

*Freeport of Riga Authority*

*Summary financial statements  
for the year 2014\**

*Riga, 2015*

*\* 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 statement**

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 2014, 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 2014.

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 12 June 2015. Summary financial statements do not reflect the effects of events and circumstances that occurred subsequent to 12 June 2015, 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 2014 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 2015

Inga Lipsane  
Sworn Auditor  
Certificate No. 112

**FREEPORT OF RIGA AUTHORITY**

**BALANCE SHEET  
AS AT 31 DECEMBER 2014**

ASSETS	31.12.2014 EUR	31.12.2013 EUR (Restated)
<b>Long-term investments</b>		
<b>Intangible assets</b>		
Intangible assets	203,542	206,696
<b>Total intangible assets</b>	<u>203,542</u>	<u>206,696</u>
<b>Fixed assets</b>		
Land, buildings and constructions	119,847,715	102,610,101
Leasehold improvements	4,942	7,988
Equipment and machinery	14,311,636	12,950,187
Other fixed assets	3,302,034	3,542,120
Construction in progress	99,967,634	74,662,537
Prepayments for fixed assets	411,197	3,450,868
<b>Total fixed assets</b>	<u>237,845,158</u>	<u>197,223,801</u>
<b>Investment property</b>	<b>119,537,068</b>	<b>121,909,795</b>
<b>Long term financial investments</b>		
Investments in subsidiaries	13,232,708	13,232,708
<b>Total long term financial investments</b>	<u>13,232,708</u>	<u>13,232,708</u>
<b>Total long term investments</b>	<u>370,818,476</u>	<u>332,573,000</u>
<b>Current assets</b>		
<b>Stock</b>		
Raw materials	509,261	526,531
Prepayments for goods	554	1,164
<b>Total stock</b>	<u>509,815</u>	<u>527,695</u>
<b>Receivables</b>		
Trade receivables	3,464,928	2,970,293
Other receivables	533,968	1,961,423
Prepaid expense	270,978	557,779
<b>Total receivables</b>	<u>4,269,874</u>	<u>5,489,495</u>
<b>Cash and cash equivalents</b>	<b>2,937,554</b>	<b>2,007,504</b>
<b>Total current assets</b>	<u>7,717,243</u>	<u>8,024,694</u>
<b>TOTAL ASSETS</b>	<u><u>378,535,719</u></u>	<u><u>340,597,694</u></u>

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

On behalf of Freeport of Riga Authority the summary financial statements were signed on 29 June 2015 by:

  
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 Leonīds Logiņovs  
 Chief Executive Officer

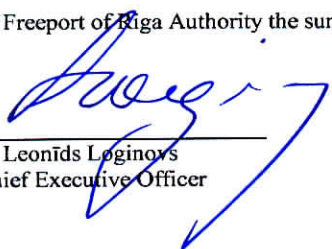
**FREEPORT OF RIGA AUTHORITY**

**BALANCE SHEET  
AS AT 31 DECEMBER 2014**

<b>LIABILITIES</b>	<b>31.12.2014 EUR</b>	<b>31.12.2013 EUR</b>
<b>Shareholders' equity</b>		
Long term investment revaluation reserve	1,013,614	1,013,614
Reserves:		
a) statutory reserves	136,028,024	124,889,628
b) other reserves	125,525,186	128,118,093
Surplus for the reporting year	8,693,772	9,666,150
<b>Total equity</b>	<b>271,260,596</b>	<b>263,687,485</b>
<b>Provisions</b>	<b>2,299,555</b>	<b>2,479,969</b>
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Loans from credit institutions	51,550,672	27,499,611
Accounts payable to suppliers and contractors	230,944	3,103,168
Deferred income	33,738,977	26,488,083
<b>Total long-term liabilities</b>	<b>85,520,593</b>	<b>57,090,862</b>
<b>Short-term liabilities</b>		
Loans from credit institutions	1,597,382	1,597,382
Customer advances	27,734	13,816
Accounts payable to suppliers and contractors	12,835,634	14,596,797
Other liabilities	4,482,849	601,720
Taxes and compulsory state social security contributions	438,501	479,841
Deferred income	30,125	2,386
Accrued liabilities	42,750	47,436
<b>Total short-term liabilities</b>	<b>19,454,975</b>	<b>17,339,378</b>
<b>Total liabilities</b>	<b>104,975,568</b>	<b>74,430,240</b>
<b>TOTAL LIABILITIES</b>	<b>378,535,719</b>	<b>340,597,694</b>

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 Chief Executive Officer

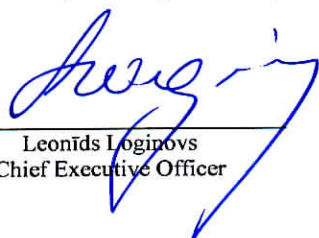
**FREEPORT OF RIGA AUTHORITY**

**STATEMENT OF INCOME AND EXPENSES  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Operating revenue	52,145,388	45,640,770
Cost of services provided	<u>(32,738,170)</u>	<u>(23,837,615)</u>
<b>Gross surplus</b>	<b>19,407,218</b>	<b>21,803,155</b>
Administrative expenses	(8,920,212)	(9,314,211)
Other operating income	191,129	656,283
Other operating expenses	(1,622,976)	(2,876,902)
Interest and similar income	193,137	74,819
Interest and similar expenses	<u>(350,317)</u>	<u>(460,709)</u>
<b>Surplus before taxes</b>	<b>8,897,979</b>	<b>9,882,435</b>
Other taxes	(204,207)	(216,285)
<b>Surplus for the reporting year</b>	<b><u>8,693,772</u></b>	<b><u>9,666,150</u></b>

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

On behalf of Freeport of Riga Authority the summary financial statements were signed on 29 June 2015 by:



Leonīds Logiņovs  
Chief Executive Officer

Note 1 SUMMARY FINANCIAL STATEMENTS PREPARATION PRINCIPLES

These summary financial statements for the year ended 31 December 2014 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 2014 and the related statement of income and expenses for the year 2014. Full version of audited financial statements of Freeport of Riga Authority for the year ended 31 December 2014 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.