

Freeport of Riga Authority

*Summary financial statements
for the year 2013**

Riga, 2014

** 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

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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 2013, 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 2013.

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 16 July 2014. Summary financial statements do not reflect the effects of events and circumstances that occurred subsequent to 16 July 2014, 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”.

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 2013 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 July 2014

Inga Lipsane
Sworn Auditor
Certificate No 112

FREEPORT OF RIGA AUTHORITY

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

ASSETS	31.12.2013 LVL	31.12.2012 LVL (Restated)
Long-term investments		
Intangible assets		
Intangible assets	145,267	109,431
Prepayments for intangible assets	-	7,629
Total intangible assets	<u>145,267</u>	<u>117,060</u>
Fixed assets		
Land, buildings and constructions	72,694,501	61,337,978
Leasehold improvements	5,614	7,755
Equipment and machinery	9,101,443	7,155,300
Other fixed assets	2,489,416	2,385,122
Construction in progress	52,473,130	17,312,900
Prepayments for fixed assets	2,425,284	2,595,720
Total fixed assets	<u>139,189,388</u>	<u>90,794,775</u>
Investment property	85,098,980	88,506,550
Long term financial investments		
Investments in subsidiaries	9,300,000	9,300,000
Total long term financial investments	<u>9,300,000</u>	<u>9,300,000</u>
Total long term investments	<u>233,733,635</u>	<u>188,718,385</u>
Current assets		
Stock		
Raw materials	370,048	388,612
Prepayments for goods	818	10,293
Total stock	<u>370,866</u>	<u>398,905</u>
Receivables		
Trade receivables	2,087,534	3,169,358
Other receivables	1,378,496	945,834
Prepaid expense	392,009	223,979
Total receivables	<u>3,858,039</u>	<u>4,339,171</u>
Cash and cash equivalents	1,410,882	15,428,058
Total current assets	<u>5,639,787</u>	<u>20,166,134</u>
TOTAL ASSETS	<u><u>239,373,422</u></u>	<u><u>208,884,519</u></u>

The accompanying Note 1 on page 7 forms an integral part of this financial statement

On behalf of Freeport of Riga Authority the summary consolidated financial statements were signed on 29 July 2014 by:



 Leonīds Loginovs
 Chief Executive Officer

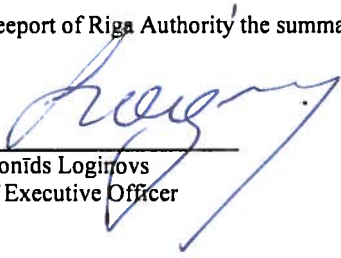
FREEPORT OF RIGA AUTHORITY

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

LIABILITIES	31.12.2013 LVL	31.12.2012 LVL (Restated)
Shareholders' equity		
Long term investment revaluation reserve	712,372	712,372
Reserves:		
a) statutory reserves	87,772,930	77,939,070
b) other reserves	90,041,908	92,531,728
Surplus for the reporting year	6,793,409	9,833,050
Total equity	185,320,619	181,016,220
Provisions	1,742,932	582,441
Liabilities		
Long-term liabilities		
Loans from credit institutions	19,326,837	8,419,849
Accounts payable to suppliers and contractors	2,180,919	464,707
Deferred income	18,615,931	446,094
Prepayments received from the EU Cohesion Fund	-	10,849,667
Total long-term liabilities	40,123,687	20,180,317
Short-term liabilities		
Loans from credit institutions	1,122,647	1,122,647
Customer advances	9,710	77,573
Accounts payable to suppliers and contractors	10,258,687	5,440,446
Other liabilities	422,891	382,652
Taxes and compulsory state social security contributions	337,234	38,382
Deferred income	1,677	9,529
Accrued liabilities	33,338	34,312
Total short-term liabilities	12,186,184	7,105,541
Total liabilities	52,309,871	27,285,858
TOTAL LIABILITIES	239,373,422	208,884,519

The accompanying Note 1 on page 7 forms an integral part of this financial statement

On behalf of Freeport of Riga Authority the summary consolidated financial statements were signed on 29 July 2014 by:



 Leonīds Logiņovs
 Chief Executive Officer

FREEMPORT OF RIGA AUTHORITY

**STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 LVL	2012 LVL (Restated)
Operating revenue	32,076,516	32,584,146
Cost of services provided	<u>(16,753,171)</u>	<u>(15,978,751)</u>
Gross surplus	15,323,345	16,605,395
Administrative expense	(6,546,065)	(6,396,548)
Other operating income	461,238	307,913
Other operating expenses	(2,021,898)	(528,156)
Interest and similar income	52,583	191,196
Interest and similar expenses	<u>(323,788)</u>	<u>(169,510)</u>
Surplus before taxes	6,945,415	10,010,290
Other taxes	(152,006)	(177,240)
Surplus for the reporting year	<u>6,793,409</u>	<u>9,833,050</u>

The accompanying Note 1 on page 7 forms an integral part of this financial statement

On behalf of Freeport of Riga Authority the summary consolidated financial statements were signed on 29 July 2014 by:



Leonīds Loginovs
Chief Executive Officer

FREEPORT OF RIGA AUTHORITY

NOTE TO THE SUMMARY FINANCIAL STATEMENT

Note 1 SUMMARY FINANCIAL STATEMENT PREPARATION PRINCIPLES

This summary financial statement for the year ended 31 December 2013 is prepared by the decision of the management of Freeport of Riga Authority to be submitted to different institutions and other users. This summary financial statement comprise the balance sheet as at 31 December 2013, and the related statement of income and expenses for the year 2013. Full version of audited financial statement of Freeport of Riga Authority for the year ended 31 December 2013 was prepared in accordance with Latvian Law "On Annual Reports". Management considers that summary financial statement preparation principles are in accordance with the purpose of this statement.