



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED REPORT FOR THE YEAR 2010

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

(Translation of the Latvian original)

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 shares with face value 1,00 LVL, int. al.: 798 800 public registered shares. ISIN code:LV0000100741 1 200 registered shares listed in the register of the Board
MAJOR SHAREHOLDERS:	Ilze Birka 17,5% Martins Birks 17,5% Ilze Aizsilniece 11,4% Guna Shvarcberga 10,4% Janis Birks 8,1%
REPORTING PERIOD:	1 January 2010 - 31 December 2010
AUDITORS NAME AND ADDRESS:	System audit Ltd. Licence No.53 Matisa str. 19-6 Riga, LV-1001 Latvia

Council of the Group

**Number of shares owned at
31.12.2010**

From April 30, 2008 till April 28, 2010

<u>Name</u>	<u>Position</u>
Martins Birks	Chairman of the Council
Viesturs Shilinsh	Member of the Council
Antons Vjaters	Member of the Council
Vladislavs Skrebelis	Member of the Council

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

<u>Name</u>	<u>Position</u>	
From August 18, 2009 till the consolidated financial statements signing day		
Janis Birks	Chairman of the Board	65 083
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 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 -107 183 LVL.

The loss before taxes of subsidiary company was -4 392 LVL.

The Group financial indexes

	2010	2009	2008
Net sales (mil. LVL)	3,36	4,56	5,89
Assets at the end of year (mil. LVL)	3,57	3,51	6,05
Profit (loss) after taxes (LVL)	-105 838	-58 602	498
EBITDA (LVL)	265 069	450 309	499 745
Profit (loss) after taxes on shareholders' equity (ROE) (%)	-3,5%	-1,9%	0,0%
Profit (loss) after taxes on share (LVL)	-0,13	-0,07	0,00
LJMC share market price at the end of the year (LVL)	1,25	1,60	2,38
LJMC dividends on share (LVL)	0,00	0,00	0,00

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

Medical inpatient service volume has dropped to 40% from the previous year's volume, because in the year 2009, 9 months was the state order for this service, but in the 2010 was not. Partly this decline is offset by the increase of outpatient one day service and payable patient service.

In July 2010, an agreement is signed with the Health Economic Centre for European Regional Development Fund support in amount of 436 035 LVL for outpatient health services development project in the former hospital care housing at Patversmes street 23. The implementation of the project has begun.

On the 12th March 2010, scientific-practical conference "Family doctors, specialists and nurses cooperation in a healthy society" was organized, which was attended by more than 600 medical staff and viewed on the internet by more than 1,000 stakeholders.

Endoscopy is relocated to new premises. New services are developed in endoscopy. In addition to capsule endoscopy is acquired enteroscops for small intestine examination. The patient care at home is rapidly evolving.

Internal transactions with subsidiaries and associated companies in the year 2010 were not made.

The share price at the 01.01.10 was LVL 1,60, 31.03.10 - LVL 2,00; 30.06.10 - LVL 1,60; 30.09.10 - LVL 1,50; 31.12.10 - LVL 1,25; 31.03.11 - LVL 1,50.

Important Events after the Balance Sheet Date

The technical project for the reconstruction and renovation of buildings by ERAF funding to provide outpatient medical services in the former inpatient service building at Patversmes street 23 is approved. The Olympus equipment for laparoscopy operations in gynaecology was purchased. By March a new department of medical care has started in Vecmilgravis hospital.

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.

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, 7 April, 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 31 December 2010 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, 7 April, 2011.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010 AND 31 DECEMBER 2009

	December 31, 2010 LVL	December 31, 2009 LVL	Note
ASSETS			
Current assets:			
Stocks			
Raw materials	57 800	52 236	4
Total stocks	57 800	52 236	
Debtors:			
Trade debtors	119 182	140 378	5
Other receivables	37 977	30 148	6
Accruals	2 446	4 208	7
Total debtors	159 605	174 734	
Cash funds	1 243 435	944 749	8
Total current assets	1 460 840	1 171 719	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	3 446	7 946	2
Total intangible assets	3 446	7 946	
Fixed assets:			
Land and buildings	1 325 870	1 477 211	
Technological equipment and machines	400 459	484 832	
Other fixed assets and inventory	60 540	66 751	
Fixed assets add-ons (EU funds)	2 689	-	
Unfinished building objects	175 842	175 842	
Advance payments for fixed assets	1 397	-	
Total fixed assets:	1 966 797	2 204 636	2
Long-term financial assets:			
Participating interests in associated enterprises	135 080	126 919	3
Total financial assets:	135 080	126 919	
Total long-term investments:	2 105 323	2 339 501	
TOTAL ASSETS	3 566 163	3 511 220	

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 31 DECEMBER 2010 AND 31 DECEMBER 2009

	December 31, 2010	December 31, 2009	Note
	LVL	LVL	
LIABILITIES			
Liabilities:			
Liabilities:			
Received advance payments	155 409	21	10
Due to customers and suppliers	36 805	26 805	11
Taxes and social security payments	76 631	69 532	12
Other payables	91 914	92 326	13
Recognized deferred tax liabilities	111 074	134 515	22
Total liabilities	471 833	323 199	
Provisions for liabilities and charges:			
Provisions for vacations	91 544	96 600	
Total provisions	91 544	96 600	
Total liabilities	563 377	419 799	
Equity capital:			
Share equity	800 000	800 000	9
Reserves:			
c) reserves provided by the Articles of Association	31 993	31 993	
d) fixed asset's revaluation reserve	848 124	945 606	
Retained earnings:			
a) brought forward from previous years	1 427 086	1 370 908	
b) current year profit or loss	(105 805)	(58 507)	
Total shareholders' equity	3 001 398	3 090 000	
Non-controlling interest	1 388	1 421	
Total equity capital	3 002 786	3 091 421	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	3 566 163	3 511 220	
Current Ratio	3,10	3,63	
Debt Ratio	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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

	2010	2009	Note
	LVL	LVL	
Net sales	3 360 119	4 562 603	14
Cost of goods sold	(3 304 405)	(4 303 550)	15
Gross profit or loss	55 714	259 053	
Administrative expenses	(256 785)	(392 126)	16
Other operating income	93 615	92 349	17
Other operating expenses	(9 616)	(4 021)	18
Income from investment in associates	8 161	(7 066)	19
Interest income and similar income	5 189	31 834	20
Profit (loss) before taxes	(103 722)	(19 977)	
Corporate income tax	(2 116)	(38 625)	21
NET PROFIT OR LOSS	(105 838)	(58 602)	
Other comprehensive income			
Gain (loss) on revaluation of properties excluding deferred tax	-	(1 604 751)	22
Other comprehensive income for the year, net of tax	-	(1 604 751)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(105 838)	(1 663 353)	
Profit attributable to			
Owners of LJMC	(105 805)	(58 507)	
Non-controlling interest	(33)	(95)	
	(105 838)	(58 602)	
Total comprehensive income attributable to			
Owners of LJMC	-	(1 593 562)	
Non-controlling interest	-	(11 189)	
	-	(1 604 751)	
Number of shares	800 000	800 000	
Earnings per Share (EPS) (LVL)	-0,13	-0,07	

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 (LVL)
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

	Share capital	Reserves provided by the Articles of Association	Properties revaluation reserve	Previous years retained earnings	Current year profit	Non- controllin g interest	Total
At 31 December 2008	800 000	31 993	2 735 327	1 152 798	498	1 516	4 722 132
Previous years retained earnings	-	-	-	498	(498)	-	-
Dividends paid	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(1 604 751)	-	(58 507)	(95)	(1 663 353)
Depreciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Deffered tax on revaluation surplus	-	-	32 642	-	-	-	32 642
At 31 December 2009	800 000	31 993	945 606	1 370 908	(58 507)	1 421	3 091 421
Previous years retained earnings	-	-	-	(58 507)	58 507	-	-
Depreciation of revaluation surplus	-	-	(114 685)	114 685	-	-	-
Deffered tax on revaluation surplus	-	-	17 203	-	-	-	17 203
Total comprehensive income for the year	-	-	-	-	(105 805)	(33)	(105 838)
At 31 December 2010	800 000	31 993	848 124	1 427 086	(105 805)	1 388	3 002 786

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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

	2010	2009	Note
	LVL	LVL	
Cash flows used in operating activities			
Net income before tax	(103 722)	(19 977)	
Adjustments:			
a) depreciation of tangibles	364 291	465 189	2
b) depreciation of goodwill	4 500	5 097	2
c) provisions	(5 056)	(34 474)	
d) loss (gain) on sale of tangibles	1 309	1 062	
e) interest income	(5 189)	(31 834)	20
f) gain (loss) from investments in associates	(8 161)	7 066	19
2. Gain (loss) before changes in current assets and liabilities	247 972	392 129	
Changes in operating assets and liabilities:			
a) receivables.	24 336	103 905	
b) inventory.	(5 564)	35 231	
c) current liabilities.	172 075	(532 837)	
3. Gross operating cash flow	438 819	(1 572)	
4. Paid corporate income tax.	(17 561)	(29 913)	12
5. Net cash used in operating activities	421 258	(31 485)	
II. Cash flow used in investment activities			
1. Purchase of shares of associates.	-	(618)	
2. Purchase of fixed assets.	(127 980)	(92 501)	2
3. Selling of fixed assets.	219	33	
4. Received interest.	5 189	31 834	20
5. Net cash from investment activities	(122 572)	(61 252)	
IV. Net increase (decrease) in cash	298 686	(92 737)	
V. Cash at the beginning of the period	944 749	1 037 486	
VI. Cash at the end of the period	1 243 435	944 749	

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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

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:

	December 31, 2010	December 31, 2009
EUR	0,702804	0,702804
USD	0,535000	0,489000

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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

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 2010 AND 31 DECEMBER 2009

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

As of 31 December 2010 and 31 December 2009
fixed assets are composed as follows: (LVL)

LVL	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								
2008	25 932	4 351 402	1 956 874	389 939	-	13 249	175 842	6 913 238
Additions	686	34 811	16 098	11 771	-	29 135	-	92 501
Transfers	-	(1 845 558)	-	-	-	(42 384)	-	(1 887 942)
Disposals	(546)	-	(26 842)	(58 416)	-	-	-	(85 804)
At 31 December								
2009	26 072	2 540 655	1 946 130	343 294	-	-	175 842	5 031 993
Additions			92 970	30 924	2 689	1 397		127 980
Disposals or change in	-	-	(159 036)	(21 016)	-	-	-	(180 052)
At 31 December								
2010	26 072	2 540 655	1 880 064	353 202	2 689	1 397	175 842	4 979 921
Accumulated depreciation								
At 31 December								
2008	13 236	811 986	1 309 860	298 752	-	-	-	2 433 834
Charge for the year	5 097	33 846	178 227	35 504	-	-	-	252 674
Charge for the period for revaluated fixed assets	-	217 612	-	-	-	-	-	217 612
Disposals	(207)	-	(26 789)	(57 713)	-	-	-	(84 709)
At 31 December								
2009	18 126	1 063 444	1 461 298	276 543	-	-	-	2 819 411
Charge for the period	4 500	36 656	176 348	36 602		-	-	254 106
Charge for the period for revaluated fixed assets	-	114 685	-	-	-	-	-	114 685
Disposals or change in	-	-	(158 041)	(20 483)	-	-	-	(178 524)
At 31 December								
2010	22 626	1 214 785	1 479 605	292 662	-	-	-	3 009 678
Net book value								
At 31 December								
2008	12 696	3 539 416	647 014	91 187	-	13 249	175 842	4 479 404
At 31 December								
2009	7 946	1 477 211	484 832	66 751	-	-	175 842	2 212 582
At 31 December								
2010	3 446	1 325 870	400 459	60 540	2 689	1 397	175 842	1 970 243

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

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2010 LVL	Capital share (%)	Amount of investment 2009 LVL
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	135 080	45	126 919
Total participating interests in associated enterprises		135 080		126 919

4 RAW MATERIALS

	2010 LVL	2009 LVL
Pharmaceutical	56 890	48 246
Products	192	409
Advance payments to supplier of goods	187	262
Stock in warehouse	174	2 136
Inventory	58	470
Other materials	299	713
Total	57 800	52 236

5 TRADE DEBTORS

	2010 LVL	2009 LVL
Rigas department	83 935	41 574
Latvian University	5 546	8 286
BTA AAS	4 616	11 182
SEESAM Latvija	3 259	8 018
Ergo Latvija AAS	2 438	1 310
IF Latvija AAS	2 190	10 462
Ministry of Interior – health and social departme	1 412	1 367
Latvian railway AS	1 210	-
Balta AAS	1 172	7 223
Gjesidege Baltic	1 121	11 664
Baltijas apdrošināšanas nams	953	2 245
Balva AAS	835	5 218
Narkologijas centrs	309	2 861
Compensa Life Vienna Insurance group	100	1 786
Biogen Idec Ltd.	25	1 168
Likvidējamā RSK apdrošināšanas sabiedrība AS	-	29 009
NBS militaras medicinas centrs	-	1 637
Other customers	11 376	9 405
Bad debt provisions	(1 315)	(14 037)
Total	119 182	140 378

6 OTHER RECEIVABLES

	2010 LVL	2009 LVL
Taxes overpayment (note No.12)	31 269	23 759
VAT for unpaid invoices	2 297	4 320
Other debtors	4 411	2 069
Total	37 977	30 148

7 ACCRUALS

	2010 LVL	2009 LVL
Assurance expense	2 446	4 208
Total	2 446	4 208

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009

8 CASH

	2010	2009
	LVL	LVL
Cash in banks	1 241 367	911 533
Deposit	-	29 803
Cash on hands	2 068	3 413
Total	1 243 435	944 749

9 SHARE CAPITAL

	2010	2010	2009	2009
	Number of	Share %	Number of	Share %
Shareholders:	shares		shares	
Janis Birks	65 083	8,1%	60 883	7,6%
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 Shvarchberga	82 917	10,4%	82 917	10,4%
Other shareholders (shares less than 5%)	280 435	35,1%	284 635	35,6%
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

	2010	2009
	LVL	LVL
VEK advance payment for 2010	155 136	-
Other advances	273	21
Total	155 409	21

11 DUE TO CUSTOMERS AND SUPPLIERS

	2010	2009
	LVL	LVL
Latvijas Gaze	11 243	4 392
Amerilat MD	8 954	5 051
Latvenergo Rīgas elektrotikls	5 581	4 340
Sistēmu Audits SIA	2 440	2 420
Rīgas Ūdens	859	979
Lattelekom	250	503
Academic histologic laboratory	219	726
AB Medical Group Riga	119	225
Latvian University	-	1 924
Other suppliers	7 140	6 245
Total	36 805	26 805

12 TAXES

	As of				As of
	31-12-2010	Calculated	Paid	Repayed	31.12.2010
Value added tax	948	17 756	(15 333)	-	3 371
Social insurance	42 925	550 888	(550 249)	(327)	43 237
Personal income tax	25 352	366 003	(361 609)	-	29 746
Corporate income tax	(22 062)	8 354	(17 561)	-	(31 269)
Unemployment duty	80	1 035	(1 028)	-	87
Natural resources tax	227	358	(395)	-	190
Real estate tax	(1 697)	3 196	(1 499)	-	-
Total, including	45 773	947 590	(947 674)	(327)	45 362
due to the budget	69 532				76 631
overpayment	(23 759)				(31 269)

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13 OTHER PAYABLES

	2010	2009
	LVL	LVL
Salaries	90 683	90 610
Trade union	744	983
Deposited salary	487	733
Total	91 914	92 326

14 NET SALES

	2010	2009
	LVL	LVL
Medical ambulant services	2 126 920	1 791 857
Medical hospital services	717 280	1 722 868
Insurance payments	243 001	606 894
VS ZDC ambulant services	132 650	174 924
Services - minimum fixed part	9 238	88 636
Residents training	31 332	64 422
Stomatology services	41 111	43 625
Family doctors	32 052	37 229
Other income	26 535	32 148
Total	3 360 119	4 562 603

15 COST OF GOODS SOLD

	2010	2009
	LVL	LVL
Salaries and	1 548 086	1 937 133
Fixed assets depreciation	368 791	470 286
Medical goods	366 078	625 705
Social tax	360 544	446 676
VAT - expenses	145 049	169 509
Public utilities	122 957	134 729
Repair expenses	104 033	64 523
equipment	71 797	97 356
Household goods	25 921	41 374
Security expenses	25 286	21 175
Current assets write-off	21 828	37 257
Computer maintenance, repair	15 093	23 545
Medical researches	14 874	30 551
Advertising	14 780	18 682
Office expenses	12 460	9 295
Utilities	11 564	12 629
Feeding expenses	11 232	33 211
Insurance expenses	4 482	4 821
Transport expense	4 443	6 612
Employees trainings	3 466	28 368
Allowances to employees	1 840	2 650
Unemployment duty	1 035	1 272

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15 COST OF GOODS SOLD (CONTINUED ...)

Gifts to employees	767	18 587
Accruals for vacations	(12 723)	14 327
Received discounts	(5 238)	(7 643)
Other operating expenses	65 960	60 920
Total	3 304 405	4 303 550

16 ADMINISTRATIVE EXPENSES

	2010	2009
	LVL	LVL
Salaries and wages	118 071	203 954
Social tax	26 525	47 562
Board remuneration	24 755	33 645
Board chairperson remuneration	16 654	31 679
Communication expenses	12 340	17 210
Council members remuneration	12 320	13 328
Sakaru izdevumi	10 302	6 411
Presentation expenses	6 557	3 634
Council chairperson remuneration	5 760	5 760
Audit expenses	5 000	5 000
Board members social tax	4 791	7 942
Chairperson of the Board social tax	4 012	6 766
Bank expenses	3 480	2 698
Council members social tax	2 793	3 019
Other administrative expenses	1 987	1 965
Chairperson of the Council social tax	1 388	1 388
Legal services	50	165
Total	256 785	392 126

17 OTHER OPERATING INCOME

	2010	2009
	LVL	LVL
Rent income	64 908	66 466
Hotel services – food	11 024	1 763
Utilities for tenants	5 175	1 498
Feeding income	1 280	745
Laundry income	1 192	911
Solarium income	729	1 363
Income from social tax return	-	8 688
Press goods	-	2 855
Other income	9 307	8 060
Total	93 615	92 349

18 OTHER OPERATING EXPENSES

	2010	2009
	LVL	LVL
Real estate tax	3 196	63
Loss from fixed assets disposals	1 309	1 062
Penalties	16	1 042
Currency exchange loss	7	499
Other expenses	5 088	1 355
Total	9 616	4 021

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19 INCOME FROM INVESTMENT IN ASSOCIATES

	2010	2009
	LVL	LVL
Neurology clinic Ltd.	8 161	(7 066)
Total	8 161	(7 066)

20 INTEREST INCOME AND SIMILAR INCOME

	2010	2009
	LVL	LVL
Interest income	5 189	31 834
Total	5 189	31 834

21 CORPORATE INCOME TAX

	2010	2009
	LVL	LVL
Calculated Corporate income tax	8 354	36 239
Deferred Corporate income tax	(6 238)	2 386
Total	2 116	38 625

21 CORPORATE INCOME TAX (CONTINUED ...)

	2010	2009
	LVL	LVL
Profit (loss) before tax	(103 722)	(19 977)
Loss of a subsidiary	4 700	13 438
Evaluation of an associate company	(8 161)	7 066
Theoretically calculated corporate income tax,	(16 077)	79
Permanent differences	24 431	36 160
Calculated corporate income tax	8 354	36 239

Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(223 322)	(269 866)
Temporary difference of fixed assets revaluation	(608 715)	(723 402)
Accruals for vacations	91 544	96 503
Total temporary differences	(740 493)	(896 765)
Tax rate applied	15%	15%
Deferred tax liabilities	111 074	134 515
Recognized deferred tax liabilities	111 074	134 515

22 PROPERTIES REVALUATION RESERVE

Balance at beginning of year	945 606	2 735 327
Other comprehensive income:		
Decrease arising on revaluation of properties	-	(1 887 942)
Deferred tax assets arising on revaluation	-	283 191
Depreciation on evaluation surplus	(114 685)	(217 612)
Reversal of deferred tax liability on revaluation	17 203	32 642
Balance at end of year	848 124	945 606
