



**CONSOLIDATED  
ANNUAL REPORT  
OF THE REPUBLIC OF  
LATVIA  
FOR 2025  
(UNAUDITED)**

**MINISTRY OF FINANCE**

**2026**

Table 1

## Consolidated Accounting Balance Sheet

*(thousand euro)*

	31.12.2025.	31.12.2024.
<b>ASSETS</b>		
<b>Long-term investments</b>	<b>40 608 630</b>	<b>37 730 739</b>
Intangible investments	300 536	271 740
Property, plant and equipment	17 226 685	16 054 965
Long-term financial investments	20 322 186	18 712 472
Long-term receivables	858 159	701 382
Investment properties	664 710	754 874
Biological assets for agricultural activity	1 236 354	1 235 306
<b>Current assets</b>	<b>7 662 621</b>	<b>7 331 110</b>
Inventories	2 061 257	1 777 620
Short-term receivables	2 314 312	2 188 764
Prepaid expenses and advance payments for services and projects	598 677	303 308
Short-term financial investments	155 338	111 931
Cash and cash equivalents	2 533 037	2 949 487
<b>TOTAL ASSETS</b>	<b>48 271 251</b>	<b>45 061 849</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>	<b>9 543 432</b>	<b>8 856 851</b>
Reserves	2 765 376	2 719 004
Budget execution results	6 778 056	6 137 847
<b>Provisions</b>	<b>3 163 641</b>	<b>3 564 512</b>
<b>Liabilities</b>	<b>35 564 178</b>	<b>32 640 486</b>
Long-term liabilities	28 591 501	26 335 387
Short-term liabilities	6 972 677	6 305 099
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>48 271 251</b>	<b>45 061 849</b>
<b>OFF-BALANCE SHEET</b>		
Off-balance sheet assets	769 625	847 429
Off-balance sheet liabilities	8 841 932	7 817 931

Table 2

## Consolidated Statement of Financial Performance

*(thousand euro)*

	2025	2024
<b>A1 Revenue</b>	<b>20 111 289</b>	<b>19 133 673</b>
Tax revenue	14 377 439	13 698 724
Non-tax revenue	841 215	966 113
Paid services and other own revenue	665 804	619 653
Foreign financial assistance	1 667 956	1 789 204
Donations and gifts	110 855	46 520
Interest revenue	168 271	223 920
Other revenue	2 279 749	1 789 539
<b>A2 Expenditures</b>	<b>19 501 895</b>	<b>19 522 173</b>
Remuneration	3 294 747	3 096 607
Employer's compulsory State social insurance contributions, benefits and compensations	1 059 853	991 565
Training, work and service trips and official journeys	49 321	44 533
Services	1 351 950	1 301 934
Inventories, materials, energy resources, goods, office supplies and equipment, periodicals	474 539	572 440
Payments of taxes, duties and monetary penalties	33 415	31 965
Subsidies, grants and social benefits, current payments to the EU budget and international cooperation	9 892 293	9 459 512
Interest expenditures	546 693	508 457
Depreciation and amortisation expenses	999 199	896 899
Other expenditures	1 799 885	2 618 261
A Result of revenues and expenditures (A1 – A2)	609 394	-388 500
N1 Income (+) or expenses (–) from financial instruments	11 255	-35 553
N2 Income (+) or expenses (–) from disposal of non-financial assets	19 520	9 467
<b>Budget execution result (A + N1 + N2)</b>	<b>640 169</b>	<b>-414 586</b>

Table 3

## Consolidated Cash Flow Statement

(thousand euro)

	2025	2024
<b>I Total receipts (A1 + B1 + C1 + D1)</b>	<b>34 090 312</b>	<b>32 916 941</b>
<b>II Total payments (A2 + B2 + C2 + D2)</b>	<b>34 465 792</b>	<b>32 389 428</b>
<b>A Cash flow from operating activities (A1 – A2)</b>	<b>421 432</b>	<b>1 206 038</b>
<b>A1 Receipts from operating activities</b>	<b>18 489 100</b>	<b>18 053 968</b>
Tax revenue	15 142 498	14 430 240
Non-tax revenue	943 849	1 012 193
Paid services and other own revenue	566 890	533 763
Foreign financial assistance	1 728 412	1 863 946
Transfers	0	0
Donations and gifts	2 586	1 837
Loan repayments	23 318	91 961
Interest income	73 019	111 075
Other receipts from operating activities	8 528	8 953
<b>A2 Payments related to operating activities</b>	<b>18 067 668</b>	<b>16 847 930</b>
Remuneration	3 276 029	3 056 034
Employer's compulsory State social insurance contributions, benefits and compensations	1 872 758	1 864 768
Training, work and service travel and duty/business trips	50 192	44 629
Services	1 508 018	1 367 452
Inventories, materials, energy resources, goods, office supplies and equipment, periodicals	747 219	690 710
Payments of taxes, fees and fines	26 521	25 784
Subsidies, grants and social benefits, current payments to the European Union budget and international cooperation	10 513 379	9 744 281
Interest expenses	23	39
Loans granted	71 870	53 157
Other payments for operating activities	1 659	1 076
<b>B Cash flow from investing activities (B1 – B2)</b>	<b>-1 874 467</b>	<b>-1 657 062</b>
<b>B1 Receipts from investing activities</b>	<b>1 470 328</b>	<b>1 812 122</b>
Disposal of intangible assets and repayments of advances for intangible assets	20	1
Disposal of property, plant and equipment and repayments of advances for property, plant and equipment	47 851	39 130
Disposal of equity investments, shares and securities	2 464	1 103
Interest income	16 217	20 172
Other receipts from investing activities	1 403 776	1 751 716
<b>B2 Payments related to investing activities</b>	<b>3 344 795</b>	<b>3 469 184</b>
Acquisition of intangible assets and advance payments for intangible assets	42 055	37 453
Creation of intangible assets	51 312	45 884
Acquisition of property, plant and equipment and advance payments for property, plant and equipment	1 006 674	797 925
Construction of property, plant and equipment and construction in progress	795 714	668 530
Acquisition of equity investments, shares and securities	86 345	138 639
Interest expenses	195	1 648
Other payments for investing activities	1 362 500	1 779 105
<b>C Cash flow from financing activities (C1 – C2)</b>	<b>965 837</b>	<b>1 021 879</b>
<b>C1 Receipts from financing activities</b>	<b>3 614 084</b>	<b>3 167 705</b>

(thousand euro)

	2025	2024
Borrowings and issued debt securities	3 520 157	3 091 173
Interest income	28 122	31 532
Other receipts from financing activities	65 805	45 000
<b>C2 Payments related to financing activities</b>	<b>2 648 247</b>	<b>2 145 826</b>
Borrowings and issued debt securities	2 179 592	1 729 169
Interest expenses	423 655	371 657
<b>D Cash flow from attracted funds (D1 – D2)</b>	<b>111 718</b>	<b>-43 342</b>
D1 Receipts from attracted funds	10 516 800	9 883 146
D2 Payments of attracted funds	10 405 082	9 926 488
<b>III. Net cash flow (I – II)</b>	<b>-375 480</b>	<b>527 513</b>
<b>IV. Total cash flow (III.)</b>	<b>-375 480</b>	<b>527 513</b>
V. Effect of foreign currency exchange rate fluctuations (+/-)	-39 737	22 369
<b>VI. Change in cash and deposits during the reporting period (NL1 - NL2)</b>	<b>415 217</b>	<b>-549 882</b>
NL1. Cash and deposits at the beginning of the period	2 949 535	2 399 653
NL2. Cash and deposits at the end of the period	2 534 318	2 949 535

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 2024	0	2 338 658	2 338 658	6 475 056	67 272	6 542 328	8 880 986
corrections of errors	0	1 299	1 299	7 174	2 931	10 105	11 404
At the beginning of 2024 after corrections of errors	0	2 339 957	2 339 957	6 482 230	70 203	6 552 433	8 892 390
increase	15 910	394 698	410 608	0	2 449 581	2 449 581	2 860 189
decrease	0	-31 561	-31 561	0	-2 864 167	-2 864 167	-2 895 728
transfer within Equity	0	0	0	70 203	-70 203	0	0
At the end of 2024 / beginning of 2025	15 910	2 703 094	2 719 004	6 552 433	-414 586	6 137 847	8 856 851
increase	8 007	71 243	79 250	40	3 358 706	3 358 746	3 437 996
decrease	-4 506	-28 372	-32 878	0	-2 718 537	-2 718 537	-2 751 415
transfer within Equity	0	0	0	-414 586	414 586	0	0
<b>At the end of 2025</b>	<b>19 411</b>	<b>2 745 965</b>	<b>2 765 376</b>	<b>6 137 887</b>	<b>640 169</b>	<b>6 778 056</b>	<b>9 543 432</b>

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 (2025) is summarized in the table below. According to the EUROSTAT 2025 assessment, the compliance of Latvian regulatory enactments to IPSAS reached 91%.

IPSAS	Compliance to IPSAS (2025)
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 9 REVENUE FROM EXCHANGE TRANSACTIONS	comply
IPSAS 11 CONSTRUCTION CONTRACTS	not applicable
IPSAS 12 INVENTORIES	comply
IPSAS 14 EVENTS AFTER THE REPORTING DATE	comply
IPSAS 16 INVESTMENT PROPERTY	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 26 IMPAIRMENT OF CASH-GENERATING ASSETS	comply
IPSAS 27 AGRICULTURE	comply
IPSAS 28 FINANCIAL INSTRUMENTS: PRESENTATION	comply
IPSAS 30 FINANCIAL INSTRUMENTS: DISCLOSURES	comply
IPSAS 31 INTANGIBLE ASSETS	comply
IPSAS 32 SERVICE CONCESSION ARRANGEMENTS: GRANTOR	comply
IPSAS 34 SEPARATE FINANCIAL STATEMENTS	comply
IPSAS 35 CONSOLIDATED FINANCIAL STATEMENTS	partially comply
IPSAS 36 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	comply
IPSAS 37 JOINT ARRANGEMENTS	not applicable
IPSAS 38 DISCLOSURE OF INTERESTS IN OTHER ENTITIES	comply
IPSAS 39 EMPLOYEE BENEFITS	comply
IPSAS 40 PUBLIC SECTOR COMBINATIONS	partially comply
IPSAS 41 FINANCIAL INSTRUMENTS	partially comply. IPSAS 29

IPSAS	Compliance to IPSAS (2025)
	“Financial instruments: recognition and measurement” is also applied.
IPSAS 42 SOCIAL BENEFITS	comply
IPSAS 43 LEASES	not implemented. IPSAS 13 “Leases” is applied.
IPSAS 44 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	not applicable
IPSAS 45 PROPERTY, PLANT, AND EQUIPMENT	comply
IPSAS 46 MEASUREMENT	not implemented

**Publication note:**

Annual Report of the Republic of Latvia is published according to the schedule available at webpage [kase.gov.lv/en/](http://kase.gov.lv/en/). This year, due to the parliamentary elections, the audited report will be available in October.