

Foreign Investors Council in Latvia

Reg. No. 50008063171

Annual Report 2017

Foreign Investors Council in Latvia

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Foreign Investors Council in Latvia

Information about the Association

Name	Foreign Investors Council in Latvia
Legal status	Association
Registration number and place of registration	50008063171: Riga
Registration date in the register of associations and establishments	28 November 2005
Registration date in the register of public organisations	5 November 2001
Legal and mail address	Strēlnieku iela 1-3, Riga LV-1010
Details of Board Members etc.:	
Chairperson	Zlata Elksniņa-Zaščirinska
Vice chairpersons	Graham Russell (until 14 November 2017) Māris Gruzniņš (from 14 November 2017)
Board members	Guntars Krols Ints Krasts Alf Erik Lundgrenn Norbert Siebels Julia Sundberg Baiba Zūzena
Reporting Period	Year to 31 December 2017
Auditor	Cameron G. Greaves

Foreign Investors Council in Latvia

MANAGEMENT REPORT

The Foreign Investors Council in Latvia (FICIL) was initially registered with the State Enterprise Register as a public organisation on November 5, 2001. FICIL was re-registered as an association on November 28, 2005 following a change in the applicable law. The registration number is 50008063171.

The Foreign Investors Council in Latvia unites the largest companies from various countries and sectors that have made significant investments in Latvia, as well as thirteen countries' Chambers of Commerce in Latvia and Stockholm School of Economics in Riga. In the reporting period, five new corporate members have joined. On 31 December 2017 the Council had 37 corporate members and 14 associate members:

Corporate: Afi-Europe, Amber Beverage group, BALTA, Cemex, Circle K, Citadele, Deloitte, DnB, Ernst & Young, Eversheds Sutherland, Evolution Gaming, Fortum Corporation, GlaxoSmithKline, Klasmann-Deilmann, Knauf, KPMG, Linstow, Mariner, Maxima, MTG, NCH Advisors, Neste Oil, Norvik Banka, PricewaterhouseCoopers, Ragn-Sells, Reitangruppen (Narvesen), Rimi Baltic, SEB, Shiner Macost (Food Union), Swedbank, TAV, Telia Company, The Coca-Cola Company, Uralchem, Vastint, Ventspils Nafta, Vitol.

Associate members: American Chamber of Commerce in Latvia, Belux Latvian Business Chamber, British Chamber of Commerce in Latvia, Danish Chamber of Commerce in Latvia, Estonian Business Chamber in Latvia, Finnish Chamber of Commerce in Latvia, French Chamber of Commerce in Latvia, German – Baltic Chamber of Commerce in Estonia, Latvia, Lithuania, Irish Latvian Chamber of Commerce, Netherlands – Latvian Chamber of Commerce, Norwegian Chamber of Commerce in Latvia, Swedish Chamber of Commerce in Latvia, Swiss Chamber of Commerce in Latvia, Stockholm School of Economics in Riga.

The mission of the Foreign Investors Council in Latvia is to improve the business environment in Latvia by an active dialogue with the Government and its institutions.

In 2017 FICIL held five members meetings and seven board meetings. On 25 and 26 May, the High Council meeting with the Government of Latvia took place. From September till November 2017 the board members of FICIL carried out interviews for the FICIL Sentiment Index report in which 42 companies participated. In 2017 the decision was taken to change the model of High Council financing and also to introduce a membership subscription for Associated Members.

The management of FICIL is responsible for preparation of the annual report. The annual report has been drawn up in accordance with the books of account and supporting documentation and provides a true and fair view of the financial position of the Association.

Subsequent to the balance sheet data there have been no events which require adjustment to or further disclosure in the financial statements or the accompanying notes.



Zlata Elksniņa-Zašcirinska
Chairperson of the Board

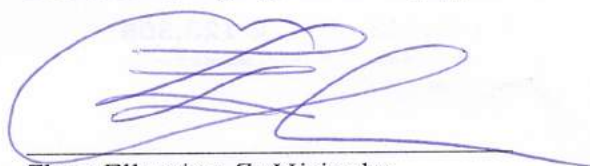
2 February 2018

Foreign Investors Council in Latvia

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Notes</u>	<u>2017</u> €	<u>2016</u> €
Income			
Membership subscriptions, admission fees and other annual contributions		158,833	126,533
Donations	1	0	15,600
Other income	3	19,468	18,800
Total income		178,301	160,933
Expenditure			
Remuneration	4	78,787	88,787
Social payments	5	20,225	22,467
Depreciation and amortisation	7	1,617	996
Other expenditure	6	52,461	50,880
Total expenditure		153,090	163,130
Excess / (deficit) of income over expenditure for the year		€ 25,211 =====	(€ 2,197) =====

The accompanying notes on pages 5 to 9 form an integral part of these financial statements.



Zlata Elksniņa-Zašcirinska
Chairperson of the Board

2 February 2018

Foreign Investors Council in Latvia

BALANCE SHEET AT 31 DECEMBER 2017

	Notes	2017 €	2016 €
ASSETS	7		
Non-current assets			
Intangible investments			
Concessions, patents, licences, trade marks and similar rights		231	0
Tangible fixed assets			
Other fixtures and fittings, tools and equipment		2,879	1,401
Total non-current assets		3,110	1,401
Current assets			
Receivables			
Prepayments including pre-paid expenses		3,353	2,508
Other		0	5,437
Total receivables	8	3,353	7,945
Balance at bank		147,282	114,159
Total current assets		150,635	122,104
TOTAL ASSETS		€ 153,745	€ 123,505
		=====	=====
EQUITY AND LIABILITIES			
Funds			
Reserve fund	9	116,186	90,975
Current liabilities			
Subscriptions received in advance		37,000	32,000
Other liabilities	10	559	530
Total current liabilities		37,559	32,530
TOTAL FUNDS AND LIABILITIES		€ 153,745	€ 123,505
		=====	=====

The accompanying notes on pages 5 to 9 form an integral part of these financial statements.



Zlata Elksniņa-Zašcirinska
Chairperson of the Board

2 February 2018

NOTES TO THE FINANCIAL STATEMENTS

1. Donations

During 2017 the Association received no donations.

In 2016 the Association received donations per:	€
Latvian registered legal entities	8,600
Other	7,000
Total	€ 15,600
	=====

2. Accounting and valuation methods – general principles

The Annual Report has been drawn up in accordance with the law “On Accounting” and the Republic of Latvia Cabinet Regulations No.808 “Regulations on Annual Reports of Public Organisations, Their Associations and Trade Unions”. The financial statements have been prepared on the accrual principle basis.

(i) Applied accounting principles

The items of annual report have been valued according to the following accounting principles.

- (a) Assumption that the Association will continue to operate as a going concern.
- (b) Valuation methods used are the same as those used in the previous year.
- (c) Valuation has been prudently calculated;
 - All liabilities have been taken into account including any identified subsequent to the year end.
 - Depreciation/amortisation amounts has been fully calculated and included.
- (d) All income and expenditure has been taken into account irrespective of the date upon which it may have been either invoiced or paid.
- (e) The various items included in assets and liabilities have been separately valued.
- (f) The opening balances of the report year are the same as those at the end of the previous report year.
- (g) The financial statements present correctly all items having any material effect on any assessment undertaken by users. Minor items are consolidated and shown where appropriate in the Notes to the financial statements;
- (h) Transactions for the year under review have been reflected in the annual report in accordance with their actual essence as opposed to their legal form.

(ii) Reporting period

The reporting period is the year ended 31 December 2017.

(iii) Loans and liabilities

The reserve fund comprises accumulated and undistributed excesses of income over expenditure.

(iv) Currency unit and valuation of foreign currencies

The financial statements have been drawn up in euros (€) which is the official currency of the Republic of Latvia. All assets and liabilities have been converted into euros at the exchange rate established by the Bank of Latvia for the final day of the reporting period.

(v) Non-current and current items

Non-current items show the amounts receivable, payable or to be written off more than one year after the end of the respective report period. Amounts receivable, payable and to be written off within twelve months have been presented under current items.

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(vi) Depreciation of tangible fixed assets

Tangible fixed assets have been presented in the balance sheet at their acquisition cost, less accumulated depreciation. Depreciation has been calculated using the straight-line method, pursuant to the following annual rates established by management:

Intangible investments	
Licences	33.33%
Tangible fixed assets	
Computers	33.33%
Other tangible fixed assets	33.33%

Items acquired for less than €400 have been included as expenditure and written off as low-value items (see note 6).

3. Other income

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
High Council fees	19,468	18,800
Total other income	<u>19,468</u>	<u>18,800</u>

4. Remuneration

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
Employee salaries	78,787	88,098
Contract works	-	689
Total remuneration	<u>78,787</u>	<u>88,787</u>

5. Social payments

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
Mandatory State Social Tax	18,586	20,782
Entrepreneur activity risk duty	13	13
Health insurance	1,626	1,672
Total social payments	<u>20,225</u>	<u>22,467</u>

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6. Other expenditure

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
Office rent	6,769	6,507
Office supplies	1,882	2,073
Press subscription	456	394
Communication and I.T. expenditure	796	1,397
Web page development	5,239	0
Maintenance of I.T. equipment	944	73
Bookkeeping and accountancy	2,880	2,880
Representation costs	1,126	1,802
Transport costs	1,523	2,211
Low value items	384	390
Training and seminar participation fees	1,039	307
Consultancy services	8,870	8,367
Translation and revision	400	248
High Council Meeting direct costs	19,446	20,080
Venue rent, technical costs	0	3,683
Other costs	<u>707</u>	<u>468</u>
Total other expenditure	<u>52,461</u>	<u>50,580</u>

7. Movement of assets

	Software licences		Other tangible fixed assets	
	<u>Acquisition value</u>	<u>Amortisation</u>	<u>Acquisition value</u>	<u>Amortisation</u>
Balances at: 1 January 2017	220	220	3,469	2,068
Additions during the year	238	7	3,088	1,610
Excluded / written back during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balances at 31 December 2017	<u>458</u>	<u>227</u>	<u>6,557</u>	<u>3,678</u>

Summary of book values

	Software licences	Other tangible fixed assets
1 January 2017	0	1,401
31 December 2017	231	2,879

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8. Receivables

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
Membership receivables	0	4,000
High Council Meeting receivables	0	1,376
Advance	3,131	2,022
Prepaid expenditure	222	486
Overpaid taxes	<u>0</u>	<u>61</u>
Total receivables	<u>3,353</u>	<u>7,945</u>

9. Reserve funds

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
Balances at 1 January	90,975	93,172
Excess (deficit) of income over expenditure for the year	<u>25,211</u>	<u>(2,197)</u>
Balances at 31 December	<u>116,186</u>	<u>90,975</u>

10. Other liabilities

	<u>2017</u>	<u>2016</u>
	<u>€</u>	<u>€</u>
Trade creditors	554	394
Accrued liabilities (Note 11)	<u>5</u>	<u>136</u>
Total other liabilities	<u>559</u>	<u>530</u>

11. Accrued liabilities

	<u>Personal income tax</u>	<u>State social tax</u>	<u>Entre- preneur activity risk duty</u>	<u>TOTAL</u>
Balances at 1 January 2017	65	(60)	(1)	4
Charge for the year 2017	<u>15,126</u>	<u>26,858</u>	<u>14</u>	<u>41,998</u>
	15,191	26,798	13	42,002
Paid during 2017	<u>15,189</u>	<u>26,798</u>	<u>10</u>	<u>41,997</u>
Balances at 31 December 2017	<u>2</u>	<u>0</u>	<u>3</u>	<u>5</u>

12. Number of employees

The average number of employees during both calendar year 2017 and calendar year 2016 was three (3).

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13. Board members' remuneration

No remuneration was paid to any board member in either 2017 or 2016.



Foreign Investors Council in Latvia

Auditor's Statement

To the Members of the Foreign Investors Council in Latvia

I have audited the annual financial statement of the association "Foreign Investors Council in Latvia" as reflected in the statement on pages 3 to 9. The audited financial statement includes the balance sheet at 31 December, 2017, the annual report 2017 on the financial results as well as a summary of significant accounting principles and other explanatory notes.

Management's Responsibility for the Financial Statement

The management of the association is responsible for the preparation and fair presentation of the financial statement in accordance with the provisions of the Latvian Cabinet of Ministers no. 808. This responsibility includes designing, implementing and maintaining of internal control which ensures preparing and genuine reflection of the financial statements free from fraud or error due to significant discrepancies; choice and use of appropriate accounting policy, as well as preparation of accountancy calculus appropriate to the circumstances.

Auditor's Responsibility

I am responsible for the opinion I issue about these financial statements based on my audit. I conducted the audit in accordance with the international auditing standards recognised in Latvia. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves procedures that are performed to obtain evidence about the amounts and disclosures within the financial statements.

The procedures are selected depending on the auditor's professional judgment, including the assessment of risks of non-compliance in the financial statements caused by fraud or material misstatement. In making those risk assessments, the auditor considers the internal control relevant to the preparation and fair presentation of the statements in order to determine an audit procedure appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the control. Within the framework of the audit the validity of accounting principles applied and significant estimates made by the management were tested, as well as an overall evaluation of the information provided in the financial statements was carried out.

I believe that the evidence I have obtained is sufficient and appropriate to form an audit opinion.

Statement

In my opinion, the financial statement gives a true and fair view of the financial position of the Foreign Investors Council in Latvia at 31 December, 2017 as well as on its financial performance and cash flows for year 2017. Funds have been used in accordance with the budget and the Articles of Association.

Report on the Management Report

I have read the Management Report for year 2017 and have not found significant discrepancies between the financial information in the 2017 Annual Report and the Management Report.



Cameron G. Greaves

Auditor

2 February 2018