



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED REPORT FOR THE YEAR 2012

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

AND INDEPENDENT AUDITOR'S REPORT

(Translation of the Latvian original)

Original of consolidated financial report in LVL expressed in EUR. Exchange rate 0,702804 EUR/LVL.

LATVIJAS JURAS MEDICINAS CENTRS JSC
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LATVIJAS JURAS MEDICINAS CENTRS JSC
INFORMATION ABOUT PARENT COMPANY

COMPANY NAME: LATVIJAS JURAS MEDICINAS CENTRS JSC

LEGAL STATUS: Joint stock company

REGISTRATION: Registered in Latvian Register of Enterprises at 27.08.2004.
Registration Number: 40003306807

LEGAL ADDRESS: 23, Patversmes str., Riga, LV - 1005, Latvia

SHARES 800 000 public registered shares with face value 1,00 LVL
ISIN code:LV0000100741

MAJOR SHAREHOLDERS: Ilze Birka 17.5%
Martins Birks 17.5%
Ilze Aizsilniece 11.45%
Guna Shvarcberga 10.36%
Janis Birks 8.53%

REPORTING PERIOD: January 1, 2012 – December 31, 2012

AUDITORS NAME AND ADDRESS: System audit Ltd.
Licence No.53
Matisa str. 19-6
Riga, LV-1001
Latvia

Council of the Group

Number of shares
owned at
31/12/2012

From April 28, 2010 till the consolidated financial statements signing day

Position	Name	
Chairman of the Council	Martins Birks	140,000
Member of the Council	Viesturs Shilinsh	3,038
Member of the Council	Ineta Gadzjus	-
Member of the Council	Jevgenijs Kalejs	5,283
Member of the Council	Uldis Osis	-

Board of the Group

From August 18, 2009 till the consolidated financial statements signing day

Position	Name	
Chairman of the Board	Janis Birks	68,215
Member of the Board	Marta Aizsilniece	1,344
Member of the Board	Andris Vigants	700

MANAGEMENT REPORT

In accordance with the paragraph 1 of Section 4 of the law "On Consolidated Annual Accounts" the joint stock company is under an obligation to prepare the consolidated annual report.

The consolidated financial report contains information concerning the current financial situation and future development of parent company JSC "Latvijas Juras medicinas centrs" (hereinafter referred to as LJMC) and its subsidiary company "Juras medicina" Ltd. (hereinafter referred to as JM).

This audited consolidated financial report is prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and is based on business continuation principle. The financial statements were drawn up in Latvian lats (LVL) and euros (EUR). The applied currency exchange rate is EUR/LVL 0.702804.

The current financial condition of the Group of companies and its development

The share of the parent company constitutes the dominant part of the group's assets, turnover and profits.

The loss after taxes of LJMC was 53937 LVL

The loss after taxes of JM was 6142 LVL

The Group financial indexes

	2012	2011	2010
Net sales (mil. LVL)	3.79	3.52	3.36
Assets at the end of year (mil. LVL)	3.72	3.94	3.57
Profit (loss) after taxes (LVL)	-68,181	-82,094	-105,838
EBITDA (LVL)	413,449	318,219	265,069
Profit (loss) after taxes on shareholders' equity (ROE) (%)	-2.4%	-2.8%	-3.5%
Profit (loss) after taxes on share (LVL)	-0.09	-0.10	-0.13
LJMC share market price at the end of the year (LVL)	1.90	1.45	1.25
LJMC dividends on share (LVL)	0.00	0.00	0.00
CR	3.36	2.03	3.10
DR	0.18	0.20	0.16

Important events that affected results of the Group's activities in reporting period

Key developments in LJMC during the year 2012 is offering new medical services, improving the quality of existing services with the help of modern medical technology, new specialists and better patient service culture.

A contract was signed with the National Health Service on state-paid medical services at last year's level.

The "Doctor's Office" information system and patient's queue control system were implemented in the Northern diagnostic center and Sarkandaugava ambulatory health care center. The rehabilitation service for the neurological patients has begun. The transition to an optical Internet in all company's areas is finished.

The reconstruction and renovation of the hospital corps at Patversmes Street 23 as ERDF project to provide an outpatient medical service was completed at April 26. Additionally, new medical equipment, furniture and computer equipment for day-patient and family physicians' offices were purchased or built. The total cost amounted to LVL 660 000. Of these, the ERDF funding was LVL 436 035. In addition to the ERDF project all cabinets and support service areas (reception, wardrobe, and waiting rooms) have been equipped with the necessary furniture, equipment, blinds, and information and communication technologies. A digital communication equipment and medical information system "The Doctor's Office" has been introduced in the new corp and other departments. New patient Corps opening took place at 27th of September. Consequently at Patversmes Street 23 have begun the work several new professionals (oculists, pulmonologists, also bronchoscopes are performed). The general practitioner, gynecologist, urologist and laboratories possibilities to provide high quality medical services have significantly improved.

MANAGEMENT REPORT

In Surgery clinic at Patversmes Street 23, 4 luxury class wards were built. Redecoration of several rooms in North diagnostic center was done. The landscaping at Patversmes Street 23 is done to develop friendly and enjoyable environment for patients. For patient's convenience, additionally a new parking for 36 cars was allocated. In landscaping during the reporting period a sum of LVL 124,000 was invested.

Investments made in buildings and hardware resulted in increase of depreciation amount in the second half of the year by LVL 10,000 per month compared to the same period in 2011. In the third quarter for the outpatient care the purchased inventories was for more than LVL 30,000. Communication and building repairment were made for LVL 119,000 (throughout 2011 – LVL 65,000). Large amount of purchase and VAT increase from June 2011 resulted in increase of non-deductible VAT amount. In 9 months of 2012 it is about LVL 55,000 higher compared to 9 months of 2011.

As a result of these measures the outpatient visits to Latvijas Juras medicinas centrs at Patversmes street 23 in the fourth quarter of 2012 had doubled compared to the fourth quarter of 2011. Sales growth in 2012 was 7.6% higher compared with 2011.

Overall, the 2012th revenue plan is executed at 106.32%. The expenditure side overran by LVL 203,655 (5.4%): repairs and current assets – LVL 98,000, depreciation – LVL 24,000, VAT – LVL 64,000, material and wage growth due to the increase in turnover for LVL 31,000. Estimated losses before taxes were LVL 70,000; actual losses before taxes are LVL 42,000.

Internal transactions with subsidiaries and associated companies in the year 2012 were not made.

The share price at the 31.12.11 was LVL 1,45; 31.03.12 - LVL 1,80; 30.06.12 - LVL 1,95; 30.09.12 - LVL 1,70; 31.12.12 - LVL 1,90

Important Events after the Balance Sheet Date

In March 2013, Joint-stock company Latvijas Jūras medicīnas centrs “Ziemeļu diagnostikas centrs” received a quality certificate ISO 9001:2008 for functional diagnostics and radiology from DVN Certification OY/AB, Finland. This certificate is valid till March 14, 2016. The work on the initiation of ISO quality standards in the other structural units continues.

The share price at the 04.04.13 was LVL 1,70.

Future Development of the Group

The Board is planning to develop ambulatory care and offer new, high-quality services for the diagnostic and medical treatment, including Patversmes street 23 area. The development of joint computerized information and accounting system will continue. That will provide precise details of the services rendered to patient; the medical information will be in a digital format, as well as perspective – integration into the e-health system. The Board is optimizing the company's organization coping with the ongoing changes in the health service structure and changing public procurement levels.

Risk Management

On a regular basis the significant risks are assessed, involving a wide range of specialists. Measures are taken to mitigate the potential impact on business activities. Constantly, the Group's future development scenarios are reviewed based on the underlying and predictable market changes.

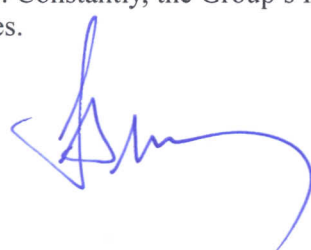
On behalf of the Group:

Chairman of the Board
Janis Birks

Member of the Board
Marta Aizsilniece

Member of the Board
Andris Vigants

Riga, 9 April, 2013.



LATVIJAS JURAS MEDICINAS CENTRS JSC
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Consolidated financial statements are prepared to the best of our knowledge, in accordance with International Financial Reporting Standards adopted by the European Union. These financial statements give a true and fair view of the financial position of the Group and of its financial performance for the period ended 31 December 2012 in all essential aspects. In preparing those financial statements, management:

- selected suitable accounting policies and then apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The management Board is also responsible for operation of the Company in compliance with the legislation of the Republic of Latvia.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 9 April, 2013.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2012 AND 31 DECEMBER 2011

	December 31, 2012	December 31, 2011	Notes
ASSETS	EUR	EUR	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	21,675	1,042	2
Total intangible assets	21,675	1,042	
Fixed assets			
Land and buildings	2,501,696	1,765,229	
Technological equipment and machines	1,112,949	1,263,845	
Other fixed assets and fixtures	53,890	55,755	
Fixed assets add-ons (EU funds)	156,571	156,571	
Unfinished construction	-	585,610	
Advance payments for fixed assets	4,727	8,584	
Total fixed assets	3,829,833	3,835,594	2
Long-term financial assets			
Investment in associates	192,532	203,367	3
Total financial assets:	192,532	203,367	
Total long-term investments:	4,044,039	4,040,003	
Current assets:			
Inventories			
Raw materials	97,676	95,526	4
Total Inventories	97,676	95,526	
Debtors:			
Trade receivables	110,406	203,293	5
Other receivables	9,501	44,729	6
Deferred expenditure	3,960	3,556	7
Total debtors	123,867	251,578	
Cash funds	1,031,632	1,215,872	8
Total current assets	1,253,174	1,562,976	
TOTAL ASSETS	5,297,214	5,602,979	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2012 AND 31 DECEMBER 2011

	December 31, 2012 EUR	December 31, 2012 EUR	Notes
LIABILITIES			
Equity capital:			
Share capital	1,138,297	1,138,297	9
Reserves:			
c) reserves provided by the Articles of Association	45,522	45,522	
d) fixed asset's revaluation reserve	929,363	1,068,067	23
Retained earnings:			
a) brought forward from previous years	2,089,620	2,043,196	
b) current year comprehensive income (loss)	-96,947	-116,758	
Total shareholders' equity	4,105,855	4,178,324	
Non-controlling interest	1,865	1,931	
Total equity capital	4,107,720	4,180,255	
Provisions for liabilities and charges:			
Provisions for vacations	69,253	119,792	
Deferred tax provisions	151,098	158,387	22
Total provisions	220,350	278,179	
Non-current liabilities:			
Deferred income	596,678	372,790	10
Total non-current liabilities	596,678	372,790	
Current liabilities:			
Advance payments	18,270	191,492	11
Trade Payables	89,772	348,293	12
Taxes and social security payments	121,261	107,125	13
Other payables	143,162	124,846	14
Total current liabilities	372,465	771,756	
Total liabilities	969,144	1,144,545	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5,297,214	5,602,979	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

	2012	2011	Notes
	EUR	EUR	
Net sales	5,391,741	5,008,958	15
Cost of goods sold	(5,135,134)	(4,837,492)	16
Gross profit or loss	256,606	171,466	
Administrative expenses	(479,323)	(396,330)	17
Other operating income	149,830	124,305	18
Other operating expenses	(7,163)	(2,452)	19
Income from investment in associate	186	11,022	20
Interest income and similar income	38	-	21
Profit (loss) before taxes	(79,825)	(91,989)	
Corporate income tax	(17,188)	(24,821)	22
NET PROFIT OR LOSS	(97,013)	(116,809)	
Other comprehensive income			
Peļņa no asociētā uzņēmuma daļu iegādes	-	7	
Other comprehensive income for the year, net of tax	-	7	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(97,013)	(116,802)	
Profit attributable to			
Owners of LJMC	(96,947.4)	(116,758)	
Non-controlling interest	(65)	(44)	
	(97,013)	(116,802)	
Total comprehensive income attributable to			
Owners of LJMC	-	-	
Non-controlling interest	-	-	
	-	-	
EBITDA	588,285	452,785	
Number of shares	800,000	800,000	
Earnings per Share (EPS)	(0.12)	(0.15)	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

	Share capital	Reserves provided by the Articles of Associatio n	Properties revaluation reserve	Previous years retained earnings	Current year profit	Non- controlli ng interest	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
At 31 December 2010	1,138,297	45,522	1,206,772	2,030,560	(150,547)	1,975	4,272,580
Previous years retained earnings	-	-	-	(150,547)	150,547	-	-
Depreciation of revaluation surplus	-	-	(163,182)	163,182	-	-	-
Deffered tax on revaluation surplus	-	-	24,478	-	-	-	24,478
Profit on purchase of shares from associates	-	-	-	-	7	-	7
Total comprehensive income for the year	-	-	-	-	(116,765)	(44)	(116,809)
At 31 December 2011	1,138,297	45,522	1,068,067	2,043,196	(116,758)	1,931	4,180,255
Previous years retained earnings	-	-	-	(116,758)	116,758	-	-
Depreciation of revaluation surplus	-	-	(163,182)	163,182	-	-	-
Deffered tax on revaluation surplus	-	-	24,478	-	-	-	24,478
Total comprehensive income for the year	-	-	-	-	(96,947)	(65)	(97,013)
At 31 December 2012	1,138,297	45,522	929,363	2,089,620	(96,947)	1,865	4,107,720

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

	2012 EUR	2011 EUR	NOTES
Cash flows from operating activities			
Net income before tax	(79,825)	(91,989)	
Adjustments:			
a) depreciation of fixed assets	678,852	564,593	2
b) depreciation of intangibles	6,446	4,993	2
c) provisions	(50,539)	(10,464)	
d) loss (gain) on sale of fixed assets	582	(2,817)	
e) interest income	(38)	-	21
f) gain (loss) from investments in associates	(186)	11,022	20
2. Changes in operating current assets and liabilities	555,291	475,337	
Corrections			
a) receivables	111,851	(48,006)	
b) inventory	(2,150)	(13,284)	
c) current liabilities	(378,350)	365,933	
3. Gross operating cash flow	286,642	779,980	
4. Paid corporate income tax	(5,080)	(16,983)	13
5. Net cash used in operating activities	281,563	762,996	
II. Cash flow used in investment activities			
1. Purchase of shares of associates	-	(137)	
2. Purchase of fixed assets	(701,282)	(1,610,489)	2
3. Income from sale of fixed assets	531	10,488	
4. Received dividends	11,022	-	
5. Received interest	38	-	21
6. Net cash from investment activities	(689,692)	(1,600,137)	
III. Cash flows used in financing activities			
1. Received grants (EU funds)	223,889	283,765	
2. Net cash from financing activities	223,889	283,765	
IV. Net increase (decrease) in cash	(184,240)	(553,376)	
V. Cash at the beginning of the period	1,215,872	1,769,249	
VI. Cash at the end of the period	1,031,632	1,215,872	

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

GENERAL INFORMATION

"Latvijas Juras Medicinas Centrs" is a joint-stock company (the Company) incorporated in the Republic of Latvia on 27 August 1996. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary - "Juras medicina" Ltd. (the Group).

The Group's main activity is health care services.

1. ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements have been prepared in accordance with the International financial reporting standards adopted by the European Union. Enclosed financial statements are prepared in the national currency of Latvia, the lats (LVL).

There is no difference in the dates of the Statements of financial position of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the net assets.

All significant intercompany transactions and balances among Group companies are eliminated on consolidation.

The net assets' portion attributed to the parent company are offset with the investment and have been eliminated. The retained earnings portion attributed to the parent company are earned after the acquisition date of shares are included in the consolidated retained earnings.

Foreign currency

Transactions denominated in foreign currencies are converted into Lats by the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted by the exchange rate of the Bank of Latvia as on the date of statements of financial position.

The applicable rate used for the principal currencies were the follows:

	December 31, 2012	December 31, 2011
EUR	0.702804	0.702804
USD	0.546	0.531

Gain or loss on conversion is posted to the statement of comprehensive income on the official exchange rate of the Bank of Latvia as of the statement of financial position date and recognized in the period when they incurred.

Exchange differences rising on the settlement of monetary items are recognized in the period in which they arise.

Cash and cash equivalents

The statement on cash flows is prepared according to IAS 7.

Trade receivables

Trade receivables are stated at their net realizable value. Trade receivables represent the gross balance due from customers less provision, if any, for doubtful accounts receivable. Provision for doubtful accounts receivable at the balance sheet date represents the estimated amounts of probable losses that might have been incurred at the statement of financial position date based on individual evaluation of each debtor.

Inventory

Inventories are stated at the lower of cost or market, using FIFO method.

Fixed assets

Fixed assets excluding real estate are stated at historical cost, less accumulated depreciation. The cost of the item comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to working condition for intended use. The cost of self-constructed asset is determined using the same principles as for an acquired asset. Only assets with its useful life more than one year are capitalized. Depreciation is calculated based on the historical cost.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

Separate accounts are used for assets acquired by EU funding.

Repair and maintenance costs are expensed when incurred. Capital expenditures such as refurbishment of buildings and improvements to structural elements are recognized as an asset if the expenditures improve the condition of the asset beyond its original estimated life.

Land and buildings (real estate) are accounted according to the revaluation model, recognized at the fair value determined from market-based evidence. Buildings are revaluated as on 31.12.2011 based on the cadastral value as fair value. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Depreciation is calculated based on the revalued amount. The depreciation charge for each period is recognised in the statement of income.

The increase (decrease) in the value of buildings and constructions is reflected in the Statement of comprehensive income under "Gains (losses) from revaluation of properties". Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss.

Depreciation is provided on all fixed assets based on historical cost. Depreciation on fixed assets are computed using the straight-line method over the estimated average useful lives:

Buildings:	20 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

For tax purposes, depreciation on tangible fixed assets are calculated under the double declining balance method over the period established in accordance with prevailing tax legislation.

Investments in associates

Investments in associates are initially recognized at the cost.

Revenue recognition

Sales of goods are recognized when goods are delivered and title has passed.

Dividends

Dividends are recognized as liabilities in the Company financial statements after the Company shareholders made a decision to pay.

Deferred income

Government grants are accounted according to IAS 20. A government grant is recognised only when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received.

The grant is recognised as income in the statement of profit or loss and other comprehensive income the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Government grants related to assets, including non-monetary grants, are accounted for at fair value, presented as deferred income in the statement of financial position, which are recognised as income from the different exercises on a systematic and rational, over the life of the related assets.

Property revaluation surplus

The revaluation surplus is included in other comprehensive income and accrued amount is reflected in equity under the heading "Investment revaluation reserve". According to IASs 16, p.41, the revaluation surplus included in equity is transferred directly to retained earnings. The surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

Taxation

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in opinion of management, it is more likely than not that some proportion or all deferred tax assets will not be realized.

Deferred tax on revaluation surplus is reflected in the Statement of other comprehensive income.

Risk Management

The Management Board is responsible for setting up risk management guidelines and risk monitoring.

The Company has identified the major risk factors and developed policies and mechanisms to control these factors. The major risks are defined as:

Market risk: a country's economic deterioration, changes in the public and the insurer health care and its financing policy, competition, changes in utility tariffs, etc. can significantly affect the demand for Groups services and its profitability.

Operational risk: The possibility of suffering losses caused by inadequate or failed internal pace of the medical treatment process, actions of staff or systems, or external events impact. Patient dissatisfaction with the quality of medical services, treatment process organization or staff attitudes in the long term can lead to a fall in income and even financial claims.

Credit Risk: The inability of insurance companies and patients to pay for the services in time and in full amount.

Liquidity risk: unable to meet the legally enforceable requirements without major damage and inability to cope with unplanned changes in Groups resources and / or market conditions related to the fact that it does not have sufficient liquid assets.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

2. TOTAL FIXED ASSETS AND OTHER INTANGIBLE (FIXED) ASSETS

As on 31 December 2012 and 31 December 2011
fixed assets are composed as follows:

EUR	Intangible assets	Land & buildings	Machinery and equipment	Other fixed assets	Fixed assets add-ons (EU fonds)	Unfinished building objects	Advance payments for fixed assets	Total
Historical cost								
At 31 December 2010	37,097	3,615,026	2,675,090	502,561	3,826	1,988	250,201	7,085,789
Additions	1,131	-	1,006,073	14,905	579,796	8,584	-	1,610,489
Transfers	-	-	-	-	1,988	(1,988)	-	-
Disposals	(697)	93,629	(90,820)	(37,404)	-	-	(93,629)	(128,922)
At 31 December 2011	37,531	3,708,656	3,590,342	480,061	585,610	8,584	156,571	8,567,356
Additions	27,079	69,785	246,968	40,149	321,159	(3,857)	-	701,282
Transfers	-	906,769	-	-	(906,769)	-	-	-
Disposals or change in classification	-	-	(44,603)	(18,772)	-	-	-	(63,375)
At 31 December 2012	64,610	4,685,210	3,792,708	501,439	-	4,727	156,571	9,205,263
Accumulated depreciation								
At 31 December 2010	32,194	1,728,483	2,105,288	416,421	-	-	-	4,282,386
Charge for the year	4,993	51,761	305,491	44,159	-	-	-	406,404
Charge for the period for revaluated fixed assets	-	163,182	-	-	-	-	-	163,182
Disposals	(697)	-	(84,281)	(36,273)	-	-	-	(121,251)
At 31 December 2011	36,490	1,943,427	2,326,498	424,306	-	-	-	4,730,720
Charge for the year	6,446	76,905	397,863	40,902	-	-	-	522,116
Charge for the period for revaluated fixed assets	-	163,182	-	-	-	-	-	163,182
Disposals or change in classification	-	-	(44,603)	(17,659)	-	-	-	(62,262)
At 31 December 2012	42,935	2,183,513	2,679,759	447,549	-	-	-	5,353,756
Net book value								
At 31 December 2010	4,903	1,886,543	569,802	86,141	3,826	1,988	250,201	2,803,403
At 31 December 2011	1,042	1,765,229	1,263,845	55,755	585,610	8,584	156,571	3,836,636
At 31 December 2012	21,675	2,501,696	1,112,949	53,890	-	4,727	156,571	3,851,508

3. INVESTMENT IN ASSOCIATES

	Capital share (%)	Amount of investment	Capital share (%)	Amount of investment
	2012		2011	
	EUR		EUR	
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45.32	192,532	45.32	203,367
Total participating interests in associated enterprises		<u>192,532</u>		<u>203,367</u>

SIA "Neirozu klinika" 64 shares have been bought for 96 LVL (0,03% from total capital).

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4. RAW MATERIALS

	2012	2011
	EUR	EUR
Pharmaceutical	96,927	94,479
Food products	391	78
Food products	-	645
Other materials	357	324
Total	97,676	95,526

5. TRADE RECEIVABLES

	2012	2011
	EUR	EUR
Riga's health department	29,320	9,515
P.Stradiņa klīniskā universitātes slimnīca	24,865	70,325
Other customers	22,819	22,212
Riga's health department	9,933	78,601
Gjensidege Baltic	4,963	5,098
Latvian University	4,172	3,129
Ergo Latvija AAS	3,392	6,258
SEESAM Latvija	2,943	2,040
IF Latvija AAS	2,484	4,361
Latvian railway JSC	1,722	1,736
Olla M Ltd.	1,652	1,695
Baltijas apdrošināšanas nams	1,614	1,466
Compensa Life Vienna Insurance group	1,384	199
Ministry of Interior – health and social department	1,207	64
Balva AAS	1,030	1,690
Balta AAS	680	364
Biogen Idec Ltd.	178	1,198
Bad debt provisions	(3,950)	(6,659)
Total	110,406	203,293

6. OTHER RECEIVABLES

	2012	2011
	EUR	EUR
Taxes overpaid (note No.12)	5,111	21,060
VAT for unpaid invoices	2,906	1,565
Other receivables	1,484	22,104
Total	9,501	44,729

7. DEFERRED EXPENDITURE

	2012	2011
	EUR	EUR
Assurance	3,960	3,556
Total	3,960	3,556

8. CASH FUNDS

	2012	2011
Cash in banks	1,022,511	1,211,109
Cash on hands	9,121	4,764
Total	1,031,632	1,215,872

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9. SHARE CAPITAL

	2012		2011	
Shareholders:	Number of shares	Share %	Number of shares	Share %
Ilze Birka	140,000	17.50%	140,000	17.50%
Martins Birks	140,000	17.50%	140,000	17.50%
Ilze Aizsilniece	91,565	11.45%	91,565	11.45%
Guna Shvarcberga	82,917	10.36%	82,917	10.36%
Janis Birks	68,215	8.53%	67,983	8.50%
Other shareholders (shares less than 5%)	277,303	34.66%	277,535	34.69%
Total	800,000	100.00%	800,000	100.00%

	2012	2011
Share equity	1,138,297	1,138,297

10. DEFERRED INCOME

	2012 EUR	2011 EUR
ERAF projektu izdevumu atlīdzināšana	596,678	372,790
Total	596,678	372,790

11. ADVANCE PAYMENTS

	2012 EUR	2011 EUR
VEK advance payment for 2010	4,169	189,906
Other advances	14,101	1,585
Total	18,270	191,492

12. TRADE PAYABLES

	2012 EUR	2011 EUR
Tradintek	54,386	172,930
Latvenergo Rīgas elektrotīkls	11,192	10,176
Sistēmu Audits SIA	6,026	6,076
Latvijas Gaze	978	1,117
Latvenergo Rīgas elektrotīkls	152	430
Būvprojektu vadība	-	127,502
Latvijas Gaze	-	15,033
Other suppliers	17,037	15,030
Total	89,772	348,293

13. TAXES AND SOCIAL SECURITY PAYMENTS

	As of 31-12-11	Calculated	Paid	Returned	As of 31-12-12
	EUR	EUR	EUR	EUR	EUR
Value added tax	2,423	38,342	(39,664)	184	1,285
Social insurance	66,516	859,386	(832,253)	(17,339)	76,310
Personal income tax	37,497	488,027	(481,925)	(285)	43,314
Corporate income tax	(20,966)	-	(5,080)	20,940	(5,105)
Unemployment duty	108	1,485	(1,478)	-	115
Natural resources tax	302	1,158	(1,222)	-	238
Uzņēmuma vieglo a/m trasp.nodoklis	279	1,541	(1,820)	-	-
Real estate tax	(94)	5,949	(5,861)	-	(6)
Total, including	86,065	1,395,888	(1,369,304)	3,500	116,150
due to the budget	107,125				121,261
overpayment	(21,060)				(5,111)

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14. OTHER PAYABLES

	2012	2011
	EUR	EUR
Salaries	141,765	123,515
Trade union	913	847
Deposited salary	484	484
Total	143,162	124,846

15. NET SALES

	2012	2011
	EUR	EUR
Medical ambulant services	3,404,850	3,143,148
Medical hospital services	1,269,673	1,158,223
Insurance payments	301,448	269,518
VS ZDC ambulant services	228,966	233,364
Stomatology services	64,526	64,204
Family doctors	39,557	38,393
Residents training	37,110	45,188
Services - minimum fixed part	13,144	13,144
Other income	32,467	43,776
Total	5,391,741	5,008,958

16. COST OF GOODS SOLD

	2012	2011
	EUR	EUR
Salaries and wages	2,121,882	2,233,054
Fixed assets depreciation	685,298	569,587
Medical goods	677,331	609,218
Social tax	498,042	524,267
VAT - expenses	317,670	226,403
Public utilities	232,980	187,065
Repair expenses	194,499	92,985
Current assets write-off	84,796	31,556
Feeding expenses	38,349	26,061
Security expenses	33,867	40,097
Household goods	30,945	23,379
Computer maintenance, repair	25,661	21,289
Medical researches	25,441	22,146
Utilities	21,675	22,553
Advertising	17,850	17,251
Employees trainings	9,606	6,586
Transport expense	9,508	7,668
Office expenses	9,446	13,504
Insurance expenses	4,834	4,636
Allowances to employees	1,707	1,707
Unemployment duty	1,485	1,525
Gifts to employees	847	1,448
Rent of equipment	-	48,484
Accruals for vacations	(2,709)	6,658
Received discounts	(14,644)	(11,346)
Other operating expenses	108,769	109,711
Total	5,135,134	4,837,492

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17. ADMINISTRATIVE EXPENSES

	2012	2011
	EUR	EUR
Salaries and wages	261,019	198,647
Social tax	61,376	46,386
Board remuneration	33,583	34,249
Board chairperson remuneration	31,117	30,512
Council members remuneration	19,123	19,123
Communication expenses	15,181	14,745
Council chairperson remuneration	8,196	8,196
Office expenses	8,174	5,637
Chairperson of the Board social tax	7,496	7,349
Board members social tax	7,137	7,056
Audit expenses	7,114	7,114
Bank expenses	5,807	5,024
Council members social tax	4,135	4,418
Presentation expenses	2,927	2,767
Other administrative expenses	2,730	3,130
Legal services	2,234	-
Chairperson of the Council social tax	1,975	1,975
Total	479,323	396,330

18. OTHER OPERATING INCOME

	2012	2011
	EUR	EUR
Rent income	72,645	81,697
Hotel services – food	17,554	18,563
Utilities for tenants	14,139	3,702
Laundry income	1,225	1,688
Solarium income	679	905
Feeding income	-	332
Other income	43,588	17,419
Total	149,830	124,305

19. OTHER OPERATING EXPENSES

	2012	2011
	EUR	EUR
Real estate tax	686	643
Loss from fixed assets disposals	582	-
Penalties	511	121
Currency exchange loss	-	-
Other expenses	5,384	1,688
Total	7,163	2,452

20. INCOME FROM INVESTMENT IN ASSOCIATE

	2012	2011
	EUR	EUR
Neurology clinic Ltd.	186	11,022
Total	186	11,022

21. INTEREST INCOME AND SIMILAR INCOME

	2012	2011
	EUR	EUR
Interest income	38	-
Total	38	-

LATVIJAS JURAS MEDICINAS CENTRS JSC
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22. CORPORATE INCOME TAX

	2012 EUR	2011 EUR
Deferred Corporate income tax	17,188	24,821
Calculated Corporate income tax	-	-
Total	17,188	24,821

	2012 EUR	2011 EUR
Profit (loss) before tax	(79,825)	(91,989)
Loss from subsidiary	9,425	6,350
Evaluation of the associate company	10,834	11,022
Theoretically calculated corporate income tax, rate 15%	(8,935)	(11,192)
Permanent differences	7,574	1,456
Calculated corporate income tax	-	-

Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	-536,813	-472,765
Temporary difference of fixed assets revaluation	-539,759	-702,941
Accruals for vacations	69,253	119,792
Total temporary differences	-1,007,319	-1,055,915
Tax rate applied	15%	15%
Deferred tax liabilities	(151,098)	(158,387)
Recognized deferred tax liabilities	151,098	158,387

Movement and components of deferred tax

Deferred tax liabilities (asset) at the beginning of the financial year	158,044	158,044
Deferred tax charged to the income statement	24,821	24,821
Changes in deferred tax recognised in properties revaluation reserves	(32,052)	(24,478)
Deferred tax liabilities (asset) at the end of the financial year	150,813	158,387

23. PROPERTIES REVALUATION RESERVE

	2012 EUR	2011 EUR
Balance at beginning of the year	1,206,772	1,206,772
Depreciation on evaluation surplus	(163,182)	(163,182)
Reversal of deferred tax liability on revaluation	24,478	24,478
Balance at end of the year	1,068,067	1,068,067

INDEPENDENT AUDITORS' REPORT**To the Shareholders of JSC Latvijas Juras Medicinas Centrs****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of JSC Latvijas Juras Medicinas Centrs set out on pages 8 to 21 of the accompanying annual report, which comprise the consolidated statement of financial position as of 31 December 2012 and the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of JSC Latvijas Juras Medicinas Centrs as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with the requirements of the International Financial Reporting Standards adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We have read the management report for 2012 set out on pages 5 to 6 of the accompanying consolidated annual report and did not identify material inconsistencies between the financial information contained in the management report and that contained in the consolidated financial statements for 2012.

System audit Ltd.

Audit company licence No. 53

C.K.Sathyanarayanan

Board member

Aija Kurta

Certified auditor of Latvia

Certificate Nr. 128

Riga, Latvia
April 9, 2013.