



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 9 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.

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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 11.4%
Guna Shvarcberga 10.4%
Janis Birks 8.5%

REPORTING PERIOD: December 31, 2011 - September 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 30.09.12
Chairman of the Council	Martins Birks	140 000
Member of the Council	Viesturs Shilins	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 322058 EUR

The loss before taxes of JM was 8209 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. 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.

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. As well as purchased medical equipment, furniture and computer equipment for day-patient and family physicians' offices. The total cost amounted to 660 000 LVL. Of these, the ERDF funding was LVL 436 035. In addition to the ERDF project all labor offices and support services (reception, wardrobe, and waiting rooms) have been equipped with the necessary equipment, blinds, and information and communication technologies. Throughout the Latvijas Juras Medicinas Centrs has implemented digital communications equipment and medical information system "The Doctor's Office" has been introduced in the new corp. The landscaping was basically completed. 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 significantly improved.

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

Investments made in buildings and hardware were resulting in increase of depreciation amount in the third quarter by 10,000 LVL per month compared to the same period in the 2011th year. In the third quarter for the outpatient care was purchased inventories for more than 30000 LVL. Communication and building repairs were made for 119000 LVL (throughout 2011. only 65000 LVL). Large amount of purchase and VAT increase from the June 2011 resulted in increase of non-deductible VAT amount. In 9 months of 2012th. It is about 55000 LVL higher compared to 9 months 2011th year. Given that the return of the new Corps is expected only in the fourth quarter, all of these extra costs significantly increased the 9-month loss.

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; 30.09.12 - LVL 1,70.

MANAGEMENT REPORT

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.

The share price at the 27.11.12 was LVL 1,90.

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, 28 November, 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 September 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, 28 November, 2012.

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

	September 30, 2012	December 31, 2011	Notes	September 30, 2011
ASSETS	EUR	EUR		EUR
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	19 129	1 042	2	1 717
Total intangible assets	19 129	1 042		1 717
Fixed assets				
Land and buildings	2 497 029	1 765 229		1 725 337
Technological equipment and machines	1 168 868	1 263 845		1 266 814
Other fixed assets and fixtures	51 111	55 755		58 723
Fixed assets add-ons (EU funds)	156 571	156 571		168 401
Unfinished construction	(0)	585 610		250 201
Advance payments for fixed assets	65 089	8 584		-
Total fixed assets	3 938 669	3 835 594	2	3 469 477
Long-term financial assets				
Investment in associates	203 367	203 367	3	192 338
Total financial assets:	203 367	203 367		192 338
Total long-term investments:	4 161 164	4 040 003		3 663 532
Current assets:				
Inventories				
Raw materials	82 605	95 526	4	97 186
Total Inventories	82 605	95 526		97 186
Debtors:				
Trade receivables	279 266	203 293	5	185 863
Other receivables	35 391	44 729	6	76 932
Deferred expenditure	4 549	3 556	7	4 607
Total debtors	319 206	251 578		267 402
Cash funds	679 268	1 215 872	8	1 261 989
Total current assets	1 081 078	1 562 976		1 626 577
TOTAL ASSETS	5 242 243	5 602 979		5 290 109

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

	September 30, 2012 EUR	September 30, 2012 EUR	Notes	September 30, 2011 EUR
LIABILITIES				
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	964 038	1 068 068	23	1 102 744
Retained earnings:				
a) brought forward from previous years	2 048 822	2 043 195		2 002 399
b) current year comprehensive income (loss)	(330 210)	(116 758)		(195 121)
Total shareholders' equity	3 866 469	4 178 324		4 093 841
Non-controlling interest	1 874	1 931		1 941
Total equity capital	3 868 343	4 180 255		4 095 782
Provisions for liabilities and charges:				
Provisions for vacations	119 792	119 792		130 255
Deferred tax provisions	140 029	158 387	22	-
Total provisions	259 821	278 179		130 255
Ilgtermiņa kreditori:				
Deferred income	620 345	372 790	10	-
Total non-current liabilities	620 345	372 790		-
Current liabilities:				
Advance payments	11 103	191 492	11	265 007
Trade Payables	249 482	348 293	12	445 548
Taxes and social security payments	108 138	107 125	13	76 578
Other payables	125 011	124 846	14	137 253
Total current liabilities	493 734	771 756		139 686
Total liabilities	1 114 079	1 144 545		1 064 072
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 242 243	5 602 979		5 290 109
	-	(0)		-
CR	2,19	2,03		1,53
DR	0,09	0,14		0,23

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

	2012, 9 month period EUR	2011, 12 month period EUR	Notes	2011, 9 month period EUR
Net sales	3 709 361	5 008 958	15	3 646 318
Cost of goods sold	(3 797 952)	(4 837 492)	16	(3 633 956)
Gross profit or loss	(88 591)	171 466		12 362
Administrative expenses	(355 453)	(396 330)	17	(312 865)
Other operating income	108 423	124 305	18	104 302
Other operating expenses	(5 703)	(2 452)	19	(1 841)
Income from investment in associate	-	11 022	20	-
Interest income and similar income	11 057	-	21	2 887
Profit (loss) before taxes	(330 267)	(91 989)		(195 155)
Corporate income tax	-	(24 821)	22	-
NET PROFIT OR LOSS	(330 267)	(116 809)		(195 155)
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	(330 267)	(116 802)		(195 155)
Profit attributable to				
Owners of LJMC	(330 210)	(116 758)		(195 121)
Non-controlling interest	(57)	(44)		(34)
	(330 267)	(116 802)		(195 155)
Total comprehensive income attributable to				
Owners of LJMC	-	-		-
Non-controlling interest	-	-		-
	-	-		-
EBITDA	177 769	452 785		212 334
Number of shares	800 000	800 000		800 000
Earnings per Share (EPS)	(0,41)	(0,15)		(0,24)

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 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	-	-	(122 385)	122 385	-	-	-
Deffered tax on revaluation surplus	-	-	18 355	-	-	-	18 355
Profit on purchase of shares from associates	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(330 210)	(57)	(330 267)
At 30 September 2012	1 138 297	45 522	964 038	2 048 822	(330 210)	1 874	3 868 343

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

	2012, 9 month period EUR	2011, 12 month period EUR	NOTE S	2011, 9 month period EUR
Cash flows from operating activities				
Net income before tax	(330 267)	(91 989)		(195 155)
Adjustments:				
a) depreciation of fixed assets	503 894	564 593	2	403 168
b) depreciation of intangibles	4 143	4 993	2	4 317
c) provisions	-	(10 464)		-
d) loss (gain) on sale of fixed assets	-	(2 817)		-
e) interest income	11 057	-	20	(7 383)
f) gain (loss) from investments in associates	-	11 022	19	-
2. Changes in operating current assets and liabilities	188 828	475 337		204 946
Corrections				
a) receivables	(75 973)	(48 006)		34 627
b) inventory	12 921	(13 284)		(14 944)
c) current liabilities	(38 546)	649 697		364 790
3. Gross operating cash flow	87 231	1 063 745		589 419
4. Paid interest	-	-		-
4. Paid corporate income tax	(5 080)	(16 983)	12	(16 983)
5. Net cash used in operating activities	82 151	1 046 761		572 436
II. Cash flow used in investment activities				
1. Purchase of shares of associates	-	(137)		-
2. Purchase of fixed assets	(629 813)	(1 610 489)	2	(1 082 894)
3. Income from sale of fixed assets	-	10 488		312
4. Received interest	11 057	-	20	2 887
5. Net cash from investment activities	(618 756)	(1 600 137)		(1 079 695)
IV. Net increase (decrease) in cash	(536 605)	(553 376)		(507 259)
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	679 268	1 215 872		1 261 989

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

	September 30, 2012	December 31, 2011
EUR	0.702804	0.702804
USD	0,546	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 SEPTEMBER 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.

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

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

As on 30 September 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	22 231	-	202 764	27 154	321 159	56 505	-	629 813
Transfers	-	906 769	-	-	(906 769)	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals or change in	-	-	(43 491)	(18 241)	-	-	-	(61 733)
At 30 September 2012	59 762	4 615 425	3 749 614	488 974	(0)	65 089	156 571	9 135 436
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	4 143	52 579	297 740	31 185	-	-	-	385 648
Charge for the period for revaluated fixed assets	-	122 390	-	-	-	-	-	122 390
Disposals or change in classification	-	-	(43 491)	(17 628)	-	-	-	(61 119)
At 30 September 2012	40 633	2 118 396	2 580 747	437 863	-	-	-	5 177 638
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 30 September 2012	19 129	2 497 029	1 168 868	51 111	(0)	65 089	156 571	3 957 798

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 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.	45,32	<u>203 367</u>	45,30	<u>203 367</u>
Total participating interests in associated enterprises		<u>203 367</u>		<u>203 367</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	81 642	94 479
Food products	-	645
Advance payments to supplier of goods	849	78
Inventory in warehouse	-	-
Inventory[re-usable]	-	-
Other materials	114	324
Total	<u>82 605</u>	<u>95 526</u>

5. TRADE RECEIVABLES

	2012 EUR	2011 EUR
Riga's health department	145 859	78 601
P.Stradiņa klīniskā universitātes slimnīca	69 642	70 325
Other customers	19 089	22 212
Insurance BTA SE	15 570	9 515
Ergo Latvija AAS	1 709	6 258
Gjensidege Baltic	6 505	5 098
IF Latvija AAS	1 991	4 361
Latvian University	2 086	3 129
SEESAM Latvija	3 512	2 040
Latvian railway JSC	1 722	1 736
Olla M Ltd.	1 814	1 695
Balva AAS	4 354	1 690
Baltijas apdrošināšanas nams	3 819	1 466
Biogen Idec Ltd.	317	1 198
Balta AAS	637	364
Compensa Life Vienna Insurance group	3 579	199
Ministry of Interior – health and social department	1 010	64
Narkologijas centrs	-	-
Bad debt provisions	(3 950)	(6 659)
Total	<u>279 266</u>	<u>203 293</u>

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6. OTHER RECEIVABLES

	2012	2011
	EUR	EUR
Taxes overpaid (note No.12)	6 100	21 060
VAT for unpaid invoices	3	1 565
Other receivables	29 288	22 104
Total	35 391	44 729

7. DEFERRED EXPENDITURE

	2012	2011
	EUR	EUR
Assurance	4 549	3 556
Total	4 549	3 556

8. CASH FUNDS

	2012	2011
Cash in banks	669 668	1 211 109
Cash on hands	9 600	4 764
Total	679 268	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	620 345	372 790
Total	620 345	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	159 956	172 930
Būvprojektu vadība	-	127 502
Latvijas Gaze	-	15 033
Latvenergo Rīgas elektrotīkls	-	10 176
Sistēmu Audits SIA	-	6 076
Rīgas Ūdens	575	1 117
Academic histologic laboratory	286	430
Amerilat MD	-	-
Lattelekom	-	-
Other suppliers	88 665	15 030
Total	249 482	348 293

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13. TAXES AND SOCIAL SECURITY PAYMENTS

	As of 31-12-11	Calculated	Paid	Returned	As of 30-9-12
	EUR	EUR	EUR	EUR	EUR
Value added tax	2 423	24 175	(25 582)	-	1 016
Social insurance	66 516	657 324	(636 953)	(17 156)	69 732
Personal income tax	37 497	363 393	(363 323)	(285)	37 282
Corporate income tax	(20 966)	-	(5 080)	20 940	(5 105)
Unemployment duty	108	1 104	(1 104)	-	108
Natural resources tax	581	609	(2 178)	-	(989)
Real estate tax	(94)	4 633	(4 545)	-	(6)
Total, including	86 065	1 051 238	(1 038 765)	3 500	102 038
due to the budget	107 125				108 138
overpayment	(21 060)				(6 100)

14. OTHER PAYABLES

	2012 EUR	2011 EUR
Salaries	123 734	123 515
Trade union	793	847
Deposited salary	484	484
Total	125 011	124 846

15. NET SALES

	2012 EUR	2011 EUR
Medical ambulant services	2 242 371	3 143 148
Medical hospital services	920 338	1 158 223
Insurance payments	228 061	269 518
VS ZDC ambulant services	200 096	233 364
Services - minimum fixed part	9 861	13 144
Residents training	30 852	45 188
Stomatology services	44 970	64 204
Family doctors	29 988	38 393
Other income	2 826	43 776
Total	3 709 361	5 008 958

16. COST OF GOODS SOLD

	2012 EUR	2011 EUR
Salaries and wages	1 611 284	2 233 054
Fixed assets depreciation	508 036	569 587
Medical goods	500 087	609 218
Social tax	378 339	524 267
VAT - expenses	218 849	226 403
Public utilities	147 979	187 065
Repair expenses	170 140	92 985
Rent of equipment	-	48 484
Household goods	19 085	23 379
Security expenses	25 434	40 097
Current assets write-off	42 634	31 556

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16. COST OF GOODS SOLD (Continued..)

	2012	2011
	EUR	EUR
Computer maintenance, repair	20 413	21 289
Medical researches	18 661	22 146
Advertising	8 547	17 251
Office expenses	7 419	13 504
Utilities	12 827	22 553
Feeding expenses	24 660	26 061
Insurance expenses	3 610	4 636
Transport expense	6 911	7 668
Employees trainings	7 261	6 586
Allowances to employees	1 281	1 707
Unemployment duty	1 104	1 525
Gifts to employees	649	1 448
Accruals for vacations	(2 709)	6 658
Received discounts	(10 413)	(11 346)
Other operating expenses	75 866	109 711
Total	<u>3 797 952</u>	<u>4 837 492</u>

17. ADMINISTRATIVE EXPENSES

	2012	2011
	EUR	EUR
Salaries and wages	197 233	198 647
Social tax	45 960	46 386
Board remuneration	24 537	34 249
Board chairperson remuneration	22 457	30 512
Communication expenses	13 230	14 745
Council members remuneration	14 343	19 123
Office expenses	6 207	5 637
Presentation expenses	962	2 767
Council chairperson remuneration	6 147	8 196
Audit expenses	2 134	7 114
Board members social tax	5 127	7 056
Chairperson of the Board social tax	5 410	7 349
Bank expenses	4 506	5 024
Council members social tax	3 102	4 418
Other administrative expenses	2 618	3 130
Chairperson of the Council social tax	1 481	1 975
Legal services	-	-
Total	<u>355 453</u>	<u>396 330</u>

18. OTHER OPERATING INCOME

	2012	2011
	EUR	EUR
Rent income	53 947	81 697
Hotel services – food	12 093	18 563
Utilities for tenants	12 363	3 702
Feeding income	-	332
Laundry income	922	1 688
Solarium income	458	905
Other income	28 640	17 419
Total	<u>108 423</u>	<u>124 305</u>

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19. OTHER OPERATING EXPENSES

	2012	2011
	EUR	EUR
Real estate tax	686	643
Penalties	509	121
Loss from fixed assets disposals	613	-
Currency exchange loss	-	-
Other expenses	3 894	1 688
Total	5 703	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	11 057	-
Total	11 057	-

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	(580 556)	(702 941)
Accruals for vacations	119 792	119 792
Total temporary differences	(933 529)	(1 055 915)
Tax rate applied	15%	15%
Deferred tax liabilities	140 029	158 387
Recognized deferred tax liabilities	140 029	158 387

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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