



LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2012

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

(Translation of the Latvian original)

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

	PAGE
INFORMATION ABOUT PARENT COMPANY	3
COUNCIL AND BOARD OF THE GROUP	4
MANAGEMENT REPORT	5 – 6
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	7
CONSOLIDATED FINANCIAL STATEMENTS	8 – 12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8 – 9
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13 – 22

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 11.4%
Guna Shvarcberga 10.4%
Janis Birks 8.5%

REPORTING PERIOD: December 31, 2011 - June 30, 2012

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

Council of the Group

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

Position	Name	Number of
		shares owned at 30.06.12
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	67 983
Member of the Board	Marta Aizsilniece	1 344
Member of the Board	Andris Vigants	700

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 not 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 before taxes of LJMC was 190370 EUR

The loss before taxes of JM was 6249 EUR

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 service, improving the quality of existing services with the help of modern medical technology, new specialists and better patient service culture.

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

Patient demand for state-funded outpatient medical in the first half of 2012th significantly exceeded the funding quota. During the summer months are traditionally lower demand for medical services. Therefore during the first half year the exceeding of the state funding quota was tolerated by 87 000 LVL. This enabled to maintain the patient attraction to the Latvian Maritime Medical Centre and to ensure smooth personnel utilized capacity in winter and in the summer vacation period. Accordingly the contract with the Health Billing Center the exceeding of quota cannot be credited to the income at the reference period. Payment processing will take place in the coming months, if not met this month financing quota. As a result, excluding the revenue reduced the first half year profits by approximately LVL 60000.

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

Building reconstruction and renovation at Patversmes street 23 funded by ERDF is finished at April 26 in order to provide outpatient medical services in the former hospital care housing. New medical equipment, furniture and IT technique for the day care department and GP were purchased. The total costs of the project was 660 000 LVL, the ERDF funding was LVL 436035.

The first quarters EBITDA is LVL 95105.

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

Important Events after the Balance Sheet Date

By early September, will be completed landscaping at Patversmes Street 23 developing friendly and enjoyable environment for patients. For patient's convenience also is created a new parking for 36 cars. In landscaping during the reporting period are invested LVL 68,000, but the landscaping total costs are estimated. LVL124,000.

In Surgery clinic at Patversmes Street 23 are created 4 luxury class wards. Redecoration of several rooms in North diagnostic center was done.

The telephone modernization and setting up of a call center was started, which will greatly improve the possibilities for patients to sign up to the medical professionals.

The share price at the 20.08.12 was LVL 1,70.

MANAGEMENT REPORT

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, 20 August, 2012.

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 30 June 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.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 20 August, 2012.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2012 AND 31 DECEMBER 2011

	June 30, 2012	December 31, 2011	Notes	June 30, 2011
ASSETS	EUR	EUR		EUR
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	17 188	1 041	2	3 059
Total intangible assets	17 188	1 041		3 059
Fixed assets				
Land and buildings	2 561 571	1 765 229		1 779 072
Technological equipment and machines	1 132 617	1 263 845		483 880
Other fixed assets and fixtures	60 747	55 755		68 020
Fixed assets add-ons (EU funds)	156 571	156 571		19 253
Unfinished construction	(0)	585 610		250 201
Advance payments for fixed assets	(0)	8 584		-
Total fixed assets	3 911 506	3 835 594	2	2 600 426
Long-term financial assets				
Investment in associates	203 367	203 366	3	192 338
Total financial assets:	203 367	203 366		192 338
Total long-term investments:	4 132 061	4 040 001		2 795 824
Current assets:				
Inventories				
Raw materials	98 885	95 526	4	828 399
Total Inventories	98 885	95 526		828 399
Debtors:				
Trade receivables	265 146	203 293	5	262 456
Other receivables	45 382	44 729	6	168 415
Deferred expenditure	1 197	3 556	7	979
Total debtors	311 725	251 578		431 850
Cash funds	752 267	1 215 872	8	1 499 296
Total current assets	1 162 877	1 562 976		2 759 545
TOTAL ASSETS	5 294 938	5 602 978		5 555 368

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2012 AND 31 DECEMBER 2011

	June 30, 2012	June 30, 2012	Notes	June 30, 2011
LIABILITIES	EUR	EUR		EUR
Equity capital:				
Share capital	1 138 297	1 138 297	9	1 138 297
Reserves:				
c) reserves provided by the Articles of Association	45 522	45 522		45 522
d) fixed asset's revaluation reserve	998 715	1 068 068	23	1 137 420
Retained earnings:				
a) brought forward from previous years	2 008 027	2 043 195		1 961 604
b) current year comprehensive income (loss)	(196 573)	(116 758)		(155 745)
Total shareholders' equity	3 993 989	4 178 324		4 127 098
Non-controlling interest	1 887	1 931		1 951
Total equity capital	3 995 876	4 180 255		4 129 049
Provisions for liabilities and charges:				
Provisions for vacations	119 792	119 792		130 255
Deferred tax provisions	146 149	158 387	22	145 806
Total provisions	265 940	278 179		276 061
Ilgtermiņa kreditori:				
Deferred income	558 527	372 790	10	-
Total non-current liabilities	558 527	372 790		-
Current liabilities:				
Advance payments	11 103	191 492	11	220 769
Trade Payables	148 686	348 293	12	616 987
Taxes and social security payments	164 014	107 125	13	159 386
Other payables	150 793	124 846	14	153 117
Total current liabilities	474 595	771 756		1 150 258
Total liabilities	1 033 122	1 144 545		-
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 294 938	5 602 979		5 555 369
CR	2,45	2,03		2,13
DR	0,09	0,14		0,26

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

	2012, 6 month period EUR	2011, 12 month period EUR	Notes	2011, 6 month period EUR
Net sales	2 587 878	5 008 958	15	2 521 547
Cost of goods sold	(2 615 806)	(4 837 492)	16	(2 532 050)
Gross profit or loss	(27 928)	171 466		(10 504)
Administrative expenses	(255 585)	(396 330)	17	(217 110)
Other operating income	76 993	124 305	18	73 807
Other operating expenses	(1 151)	(2 452)	19	(2 644)
Income from investment in associate	-	11 022	20	-
Interest income and similar income	11 054	-	21	682
Profit (loss) before taxes	(196 617)	(91 989)		(155 769)
Corporate income tax	-	(24 821)	22	-
NET PROFIT OR LOSS	(196 617)	(116 809)		(155 769)
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	(196 617)	(116 802)		(155 769)
Profit attributable to				
Owners of LJMC	(196 573)	(116 758)		(155 745)
Non-controlling interest	(44)	(44)		(24)
	(196 617)	(116 802)		(155 769)
Total comprehensive income attributable to				
Owners of LJMC	-	-		-
Non-controlling interest	-	-		-
	-	-		-
Number of shares	800 000	800 000		800 000
Earnings per Share (EPS)	(0,25)	(0,15)		(0,20)

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 JUNE 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
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	1 068 068	2 043 195	(116 758)	1 931	4 180 256
Previous years retained earnings	-	-	-	(116 758)	116 758	-	-
Depreciation of revaluation surplus	-	-	(81 590)	81 590	-	-	-
Deffered tax on revaluation surplus	-	-	12 237	-	-	-	12 237
Profit on purchase of shares from associates	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(196 573)	(44)	(196 617)
At 30 June 2012	1 138 297	45 522	998 715	2 008 027	(196 573)	1 887	3 995 876

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

	2012, 6 month period EUR	2011, 12 month period EUR	NOTE S	2011, 6 month period EUR
Cash flows from operating activities				
Net income before tax	(196 617)	(91 989)		(155 769)
Adjustments:				
a) depreciation of fixed assets	329 988	564 593	2	254 213
b) depreciation of intangibles	1 952	4 993	2	2 975
c) provisions	-	(10 464)		-
d) loss (gain) on sale of fixed assets	-	(2 817)		1 219
e) interest income	(20)	(34)	20	(7 383)
f) gain (loss) from investments in associates	(11 022)	(11 022)	19	-
2. Changes in operating current assets and liabilities	124 282	453 260		95 256
Corrections				-
a) receivables	(61 853)	(48 006)		34 627
b) inventory	(3 359)	(13 284)		(746 157)
c) current liabilities	(93 423)	671 741		421 093
3. Gross operating cash flow	(34 353)	1 063 711		(195 181)
4. Paid interest	-	-		-
4. Paid corporate income tax	(5 080)	(16 983)	12	(16 983)
5. Net cash used in operating activities	(39 433)	1 046 727		(212 164)
II. Cash flow used in investment activities				
1. Purchase of shares of associates	-	(137)		-
2. Purchase of fixed assets	(424 192)	(1 610 489)	2	(58 782)
3. Income from sale of fixed assets	-	10 488		312
4. Received interest	20	34	20	682
5. Net cash from investment activities	(424 172)	(1 600 103)		(57 789)
IV. Net increase (decrease) in cash	(463 605)	(553 376)		(269 953)
V. Cash at the beginning of the period	1 215 872	1 769 249		1 769 249
VI. Cash at the end of the period	752 267	1 215 872		1 499 296

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 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:

	June 30, 2012	December 31, 2011
EUR	0.702804	0.702804
USD	0,528	0,562

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 arising on the settlement of monetary items are recognized in the period in which they arise.

Cash and cash equivalents

Cash includes cash on hand and demand deposits with credit institutions. The statement on cash flow is prepared using indirect method, making adjustments affecting the net profit reconciling with the changes in cash during the year.

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.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

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.

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
Revaluated part of the buildings	15 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

For tax purposes, depreciation on tangible fixed assets is 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 and then accounted under the equity method.

Revenue recognition

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

Dividends

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

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.

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 Group 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.

Risk control mechanisms include: appropriate risk policies, investment planning, cash flow planning, budgeting and control, liquidity control, the medical treatment process organization and control, sanitary compliance control, staff skill development, implementation of advanced technologies, employee involvement in risk assessment and control.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

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

As on 30 June 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)	-	(0)
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	18 099	-	67 050	26 468	321 159	(8 584)	-	424 192
Transfers	-	906 769	-	-	(906 769)	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals or change in	-	-	(14 256)	(3 472)	-	-	-	(17 728)
At 30 June 2012	55 630	4 615 425	3 643 137	503 058	(0)	(0)	156 571	8 973 820
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	-	-	-	406 403
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	1 952	28 834	198 277	21 283	-	-	-	250 347
Charge for the period for revaluated fixed assets	-	81 593	-	-	-	-	-	81 593
Disposals or change in classification	-	-	(14 256)	(3 278)	-	-	-	(17 534)
At 30 June 2012	38 442	2 053 854	2 510 519	442 311	-	-	-	5 045 126
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	1 041	1 765 229	1 263 845	55 755	585 610	8 584	156 571	3 836 635
At 30 June 2012	17 188	2 561 571	1 132 617	60 747	(0)	(0)	156 571	3 928 694

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

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.	45,30	<u>203 367</u>	45,30	<u>203 366</u>
Total participating interests in associated enterprises		<u>203 367</u>		<u>203 366</u>

SIA "Neirozu klinika" 64 shares have been bought for 96,00 LVL (0,03% from total capital).

4. RAW MATERIALS

	2012 EUR	2011 EUR
Pharmaceutical	98 174	94 479
Food products	-	645
Advance payments to supplier of goods	577	78
Inventory in warehouse	-	-
Inventory[re-usable]	-	-
Other materials	134	324
Total	<u>98 885</u>	<u>95 526</u>

5. TRADE RECEIVABLES

	2012 EUR	2011 EUR
Riga's health department	143 087	78 601
P.Stradiņa klīniskā universitātes slimnīca	46 826	70 325
Other customers	22 119	22 212
Insurance BTA SE	13 206	9 515
Ergo Latvija AAS	2 829	6 258
Gjensidege Baltic	5 693	5 098
IF Latvija AAS	4 832	4 361
Latvian University	8 344	3 129
SEESAM Latvija	4 545	2 040
Latvian railway JSC	1 736	1 736
Olla M Ltd.	1 660	1 695
Balva AAS	2 160	1 690
Baltijas apdrošināšanas nams	3 819	1 466
Biogen Idec Ltd.	-	1 198
Balta AAS	1 178	364
Compensa Life Vienna Insurance group	2 662	199
Ministry of Interior – health and social department	4 401	64
Narkologijas centrs	-	-
Bad debt provisions	(3 950)	(6 659)
Total	<u>265 146</u>	<u>203 293</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

6. OTHER RECEIVABLES

	2012	2011
	EUR	EUR
Taxes overpaid (note No.12)	22 094	21 060
VAT for unpaid invoices	3	1 565
Other receivables	23 285	22 104
Total	45 382	44 729

7. DEFERRED EXPENDITURE

	2012	2011
	EUR	EUR
Assurance	1 197	3 556
Total	1 197	3 556

8. CASH FUNDS

	2012	2011
Cash in banks	745 026	1 211 109
Cash on hands	7 241	4 764
Total	752 267	1 215 872

9. SHARE CAPITAL

	2012		2011	
	Number of		Number of	
	shares	Share %	shares	Share %
Shareholders:	67 983	8,50%	65 083	8,14%
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 Shvarchberga	82 917	10,36%	82 917	10,36%
Other shareholders (shares less than 5%)	277 535	34,69%	280 435	35,05%
Total	800 000	100,00%	800 000	100,00%
Share equity	1 138 297		1 138 297	

10. DEFERRED INCOME

	2012	2011
	EUR	EUR
ERAF projektu izdevumu atlīdzināšana	558 527	372 790
Total	558 527	372 790

11. ADVANCE PAYMENTS

	2012	2011
	EUR	EUR
VEK advance payment for 2010	9 518	189 906
Other advances	1 585	1 585
Total	11 103	191 492

12. TRADE PAYABLES

	2012	2011
	EUR	EUR
Tradintek	109 180	172 930
Būvprojektu vadība	2 968	127 502
Latvijas Gaze	593	15 033
Latvenergo Rīgas elektrotīkls	7 361	10 176
Sistēmu Audits SIA	-	6 076
Rīgas Ūdens	1 922	1 117
Academic histologic laboratory	252	430
Amerilat MD	80	-
Lattelekom	-	-
Other suppliers	26 330	15 030
Total	148 686	348 293

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

13. TAXES AND SOCIAL SECURITY PAYMENTS

	As of 31-12-11	Calculated	Paid	Returned	As of 30-6-12
	EUR	EUR	EUR	EUR	EUR
Value added tax	2 423	28 529	(29 220)	-	1 732
Social insurance	66 516	448 700	(409 954)	-	105 262
Personal income tax	37 497	253 082	(233 967)	-	56 612
Corporate income tax	(20 966)	-	(5 080)	3 957	(22 089)
Unemployment duty	108	738	(740)	-	106
Natural resources tax	581	609	(888)	-	302
Real estate tax	(94)	3 318	(3 230)	-	(6)
Total, including	86 065	734 976	(683 079)	3 957	141 919
due to the budget	107 125				164 014
overpayment	(21 060)				(22 095)

14. OTHER PAYABLES

	2012 EUR	2011 EUR
Salaries	148 947	123 515
Trade union	1 362	847
Deposited salary	484	484
Total	150 793	124 846

15. NET SALES

	2012 EUR	2011 EUR
Medical ambulant services	1 522 459	3 143 148
Medical hospital services	669 423	1 158 223
Insurance payments	172 150	269 518
VS ZDC ambulant services	138 801	233 364
Services - minimum fixed part	6 574	13 144
Residents training	24 291	45 188
Stomatology services	31 054	64 204
Family doctors	20 828	38 393
Other income	2 298	43 776
Total	2 587 878	5 008 958

16. COST OF GOODS SOLD

	2012 EUR	2011 EUR
Salaries and wages	1 131 829	2 233 054
Fixed assets depreciation	331 938	569 587
Medical goods	336 228	609 218
Social tax	265 957	524 267
VAT - expenses	140 208	226 403
Public utilities	130 001	187 065
Repair expenses	118 325	92 985
Rent of equipment	-	48 484
Household goods	12 709	23 379
Security expenses	18 341	40 097
Current assets write-off	22 460	31 556

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

16. COST OF GOODS SOLD (Continued..)

	2012	2011
	EUR	EUR
Computer maintenance, repair	11 884	21 289
Medical researches	13 180	22 146
Advertising	3 587	17 251
Office expenses	5 844	13 504
Utilities	8 203	22 553
Feeding expenses	16 432	26 061
Insurance expenses	2 396	4 636
Transport expense	4 135	7 668
Employees trainings	5 443	6 586
Allowances to employees	854	1 707
Unemployment duty	738	1 525
Gifts to employees	350	1 448
Accruals for vacations	(2 709)	6 658
Received discounts	(4 929)	(11 346)
Other operating expenses	42 402	109 711
Total	<u>2 615 806</u>	<u>4 837 492</u>

17. ADMINISTRATIVE EXPENSES

	2012	2011
	EUR	EUR
Salaries and wages	142 087	198 647
Social tax	32 178	46 386
Board remuneration	20 545	34 249
Board chairperson remuneration	15 478	30 512
Communication expenses	8 460	14 745
Council members remuneration	9 562	19 123
Office expenses	4 263	5 637
Presentation expenses	710	2 767
Council chairperson remuneration	4 098	8 196
Audit expenses	-	7 114
Board members social tax	4 277	7 056
Chairperson of the Board social tax	3 729	7 349
Bank expenses	3 123	5 024
Council members social tax	2 067	4 418
Other administrative expenses	4 020	3 130
Chairperson of the Council social tax	987	1 975
Legal services	-	-
Total	<u>255 585</u>	<u>396 330</u>

18. OTHER OPERATING INCOME

	2012	2011
	EUR	EUR
Rent income	36 142	81 697
Hotel services – food	8 640	18 563
Utilities for tenants	12 069	3 702
Feeding income	-	332
Laundry income	625	1 688
Solarium income	391	905
Other income	19 126	17 419
Total	<u>76 993</u>	<u>124 305</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

19. OTHER OPERATING EXPENSES

	2012	2011
	EUR	EUR
Real estate tax	686	643
Penalties	57	121
Loss from fixed assets disposals	194	-
Currency exchange loss	-	-
Other expenses	215	1 688
Total	1 151	2 452

20. INCOME FROM INVESTMENT IN ASSOCIATE

	2012	2011
	EUR	EUR
Neurology clinic Ltd.	-	11 022
Total	-	11 022

21. INTEREST INCOME AND SIMILAR INCOME

	2012	2011
	EUR	EUR
Interest income	11 054	-
Total	11 054	-

22. CORPORATE INCOME TAX

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

22. CORPORATE INCOME TAX (CONTINUED ...)

	2012	2011
	EUR	EUR
Profit (loss) before tax	(28 143)	(91 989)
Loss from subsidiary	2 146	6 350
Evaluation of the associate company	-	11 022
Theoretically calculated corporate income tax, rate	(3 900)	(11 192)
Permanent differences	-	1 456
Calculated corporate income tax	-	-

Deferred tax

Temporary difference between financial statement	(472 765)	(472 765)
Temporary difference of fixed assets revaluation	(621 351)	(702 941)
Accruals for vacations	119 792	119 792
Total temporary differences	(974 324)	(1 055 915)
Tax rate applied	15%	15%
Deferred tax liabilities	146 149	158 387
Recognized deferred tax liabilities	146 149	158 387

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

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	(24 478)	(24 478)
Deferred tax liabilities (asset) at the end of the financial year	158 387	158 387

23. PROPERTIES REVALUATION RESERVE

	2012	2011
	EUR	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