



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED REPORT FOR THE YEAR 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.

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 11.4%
Guna Shvarcberga 10.4%
Janis Birks 8.5%

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

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

LATVIJAS JURAS MEDICINAS CENTRS JSC
COUNCIL AND BOARD OF THE GROUP

Council of the Group

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

Position	Name	Number of shares owned at 31.12.2012
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 76745 EUR

The loss before taxes of JM was 8739 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 furniture, 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. 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.

In Surgery clinic at Patversmes Street 23 are created 4 luxury class wards. Redecoration of several rooms in North diagnostic center was done. 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 124,000.

Investments made in buildings and hardware were resulting in increase of depreciation amount in the second half of the year 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.

MANAGEMENT REPORT

The landscaping is completed 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 was invested LVL124.000.

As a result of these measures the outpatient visits to Latvijas Juras medicinas centrs at Patversmes street 23 in the fourth quarter 2012th was doubled compared to the fourth quarter of 2011th.

EBITDA is LVL 413 449

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

The share price at the 26.02.13 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, 26 February, 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.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 26 February, 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	(0)	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
Deffered 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	5 297 213,71	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	1 138 297,45	1 138 297,45	9
Reserves:			
c) reserves provided by the Articles of Association	45 521,94	45 521,94	
d) fixed asset's revaluation reserve	929 362,95	1 068 067,34	23
Retained earnings:			
a) brought forward from previous years	2 089 619,57	2 043 195,54	
b) current year comprehensive income (loss)	(96 947,39)	(116 758,02)	
Total shareholders' equity	4 105 854,52	4 178 324,25	
Non-controlling interest	1 865,39	1 930,84	
Total equity capital	4 107 719,91	4 180 255,09	
Provisions for liabilities and charges:			
Provisions for vacations	69 252,59	119 791,58	
Deferred tax provisions	151 097,60	158 386,98	22
Total provisions	220 350,19	278 178,56	
Non-current liabilities:			
Deferred income	596 678,45	372 789,57	10
Total non-current liabilities	596 678,45	372 789,57	
Current liabilities:			
Advance payments	18 269,67	191 491,51	11
Trade Payables	89 771,83	348 293,40	12
Taxes and social security payments	121 261,42	107 125,17	13
Other payables	143 162,25	124 845,62	14
Total current liabilities	372 465,17	771 755,70	
Total liabilities	969 143,62	1 144 545,27	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 297 213,72	5 602 978,92	
	-	0,01	
CR	3,36	2,03	
DR	0,07	0,14	

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, 12 month period	2011, 12 month period	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	-	-
Dividends paid	-	-	-	-	-	-	-
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
Profit on purchase of shares from associates	-	-	-	-	-	-	-
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, 12	2011, 12	
	month period	month period	NOTES
	EUR	EUR	
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	-	(10 464)	
d) loss (gain) on sale of fixed assets	-	(2 817)	
e) interest income	38	-	20
f) gain (loss) from investments in associates	186	11 022	19
2. Changes in operating current assets and liabilities	605 698	475 337	
Corrections			
a) receivables	92 886	(48 006)	
b) inventory	(2 150)	(13 284)	
c) current liabilities			
	(239 441)	649 698	
3. Gross operating cash flow	456 994	1 063 745	
4. Paid interest	-	-	
4. Paid corporate income tax	(5 080)	(16 983)	12
5. Net cash used in operating activities	451 914	1 046 761	
II. Cash flow used in investment activities			
1. Purchase of shares of associates	-	(137)	
2. Purchase of fixed assets	(636 193)	(1 610 489)	2
3. Income from sale of fixed assets	-	10 488	
4. Received interest	38	-	20
5. Net cash from investment activities	(636 155)	(1 600 137)	
IV. Net increase (decrease) in cash	(184 241)	(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 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.

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

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.

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.

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

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 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 funds)	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	(68 947)	-	636 193
Transfers	-	906 769	-	-	(906 769)	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals or change in classification	-	-	(44 603)	(18 772)	-	65 089	-	1 715
At 31 December 2012	64 610	4 685 210	3 792 708	501 439	(0)	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	(0)	4 727	156 571	3 851 508

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 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>192 532</u>	45,32	<u>203 367</u>
Total participating interests in associated enterprises		<u><u>192 532</u></u>		<u><u>203 367</u></u>

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

4. RAW MATERIALS

	2012	2011
	EUR	EUR
Pharmaceutical	96 927	94 479
Food products	-	645
Advance payments to supplier of goods	391	78
Inventory in warehouse	-	-
Inventory[re-usable]	-	-
Other materials	357	324
Total	<u><u>97 676</u></u>	<u><u>95 526</u></u>

5. TRADE RECEIVABLES

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

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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

9. SHARE CAPITAL

	2012		2011	
Shareholders:	Number of	Share %	Number of	Share %
	shares		shares	
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%)	345 518	43,19%	345 518	43,19%
Total	800 000	108,53%	800 000	108,50%
Share equity	1 138 297		1 138 297	

10. DEFERRED INCOME

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

11. ADVANCE PAYMENTS

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

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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)

14. OTHER PAYABLES

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

15. NET SALES

	2012 EUR	2011 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
Services - minimum fixed part	13 144	13 144
Residents training	37 110	45 188
Stomatology services	64 526	64 204
Family doctors	39 557	38 393
Other income	32 467	43 776
Total	5 391 741	5 008 958

16. COST OF GOODS SOLD

	2012 EUR	2011 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
Rent of equipment	-	48 484
Household goods	30 945	23 379
Security ezpenses	33 867	40 097
Current assets write-off	84 796	31 556

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16. COST OF GOODS SOLD (Continued..)

	2012	2011
	EUR	EUR
Computer maintenance, repair	25 661	21 289
Medical researches	25 441	22 146
Advertising	17 850	17 251
Office expenses	9 446	13 504
Utilities	21 675	22 553
Feeding expenses	38 349	26 061
Insurance expenses	4 834	4 636
Transport expense	9 508	7 668
Employees trainings	9 606	6 586
Allowances to employees	1 707	1 707
Unemployment duty	1 485	1 525
Gifts to employees	847	1 448
Accruals for vacations	(2 709)	6 658
Received discounts	(14 644)	(11 346)
Other operating expenses	108 769	109 711
Total	<u>5 135 134</u>	<u>4 837 492</u>

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
Communication expenses	15 181	14 745
Council members remuneration	19 123	19 123
Office expenses	8 174	5 637
Presentation expenses	2 927	2 767
Council chairperson remuneration	8 196	8 196
Audit expenses	7 114	7 114
Board members social tax	7 137	7 056
Chairperson of the Board social tax	7 496	7 349
Bank expenses	5 807	5 024
Council members social tax	4 135	4 418
Other administrative expenses	2 730	3 130
Chairperson of the Council social tax	1 975	1 975
Legal services	2 234	-
Total	<u>479 323</u>	<u>396 330</u>

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
Feeding income	-	332
Laundry income	1 225	1 688
Solarium income	679	905
Other income	43 588	17 419
Total	<u>149 830</u>	<u>124 305</u>

19. OTHER OPERATING EXPENSES

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

20. INCOME FROM INVESTMENT IN ASSOCIATE

	2012	2011
	EUR	EUR
Neurology clinic Ltd.		
Total	<u>186</u>	<u>11 022</u>
	<u>186</u>	<u>11 022</u>

21. INTEREST INCOME AND SIMILAR INCOME

	2012	2011
	EUR	EUR
Interest income	38	-
Total	<u>38</u>	<u>-</u>
	<u>38</u>	<u>-</u>

22. CORPORATE INCOME TAX

	2012	2011
	EUR	EUR
Calculated Corporate income tax	-	-
Deferred Corporate income tax	17 188	24 821
Total	<u>17 188</u>	<u>24 821</u>
	<u>17 188</u>	<u>24 821</u>

22. CORPORATE INCOME TAX (CONTINUED ...)

	2012	2011
	EUR	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,	(8 935)	(11 192)
Permanent differences	7 574	1 456
Calculated corporate income tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Deferred tax

Temporary difference between financial statement	(536 812,54)	(472 765)
Temporary difference of fixed assets revaluation	(539 759,31)	(702 941)
Accruals for vacations	69 252,59	119 792
Total temporary differences	(1 007 319,26)	(1 055 915)
Tax rate applied	15%	15%
Deferred tax liabilities	(151 097,60)	(158 387)
Recognized deferred tax liabilities	<u>151 097,60</u>	<u>158 386,98</u>
	<u>151 097,60</u>	<u>158 386,98</u>

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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	(32 052)	(24 478)
Deferred tax liabilities (asset) at the end of the financial year	150 813	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