



CONSOLIDATED ANNUAL REPORT OF THE REPUBLIC OF LATVIA FOR 2024

MINISTRY OF FINANCE

2025

Table 1

Consolidated Accounting Balance Sheet

(thousand euro)

	31.12.2024.	31.12.2023.
ASSETS		
Long-term investments	37,730,863	34,133,914
Intangible investments	271,740	260,560
Property, plant and equipment	16,052,455	15,172,550
Long-term financial investments	18,714,762	16,256,621
Long-term receivables	701,726	538,261
Investment properties	754,874	681,879
Biological assets for agricultural activity	1,235,306	1,224,043
Current assets	7,331,315	6,347,871
Inventories	1,777,589	1,545,557
Short-term receivables	2,189,043	1,801,370
Prepaid expenses and advance payments for services and projects	303,265	527,012
Short-term financial investments	111,931	74,289
Cash and cash equivalents	2,949,487	2,399,643
TOTAL ASSETS	45,062,178	40,481,785
LIABILITIES AND EQUITY		
Equity	8,852,853	8,880,987
Reserves	2,716,951	2,338,659
Budget execution results	6,135,902	6,542,328
Provisions	3,564,512	2,708,348
Liabilities	32,644,813	28,892,450
Long-term liabilities	26,335,449	23,485,920
Short-term liabilities	6,309,364	5,406,530
TOTAL LIABILITIES AND EQUITY	45,062,178	40,481,785
OFF-BALANCE SHEET		
Off-balance sheet assets	849,386	919,382
Off-balance sheet liabilities	7,820,620	7,067,307

Table 2

Consolidated Statement of Financial Performance

(thousand euro)

	2024	2023
A1 Revenue	19,128,704	17,479,156
Tax revenue	13,698,715	12,630,112
Non-tax revenue	966,069	907,056
Paid services and other own revenue	619,742	511,067
Foreign financial assistance	1,789,204	1,416,753
Donations and gifts	46,520	55,400
Interest revenue	223,919	173,777
Other revenue	1,784,535	1,784,622
A2 Expenditures	19,509,043	17,451,582
Remuneration	3,096,601	2,774,742
Employer's compulsory State social insurance contributions, benefits and compensations	991,565	912,199
Training, work and service trips and official journeys	44,533	44,169
Services	1,302,153	1,303,669
Inventories, materials, energy resources, goods, office supplies and equipment, periodicals	572,432	607,647
Payments of taxes, duties and monetary penalties	31,965	32,170
Subsidies, grants and social benefits, current payments to the EU budget and international cooperation	9,459,416	8,890,135
Interest expenditures	508,462	374,714
Depreciation and amortisation expenses	896,738	817,724
Other expenditures	2,605,178	1,694,413
A Result of revenues and expenditures (A1 – A2)	-380,339	27,574
N1 Income (+) or expenses (–) from financial instruments	-35,554	12,086
N2 Income (+) or expenses (–) from disposal of non-financial assets	9,467	27,612
Budget execution result (A + N1 + N2)	-406,426	67,272

Table 3

Consolidated Cash Flow Statement

(thousand euro)

	2024	2023
I Total receipts (A1 + B1 + C1 + D1)	32,916,941	29,075,005
II Total payments (A2 + B2 + C2 + D2)	32,389,428	29,070,913
A Cash flow from operating activities (A1 – A2)	1,204,112	273,045
A1 Receipts from operating activities	18,052,042	16,413,350
Tax revenue	14,430,240	13,376,195
Non-tax revenue	1,010,227	907,576
Paid services and other own revenue	533,803	493,679
Foreign financial assistance	1,863,946	1,489,940
Transfers	0	132
Donations and gifts	1,837	1,841
Loan repayments	91,961	33,133
Interest income	111,075	90,509
Other receipts from operating activities	8,953	20,345
A2 Payments related to operating activities	16,847,930	16,140,305
Remuneration	3,056,034	2,724,507
Employer's compulsory State social insurance contributions, benefits and compensations	1,864,768	1,641,182
Training, work and service travel and duty/business trips	44,629	45,051
Services	1,367,452	1,458,457
Inventories, materials, energy resources, goods, office supplies and equipment, periodicals	690,710	777,526
Payments of taxes, fees and fines	25,784	27,299
Subsidies, grants and social benefits, current payments to the European Union budget and international cooperation	9,744,281	9,376,904
Interest expenses	39	449
Loans granted	53,157	85,589
Other payments for operating activities	1,076	3,341
B Cash flow from investing activities (B1 – B2)	-1,655,136	-1,488,543
B1 Receipts from investing activities	1,814,048	106,567
Disposal of intangible assets and repayments of advances for intangible assets	1	105
Disposal of property, plant and equipment and repayments of advances for property, plant and equipment	41,056	48,419
Disposal of equity investments, shares and securities	1,103	87
Interest income	20,172	332
Other receipts from investing activities	1,751,716	57,624
B2 Payments related to investing activities	3,469,184	1,595,110
Acquisition of intangible assets and advance payments for intangible assets	37,453	43,300
Creation of intangible assets	45,884	53,967
Acquisition of property, plant and equipment and advance payments for property, plant and equipment	797,925	687,946
Construction of property, plant and equipment and construction in progress	668,530	668,917

(thousand euro)

	2024	2023
Acquisition of equity investments, shares and securities	138,639	51,961
Interest expenses	1,648	1,014
Other payments for investing activities	1,779,105	88,005
C Cash flow from financing activities (C1 – C2)	1,021,879	1,293,983
C1 Receipts from financing activities	3,167,705	3,619,042
Borrowings and issued debt securities	3,091,173	3,568,271
Interest income	31,532	4,418
Other receipts from financing activities	45,000	46,353
C2 Payments related to financing activities	2,145,826	2,325,059
Borrowings and issued debt securities	1,729,169	2,096,768
Interest expenses	371,657	228,291
D Cash flow from attracted funds (D1 – D2)	-43,342	-74,393
D1 Receipts from attracted funds	9,883,146	8,936,046
D2 Payments of attracted funds	9,926,488	9,010,439
III. Net cash flow (I – II)	527,513	4,092
IV. Total cash flow (III.)	527,513	4,092
V. Effect of foreign currency exchange rate fluctuations (+/–)	22,369	-13,527
VI. Change in cash and deposits during the reporting period (NL1 - NL2)	-549,882	9,435
NL1. Cash and deposits at the beginning of the period	2,399,653	2,409,088
NL2. Cash and deposits at the end of the period	2,949,535	2,399,653

Table 4

Consolidated Statement of Changes in Equity

(thousand euro)

Description	Equity						
	reserves			Budget execution results			total
	fair value reserve of financial instruments	other reserves	total (1. + 2.)	Budget execution results of previous reporting years	Budget execution results of the reporting year	total (4. + 5.)	
At the beginning of 2023	1,048	1,928,204	1,929,252	5,904,874	564,511	6,469,385	8,398,637
corrections of errors	0	19,246	19,246	7,685	-2,014	5,671	24,917
At the beginning of 2023 after corrections of errors	1,048	1,947,450	1,948,498	5,912,559	562,497	6,475,056	8,423,554
increase	0	435,964	435,964	0	2,961,007	2,961,007	3,396,971
decrease	-1,048	-44,755	-45,803	0	-2,893,735	-2,893,735	-2,939,538
transfer within Equity	0	0	0	562,497	-562,497	0	0
At the end of 2023 / beginning of 2024	0	2,338,659	2,338,659	6,475,056	67,272	6,542,328	8,880,987
increase	15,910	393,932	409,842	0	2,456,151	2,456,151	2,865,993
decrease	0	-31,550	-31,550	0	-2,862,577	-2,862,577	-2,894,127
transfer within Equity	0	0	0	67,272	-67,272	0	0
At the end of 2024	15,910	2,701,041	2,716,951	6,542,328	-406,426	6,135,902	8,852,853

The regulatory enactments in the field of accounting and reporting of state and local government budgetary institutions have been developed by applying the requirements of the International Public Sector Accounting Standards (hereinafter – IPSAS) in accordance with the situation in Latvia. The compliance to IPSAS (2015) is summarized in the table below. According to the EUROSTAT 2020 assessment, the compliance of Latvian regulatory enactments to IPSAS reached 93%.

IPSAS	Compliance to IPSAS (2015)
CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING BY PUBLIC SECTOR	comply
IPSAS 1 PRESENTATION OF FINANCIAL STATEMENTS	comply
IPSAS 2 CASH FLOW STATEMENTS	comply
IPSAS 3 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS	comply
IPSAS 4 THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES	comply
IPSAS 5 BORROWING COSTS	comply
IPSAS 6 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	partially comply
IPSAS 7 INVESTMENTS IN ASSOCIATES	comply
IPSAS 8 INTERESTS IN JOINT VENTURES	not applicable
IPSAS 9 REVENUE FROM EXCHANGE TRANSACTIONS	comply
IPSAS 11 CONSTRUCTION CONTRACTS	not applicable
IPSAS 12 INVENTORIES	comply
IPSAS 13 LEASES	comply
IPSAS 14 EVENTS AFTER THE REPORTING DATE	comply
IPSAS 16 INVESTMENT PROPERTY	comply
IPSAS 17 PROPERTY, PLANT, AND EQUIPMENT	comply
IPSAS 18 SEGMENT REPORTING	no plans to implement
IPSAS 19 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS	comply
IPSAS 20 RELATED PARTY DISCLOSURES	no plans to implement
IPSAS 21 IMPAIRMENT OF NON-CASH-GENERATING ASSETS	comply
IPSAS 22 DISCLOSURE OF FINANCIAL INFORMATION ABOUT THE GENERAL GOVERNMENT SECTOR	no plans to implement
IPSAS 23 REVENUE FROM NON-EXCHANGE TRANSACTIONS (TAXES AND TRANSFERS)	comply
IPSAS 24 PRESENTATION OF BUDGET INFORMATION IN FINANCIAL STATEMENTS	comply
IPSAS 25 EMPLOYEE BENEFITS	comply
IPSAS 26 IMPAIRMENT OF CASH-GENERATING ASSETS	comply
IPSAS 27 AGRICULTURE	comply
IPSAS 28 FINANCIAL INSTRUMENTS: PRESENTATION	comply
IPSAS 29 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT	comply
IPSAS 30 FINANCIAL INSTRUMENTS: DISCLOSURES	comply
IPSAS 31 INTANGIBLE ASSETS	comply
IPSAS 32 SERVICE CONCESSION ARRANGEMENTS: GRANTOR	comply