



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 9 MONTHS OF 2011

**PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

(Translation of the Latvian original)

**ORIGINAL OF CONSOLIDATED ANNUAL 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. 23, 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 8,3%

REPORTING PERIOD: 1 January 2011 - 30 September 2011

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

**Number of shares owned at
30.09.11**

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

Martins Birks	Chairman of the Council	140 000
Viesturs Shilinsh	Member of the Council	3 038
Ineta Gadzjus	Member of the Council	
Jevgenijs Kalejs	Member of the Council	
Uldis Osis	Member of the Council	

Board of the Group

Name

Position

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

Janis Birks	Chairman of the Board	66 583
Marta Aizsilniece	Member of the Board	1 344
Andris Vigants	Member of the Board	700

MANAGEMENT REPORT

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

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

This 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 the parent company was -190 355 EUR.

The loss before taxes of the subsidiary company was -4 801 EUR.

EBITDA: 149 229 LVL

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

Patient demand for state-funded outpatient medical in the first half of 2010th 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 143 000 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. During the third quarter the exceeding of quota is partially compensated, while the processing costs including annual holiday grants are referred to the second and third quarter, when these costs actually incurred.

The building reconstruction and renovation supported by the ERDF funds is ongoing to provide outpatient medical services at Patversmes street 23 in the former hospital care housing. The new USG equipment has been bought by support of ERDF.

The Olympus equipment for laparoscopy operations in gynaecology was purchased.

By March a new department of medical care has started in Vecmilgravis hospital.

In July a new modern 1.5 Tesla magnetic resonance imaging apparatus GE "OPTIMA MR355 FREE BASIC" has started to serve the patients.

Ear, nose and throat doctor's office is equipped with modern hardware.

Internal transactions with subsidiaries and associated companies in the year 2011 were not made.

The share price at the 01.01.11 was LVL 1,25; 31.03.11 - LVL 1,50; 30.06.11 - LVL 1,70; 30.09.11 - LVL 1,31.

Important Events after the Balance Sheet Date

The new equipment for the oculist has been bought by support of ERDF.

The share price at the 28.11.11 was LVL 1,20.

Future Development of the Group

The Board is planning to develop ambulatory care and to 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.

On behalf of the Group:

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 25 November, 2011.

LATVIJAS JURAS MEDICINAS CENTRS JSC
DECLARATION OF MANAGEMENT RESPONSIBILITY

Consolidated financial statements are prepared to the best on 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 2011 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, 25 November, 2011.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

	September 30, 2011	December 31, 2010	Note	September 30, 2010
ASSETS	EUR	EUR		EUR
Current assets:				
Stocks				
Raw materials	97 186	82 242	4	80 791
Total stocks	97 186	82 242		80 791
Debtors:				
Trade debtors	185 863	169 581	5	397 532
Other receivables	76 932	54 036	6	67 621
Accruals	4 607	3 480	7	4 424
Total debtors	267 402	227 097		469 576
Cash funds	1 261 989	1 769 249	8	1 240 326
Total current assets	1 626 577	2 078 588		1 790 693
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	1 717	4 903	2	6 490
Total intangible assets	1 717	4 903		6 490
Fixed assets:				
Land and buildings	1 725 337	1 886 543		1 940 281
Technological equipment and machines	1 266 814	569 802		618 219
Other fixed assets and inventory	58 723	86 141		101 991
Fixed assets add-ons (EU funds)	168 401	3 826		5 814
Unfinished building objects	250 201	250 201		250 201
Advance payments for fixed assets	-	1 988		-
Total fixed assets:	3 469 477	2 798 500	2	2 916 506
Long-term financial assets:				
Participating interests in associated enterprises	192 338	192 202	3	180 589
Total financial assets:	192 338	192 202		180 589
Total long-term investments:	3 663 532	2 995 605		3 103 585
TOTAL ASSETS	5 290 109	5 074 193		4 894 278

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

	September 30, 2011	December 31, 2010	Note	September 30, 2010
LIABILITIES	EUR	EUR		EUR
Liabilities:				
Liabilities:				
Received advance payments	265 007,03	221 127	10	653
Due to customers and suppliers	445 548,12	52 369	11	63 735
Taxes and social security payments	76 577,54	109 036	12	96 797
Other payables	137 253,06	130 782	13	117 956
Recognized deferred tax liabilities	139 686,17	158 044	22	173 040
Total liabilities	1 064 071,92	671 358		452 180
Provisions for liabilities and charges:				
Provisions for vacations	130 255,38	130 255		137 449
Total provisions	130 255,38	130 255		137 449
Total liabilities	1 194 327,29	801 613		589 630
Equity capital:				
Share equity	1 138 297,45	1 138 297	9	1 138 297
Reserves:				
c) reserves provided by the Articles of Association	45 521,94	45 522		45 522
d) fixed asset's revaluation reserve	1 102 744,53	1 206 772		1 241 450
Retained earnings:				
a) brought forward from previous years	2 002 398,96	2 030 560		1 989 764
b) current year profit or loss	(195 121,26)	(150 547)		(112 370)
Total shareholders' equity	4 093 841,62	4 270 605		4 302 663
Non-controlling interest	1 940,80	1 975		1 985
Total equity capital	4 095 782,42	4 272 580		4 304 648
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 290 109,71	5 074 193		4 894 278
Current Ratio	1,53	3,10		3,96
Debt Ratio	0,23	0,16		0,12

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

	2010, 9	2011, 12		2010, 9
	month	month	Note	month period
	period	period		period
	EUR	EUR		EUR
Net sales	3 646 318	4 781 019	14	3 466 193
Cost of goods sold	(3 633 956)	(4 701 745)	15	(3 395 910)
Gross profit or loss	12 362	79 274		70 283
Administrative expenses	(312 865)	(365 372)	16	(298 699)
Other operating income	104 302	133 202	17	97 356
Other operating expenses	(1 841)	(13 682)	18	(2 625)
Income from investment in associates	-	11 612	19	-
Interest income and similar income	2 887	7 383	20	21 279
Profit (loss) before taxes	(195 155)	(147 583)		-112 407
Corporate income tax	-	(3 011)	21	-
NET PROFIT OR LOSS	(195 155)	(150 594)		-112 407
Other comprehensive income				
Gain (loss) on revaluation of properties excluding deferred tax	-	-	22	-
Other comprehensive income for the year, net of tax	-	-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(195 155)	(150 594)		(112 407)
Profit attributable to				
Owners of LJMC	(195 121)	(150 547)		(112 370)
Non-controlling interest	(34)	(47)		(37)
	(195 155)	(150 594)		(112 407)
Total comprehensive income attributable to				
Owners of LJMC	-	-		-
Non-controlling interest	-	-		-
	-	-		-
EBITDA	212 334	374 148		282 582
Number of shares	800 000	800 000		800 000
Earnings per Share (EPS) (EUR)	-0,24	-0,19		-0,14

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR)
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

	Share capital	Reserves provided by the Articles of Association	Properties revaluation reserve	Previous years retained earnings	Current year profit	Non-controlling interest	Total
At 31 December 2009	1 138 297	45 522	1 345 476	1 950 626	(83 248)	2 022	4 398 696
Previous years retained earnings	-	-	-	(83 248)	83 248	-	-
Dividends paid	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(150 547)	(47)	(150 594)
Depriciation of revaluation surplus	-	-	(163 182)	163 182	-	-	-
Deffered tax on revaluation surplus	-	-	24 478	-	-	-	24 478
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	-	-
Depriciation of revaluation surplus	-	-	(122 385)	122 385	-	-	-
Deffered tax on revaluation surplus	-	-	18 358	-	-	-	18 358
Total comprehensive income for the year	-	-	-	-	(195 121)	(34)	(195 155)
At 30 September 2011	1 138 297	45 522	1 102 745	2 002 399	(195 121)	1 941	4 095 782

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

	2010, 9 month period EUR	2011, 12 month period EUR	Note	2010, 9 month period
Cash flows used in operating activities				
Net income before tax	(195 155)	(147 583)		(112 407)
Adjustments:				
a) depreciation of tangibles	403 168	518 339	2	390 173
b) depreciation of goodwill	4 317	6 403	2	4 816
c) provisions	-	(7 194)		-
d) loss (gain) on sale of tangibles	-	1 863		1 532
e) interest income	(7 383)	(7 383)	20	(45 296)
f) gain (loss) from investments in associates	-	(11 612)	19	-
2. Gain (loss) before changes in current assets and liabilities	204 946	352 832		238 819
Changes in operating assets and liabilities:				
a) receivables.	34 627	34 627		(274 547)
b) inventory.	(14 944)	(7 917)		(6 466)
c) current liabilities.	364 790	244 841		97 791
3. Gross operating cash flow	589 419	624 383		55 597
4. Paid corporate income tax.	(16 983)	(24 987)	12	(9 199)
5. Net cash used in operating activities	572 436	599 396		46 398
II. Cash flow used in investment activities				
1. Purchase of shares of associates.	-	-		-
2. Purchase of fixed assets.	#####	(182 099)	2	(171 608)
3. Selling of fixed assets.	312	312		-
4. Received interest.	2 887	7 383	20	21 279
5. Net cash from investment activities	#####	(174 404)		(150 329)
IV. Net increase (decrease) in cash	(507 259)	424 992		(103 931)
V. Cash at the beginning of the period	1 769 249	1 344 257		1 344 257
VI. Cash at the end of the period	1 261 989	1 769 249		1 240 326

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

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 balance sheet dates 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 portion attributed to the parent company of the net assets are offset with the investment and have been eliminated. The portion attributed to the parent company of the retained earnings 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 at the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted at the Bank of Latvia rate at the balance sheet date.

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

	September 30, 2011	December 31, 2010
EUR	0,702804	0,702804
USD	0,516	0,535

Gains or losses on conversion are posted to the profit or loss account at the Bank of Latvia official exchange rate as of the balance sheet date and recognized in the period when they incurred.

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

Cash and cash equivalents

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 balance sheet date based on individual evaluation of each debtor.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

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 31.12.2009 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.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

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 SEPTEMBER 2011 AND 31 DECEMBER 2010

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

As of 30 September 2011 and 31 December 2010
 fixed assets are composed as follows: (EUR)

EUR	Intangible assets	Land & buildings	Machinery and equipment	Other fixed assets	Fixed assets add-ons (EU fonds)	Advance payments for fixed assets	Unfinished building objects	Total
Historical cost								
At 31 December								
2009	37 097	3 615 026	2 769 094	488 463	-	-	250 201	7 159 881
Additions	-	-	132 284	44 001	3 826	1 988	-	182 099
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(226 288)	(29 903)	-	-	-	(256 191)
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	-	911 231	7 944	162 587	-	-	1 082 894
Transfers	-	-	-	-	1 988	(1 988)	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals or change in classification	(596)	-	(63 087)	(32 551)	-	-	-	(96 235)
At 30 September								
2011	37 632	3 615 026	3 523 234	477 954	168 401	-	250 201	8 072 448
Accumulated depreciation								
At 31 December								
2009	25 791	1 513 144	2 079 240	393 485	-	-	-	4 011 660
Charge for the year	6 403	52 157	250 921	52 080	-	-	-	361 560
Charge for the period for revaluated fixed assets	-	163 182	-	-	-	-	-	163 182
Disposals	-	-	(224 872)	(29 145)	-	-	-	(254 017)
At 31 December								
2010	32 194	1 728 483	2 105 288	416 421	-	-	-	4 282 386
Charge for the period	4 317	38 820	207 680	34 283	-	-	-	285 099
Charge for the period for revaluated fixed assets	-	122 385	-	-	-	-	-	122 385
Disposals or change in classification	(596)	-	(56 548)	(31 473)	-	-	-	(88 616)
At 30 September								
2011	35 915	1 889 689	2 256 420	419 231	-	-	-	4 601 254
Net book value								
At 31 December								
2009	11 306	2 101 882	689 854	94 978	-	-	250 201	3 148 221
At 31 December								
2010	4 903	1 886 543	569 802	86 141	3 826	1 988	250 201	2 803 403
At 30 September								
2011	1 717	1 725 337	1 266 814	58 723	168 401	-	250 201	3 471 194

The balance value of the land and buildings excluding reevaluation adjustments as on 31-12-2010 is 575,712 EUR.

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2011 EUR	Capital share (%)	Amount of investment 2010 EUR
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45,3	192 338	45,3	192 202
Total participating interests in associated enterprises		<u>192 338</u>		<u>192 202</u>

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

4 RAW MATERIALS

	2011 EUR	2010 EUR
Pharmaceutical	95 968	80 947
Products	566	273
Advance payments to supplier of goods	312	266
Stock in warehouse	87	248
Inventory	-	83
Other materials	253	425
Total	<u>97 186</u>	<u>82 242</u>

5 TRADE DEBTORS

	2011 EUR	2010 EUR
Rigas department	89 561	119 429
Latvian University	-	7 891
Insurance BTA SE	5 101	6 568
SEESAM Latvija	808	4 637
Ergo Latvija AAS	3 098	3 469
IF Latvija AAS	6 417	3 116
Ministry of Interior – health and social departme	1 828	2 009
Latvian railway AS	1 736	1 722
Balta AAS	1 390	1 668
Gjesidege Baltic	5 777	1 595
Baltijas apdrošināšanas nams	98	1 356
Balva AAS	2 432	1 188
Narkologijas centrs	-	440
Compensa Life Vienna Insurance group	1 172	142
Biogen Idec Ltd.	-	36
P.Stradiņa klīniskā universitātes slimnīca	34 182	-
Olla M SIA	1 653	-
Other customers	32 480	16 187
Bad debt provisions	(1 871)	(1 871)
Total	<u>185 863</u>	<u>169 581</u>

6 OTHER RECEIVABLES

	2011 EUR	2010 EUR
Taxes overpayment (note No.12)	24 792	44 492
VAT for unpaid invoices	38	3 268
Other debtors	52 101	6 276
Total	<u>76 932</u>	<u>54 036</u>

7 ACCRUALS

	2011 EUR	2010 EUR
Assurance expense	4 607	3 480
Total	<u>4 607</u>	<u>3 480</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

8 CASH

	2011 EUR	2010 EUR
Cash in banks	1 252 452	1 766 306
Deposit	-	
Cash on hands	9 538	2 942
Total	1 261 989	1 769 249

9 SHARE CAPITAL

	2011 Number of shares	2011 Share %	2010 Number of shares	2010 Share %
Shareholders:				
Janis Birks	66 583	8,3%	65 083	8,1%
Ilze Birka	140 000	17,5%	140 000	17,5%
Martins Birks	140 000	17,5%	140 000	17,5%
Ilze Aizsilniece	91 565	11,4%	91 565	11,4%
Guna Shvarcberga	82 917	10,4%	82 917	10,4%
Other shareholders (shares less than 5%)	278 935	34,9%	280 435	35,1%
Total	800 000	100,0%	800 000	100,0%

Among them 1200 bearer shares are registered in the Latvijas Juras Medicinas Centrs JSC register of shareholders.

10 RECEIVED ADVANCE PAYMENTS

	2011 EUR	2010 EUR
VEK advance payment for 2010	264 667	220 739
Other advances	340	388
Total	265 007	221 127

11 DUE TO CUSTOMERS AND SUPPLIERS

	2011 EUR	2010 EUR
Latvijas Gaze	6 670	15 997
Amerilat MD	-	12 740
Latvenergo Rīgas elektrotīkls	-	7 941
Sistēmu Audits SIA	-	3 472
Rīgas Ūdens	1 258	1 222
Lattelekom	-	356
Academic histologic laboratory	332	312
AB Medical Group Riga	-	169
Segaway SIA	-	-
Tradintek SIA	388 675	-
Other suppliers	48 614	10 159
Total	445 548	52 369

12 TAXES

	As of 31- 12-2010	Calculated	Paid	Repayed	As of 30.09.2011
Value added tax	4 797	47 350	(47 860)	3	4 290
Social insurance	61 521	662 997	(653 545)	(39 058)	31 915
Personal income tax	42 325	376 761	(377 400)	(1 423)	40 263
Corporate income tax	(44 492)	-	(16 983)	40 509	(20 966)
Unemployment duty	124	1 145	(1 128)	(31)	110
Natural resources tax	270	-	(531)	-	(260)
Real estate tax	-	549	(4 115)	-	(3 566)
Total, including	64 544	1 088 803	(1 101 562)	(0)	51 785
due to the budget	109 036				76 578
overpayment	(44 492)				(24 792)

13 OTHER PAYABLES

	2011	2010
	EUR	EUR
Salaries	135 748	129 030
Trade union	921	1 059
Deposited salary	585	693
Total	<u>137 253</u>	<u>130 782</u>

14 NET SALES

	2011	2010
	EUR	EUR
Medical ambulant services	2 333 413	3 026 335
Medical hospital services	821 430	1 020 597
Insurance payments	202 971	345 759
VS ZDC ambulant services	157 704	188 744
Services - minimum fixed part	9 859	13 144
Residents training	27 193	44 581
Stomatology services	47 010	58 496
Family doctors	33 935	45 606
Other income	12 803	37 756
Total	<u>3 646 318</u>	<u>4 781 019</u>

15 COST OF GOODS SOLD

	2011	2010
	EUR	EUR
Salaries and	1 716 866	2 202 728
Fixed assets depreciation	407 489	524 742
Medical goods	470 160	520 882
Social tax	390 534	513 008
VAT - expenses	168 865	206 386
Public utilities	87 619	174 952
Repair expenses	77 370	148 026
Rent of	48 484	102 158
Household goods	18 901	36 882
Security expenses	29 247	35 979
Current assets write-off	25 869	31 058
Computer maintenance, repair	15 973	21 475
Medical researches	14 621	21 164
Advertising	13 869	21 030
Office expenses	8 512	17 729
Utilities	110 847	16 454
Feeding expenses	18 901	15 982
Insurance expenses	3 425	6 377
Transport expense	5 654	6 322
Employees trainings	5 524	4 932
Allowances to employees	1 565	2 618
Unemployment duty	1 145	1 473

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15 COST OF GOODS SOLD (CONTINUED ...)

Gifts to employees	1 322	1 091
Accruals for vacations	-	(18 103)
Received discounts	(8 808)	(7 453)
Other operating expenses	-	93 853
Total	<u>3 633 956</u>	<u>4 701 745</u>

16 ADMINISTRATIVE EXPENSES

	2011	2010
	EUR	EUR
Salaries and wages	162 199	168 000
Social tax	49 540	37 742
Board remuneration	23 866	35 223
Board chairperson remuneration	22 328	23 697
Communication expenses	10 322	17 558
Council members remuneration	10 757	17 530
Office expenses	4 540	14 658
Presentation expenses	2 050	9 330
Council chairperson remuneration	6 147	8 196
Audit expenses	-	7 114
Board members social tax	4 926	6 817
Chairperson of the Board social tax	5 378	5 709
Bank expenses	3 551	4 952
Council members social tax	3 314	3 974
Other administrative expenses	2 466	2 827
Chairperson of the Council social tax	1 481	1 975
Legal services	-	71
Total	<u>312 865</u>	<u>365 372</u>

17 OTHER OPERATING INCOME

	2011	2010
	EUR	EUR
Rent income	62 086	92 356
Hotel services – food	15 266	15 686
Utilities for tenants	2 104	7 363
Feeding income	290	1 821
Laundry income	1 308	1 696
Solarium income	696	1 037
Income from social tax return	-	-
Press goods	-	-
Other income	22 553	13 243
Total	<u>104 302</u>	<u>133 202</u>

18 OTHER OPERATING EXPENSES

	2011	2010
	EUR	EUR
Real estate tax	643	4 547
Loss from fixed assets disposals	-	1 863
Penalties	108	23
Currency exchange loss	1 090	10
Other expenses	-	7 240
Total	<u>1 841</u>	<u>13 682</u>

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2011	2010
	EUR	EUR
Neurology clinic Ltd.	-	11 612
Total	<u>-</u>	<u>11 612</u>

20 INTEREST INCOME AND SIMILAR INCOME

	2011	2010
	EUR	EUR
Interest income	2 887	7 383
Total	<u>2 887</u>	<u>7 383</u>

21 CORPORATE INCOME TAX

	2011	2010
	EUR	EUR
Calculated Corporate income tax	-	11 887
Deferred Corporate income tax	-	(8 876)
Total	<u>-</u>	<u>3 011</u>

21 CORPORATE INCOME TAX (CONTINUED ...)

	2011	2010
	EUR	EUR
Profit (loss) before tax	(195 155)	(147 583)
Loss of a subsidiary	4 801	6 687
Evaluation of an associate company	(11 612)	(11 612)
Theoretically calculated corporate income tax,	(30 295)	(22 876)
Permanent differences	-	34 762
Changes in deferred income tax	-	(8 876)
Total	-30 295	3 010

Deferred tax

Temporary difference between financial statements	(317 759)	(317 759)
Temporary difference of fixed assets revaluation	(743 738)	(866 123)
Accruals for vacations	130 255	130 255
Total temporary differences	(931 241)	(1 053 627)
Tax rate applied	15%	15%
Deferred tax liabilities	<u>139 686</u>	<u>158 044</u>
Recognized deferred tax liabilities	<u>139 686</u>	<u>158 044</u>

22 PROPERTIES REVALUATION RESERVE

Balance at beginning of year	1 206 772	1 345 476
Depreciation on evaluation surplus	(122 385)	(163 182)
Reversal of deferred tax liability on revaluation	18 358	24 478
Balance at end of year	<u>1 102 744</u>	<u>1 206 772</u>
