

Mariner Finance p.l.c.

The pro forma consolidated financial information

For the year ended 31 December 2013

Pages

2	Accountant's report
7	Pro forma consolidated statement of profit or loss and other comprehensive income
8	Pro forma consolidated statement of financial position
10	Pro forma consolidated statement of changes in equity
11	Pro forma consolidated statement of cash flows
12	Notes to the pro forma consolidated financial information
28	Statement of pro forma restructuring and consolidation adjustments
31	Notes to the statement of pro forma restructuring and consolidation adjustments

The Directors
Mariner Finance p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa MRS 3000

2 June 2014

Dear Sirs,

Accountant's Report on the compilation of pro forma consolidated financial information for Mariner Finance p.l.c.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Mariner Finance p.l.c. ("the Company") by the directors of the Company.

The pro forma financial information consists of:

- The pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2013;
- The pro forma consolidated statement of financial position as at 31 December 2013;
- The pro forma consolidated statement of changes in equity for the year ended 2013;
- The pro forma consolidated statement of cash flows for the year ended 31 December 2013; and
- Relevant notes to the pro forma consolidated financial information.

The basis on which the directors of the Company have compiled the pro forma financial information are specified in the applicable criteria ("the applicable criteria") as set out in sections 5.43 to 5.53 of the Listing Rules issued by the Malta Financial Services Authority ("the listing rules"). The basis of preparation of the pro forma consolidated financial information is set on page 5.

The pro forma consolidated financial information has been compiled by the directors of the Company to illustrate the impact of the acquisition of SIA Mariner Baltic Holdings and its subsidiary entities ("the Group") during 2014 on the Company's financial position as at 31 December 2013 and the Company's financial performance and cash flows for the year ended 31 December 2013 as if the event or transaction had taken place at 1 January 2013.

As part of the compilation process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors of the Company from the audited financial statements of the entities forming part of the Group for the year ended 31 December 2013.

The responsibility of the directors' of the Company for the pro forma consolidated financial information

The directors of the Company are responsible for compiling the pro forma consolidated financial information on the basis of the applicable criteria and for selecting reliable and appropriate accounting policies. The accounting policies of the Group are set out in note 1 to the pro forma consolidated financial information.

Our responsibilities

Our responsibility is to express an opinion, as required by section 5.52 of the listing rules, about whether the pro forma consolidated financial information has been compiled in all material respects, by the directors of the Company, on the basis of the applicable criteria.

Basis of opinion

We conducted our engagement in accordance with 'International Standard on Assurance Engagements 3420 – Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus' ("ISAE 3420") issued by the International Auditing and Assurance Standards Board.

This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled, in all material respects, the pro forma consolidated financial information on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or re issuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we in the course of this engagement, performed an audit of the financial information used in compiling the pro forma consolidated financial information.

The purpose of the pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled in all material respects on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction and to obtain appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment having regard to our understanding of the nature of the Company, the event or transaction in respect of which pro forma consolidated financial information has been compiled, and other relevant engagement information. The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

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

Opinion

In our opinion

- The pro forma consolidated financial information has been properly compiled in accordance with the basis of preparation stated;
- The basis of preparation of the pro form consolidated financial information is consistent with the Group accounting policies of the Issuer; and
- The pro forma adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Listing Rule 5.46.

Yours faithfully,



Raphael Aloisio
Director
Deloitte Services Limited

Purpose of the pro forma consolidated financial information

The pro forma consolidated financial information has been prepared for illustrative purposes only.

Because of its nature, the pro forma consolidated financial information addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results as at 31 December 2013.

The pro forma consolidated financial information was prepared to provide information about the financial position and performance of the Group for the year ended 31 December 2013, assuming that the corporate restructuring undertaken during April 2014 had been in place during the 2013 financial year and as at 31 December 2013.

During the financial year ended 31 December 2013, Mariner Capital Limited became the direct parent entity of Mariner Finance p.l.c., and acquired and became the ultimate parent of SIA Baltic Container Terminal and SIA Equinor Riga through its direct subsidiary, SIA Mariner Finance Baltic. Mariner Finance p.l.c. was not the parent of any entity of the Mariner Capital Limited Group as at 31 December 2013.

During the first two quarters of 2014 the Mariner Capital Limited group had entered into various linked transactions ("the restructuring transactions"). As a result of the restructuring transactions, Mariner Finance p.l.c. has [become] the direct parent of SIA Mariner Baltic Holdings. As part of the restructuring transactions SIA Mariner Baltic Holdings [has] become the direct parent of SIA Mariner Finance Baltic and SIA Equinor Riga. SIA Mariner Finance Baltic will remain the direct parent of SIA Baltic Container Terminal.

The pro forma consolidated financial information has been prepared and presented assuming that Mariner Finance p.l.c. had obtained control over its direct and indirect subsidiaries as from 1 January 2013, being the effective date when its direct parent, Mariner Capital Limited, had obtained control of these entities.

The pro forma consolidation values were derived from the audited financial statements of SIA Mariner Finance Baltic, SIA Equinor Riga and SIA Baltic Container Terminal as at 31 December 2013.

Basis of preparation of the pro forma consolidated financial information

The pro forma financial information shows the financial performance and position of Mariner Finance p.l.c. and its subsidiary entities in accordance with International Financial Reporting Standards as adopted by the European Union ("eu-IFRS") except that due to the nature of the pro forma financial information:

- the pro forma consolidated financial information does not include all the disclosure requirements under eu-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap 386) and the Listing Rules;
- do not necessarily present line items (including totals and sub totals) and the classification thereof in the pro forma consolidated statement of profit or loss and other comprehensive income and the pro forma consolidated statement of financial position in accordance with eu-IFRS;
- do not consider certain recognition or measurement criteria; and
- do not show comparative amounts.

The pro forma financial information has been prepared in a manner consistent with the Group accounting policies of Mariner Finance p.l.c.'s parent entity, Mariner Capital Limited as at 31

December 2013, as amended, where applicable, to incorporate new eu-IFRSs that are applicable for annual periods beginning on 1 January 2014.

Since Mariner Finance p.l.c. was not a parent company as at 31 December 2013 and therefore did not prepare group accounts, this entity did not have accounting policies for the basis of consolidation. However, the pro forma consolidated financial information has been prepared using accounting policies for the acquisition of entities and businesses under common control that have been adopted by Mariner Finance p.l.c. during 2014.

Acquisition of entities and businesses under common control

The restructuring transactions resulted in Mariner Finance p.l.c. gaining control during 2014 of its direct subsidiary entity SIA Mariner Baltic Holdings and its indirect subsidiary entities SIA Mariner Finance Baltic, SIA Baltic Container Terminal and SIA Equinor Riga ("the subsidiaries").

The acquisition of these subsidiaries by Mariner Finance p.l.c. falls outside the scope of International Financial Reporting Standard 3 – Business Combinations ("IFRS 3") because the transaction merely represents a group reorganisation and because in terms of paragraph 2(c) of IFRS 3, the acquisition of these entities by Mariner Finance p.l.c. is a combination of businesses under common control in which all the combining entities are ultimately controlled by the same party, Mariner Capital Limited, both before and after the business combination and that control is not transitory.

In accordance with 'International Accounting Standard 8 – Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8"), in the absence of an IFRS that specifically applies to a transaction, other event or condition, management should use its judgment in developing and applying an accounting policy that is relevant to the decision making needs of the users and is reliable. In relation to this specific transaction, the use of predecessor accounting by Mariner Finance p.l.c. is considered to be a generally accepted accounting approach to account for the acquisition of the entities under common control. Mariner Finance p.l.c. has elected to account for the acquisition of the respective entities as if they had been combined from the date control over them was acquired by its parent, Mariner Capital Limited, during 2013.

Pro forma consolidated statement of profit or loss and other comprehensive income

	Notes	Mariner Finance p.l.c. Group Euro
Turnover		17,647,774
Cost of sales		(6,932,795)
Gross profit		<u>10,714,979</u>
Other operating income		463,007
Administrative expenses		(2,388,763)
		<u>8,789,223</u>
Depreciation		(1,483,717)
Amortisation		(90,597)
Interest expense		(1,119,457)
Interest income		967,550
Investment income		9,144
Profit before taxation		<u>7,072,146</u>
Taxation	3	(258,907)
Profit for the year		<u>6,813,239</u>
Other comprehensive income		
Fair value movement on available for sale investments		65,186
Total comprehensive income		<u>6,878,425</u>

Pro forma consolidated statement of financial position

	Notes	Mariner Finance p.l.c. Group 31.12.2013 Euro
Assets and liabilities		
Non-current assets		
Intangible assets	4	13,546,688
Property plant and equipment	5	30,898,566
Investment property	6	5,183,596
Financial instruments	7	300,684
		<u>49,929,534</u>
Current assets		
Inventories	8	387,478
Trade receivables		2,680,419
Other assets		184,202
Financial instruments	7	37,392
Corporation tax		767,461
Cash and bank balances	9	1,156,921
		<u>5,213,873</u>
Total assets		<u>55,143,407</u>
Current liabilities		
Trade payables		520,102
Other financial liabilities		226,800
Other payables		472,499
Bank borrowings	10	4,333,084
Other taxation		173,752
		<u>5,726,238</u>
Non-current liabilities		
Trade payables		5,328
Other financial liabilities		547,194
Related party	11	2,016,769
Bank borrowings	10	30,605,534
Deferred taxation	12	547,532
		<u>33,722,357</u>
Total liabilities		<u>39,448,594</u>
Net assets		<u>15,694,813</u>
Equity		
Share capital	13	500,000
Other reserves		122,275
Retained earnings		158,104
Profit for the year		6,813,239
Subordinated loan	14	10,000,000
Other equity		1,898,805
Total equity		<u>15,694,813</u>

The pro forma consolidated financial information was approved by the Board of Directors, authorised for issue on 2 June 2014 and signed on its behalf by:



Marin Hili
Director



Kevin Saliba
Director

Pro forma consolidated statement of changes in equity

	Share capital Euro	Other reserves Euro	Retained earnings Euro	Subordinated loans Euro	Other equity Euro	Total Euro
01.01.2013	500,000	57,089	158,104	-	-	715,193
Profit for the year	-	-	6,813,239	-	-	6,813,239
Other comprehensive income	-	65,186	-	-	-	65,186
Subordinated loans	-	-	-	10,000,000	-	10,000,000
Adjustment for initial accounting of subsidiaries using the predecessor accounting method	-	-	-	-	(1,898,805)	(1,898,805)
31.12.2013	500,000	122,275	6,971,343	10,000,000	(1,898,805)	15,694,813

Pro forma consolidated statement of cash flows

	Notes	Mariner Finance p.l.c. Group 2013 Euro
Net cash flow from operating activities		<u>8,576,453</u>
<i>Cash flows from investing activities:</i>		
Purchase of intangible assets		(25,363)
Purchase of tangible assets		(3,889,756)
Investment in subsidiary entities		(26,000,000)
Investment income		10,394
Net cash (used in) investing activities		<u>(29,904,725)</u>
<i>Cash flows from financing activities:</i>		
Related party		(5,108,487)
Bank borrowings		26,142,112
Pre-acquisition dividends paid		(1,294,500)
Interest received		2,269
Interest paid		(925,231)
Net cash flows from financing activities		<u>18,816,163</u>
Taxation paid		<u>(1,016,788)</u>
Net movements in cash and cash equivalents		<u>(3,528,897)</u>
Opening cash and cash equivalents		4,685,818
Closing cash and cash equivalents	9	<u>1,156,921</u>

1 Basis of preparation

The pro forma consolidated financial statements have been prepared under the historical cost basis, except for investment property that is stated at fair value and any financial instruments stated at fair value.

The more significant Group accounting policies of Mariner Finance p.l.c. are set out below.

2 Significant group accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Mariner Finance p.l.c. (or the "Company") and subsidiary entities controlled by the Company. Control exists when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns. In assessing control, potential voting rights that give the Company the current ability to direct the investee's relevant activities are taken into account.

Acquisition of entities and businesses under common control

As detailed above, the acquisition of the subsidiaries acquired from the direct parent has been accounted for under the principles of predecessor accounting as from the date these subsidiaries were acquired by the direct parent during 2013. In terms of predecessor accounting, an acquirer is not required to be identified. The Company has incorporated the acquired entities at their previous carrying amounts of assets and liabilities included in the consolidated financial statements of its parent, Mariner Capital Limited.

This accounting treatment may give rise to differences on acquisition between the consideration given in exchange for the acquired entities and the amounts at which the assets and liabilities of the acquired entities are initially recognised; any such differences are included within equity.

Acquisition of subsidiaries

The acquisition of subsidiaries is accounted for by applying the acquisition method. The consideration is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred, except for costs to issue debt or equity securities. The acquiree's identifiable assets and liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date, except as specifically required by other eu-IFRSs. A contingent liability assumed in a business combination is recognised at the acquisition date if there is a present obligation that arises from past events and its fair value can be measured reliably.

Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on an acquisition-by-acquisition basis. All other

components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required. After initial recognition, non-controlling interests in the net assets consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the holding company's owners' equity therein. Non-controlling interests in the profit or loss and other comprehensive income of consolidated subsidiaries are also disclosed separately. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Where necessary, in preparing these consolidated financial statements, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by group entities. Intra-group balances, transactions, income and expenses are eliminated on consolidation.

Business combinations achieved in stages

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re measured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts previously recognised in other comprehensive income in relation to the acquiree are accounted for (that is, reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the interests were disposed of.

Property, plant and equipment

Property, plant and equipment are classified into the following classes buildings, plant and machinery, furniture, fixtures and other equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes and other plant and equipment, are stated in the statement of financial position at their revalued amounts, being the fair value on the basis of their existing use at the date of the business combination, less any subsequent accumulated depreciation and any accumulated impairment losses.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from de-recognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of de-recognition.

Properties in the course of construction

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any identified impairment loss. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, depreciation of these assets commences when the assets are ready for their intended use.

Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition investment property is stated at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognising.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost/revalued amount, less any estimated residual value over the estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	2% - 8% per annum
Plant and machinery	-	10% - 20% per annum
Furniture, fixtures and other equipment	-	10% - 33.33% per annum

The depreciation method applied, the residual value and the useful life are reviewed and adjusted if appropriate, at the end of each reporting period.

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the group's entities and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost, being the fair value at the acquisition date for intangible assets acquired in a business combination. Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria or the item is acquired in a business acquisition and cannot be recognised as an intangible asset, in which case it forms part of goodwill at the acquisition date.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

(i) Goodwill

Goodwill arising in a business combination represents the excess of (a) the aggregate of: (i) the consideration transferred; (ii) the amount of any non-controlling interests in the acquiree; and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Any gain on a bargain purchase, after reassessment, is recognised immediately in profit or loss.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Software

Software is measured at cost and is amortised over its useful life varying from five to twelve years.

Financial instruments

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group has become a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis or to realise the asset or settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the group transfers the financial asset and the transfer qualifies for de-recognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct costs.

(i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the company may not recover substantially all of its initial investment other than because of credit deterioration.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process.

(iii) Available-for-sale investments

Available-for-sale financial assets are those non-derivative financial assets that are either designated in this category by the group or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value to through profit or loss. After initial recognition, available-for-sale financial assets are measured at their fair value except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Gains or losses arising from a change in fair value are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest calculated using the effective interest method is recognised in profit or loss.

(iv) Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method. Bank loans are carried at face value due to their market rate of interest.

(v) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method, unless the effect of discounting is material.

(vi) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value.

(vii) Debt securities in issue

Subsequent to initial recognition, debt securities in issue are measured at amortised cost using the effective interest method.

(viii) Shares issued by the company

Ordinary shares issued by the company are classified as equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion.

Impairment

All assets are tested for impairment except for financial assets and investment property measured at fair value.

At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

For unlisted shares classified as available-for-sale investments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. An impairment loss is the amount by which the carrying amount of the asset exceeds the recoverable amount.

For loans and receivables, if there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced directly.

The impairment loss on investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative impairment loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and is measured as a difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

In the case of other assets tested for impairment, the recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Goodwill is allocated to each of the group's cash generating units expected to benefit from the synergies of the combination. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Where a cash generating unit to which goodwill has been allocated is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

For loans and receivables, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly.

In the case of other assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had the impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment reversals are recognised immediately in profit or loss unless the asset is carried at a revalued amount, in which case, the impairment reversal is recognised in other comprehensive income and increases the revaluation surplus for that asset, unless an impairment loss on the same asset was previously recognised in profit or loss.

Impairment losses recognised in profit or loss for available-for-sale investments in an equity instrument are not reversed through profit or loss. Impairment losses recognised in profit or loss for an available-for-sale investment in a debt instrument are reversed through profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

The impairment loss on investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured is not reversed in a subsequent period.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services provided in the normal course of business, net of value added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the group and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of goods

Revenue from the sale of goods is recognised on the transfer of the risks and rewards of ownership which generally coincides with the time of shipment.

(ii) Provision of services

Revenue from the provision of services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

(iii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

(iv) Rent receivable

Rent is recognised on the accruals basis.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress.

Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

Assets held under finance leases are recognised in statement of financial position as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments and include initial direct costs. Capitalised leased assets are tested for impairment in accordance with the company's accounting policy on impairment and are depreciated in accordance with the company's accounting policy on property, plant

and equipment over the shorter of the lease term and their useful life, unless there is a reasonable certainty that the group will obtain ownership by the end of the lease term, in which case the assets are depreciated over the period of their useful life. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Rentals payable under operating leases, less the aggregate benefit of incentives received from the lessor are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Taxation

Current and deferred tax is recognised in profit or loss, except when it relates to recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carry forward of unused tax losses and unused tax credits are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority of either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the group financial statements, the results and financial position of each entity are expressed in Euro, which is the functional currency of the company.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting group financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing at the end of the reporting period. Income and expenses items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group Exchange Reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the period in which they are declared.

3 Taxation

	2013 Euro
Current tax expense (Latvia)	235,285
Current tax expense (Malta)	1,566
Deferred tax expense	22,056
Charge for the year	<u>258,907</u>
<i>Reconciliation of taxation charge:</i>	
Profit before taxation	6,813,239
Taxation at 15%	1,021,986
Release from operations in special economic zone	(819,923)
Other adjustments	33,477
Corporation tax charge	<u>235,540</u>
Provision for deferred tax (note 12)	21,801
Malta corporation tax	1,566
Corporation tax charge in the statement of profit or loss	<u>258,907</u>
Effective corporation tax rate	<u>3.8%</u>

4 Intangible assets

	Software Euro	Goodwill Euro	Total Euro
Cost			
01.01.2013	-	-	-
Additions on acquisition of subsidiaries	427,018	13,184,904	13,611,922
Additions during the year	25,363	-	25,363
31.12.2013	<u>452,381</u>	<u>13,184,904</u>	<u>13,637,285</u>
Amortisation			
01.01.2013	-	-	-
Charge for the year	(90,597)	-	(90,597)
31.12.2013	<u>(90,597)</u>	<u>-</u>	<u>(90,597)</u>
Carrying amount			
31.12.2013	<u>361,784</u>	<u>13,184,904</u>	<u>13,546,688</u>

4 Intangible assets (contd.)

The Goodwill on acquisition of the subsidiaries of the Group to be recognised in the group accounts of the highest parent of Mariner Finance p.l.c. preparing group accounts is analysed below:

	Carrying amount Euro	Fair value adjustments Euro	Adjusted Euro
Property	3,479,361	21,000,576	24,479,937
Investment property	2,023,250	3,156,598	5,179,848
Cash and bank balances	4,595,086	-	4,595,086
Related party balances	24,567,739	-	24,567,739
Other assets	13,009,456	-	13,009,456
Bank borrowings	(8,602,280)	-	(8,602,280)
Other liabilities	(6,414,690)	-	(6,414,690)
Net assets and liabilities	<u>32,657,922</u>	<u>24,157,174</u>	56,815,096
Fair value of consideration given			70,000,000
Goodwill on acquisition			<u>13,184,904</u>

5 Property, plant and equipment

	Property Euro	Plant and equipment Euro	Total Euro
Cost			
01.01.2013	-	-	-
Additions on acquisition of subsidiaries	24,479,937	4,016,337	28,496,274
Net additions and disposals during the year	<u>2,435,149</u>	<u>1,450,860</u>	<u>3,886,009</u>
31.12.2013	<u>26,915,086</u>	<u>5,467,197</u>	<u>32,382,283</u>
Depreciation			
01.01.2013	-	-	-
Charge for the year	<u>564,794</u>	<u>918,923</u>	<u>1,483,717</u>
31.12.2013	<u>564,794</u>	<u>918,923</u>	<u>1,483,717</u>
Carrying amount			
31.12.2013	<u>26,350,292</u>	<u>4,548,274</u>	<u>30,898,566</u>

6 Investment property

	Total Euro
Fair value	
01.01.2013	-
Additions on acquisition of subsidiaries	5,179,848
Additions during the year	3,748
31.12.2013	<u>5,183,596</u>

7 Financial instruments

	Available for sale Euro	At fair value through profit or loss Euro	Loans and advances Euro	31.12.2013 Euro
01.01.2013	216,966	-	-	
Loans originated	-	-	26,704	
Loans repaid	-	-	(1,922)	
Fair value movements	65,186	32,392	-	
Impairment losses	(1,250)	-	-	
31.12.2013	<u>280,902</u>	<u>32,392</u>	<u>24,782</u>	
<i>Analysed as follows:</i>				
Fair value				
Foreign listed entities	270,058	-	-	
Foreign listed debt securities	10,844	-	-	
Interest rate swaps	-	32,392	-	
Amortised cost				
Loans and advances	-	-	24,782	
31.12.2013	<u>280,902</u>	<u>32,392</u>	<u>24,782</u>	
<i>Classified as follows:</i>				
Non-current assets	280,902		19,782	<u>300,684</u>
Current assets		32,392	5,000	<u>37,392</u>
	<u>280,902</u>	<u>32,392</u>	<u>24,782</u>	

8 Inventories

	31.12.2013
	Euro
Spare parts	284,134
Raw materials	71,831
Fuels and oils	24,446
Other	7,065
	<u>387,478</u>

9 Cash and cash equivalents

	31.12.2013
	Euro
Cash at bank and in hand	<u>1,156,921</u>

10 Bank borrowings

	31.12.2013
	Euro
Bank loans due within one year	4,333,084
Bank loans due within more than one year	30,605,534
	<u>34,938,619</u>

The bank loans bear interest at [three month EURIBOR plus 2.7%] % per annum and are secured with a guarantee from SIA Baltic Container Terminal.

11 Amounts due to related party

This amount represents the net amount due by the Group to the parent company, Mariner Capital Limited.

12 Deferred taxation

	01.01.2013 Euro	Profit or loss account Euro	31.12.2013 Euro
<i>Tax effect at 15% on temporary differences arising on:</i>			
Tangible assets	(487,530)	(8,799)	(496,329)
Investment property	(83,816)	255	(83,561)
Provision for vacation leave	25,679	4,449	30,128
Provision for doubtful debts	-	2,230	2,230
Other provisions	19,936	(19,936)	-
	<u>525,731</u>	<u>21,801</u>	<u>547,532</u>

13 Share capital

	Euro
Authorised share capital	
50,000 ordinary shares of Euro 10 each	<u>500,000</u>
Issued and fully	
50,000 ordinary shares of Euro 10 each	<u>500,000</u>

14 Subordinated loan

The Subordinated loan is due to the parent company, Mariner Capital Limited. The subordinated loan is repayable at the option of the Mariner Finance p.l.c., is interest free and has no fixed dated of repayment.

15 Group undertakings

The Group financial statements consolidate the results and position of the following subsidiaries which all have co-terminous year-ends with that of the holding company:

Subsidiary	% Equity capital held
SIA Mariner Baltic Holdings 1 - Merkela Street, Riga, LV - 1050, Latvia.	100
SIA Mariner Finance Baltic 1 Kundzinsala Street, Riga, LV - 1822, Latvia.	100
SIA Baltic Container Terminal 1 Kundzinsala Street, Riga, LV - 1822, Latvia.	100
SIA Equinor Riga 1 - Merkela Street, Riga, LV - 1050, Latvia.	100

Statement of pro forma restructuring and consolidation adjustments

The following information shows the reconciliation of amounts disclosed on the audited financial statements of Mariner Finance p.l.c. for the year ended 31 December 2013 on which the auditor has expressed an unqualified opinion, to the pro forma consolidated financial statements of the Mariner Finance p.l.c. Group as at 31 December 2013.

	Note	Mariner Finance p.l.c. Group 2013 Euro	Pro forma adjustments Euro	Mariner Finance p.l.c. 2013 Euro
Turnover	2.1	17,647,774	17,647,774	-
Cost of sales	2.2	<u>(6,932,795)</u>	<u>(6,932,795)</u>	-
Gross profit		10,714,979		-
Other operating income	2.3	463,007	463,007	
Administrative expenses	2.4	<u>(2,388,763)</u>	<u>(2,384,760)</u>	<u>(4,003)</u>
		8,789,223		(4,003)
Depreciation	2.5	(1,483,717)	(1,483,717)	-
Amortisation	2.5	(90,597)	(90,597)	-
Interest expense	2.6	(1,119,457)	(1,119,457)	-
Interest income	2.7	967,550	967,500	50
Investment income		<u>9,144</u>	-	<u>9,144</u>
Profit before taxation		7,072,146		5,191
Taxation	2.8	(258,907)	(257,341)	(1,566)
Profit for the year		<u>6,813,239</u>		<u>3,625</u>
Other comprehensive income				
Fair value movement on available for sale investments		65,186	-	65,186
Total comprehensive income		<u>6,878,425</u>	<u>6,809,614</u>	<u>68,811</u>

	Note	Mariner Finance p.l.c. Group 2013 Euro	Pro forma adjustments Euro	Mariner Finance p.l.c. 2013 Euro
Assets and liabilities				
Non-current assets				
Intangible assets	3.1	13,546,688	13,546,688	
Property plant and equipment	3.2	30,898,566	30,898,566	
Investment property	3.3	5,183,596	5,183,596	
Financial instruments		300,684	19,782	280,902
		49,929,534		280,902
Current assets				
Inventories	3.4	387,478	387,478	
Trade receivables	3.5	2,680,419	2,680,419	
Other related parties		-	(518,719)	518,719
Other assets	3.6	184,202	183,970	232
Financial instruments	3.7	37,392	37,392	
Corporation tax	3.8	767,461	767,461	
Cash and bank balances	3.9	1,156,921	1,156,921	38,631
		5,213,873		557,042
Total assets		55,143,407		837,944
Current liabilities				
Trade payables	3.10	520,102	520,102	
Other financial liabilities	3.11	226,800	226,800	
Other payables	3.12	472,499	418,967	53,532
Bank borrowings	3.13	4,333,084	4,333,084	
Other taxation	3.14	173,752	173,752	408
		5,726,238		53,940
Non-current liabilities				
Trade payables	3.10	5,328	5,328	-
Other financial liabilities	3.11	547,194	547,194	-
Related party	1.4&3.15	2,016,769	2,016,769	-
Bank borrowings	3.13	30,605,534	30,605,534	-
Deferred taxation	3.16	547,532	547,532	-
		33,722,357		-
Total liabilities		39,448,594		56,940
Net assets		15,694,813	14,949,440	745,373
Equity				
Share capital		500,000	-	500,000
Other reserves		122,275	-	122,275
Retained earnings		158,104	-	158,104
Profit for the year	Page 28	6,813,239	6,809,614	3,625
Subordinated loan	1.4	10,000,000	10,000,000	-
Other equity	3.1	1,898,805	1,898,805	-
Total equity		15,694,813	14,910,809	784,004

	Note	Mariner Finance p.l.c. Group 2013 Euro	Pro forma adjustments Euro	Mariner Finance p.l.c. 2013 Euro
Net cash flow from operating activities		8,576,453	8,587,724	(11,272)
<i>Cash flows from investing activities:</i>				
Purchase of intangible assets		(25,363)	(25,363)	-
Purchase of tangible assets		(3,889,756)	(3,889,756)	-
Investment in subsidiary entities		(26,000,000)	(26,000,000)	-
Investment income		10,394	-	10,394
Net cash (used in) investing activities		(29,904,725)		10,394
<i>Cash flows from financing activities:</i>				
Related party		(5,108,487)	(5,117,288)	8,801
Bank borrowings		(1,294,500)	(1,294,500)	-
Pre-acquisition dividends paid		(1,294,500)	(1,294,500)	-
Interest received		2,269		50
Interest paid		(925,231)	(925,231)	
Net cash flows from financing activities		18,816,163		8,851
Taxation paid		(1,016,788)	(1,007,113)	(9,675)
Net movements in cash and cash equivalents		(3,528,897)		(1,702)
Opening cash and cash equivalents	4.2	4,685,818	4,646,309	39,509
Closing cash and cash equivalents		1,156,921	1,119,114	37,807

Notes to the statement of pro forma restructuring and consolidation adjustments

The statement of pro forma restructuring and consolidation adjustments provides reconciliation between the audited financial statements of Mariner Finance p.l.c. and the pro forma consolidated financial statements of the Group.

The pro forma adjustments include adjustments for

- The restructuring transactions;
- Consolidation adjustments including specific adjustments for Group accounting policies.

The restructuring transactions

During the financial year ended 31 December 2013, Mariner Capital Limited became the direct parent entity of Mariner Finance p.l.c., and acquired and became the ultimate parent of SIA Baltic Container Terminal and SIA Equinor Riga through its direct subsidiary, SIA Mariner Finance Baltic. Mariner Finance p.l.c. was not the parent of any entity of the Mariner Capital Limited Group as at 31 December 2013.

During the first two quarters of 2014 the Mariner Capital Limited group has entered into various linked transactions ("the restructuring transactions"). As a result of the restructuring transactions, Mariner Finance p.l.c. [has] become the direct parent of SIA Mariner Baltic Holdings. As part of the restructuring transactions SIA Mariner Baltic Holdings [has] become the direct parent of SIA Mariner Finance Baltic and SIA Equinor Riga. SIA Mariner Finance Baltic will remain the direct parent of SIA Baltic Container Terminal.

The accounting adjustments for each restructuring step were applied to derive the pro forma financial information. Most of these accounting adjustments are intercompany transactions in the Group that eliminate on consolidation.

Consolidation adjustments

The pro forma consolidation adjustments were derived from the audited financial statements of SIA Mariner Finance Baltic, SIA Equinor Riga and SIA Baltic Container Terminal as at 31 December 2013.

Since the restructuring described above resulted in an acquisition of entities under common control, the consolidation adjustments were prepared on the predecessor accounting method. All Group intercompany transactions including intercompany restructuring transactions are eliminated on consolidation.

1 Restructuring transactions pro forma adjustments

The restructuring transactions and related adjustments are summarised below:

- 1.1 SIA Mariner Baltic Holdings was set up.
- 1.2 SIA Mariner Baltic Holdings purchased SIA Equinor Riga from SIA Baltic Container Terminal at net asset value of Euro 4.9 million. This transaction is eliminated on consolidation.
- 1.3 SIA Mariner Baltic Holdings purchased SIA Mariner Finance Baltic from Mariner Capital Limited for consideration of Euro 41.9 million. The consideration was partly settled by SIA Mariner Baltic Holdings assuming a liability due to SIA Baltic Container Terminal from Mariner Capital

Limited, which liability was then assigned to Mariner Finance p.l.c.. The Group intercompany assignments of liabilities are eliminated on consolidation.

1.4 Approximately Euro 10 million of SIA Mariner Baltic Holdings' remaining payable to Mariner Capital Limited were assigned to Mariner Finance p.l.c.. Mariner Finance p.l.c. converted the Euro 10 million payable to Mariner Capital Limited into a subordinated loan. The Group intercompany assignment is eliminated on consolidation. The subordinated loan and net outstanding balances due to the ultimate parent are included in the pro forma consolidated financial information.

2 Financial performance pro forma consolidation adjustments

2.1 Adjustment for the consolidation of the financial performance of the Group to include the turnover of SIA Baltic Container Terminal and SIA Equinor Riga

2.2 Adjustment for the consolidation of the financial performance of the Group to include the cost of sales of SIA Baltic Container Terminal, SIA Equinor Riga.

2.3 Adjustment for the consolidation of the financial performance of the Group to include the other operating income of SIA Baltic Container Terminal and SIA Equinor Riga.

2.4 Adjustment for the consolidation of the financial performance of the Group to include the administrative expenses of SIA Baltic Container Terminal, SIA Equinor Riga, SIA Mariner Finance Baltic and SIA Mariner Baltic Holdings.

2.5 Adjustment for the consolidation of the financial performance of the Group to include the depreciation and amortisation of SIA Baltic Container Terminal and SIA Equinor Riga. The depreciation charge per the individual financial statements of SIA Baltic Container Terminal were adjusted to align with Mariner Finance p.l.c. group accounting policies and a) reflect the estimated useful life of the group on the amounts for property acquired on acquisition and b) eliminate depreciation in SIA Equinor Riga for investment property being carried at fair value.

2.6 Adjustment for the consolidation of the financial performance of the Group to include the interest expense of SIA Mariner Finance Baltic and SIA Baltic Container Terminal for third party borrowings. Interest expense was adjusted for all intercompany transactions.

2.7 Adjustment for the consolidation of the financial performance of the Group to include the interest income of SIA Baltic Container Terminal and SIA Equinor Riga. Interest income was adjusted for all intercompany transactions.

2.8 Adjustment for the consolidation of the financial performance of the Group to include the corporation tax of SIA Baltic Container Terminal and SIA Equinor Riga.

3 Financial position pro forma consolidation adjustments

3.1 Adjustment for the consolidation of the financial position of the Group to include the intangible assets of SIA Baltic Container Terminal, SIA Equinor Riga. The consolidation adjustments include the goodwill on acquisition of the subsidiaries to be recognised in the financial statements of Mariner Capital Limited in accordance with the predecessor method of accounting. The predecessor accounting adjustments are shown as other equity.

3.2 Adjustment for the consolidation of the financial position of the Group to include the property, and equipment of SIA Baltic Container Terminal.

- 3.3 Adjustment for the consolidation of the financial position of the Group to include the investment properties of SIA Equinor Riga at fair value and group accounting policy alignment of for measuring investment properties at fair value, not cost less depreciation.
- 3.4 Adjustment for the consolidation of the financial position of the Group to include the inventories of SIA Baltic Container Terminal.
- 3.5 Adjustment for the consolidation of the financial position of the Group to include the trade receivables of SIA Baltic Container Terminal and SIA Equinor Riga.
- 3.6 Adjustment for the consolidation of the financial position of the Group to include the other assets of SIA Baltic Container Terminal, SIA Equinor Riga, SIA Mariner Finance Baltic and SIA Mariner Baltic Holdings.
- 3.7 Adjustment for the consolidation of the financial position of the Group to include a derivative interest rate swaps entered into by SIA Mariner Finance Baltic and a the current portion of a loan advanced to an employee in SIA Baltic Container Terminal.
- 3.8 Adjustment for the consolidation of the financial position of the Group to include a corporation tax receivable in SIA Baltic Container Terminal.
- 3.9 Adjustment for the consolidation of the financial position of the Group to include the cash and cash equivalents of SIA Baltic Container Terminal, SIA Equinor Riga, SIA Mariner Finance Baltic and SIA Mariner Baltic Holdings.
- 3.10 Adjustment for the consolidation of the financial position of the Group to include the current and non-current trade payables of SIA Baltic Container Terminal and SIA Equinor Riga.
- 3.11 Adjustment for the consolidation of the financial position of the Group to include the current and non-current financial liabilities of SIA Baltic Container Terminal.
- 3.12 Adjustment for the consolidation of the financial position of the Group to include the other payables of SIA Baltic Container Terminal and SIA Equinor Riga.
- 3.13 Adjustment for the consolidation of the financial position of the Group to include the current and non-current bank borrowings of SIA Mariner Finance Baltic.
- 3.14 Adjustment for the consolidation of the financial position of the Group to include the other taxes of SIA Baltic Container Terminal and SIA Equinor Riga.
- 3.15 Adjustment for the consolidation of the financial position of the Group to adjust amounts owed to Mariner Capital Limited for the amounts payable to and receivable from Mariner Capital Limited following the restructuring transactions described in note 1.
- 3.16 Adjustment for the consolidation of the financial position of the Group to include the deferred tax liabilities of SIA Baltic Container Terminal and SIA Equinor Riga.

4 Cash flow pro forma consolidation adjustments

4.1 The pro forma consolidated cash flow statement is derived from the pro forma consolidated statement of profit or loss account and other comprehensive income for the year ended 31 December 2013 and the pro forma statements of consolidated financial position as at 1 January 2013 and 31 December 2013 as adjusted for the restructuring transactions described in note 1 above.

4.2 Opening cash and cash equivalents are adjusted to for the opening cash balances of SIA Baltic Container Terminal and SIA Equinor Riga.