385,972	12,679,717
<b>Total equity</b>	<b>125,549,241</b>	<b>117,827,091</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	12,910,435	10,979,790
Trade payables	584,000	570,000
Deferred income	191,016	148,639
<b>Total non-current liabilities</b>	<b>13,685,451</b>	<b>11,698,429</b>
<b>Current liabilities</b>		
Loans from credit institutions	1,413,957	1,642,977
Prepayments received from customers	9,833	257,826
Trade payables	1,750,553	2,397,649
Other liabilities	452,956	1,339,630
Taxes payable	46,104	165,269
Deferred income	29,012	26,988
Accrued liabilities	764,045	467,515
<b>Total current liabilities</b>	<b>4,466,460</b>	<b>6,297,854</b>
<b>Total liabilities</b>	<b>18,151,911</b>	<b>17,996,283</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>143,701,152</b>	<b>135,823,374</b>

30 June 2009

For the Freeport of Riga Authority:

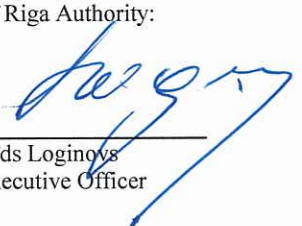
  
 \_\_\_\_\_  
 Leonīds Logiņovs  
 Chief Executive Officer

**FREEPOR OF RIGA AUTHORITY****STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
		<i>As adjusted</i>
Operating revenue	27,603,820	24,420,288
Cost of sales	(1,877,426)	(808,889)
<b>Gross surplus</b>	<b>25,726,394</b>	<b>23,611,399</b>
Administrative expense	(18,048,371)	(16,158,711)
Other operating income	413,568	6,631,180
Other operating expense	(249,708)	(1,427,026)
Income from investments in other companies	-	374,414
Interest receivable and similar income	307,996	155,057
Interest payable and similar expense	(677,910)	(417,390)
<b>Surplus before taxes</b>	<b>7,471,969</b>	<b>12,768,923</b>
Other taxes	(85,997)	(89,206)
<b>Net surplus</b>	<b>7,385,972</b>	<b>12,679,717</b>

30 June 2009

For the Freeport of Riga Authority:

  
\_\_\_\_\_  
Leonīds Loginoys  
Chief Executive Officer