



Annual Report

2018

A Year of Transitions





Content

GREETINGS FROM THE AMBASSADOR	3
NCCL 2018 IN BRIEF	4
MEMBERS AS OF MARCH 2019	12
INFORMATION ON THE ASSOCIATION	17
REPORT ON REVENUE AND EXPENSES	18
BALANCE SHEET	19
INDEPENDENT AUDUTOR'S REPORT	21

GREETINGS FROM THE AMBASSADOR



Photo: Saldus Municipality, January 18, 2019

"From the Norwegian Embassy in Riga we appreciate very much the close and fruitful cooperation with NCCL. NCCL plays an important role in organizing Norway-related companies in Latvia and supporting our joint efforts in enhancing economic relations between Norway and Latvia. When we look at the extension and variety of the presence of Norwegian companies in Latvia, we are highly impressed and as ambassador I am very proud of it.

Since the 1990ies Norwegian enterprises in Latvia have been the backbone in the overall relations between our two countries and their activities represent valuable contributions to Latvias economy and welfare, both through employment, value-creation, investments, partnerships and payment of taxes. We hope that this will continue in the years to come - with the support from the Chamber and from the Embassy. NCCL and Embassy together is what we could call "Team Norway in Latvia". We consider us a good team and aim at continuing being a good team together in the time to come."

Kristian Ødegaard
Ambassador
Honorary Member of NCCL



2018 has been a very eventful year for the Norwegian Chamber of Commerce in Latvia (NCCL) and the Norwegian - Latvian bilateral relations. The highlight of 2018 was the visit by the Crown Prince and Crown Princess of Norway in April 2018 and the associated Norwegian-Latvian Business Forum. In October the 5th Nordic Baltic Business Forum took place in Riga with participation of the President of Latvia and speakers from Norway, Sweden, Finland and Latvia. Aside of these two bigger events, the NCCL organized a series of events addressing various topical issues, bringing the members closer and fostering Norwegian – Latvian business relations.

We are grateful for the close partnership established over the years with the Embassy of Norway in Latvia. Many thanks to Leinonen for doing our accounting and Grant Thornton Baltic for providing independent audit. Our gratitude goes out to all our members for your involvement in the Chamber and for being part of the Norwegian - Latvian business community.

In the following pages you will find a brief review of the past year.

YEAR OF TRANSITIONS



2018 can be described as a year of transitions, as both the NCCL and the Norwegian Embassy in Latvia experienced changes in leadership. In June, the NCCL community bid farewell to the Ambassador Steinar Egil Hagen after 4 years in service in Latvia. In September, Kristian Ødegaard was accredited as the new Ambassador of the Kingdom of Norway in Latvia. Parallel to that, after 7 years of dedicated work at the NCCL, Lene Grønvold left the post of the Executive Director. In her place the NCCL board appointed Ilze Garoza. The highest acknowledgment goes to Lene Grønvold for her tremendous work and contribution to the operation and growth of the Chamber into one of the leading foreign Chambers in Latvia and best wishes to her successor in the job!



Ambassador Steinar Egil Hagen and NCCL Executive Director Lene Grønvold at Ambassador's farewell party on June 8, 2018



NCCL Chairman Alf Erik Lundgren, Executive Director Lene Grønvold, Embassy representative Dace Dižbite-Ose, Ambassador Kristian Ødegaard at the Norwegian Embassy in Riga shortly after the new Ambassador's arrival in September of 2018



NCCL Chairman Alf Erik Lundgren, outgoing Executive Director Lene Grønvold, Ambassador Kristian Ødegaard and incoming Executive Director Ilze Garoza at the Ambassador's Residence on September 18, 2018

ROYAL VISIT



Their Royal Highnesses The Crown Prince and Crown Princess of Norway paid an official visit to Latvia on **April 23, 2018** as part of Latvia's Centenary celebrations, and aimed at strengthening relations between Norway and the Baltic countries. The President of Latvia Mr Raimonds Vējonis and Mrs Iveta Vējone welcomed Their Royal Highnesses to Latvia with a ceremony at the Presidential Palace, Riga Castle.



On the same day, **Norwegian-Latvian Business Forum** was held in Radisson Blu Hotel Latvija with participation of around 300 business representatives. Following the Forum, Norwegian Ambassador Steinar Egil Hagen hosted a luncheon with Crown Prince Haakon as a keynote speaker who mentioned the long trade traditions and close contact between Bergen and Riga already starting during the Hanseatic period.

5TH NORDIC BALTIC BUSINESS FORUM



On October 4, 2018, NCCL together with Swedish, Finnish and Danish Chambers of Commerce and with the support of Nordic embassies organized the **5th Nordic Baltic Business Forum**, featuring multiple prominent speakers on topics of innovation, cooperation and growth. The President of Latvia Mr. Raimonds Vējonis opened the event, which brought together more than 100 Nordic business managers, entrepreneurs, and representatives from the public and private sector.



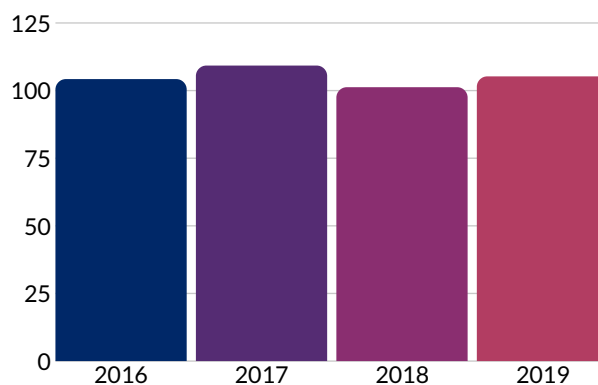
The **Nordic Baltic Business Forum** is the largest annual event of the Nordic Chambers in Latvia, which aims at promoting knowledge and experience sharing and facilitating professional networking among executives of Nordic-Baltic companies.



MEMBER-FOCUSED

At the end of 2018, NCCL had 101 members in good standing, representing a variety of industries and fields of operation. During 2018, we arranged a number of member visits, giving the opportunity for NCCL members to learn about each other, share experience and ideas, and explore opportunities for mutual cooperation.

NCCL MEMBERS



>\$450M TURNOVER*

*The accumulated turnover of NCCL members in Latvia, according to Lursoft, exceeded 450 million EUR in 2017. The number only reflects the turnover for Latvia-based NCCL member companies for which data was available.



On January 18, 2019, NCCL joined and witnessed the opening of two new manufacturing sites by our members - **Karlsberg** and **Plast-Tech** in Saldus region. NCCL Chairman Alf Erik Lundgrenn congratulated the companies on behalf of the Norwegian Chamber of Commerce in Latvia, expressing pride that Norwegians are the biggest investors in Saldus municipality. They have opened around 20 companies in Saldus vicinity, employing more than 260 people. According to Lursoft, the turnover of these Norwegian-owned companies in Saldus exceeded 28 million EUR in 2017.

Company visits and networking

Over the course of the past year, NCCL members had the opportunity to visit **EuroPark**, which has been operating in Latvia since 2001, listen to a presentation by **CBRE Baltics** about the latest activities and future trends in the corporate real estate sector in Riga and elsewhere, visit and engage in a lively discussion with **Tilde** about the state-of-the-art machine translation technologies, AI, virtual assistants and chatbots. During a visit to **DNB Service Centre**, NCCL members got to explore and learn about their approach to work environment and employee engagement.



On **October 18th**, about 40 NCCL members and friends gathered at Hotel Bergs for a wine tasting event sponsored by SIA SunCrisp featuring Vicentino wine from Portugal. During the event 6 wines from the Vicentino vineyards were served, complemented by delicious finger foods matched to each wine prepared by the chefs of Hotel Bergs.



NCCL members' visit to **Tilde's office** on November 6 to learn about the company's state-of-the-art machine translation technologies, AI-powered e-Governance solutions and virtual assistants, along with company's outlook for the future.



NCCL members' visit to DNB Service Centre, January 31, 2019 to gain an insight in the DNB Service Centre operation in Latvia and learn about DNB experience in creating an engaging workplace culture for 21st century employees



VALUE - DRIVEN

The two main values of NCCL have been **sustainability** and **sharing knowledge**. We promote sustainability, transparency and long-term perspective and work to improve the local business environment. We believe in building an inclusive and informal business community where members can meet and exchange experiences. These values have resonated through the event series organized during the course of last year.



The current NCCL Chairman Alf Erik Lundgrenn and the former NCCL Chairmen Frode Aasheim and Tom Erdal together with Norwegian Ambassador Steinar Egil Hagen and NCCL Executive Director Lene Grønvold at Shrimp Madness party on June 8, 2018

Engaging in an active dialogue with Latvian state authorities either directly or through the Foreign Investors Council in Latvia, in which NCCL is an associate member, is one of the ways to promote sustainability, transparency and improvements in Latvia's investment climate.



Joint Chamber Dinner with Latvia's Prime Minister Māris Kučinskis, February 21, 2018



Joint Chamber networking event with LIAA Director Andris Ozols, November 25, 2018



Joint Chamber Business Luncheon with Latvia's Minister of Justice Jānis Bordāns, March 6, 2019

VALUE - DRIVEN



One of NCCL signature events have been **Female Focus**, which presents women from Scandinavia and Latvia with different professional backgrounds speaking on topics such as leadership, entrepreneurship, meeting professional and private challenges, and achieving work - life balance. The event series is organized in cooperation between the Norwegian and Swedish Chamber of Commerce in Latvia with the support of Norwegian and Swedish Embassies.



Female Focus featuring Beathe-Kristin Andestad (NATO Force Integration Unit Latvia) and investigative journalist and co-founder of Re:Baltica Inga Sprīņģe, November 2, 2018.



Female Focus featuring Norwegian lawyer, cultural advocate and publicist Hege Boman Grundekjøn and Dr. Ilze Aizsilniece, the President of the Latvian Doctors' Association at Radisson BLU Hotel Latvija, February 13, 2019.

To promote responsible business practices, NCCL together with the Norwegian Embassy on December 6, 2018, organized a **Seminar on the Future of Corporate Governance and CSR**. The seminar engaged in discussion relevant state institutions from Norway and Latvia, companies with well established CSR practices such as EVRY and Radisson Hotel Group, and key players in the non-profit sector, whose main goal is to promote good corporate governance and responsible business in Latvia. On March 13, 2019, NCCL together with Rödl & Partner held a **seminar on international sanctions regimes and compliance**.



MEMBERS AS OF MARCH 2019

Honorary member	Industry	Website
Royal Norwegian Embassy in Latvia	Embassy	www.norway.no/en/latvia

Gold members	Industry	Website
Cirkle K Business Center	Business Services Centre	business-centre-europe.circlek.com
DNB Service Centre	Business Services Centre	www.dnb.no
EVRY Latvia	IT / Telecommunication / Business Centre	www.evry.com
Gjensidige	Risk Management / Insurance	www.gjensidige.lv
HUSVIK	House production	www.husvik.lv
La Foca	House production	www.lafocahouse.com
Linstow Center Management	Shopping Centre Management	www.linstow.lv
Livonia Print	Printing	www.livoniaprint.lv
Møller Auto	Car retail and wholesale	www.vw.lv / www.audi.lv
Narvesen	Convenience retail	www.narvesen.lv
Orkla	Food / Beverage	www.orkla.com
Radisson BLU Hotel "Latvija"	Event / Tourism, Hotel / Restaurant	www.radissonblu.com
Ræder	Law firm	www.raeder.no
Riga Business School	Education / Training	www.rbs.lv
Rödl & Partner	Accounting / Audit / Law firm	www.roedl.com/lv
WebHelp Riga (ex. Runway)	Business Services Centre	www.runway.webhelp.com / www.webhelp.com
Scandicast	Metal casting	www.scandicast.com
Visma Enterprise	IT / Telecommunication	www.visma.com



Silver (Company)	Industry	Website
4Energia	Renewable energy	www.4energia.ee
AON Baltic Latvia	Risk management / Insurance	www.aon.com
AquaFence	Flood production systems	www.aquafence.com
B2 Holding	Banking / accounts receivables management	www.b2holding.no
Baltic Beach Hotel & SPA	Hotel	www.balticbeach.lv
Baltic Pork	Pork breeding / Energy	-
Baltic Sotheby's International Realty	Real Estate	www.balsir.com
Business Park Ogre	Business Park	www.pbogre.lv
CBRE Baltics	Property development	www.cbre.lv
Clarion Collection Hotel Valdemars	Hotel	www.valdemars.lv
Cobalt	Law Firm	www.cobalt.legal
DNV GL	Certification / Risk management	www.dnvgl.com
Europark	Parking service	www.europark.lv
Fiskevegn	Production of fishing equipment	www.fiskevegn.no
Fontes Grupa	HR Consultancy	www.fontes.lv
Gateway & Partner	Market intelligence / research	www.gatewaybaltic.com



NCCL board members Gerhard Erasmus (Radisson BLU Hotel Latvija), Matīss Kukainis (Spīgulis & Kukainis Law Firm) and Alf Erik Lundgren (Nordic Invest) at the Shrimp Madness party on June 8, 2018

Silver (Company)	Industry	Website
Gencs Valters	Law Firm	www.gencs.eu
Glimstedt	Law Firm	www.glimstedt.lv
Grant Thornton Baltics	Accounting, audit, consulting	www.grantthornton.lv
Grifs AG	Security services	www.grifsag.lv
Hotel Bergs	Hotel	www.hotelbergs.lv
Jets	Sanitary systems	www.jetsgroup.com/en
Karlsberg	Design / Manufacturing	www.karlsberg.no
Klavins Ellex	Law Firm	www.klavinsellex.lv
Kronberg Cukste Levin	Law Firm	www.levinlaw.lv
LAPA	Maritime	www.lapa.lv
Latlaft	Log house production	www.latlaft.lv
Leinonen	Accounting and consulting	www.leinonen.eu
Libra Plast	Maritime production	www.libraplast.no
Linstow Baltic	Property development	www.linstow.no
LMI Translations	Translation	www.lminter.com
Lursoft	Databases of enterprise	www.lursoft.lv
Nets Denmark	Payment systems	www.nets.eu/lv/payments
Norplast	Glass-fiber production	www.norplast.lv
Numeri	Accounting and consulting	www.numeri.lv
OSM Crew Management	Maritime	www.osm.no
Park Inn by Radisson Riga Valdemara	Hotel	www.parkinn.com/hotel-valdemara-riga
Pearl Consulting	IT / Telecommunication	www.pearlconsulting.no
PK serviss	Construction management	www.pkserviss.lv
Plast- Tech Saldus	Glass-fiber production	www.plast-tech.lv
Riga Graduate School of Law	Education	www.rgsl.edu.lv



Joint Chamber Dinner with Latvia's Prime Minister Māris Kučinskis, February 21, 2018

Silver (Company)	Industry	Website
Riga Norge	Property development	www.riganorge.lv
Riga Ship Management	Maritime sector	www.shipmanagement.com.lv
Ring Baltic	Production	www.ringmek.com
Satema	Electrical manufacturing	www.satema.lv
Spigulis & Kukainis	Law Firm	www.ska.lv
SunCrisp	Food / Beverage	www.suncrisp.eu
Svenska Handelsbanken	Banking / Finance	www.handelsbanken.lv
Termex	Engineering systems	www.termex.lv
The Payment House	IT / Banking	www.thepaymenthouse.com
Tilde	IT / AI / Translation services	www.tilde.com
UnitedPress	Printing production	www.unitedpress.no
Working Day	Recruitment / HR	www.workingday.lv

Bronze (Small Business)	Industry	Website
Amber Pool	Real Estate	
Nordic Invest	Real Estate	
ICT Latvia	Transportation	www.ict-as.dk
RTS Baltic	Transportation	www.rts.ee
Cessa	Publishing	www.cessa.no
Sima Global	Products for office buildings	www.creonordic.no
LaNoDe	Food / Beverage	
Vilgerts	Law Firm	www.vilgerts.com
Ducodot	Accounting / Audit / Consulting	www.ducodot.lv
Super Duper	Digital Marketing, Tourism	www.superdupercompany.com
Swarm Robotics	IT	www.industriesholding.com
Global Consulting	Business consulting	www.globalconsulting.lv
Fjord Software	IT	www.fjordsoftware.eu
House of Languages	Translation / Publishing / Education	www.unciti.lv
Baltic Travel Partner	Event / Tourism / Education	www.btp.travel
Numero Latvia	Accounting / Audit / Consulting	www.numero.no
CreaKids	Education	www.creakids.lv



Vicentino Wine tasting at Hotel Bergs, October 18, 2018

Non-profit	Industry	Website
Nordic Council Of Minister's Office	Nordic Government cooperation	www.norden.lv
RTU Innovation Program	Education	www.mba.rtu.lv
Latvian Wood Construction Cluster	Industry cluster	www.woodhouses.lv
Navigatørene	Christian charitable association	www.navigatorene.no
Latvian Foster Family Association	Charitable association	www.labiedriba.lv
CSR-Latvia	Platform of responsible business	www.ksalatvija.lv

Individual members

Agnese Cimdina, Aleksandr Nadezhnikov, Elīna Krecere, Frode Aasheim, Helge Andersen,
Henrik Mjømann, John Ivar Lundberg, Jørn Hennie, Odd Gomsrud



Photo: Saldus Municipality, January 18, 2019

INFORMATION ON THE ASSOCIATION

Name of the Association:	Norwegian Chamber of Commerce in Latvia
Legal status of the company:	Association
Number, place and date of registration:	50008111541, Riga, 19th February, 2007
Registered office:	Maza Smilsu iela 12-9, Riga LV-1050
Management board:	<p>Alf Erik Lundgrenn (Chairman of the Board) Antra Zālīte (Deputy Chairman of the Board) Gerhard Erasmus Matīss Dāvis Kukainis Knut Kvisvik from 06.03.2018 Harolds Mikelis Bulmanis from 06.03.2018 Agnese Cimdina from 06.03.2018</p>
Annual report prepared by:	<p>Daina Ziluze Chief accountant Outsourcing company Leinonen SIA</p>
Financial year:	01.01.2018-31.12.2018
Previous reporting period:	01.01.2017-31.12.2017
Auditors and their address:	<p>Grant Thornton Baltics SIA Blaumaņa Street 22 Riga, LV-1011 Licence No.155</p>

REPORT ON REVENUE AND EXPENSES

	2018	2017
	EUR	EUR
Membership fees	47 450	50 050
Received donations and grants	1 085	1 090
Other income	11 626	20 220
TOTAL INCOME	60 161	71 360
Administrative and operating expenses:		
Salaries	(38 558)	(37 171)
State mandatory social security contributions	(9 074)	(8 769)
Depreciation and amortization	(419)	(834)
Other expenses	(17 670)	(25 275)
TOTAL EXPENSES	65 721	72 049
INCOME AND EXPENSES DIFFERENCE	(5 560)	(689)

BALANCE SHEET

ASSETS	2018	2017
	EUR	EUR
Long- term investments		
Tangible fixed assets	7	866
Other fixed assets	7	866
Current Assets		
Trade receivables	95	280
Prepaid expenses	87	84
Other receivables	-	2
Cash	33 307	34 702
Total current assets	33 489	35 068
TOTAL ASSETS	33 496	35 934

FUNDS AND LIABILITIES		
Funds	29 363	34 923
Reserve fund	29 363	34 923
Current liabilities	4 133	1 011
Taxes and social security payments	1 284	-
Other liabilities	1 570	-
Trade payables	-	378
Accrued liabilities	1 279	633
TOTAL FUNDS AND LIABILITIES	33 496	35 934

Alf Erik Lundgrenn
Chairman of the Board

11 March 2019



Grant Thornton Baltic SIA
Blaumana str. 22
LV-1011 Riga
Latvia

T +371 6721 7569
F +371 6721 7567
E info@lv.gt.com

www.grantthornton.lv

INDEPENDENT AUDITORS' REPORT

To the members of association of Association Norwegian Chamber of Commerce in Latvi:

Our Opinion on the Financial Statements

We have audited the accompanying financial statements Association Norwegian Chamber of Commerce in Latvia set out on pages 3 to 5 and 10 to 13 of the accompanying annual report, which comprise the balance sheet as at 31 December 2018, the profit and loss statement for the year then ended and the notes to the financial statements, and the donations and donations report for the year end, as well as the notes of the financial statements which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Association Norwegian Chamber of Commerce in Latvia as at 31 December 2018, and of its financial performance for the year then ended in accordance with the Cabinet of Ministers of the Republic of Latvia of 3 October 2006 No. 808 "Regulations on associations, foundations and trade union reports".

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Association Norwegian Chamber of Commerce in Latvian accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

Association Norwegian Chamber of Commerce in Latvia management is responsible for the other information. The other information is the Management Report, as set out on pages from 6 to 9 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the regulations issued by the Cabinet of Ministers of the Republic of Latvia on October 3, 2006. 808 "Regulations on the annual accounts of associations, foundations and trade unions" and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association Norwegian Chamber of Commerce in Latvia ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association Norwegian Chamber of Commerce in Latvia or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Association Norwegian Chamber of Commerce in Latvia financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association Norwegian Chamber of Commerce in Latvia internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association Norwegian Chamber of Commerce in Latvia ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association Norwegian Chamber of Commerce in Latvia to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SIA "Grant Thornton Baltic"
Company of Certified Auditors License No 155

Silvija Gulbe
Certified auditor of Latvia
Certificate No. 142
Member of the Board

Riga, Latvia,
11 March 2019