

Public Joint Stock Company Latvian Shipping Company and its Subsidiaries

Condensed Consolidated Financial Statements

31 December 2012

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Consolidated income statement

for the year ended 31 December 2012

	2012	2011
	EUR'000	EUR'000
Voyage income	89 016	69 492
Income from other services	743	694
Revenue	89 759	70 186
Voyage costs	(20 348)	(6 249)
Cost of sales	(50 841)	(52 618)
Gross profit	18 570	11 319
Selling costs	-	(4)
Administrative expenses	(8 529)	(10 718)
Impairment of non-financial assets	(21 740)	(20 293)
Other operating income	273	287
Other operating expenses	(481)	(974)
Operating loss	(11 907)	(20 383)
Finance income	21	1 477
Finance costs	(14 518)	(14 847)
Loss before tax	(26 404)	(33 753)
Income tax	(132)	(530)
Loss for the year	(26 536)	(34 283)
Attributable to:		
Equity holders of the parent	(26 506)	(34 257)
Non-controlling interests	(30)	(26)
	(26 536)	(34 283)
Loss per share	EUR (0.13)	EUR (0.17)

Consolidated statement of comprehensive income

for the year ended 31 December 2012

	2012 EUR'000	2011 EUR'000
Loss for the year	(26 536)	(34 283)
Exchange differences on translation of foreign operations	(3 963)	(72)
Net movement on cash flow hedges	653	1 122
Other comprehensive (expenses)/income for the year, net of tax	(3 310)	1 050
Total comprehensive loss for the year, net of tax	(29 846)	(33 233)
Attributable to:		
Equity holders of the parent	(29 816)	(33 207)
Non-controlling interests	(30)	(26)
	(29 846)	(33 233)

Consolidated statement of financial position

as at 31 December 2012

	2012 EUR'000	2011 EUR'000
Assets		
Non-current assets		
Intangible assets	28	184
Fleet	391 239	394 740
Property, plant and equipment	2 665	2 840
Investment properties	1 421	1 441
Investment in associates	10	10
Other non-current financial assets	3 327	6 081
Total non-current assets	398 690	405 296
Current assets		
Inventories	3 601	2 944
Trade and other receivables	10 672	5 579
Prepayments	1 222	1 020
Other current financial items	23 761	22 908
Cash and short-term deposits	19 744	20 886
Total current assets	59 000	53 337
Assets classified as held for sale	-	45 979
Total assets	457 690	504 612

Consolidated statement of financial position (continued)

as at 31 December 2012

	2012 EUR'000	2011 EUR'000
Equity and liabilities		2011000
Equity		
Issued capital	284 574	284 574
(Accumulated deficit)/retained earnings	(92 096)	(65 590)
Other components of equity	(19 711)	(16 401)
Equity attributable to equity holders of the parrent	172 767	202 583
Non-controlling interests	4 702	4 732
Total equity	177 469	207 315
Non-current liabilities		
Interest bearing loans	200 948	230 047
Finance lease	18 405	19 950
Derivative financial instruments	915	711
Trade and other payables	21 746	1 503
Deffered tax liability	80	105
Total non-current liabilities	242 094	252 316
Current liabilities		
Trade and other payables	11 053	10 556
Interest bearing loans	23 577	24 135
Finance lease	1 093	978
Derivative financial instruments	571	1 370
Deferred revenue	1 833	7 942
Total current liabilities	38 127	44 981
Total equity and liabilities	457 690	504 612

LATVIAN SHIPPING COMPANY AND ITS SUBSIDIARIES CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 2012

Consolidated statement of changes in equity

for the year ended 31 December 2012

		Attributable to the equity holders of the parent					
	Issued capital	Accumulated deficit	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
As at 1 January 2012	284 574	(65 590)	(2 081)	(14 320)	202 583	4 732	207 315
Loss for the period	-	(26 506)	-	-	(26 506)	(30)	(26 536)
Other comprehensive income/(expense)	-	-	653	(3 963)	(3 310)	-	(3 310)
Total comprehensive income/(expense)	-	(26 506)	653	(3 963)	(29 816)	(30)	(29 846)
As at 31 December 2012	284 574	(92 096)	(1 428)	(18 283)	172 767	4 702	177 469

for the year ended 31 December 2011

	Issued capital	Accumulated deficit	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
As at 1 January 2011	284 574	(31 333)	(3 203)	(14 248)	235 790	4 758	240 548
Loss for the period	-	(34 257)	-	-	(34 257)	(26)	(34 283)
Other comprehensive income/(expense)	-	-	1 122	(72)	1 050	-	1 050
Total comprehensive income/(expense)	-	(34 257)	1 122	(72)	(33 207)	(26)	(33 233)
As at 31 December 2011	284 574	(65 590)	(2 081)	(14 320)	202 583	4 732	207 315

Attributable to the equity holders of the parent

Consolidated statement of cash flows

for the year ended 31 December 2012

20122011EUR'000EUR'000Construction of other property.Deprediation of other property.Deprediation of investment propertiesDeprediation of investment propertiesDeprediation of investment propertiesDeprediation of investment propertiesCurrency translation differenceCourrency translation difference(21)Cision disposed of non-financial assets1Currency translation difference(21)(53)Finance costsRecognised impairmentCaste (Colspan="2">Colspan="2"Colspan="2"Colspan="2"Colspan="2"Colspan="2"Colspan="2"Colspa	for the year ended 31 December 2012		
Operating activities(26 404)(33 753)Non-cash adjustment to reconcile loss before tax to net cash flows: Depreciation of other property, plant and equipment and fleet21 88518 467Amortisation of intangible assets185242242Depreciation of investment properties2020Decrease in financial instruments-(16)Loss on disposal of non-financial assets1316Currency translation difference65(1830)Finance income(21)(53)Changes in fair value of financial assets-(16)Conseptide adjustments:-(16)(Increase)/decrease in trade and other receivables and prepayments(1873)1510Increase)/decrease in trade and other payables(7083)1 845Income tax paid(467)(650)Wet cash flows from operating activities2 1 3091 3951Proceeds from sale of non-current assets12 2 336Purchase of non-current assets12 2 336Purchase of non-current assets-2 390Placement of deposits with maturity more than three months(1000)-Loans issued18125Proceeds from sale of finance activities125(795)Proceeds from sale situalities(127)(795)Proceeds from sale of finance lass taxification125(795)Proceeds from sale of finance lassets(239)(24 481)Loans issued(125)(795)Proceeds from sale of finance lassets			
Loss before tax (26 404) (33 753) Non-cash adjustment to reconcile loss before tax to net cash flows: Depreciation of other property, plant and equipment and fleet 21 885 184 667 Amortisation of intergible assets 185 242 Depreciation of investment properties 20 20 Decrease in financial instruments - (16) Loss on disposit of non-financial assets 1 316 Currency translation difference 65 (1830) Finance income (21) (53) Finance income (21) (23 740) Currency translation difference 65 (1830) Finance income (21) (53) Currency translation adjustment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: (1873) 1510 Increase in inventories (748) (1278) Income tax pald (4677) (650) Net cash flows from operating activities 1 22 336	Operating activities	EUR'000	EUR'000
Non-cash adjustment to reconcile loss before tax to net cash flows: (1,2,3,3) Depreciation of other property, plant and equipment and fleet 21,885 18,467 Amortisation of intangible assets 185 2,422 Depreciation of investment properties 20 20 Decrease in financial instruments - (16) Loss on disposal of non-financial assets 1 316 Currency translation difference 65 (1830) Finance income (21) (53) Finance costs 13 951 14 700 Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: (1748) (1278) (Increase/Accrease in trade and other receivables and prepayments (1873) 1 510 Increase in inventories (748) (1278) 19797 Incount tax paid (4677) (650) 1 22 336 Purchase of non-current assets (3 858) (53 851) 1 22 336 Proceeds from sale of non-current assets (1 8000) -			
Depreciation of other property, plant and equipment and fleet 21 885 18 467 Amortisation of intragible assets 185 242 Depreciation of investment properties 20 20 Decrease in financial instruments - (16) Loss on disposal of non-financial assets 1 316 Currency translation difference 65 (1830) Finance income (21) (53) Finance income (21) (25) Charges in fair value of financial assets - (16) Working capital adjustments: - (16) Increase in inventories (748) (1278) (Decrease in irade and other receivables and prepayments (1873) 1510 Increase in inventories (748) (1278) (Decrease)/increase in trade and other payables (7083) 1845 Increase and inventories 1 22 336 Purchase of non-current assets 1 22 336 Purchase of non-current assets 1 23 300 Purchase of non-current assets 1 23 300	Loss before tax	(26 404)	(33 753)
Amortisation of intangible assets 185 242 Depreciation of investment properties 20 20 Decrease in financial instruments - (16) Loss on disposal of non-financial assets 1 316 Currency translation difference 65 (1830) Finance income (21) (53) Finance costs 13 951 14 700 Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: (1873) 1510 Increase in inventories (748) (1278) (Decrease)/increase in trade and other payables (7083) 1485 Income tax paid (467) (650) Net cash flows from operating activities 21 251 19797 Investing activities - 21 300 Proceeds from sale of financial instruments - 2 390 Placement of deposits with maturity more than three months (1 000) - Loans received 18 125 Interest receive	Non-cash adjustment to reconcile loss before tax to net cash flows:		
Depreciation of investment properties 20 20 Decrease in financial instruments - (16) Loss on disposal of non-financial assets 1 316 Currency translation difference 65 (1830) Finance income (21) (63) Finance costs 13 951 14 700 Recognised impairment 21 740 20 2033 Changes in fair value of financial assets - (16) Working capital adjustments: (1873) 1 510 (Increase)/decrease in trade and other receivables and prepayments (1873) 1 510 Income tax paid (2467) (650) Net cash flows from operating activities 21 23 19797 Investing activities 21 251 19797 Investing activities 2 2 300 2 300 Proceeds from sale of non-current assets 1 2 300 Proceeds from sale of non-current assets 1 8 225 Interest received - 1 083 Loans received - 1 083 Loans received <t< td=""><td>Depreciation of other property, plant and equipment and fleet</td><td>21 885</td><td>18 467</td></t<>	Depreciation of other property, plant and equipment and fleet	21 885	18 467
Decrease in financial instruments - (16) Loss on disposal of non-financial assets 1 316 Currency translation difference 65 (1 830) Finance income (21) (53) Finance costs 13 951 14 700 Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: - (16) (Increase)/decrease in trade and other receivables and prepayments (1 873) 1 510 Increase in inventories (748) (1 278) (Decrease)/increase in trade and other payables (467) (650) Net cash flows from operating activities 21 251 19 797 Investing activities - 2 336 Purchase of non-current assets (3 858) (5 38 31) Proceeds from sale of non-current assets (1 000) - Loans received 18 125 Net cash flows (used in)/from investing activities (1 27) (7 95) Proceeds from sale of financial instruments (1 000)	Amortisation of intangible assets	185	242
Loss on disposal of non-financial assets 1 1 (15) Currency translation difference 65 (1 830) Finance income (21) (63) Finance income 13 951 14 700 Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: (1 873) 1 510 (Increase)/decrease in trade and other receivables and prepayments (1 873) 1 510 Increase in inventories (748) (1 278) (Decrease)/increase in trade and other payables (7083) 1 845 Income tax paid (467) (650) Net cash flows from operating activities 21 251 1 9797 Investing activities 21 251 1 92 336 Purchase of non-current assets 1 22 336 (53 831) Proceeds from sale of financial instruments - 2 390 Placement of deposits with maturity more than three months (1000) - Loans received 18 125 Net cash flows (used in)/from investing activities <td< td=""><td>Depreciation of investment properties</td><td>20</td><td>20</td></td<>	Depreciation of investment properties	20	20
Currency translation difference 65 (1830) Finance income (21) (63) Finance costs 13 951 14 700 Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: - (16) (Increase) / increase in trade and other receivables and prepayments (1 873) 1 510 Increase in inventories (748) (1 278) (1 278) (Decrease) / increase in irade and other payables (7083) 1 845 (1 650) Increase fin one-current assets 21 21 251 19 797 19 797 Investing activities - 2 2 36 1 22 336 Proceeds from sale of non-current assets 1 22 336 (5 3 831) Proceeds from sale of non-current assets 1 8 22 390 - 2 2 900 Placement of deposits with maturity more than three months (1 000) - - Loans received 1 8 125 1 88 1 22 36 Net cash flows (used in)/from investing activities (5 239) (27		-	(16)
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Finance costs 13 951 14 700 Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: (173) 1 510 Increase in trade and other receivables and prepayments (1873) 1 510 Increase in inventories (748) (1 278) (Decrease)/increase in trade and other payables (7083) 1 845 Income tax paid (467) (650) Net cash flows from operating activities 21 251 19 977 Investing activities 1 22 336 Proceeds from sale of non-current assets 1 22 336 Purchase of non-current assets 1 22 336 Purchase of financial instruments - 2 390 Placement of deposits with maturity more than three months (1 000) - Loans received 18 125 Net cash flows (used in)/from investing activities (5 239) (27 897) Financing activities (1 125) (795) Proceeds from borrowings (2 4 44) 36 448 Repayment of finance lease liabilities (1 1 25	Currency translation difference	65	(1 830)
Recognised impairment 21 740 20 293 Changes in fair value of financial assets - (16) Working capital adjustments: (1873) 1 510 (Increase)/decrease in trade and other receivables and prepayments (1 873) 1 510 (Increase)/increase in inventories (748) (1 278) (Decrease)/increase in trade and other payables (7 083) 1 845 Income tax paid (467) (650) Net cash flows from operating activities 21 2251 19797 Investing activities 1 22 336 Purchase of non-current assets 1 22 336 Purchase of non-current assets 1 22 336 Purchase of non-current assets 1 23 390 Placement of deposits with maturity more than three months (1 000) - Loans received 18 125 Net cash flows (used in)/from investing activities (5 239) (27 897) Financing activities (1 125) (795) Payment of finance lease liabilities (1 125) (795) Proceeds from borrowings	Finance income	(21)	(53)
Changes in fair value of financial assets - (16) Working capital adjustments: (Increase)/decrease in trade and other receivables and prepayments (1 873) 1 510 Increase in inventories (748) (1 278) (Decrease)/increase in trade and other payables (7 7083) 1 845 Income tax paid (467) (650) Net cash flows from operating activities 21 251 19797 Investing activities 1 22 336 Purchase of non-current assets 1 22 336 Purchase of non-current assets 1 23 390 Placement of deposits with maturity more than three months (1 000) - Loans received 18 125 Net cash flows (used in)/from investing activities (5 239) (27 897) Financing activities (1 125) (795) Payment of finance lease liabilities (1 125) (795) Proceeds from borrowings 22 444 36 448 Repayment of borrowings (25 239) (24 081) Interest paid (1 2450) (1 3 412) Prepaid financing expenses (314) (976) <t< td=""><td></td><td>13 951</td><td>14 700</td></t<>		13 951	14 700
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(Increase)/decrease in trade and other receivables and prepayments (1 873) 1 510 Increase in inventories (748) (1 278) (Decrease)/increase in trade and other payables (7083) 1 845 Income tax paid (467) (650) Net cash flows from operating activities 21 251 19 797 Investing activities 1 22 336 Purchase of non-current assets 1 22 336 Purchase of non-current assets (1 800) - Proceeds from sale of financial instruments - 2 390 Placement of deposits with maturity more than three months (1 000) - Loans issued - 1 083 1053 Loans issued (400) - 1 083 Loans issued (1 25) (795) Financing activities (1 125) (795) Proceeds from borrowings (22 444 36 448 Repayment of borrowings (25 239) (24 081) Interest paid (11 2450) (13 412) Prepaid financing expenses (314) (976) Net cash flows used in financing activities (16 684) <td>Changes in fair value of financial assets</td> <td>-</td> <td>(16)</td>	Changes in fair value of financial assets	-	(16)
Increase in inventories(748)(1 278)(Decrease)/increase in trade and other payables(7 083)1 845Income tax paid(467)(650)Net cash flows from operating activities21 25119 797Investing activities122 336Purchase of non-current assets(3 858)(53 831)Proceeds from sale of financial instruments-2 390Placement of deposits with maturity more than three months(1 000)-Loans received-1 083Loans issued(400)-Interest received18125Proceeds from borrowings(1 125)(795)Proceeds from borrowings(2 2 390)(27 897)Financing activities(1 125)(795)Proceeds from sale of financial instruments(1 000)-Loans issued(1 125)(795)Proceeds from sole on borrowings(2 4 041)(1 125)Interest received(1 2 450)(1 3 412)Proceeds from borrowings(2 4 081)(1 2 450)Interest paid(1 2 450)(1 3 412)Prepaid financing expenses(3 141)(976)Net cash flows used in financing activities(1 6 684)(2 8 61)Net cash flows used in financing activities(3 16 (1 6 16 684)(2 8 61)Net cash flows used in financing activities(1 16 684)(2 8 61)Net cash flows used in financing activities(1 6 72)(1 0 916)	Working capital adjustments:		
(Decrease)/increase in trade and other payables (7 083) 1 845 Income tax paid (467) (650) Net cash flows from operating activities 21 251 19 797 Investing activities 1 22 336 Purchase of non-current assets 1 22 336 Purchase of non-current assets (3 858) (53 831) Proceeds from sale of financial instruments - 2 390 Placement of deposits with maturity more than three months (1 000) - Loans received - 1 083 Loans issued (400) - Interest received 18 125 Payment of finance lease liabilities (1 125) (795) Proceeds from borrowings 22 444 36 448 Repayment of borrowings (25 239) (24 081) Interest paid (12 450) (13 412) Prepaid financing expenses (314) (976) Net cash flows used in financing activities (16 684) (2 816) Net cash flows used in financing activities (16 622) (10 916)	(Increase)/decrease in trade and other receivables and prepayments	(1 873)	1 510
Income tax paid(467)(650)Net cash flows from operating activities21 25119 797Investing activities21 25119 797Proceeds from sale of non-current assets122 336Purchase of non-current assets(3 858)(53 831)Proceeds from sale of financial instruments-2 390Placement of deposits with maturity more than three months(1 000)-Loans received-1 083Loans received-1 083Loans received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings(2 2 44436 448Repayment of borrowings(2 2 239)(24 081)Interest paid(1 2 450)(1 3 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(1 6684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Increase in inventories	(748)	(1 278)
Net cash flows from operating activities21 25119 797Investing activities122 336Proceeds from sale of non-current assets122 336Purchase of non-current assets(3 858)(53 831)Proceeds from sale of financial instruments-2 390Placement of deposits with maturity more than three months(1 000)-Loans received-1 083Loans issued(400)-Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities1125(795)Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(24 081)(1125)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(314)(2816)Net cash flows used in financing activities(16 684)(2 816)	(Decrease)/increase in trade and other payables	(7 083)	1 845
Investing activitiesProceeds from sale of non-current assets122 336Purchase of non-current assets(3 858)(53 831)Proceeds from sale of financial instruments-2 390Placement of deposits with maturity more than three months(1 000)-Loans received-1 083Loans issued(400)-Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities1125(795)Proceeds from borrowings22 44436 448Repayment of finance lease liabilities(1 125)(795)Proceeds from borrowings(25 239)(24 081)Interest paid(1 2450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Income tax paid	(467)	(650)
Proceeds from sale of non-current assets 1 22 336 Purchase of non-current assets (3 858) (53 831) Proceeds from sale of financial instruments 2 390 Placement of deposits with maturity more than three months (1 000) - Loans received - 1 083 Loans issued (400) - Interest received 18 125 Net cash flows (used in)/from investing activities (5 239) (27 897) Financing activities 1 25 Payment of finance lease liabilities (1 125) (795) Proceeds from borrowings 22 444 36 448 Repayment of borrowings (25 239) (24 081) Interest paid (12 450) (13 412) Prepaid financing expenses (314) (976) Net cash flows used in financing activities (16 684) (2 816) Net decrease in cash and cash equivalents (672) (10 916)	Net cash flows from operating activities	21 251	19 797
Purchase of non-current assets(3 858)(53 831)Proceeds from sale of financial instruments-2 390Placement of deposits with maturity more than three months(1 000)-Loans received-1 083Loans issued(400)-Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of finance lease liabilities(1 2 50)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net cash flows used in financing activities(10 916)	Investing activities		
Proceeds from sale of financial instruments(1000)Placement of deposits with maturity more than three months(1000)Loans received-Loans issued(400)Interest received18Net cash flows (used in)/from investing activities(5 239)Financing activities(1125)Payment of finance lease liabilities(1125)Proceeds from borrowings(22 444)Repayment of borrowings(25 239)Interest paid(12 450)Interest paid(12 450)Net cash flows used in financing activities(314)Verease in cash and cash equivalents(672)(10 916)	Proceeds from sale of non-current assets	1	22 336
Placement of deposits with maturity more than three months(1 000)-Loans received-1 083Loans issued(400)-Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(25 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Purchase of non-current assets	(3 858)	(53 831)
Loans received1 083Loans issued(400)-Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(25 239)(24 081)Interest paid(1 2 450)(1 3 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Proceeds from sale of financial instruments	-	2 390
Loans issued(400)-Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(25 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Placement of deposits with maturity more than three months	(1 000)	-
Interest received18125Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(25 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Loans received	-	1 083
Net cash flows (used in)/from investing activities(5 239)(27 897)Financing activities(1 125)(795)Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(25 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Loans issued	(400)	-
Financing activities(1 125)(795)Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(22 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Interest received	18	125
Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(22 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Net cash flows (used in)/from investing activities	(5 239)	(27 897)
Payment of finance lease liabilities(1 125)(795)Proceeds from borrowings22 44436 448Repayment of borrowings(25 239)(24 081)Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	Financing activities		
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Interest paid(12 450)(13 412)Prepaid financing expenses(314)(976)Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)		(25 239)	(24 081)
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Net cash flows used in financing activities(16 684)(2 816)Net decrease in cash and cash equivalents(672)(10 916)	•		· · · ·
Net decrease in cash and cash equivalents(672)(10 916)			
		(10 004)	(2 0 2 0)
Cash and cash equivalents at 1 January20 88632 330	Net decrease in cash and cash equivalents	(672)	(10 916)
	Cash and cash equivalents at 1 January	20 886	32 330
Exchange osses on cash and cash equivalents (470) (528)	Exchange osses on cash and cash equivalents	(470)	(528)
Cash and cash equivalents at 31 December 19 744 20 886	Cash and cash equivalents at 31 December	19 744	20 886

These financial statements should be read in conjunction with the audited consolidated financial statements of JSC "Latvian Shipping Company" and its subsidiaries for year 2012.

These financial statements are translated into Euros using the rate of exchange set by the Bank of Latvia prevailing at the 31.12.2012: 1 EUR = 0.702804 LVL, 31.12.2011: 1 EUR = 0.702804 LVL.