



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2010

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

(Translation of the Latvian original)

LATVIJAS JURAS MEDICINAS CENTRS JSC
TABLE OF CONTENTS

	PAGE
INFORMATION ABOUT PARENT COMPANY	3
COUNCIL AND BOARD OF THE GROUP	4
MANAGEMENT REPORT	5
DECLARATION OF MANAGEMENT RESPONSIBILITY	6
CONSOLIDATED FINANCIAL STATEMENTS	7 - 11
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7 - 8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	12 - 21

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 7,6%

REPORTING PERIOD: 1 January 2010 - 30 June 2010

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
30.06.10**

From April 30, 2008 till April 28, 2010

<u>Name</u>	<u>Position</u>	
Martins Birks	Chairman of the Council	140 000
Viesturs Shilinh	Member of the Council	3 038
Austris Adumans	Vice-Chairman of the Council	till 15.12.2009
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 Shilinh	Member of the Council	3 038
Ineta Gadzjus	Member of the Council	
Jevgenijs Kaelejs	Member of the Council	
Uldis Osis	Member of the Council	

Board of the Group

<u>Name</u>	<u>Position</u>	
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From August 18, 2009 till the consolidated financial statements signing day

Janis Birks	Chairman of the Board	60 883
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 -281 242 LVL.

The loss before taxes of subsidiary company was -02 460 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 294 000 LVL (3 month funding level). This enabled to maintain the patient attraction to the Latvian Maritime Medical Centre and to ensure smooth personnel utilized capacity in winter and in the summer vacation period. Accordingly the contract with the Health Billing Center the exceeding of quota cannot be credited to the income at the reference period. Payment processing will take place in the coming months, if not met this month financing quota. As a result, excluding the revenue reduced the first half year profits by LVL 294 000.

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

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

Important Events after the Balance Sheet Date

In July 2010th 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 share price at the 01.01.10 was LVL 1,60, 31.03.10 - LVL 2,00; 30.06.10 - LVL 1,60.

Future Development of the Group

Planned to develop outpatient care at 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.

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. The company's financial stability in times of crisis provides good liquidity (Current Ratio at 30.06.10 was 2,54) and liability (Debt Ratio at 30.06.10 was 0,14) characteristics, as well as the accumulated free cash reserves.

On behalf of the Group:

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 27 August, 2010.

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 June 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 the financial position of the Group and enable them 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, 27 August, 2010.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2010 AND 31 DECEMBER 2009

ASSETS	June 30, 2010	December 31, 2009	Note	June 30, 2009
	LVL	LVL		LVL
Current assets:				
Stocks				
Raw materials	43 740	52 236	4	53 545
Total stocks	43 740	52 236		53 545
Debtors:				
Trade debtors	110 864	140 378	5	395 554
Other debtors	34 698	30 148	6	104 158
Accruals	1 748	4 208	7	912
Total debtors	147 310	174 734		500 624
Cash funds	801 965	944 749	8	1 101 503
Total current assets	993 015	1 171 719		1 655 672
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	5 676	7 946	2	10 066
Total intangible assets	5 676	7 946		10 066
Fixed assets:				
Land and buildings	1 401 402	1 477 211		3 470 347
Technological equipment and machines	470 112	484 832		557 381
Other fixed assets and inventory	82 029	66 751		73 828
Long term investments in rented fixed assets	-	-		-
Unfinished building objects	175 842	175 842		175 842
Advance payments for fixed assets	-	-		7 858
Total fixed assets:	2 129 385	2 204 636	2	4 285 256
Long-term financial assets:				
Participating interests in associated enterprises	126 919	126 919	3	134 603
Total financial assets:	126 919	126 919		134 603
Total long-term investments:	2 261 980	2 339 501		4 429 925
TOTAL ASSETS	3 254 995	3 511 220		6 085 597

The notes on pages 12-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2010 AND 31 DECEMBER 2009

	June 30, 2010	December 31, 2009	Note	June 30, 2009
LIABILITIES	LVL	LVL		LVL
Liabilities:				
Liabilities:				
Received advance payments	412	21	10	2 307
Due to customers and suppliers	32 906	26 805	11	269 697
Taxes and social security payments	116 671	69 532	12	138 899
Other payables	108 380	92 326	13	174 733
Recognized deferred tax liabilities	132 198	134 515	22	409 024
Total liabilities	390 567	323 199		994 660
Provisions for liabilities and charges:				
Provisions for vacations	54 700	96 600		281 856
Total provisions	54 700	96 600		281 856
Total liabilities	445 267	419 799		1 276 516
Equity capital:				
Share equity	800 000	800 000	9	800 000
Reserves:				
c) reserves provided by the Articles of Association	31 993	31 993		31 993
d) fixed asset's revaluation reserve	896 866	945 606		2 642 843
Retained earnings:				
a) brought forward from previous years	1 369 743	1 370 908		1 262 194
b) current year profit or loss	(289 824)	(58 507)		70 693
Total shareholders' equity	2 808 778	3 090 000		4 807 723
Non-controlling interest	950	1 421		1 358
Total equity capital	2 809 728	3 091 421		4 809 081
TOTAL EQUITY, PROVISIONS AND LIABILITIES	3 254 995	3 511 220		6 085 597
	-	-		
Current Ratio	2,54	3,63		1,66
Debt Ratio	0,14	0,12		0,21

The notes on pages 12-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

	2009, 6 month period	2010, 12 month period	Note	2009, 6 month period
	LVL	LVL		LVL
Net sales	1 557 316	4 562 603	14	3 074 356
Cost of goods sold	(1 748 337)	(4 303 550)	15	(2 870 762)
Gross profit or loss	(191 021)	259 053		203 594
Administrative expenses	(150 918)	(392 126)	16	(223 229)
Other operating income	46 781	92 349	17	46 825
Other operating expenses	(709)	(4 021)	18	(1 343)
Income from investment in associates	-	(7 066)	19	618
Interest income and similar income	11 857	31 834	20	21 545
Profit (loss) before taxes	(284 010)	(19 977)		48 010
Corporate income tax	(6 285)	(38 625)	21	22 617
NET PROFIT OR LOSS	(290 295)	(58 602)		70 693
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	(290 295)	(1 663 353)		-
Profit attributable to				
Owners of LJMC	(289 824)	(58 507)		70 578
Non-controlling interest	(471)	(95)		115
	(290 295)	(58 602)		70 693
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		800 000
Earnings per Share (EPS) (LVL)	-0,36	-0,07		0,09

The notes on pages 12-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (LVL)
FOR THE PERIODS ENDED 30 JUNE 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-controlling 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	-	-	(57 342)	57 342	-	-	-
Deffered tax on revaluation surplus	-	-	8 602	-	-	-	8 602
Total comprehensive income for the year	-	-	-	-	(289 824)	(471)	(290 295)
Non-controlling interest changes	-	-	-	-	-	-	-
At 30 June 2010	800 000	31 993	896 866	1 369 743	(289 824)	950	2 809 728

The notes on pages 12-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

	2009, 6 month period LVL	2010, 12 month period LVL	Note	2009, 6 month period
Cash flows used in operating activities				
Net income before tax	(284 010)	(19 977)		48 010
Adjustments:				
a) depreciation of tangibles	181 987	465 189	2	233 332
b) depreciation of goodwill	2 270	5 097	2	2 630
c) provisions	(41 900)	(34 474)		150 782
d) loss (gain) on sale of tangibles	356	1 062		-
e) interest income	(31 834)	(31 834)	20	(21 545)
f) gain (loss) from investments in associates	-	7 066	19	(618)
2. Gain (loss) before changes in current assets and liabilities	(173 131)	392 129		412 591
Changes in operating assets and liabilities:				
a) receivables.	(7 192)	103 905		(187 369)
b) inventory.	8 496	35 231		33 922
c) current liabilities.	130 794	(532 837)		(133 680)
3. Gross operating cash flow	(41 033)	(1 572)		125 464
4. Paid corporate income tax.	(6 326)	(29 913)	12	(29 913)
5. Net cash used in operating activities	(47 359)	(31 485)		95 551
II. Cash flow used in investment activities				
1. Purchase of shares of associates.	-	(618)		(618)
2. Purchase of fixed assets.	(107 282)	(92 501)	2	(52 461)
3. Selling of fixed assets.	-	33		-
4. Received interest.	11 857	31 834	20	21 545
5. Net cash from investment activities	(95 425)	(61 252)		(31 534)
III. Cash flows used in financing activities				
1. Paid dividends.	-	-		-
2. Net cash from financing activities	-	-		-
IV. Net increase (decrease) in cash	(142 784)	(92 737)		64 017
V. Cash at the beginning of the period	944 749	1 037 486		1 037 486
VI. Cash at the end of the period	801 965	944 749		1 101 503

The notes on pages 12-21 form an integral part of these financial statements.

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

	June 30, 2010	December 31, 2009
EUR	0,702804	0,702804
USD	0,575	0,489

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 arising on the settlement of monetary items are recognised 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 JUNE 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.

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 JUNE 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 PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

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

As of 30 June 2010 and 31 December 2009
 fixed assets are composed as follows: (LVL)

LVL	Intangible assets	Land & buildings	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payments for fixed assets	Unfinishe d 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	-	-	-	74 936	32 346	-	-	-	107 282
Transfers	-	-	-	-	-	-	-	-	-
Revaluation Disposals or change of classification	-	-	-	(8 583)	(4 737)	-	-	-	(13 320)
At 30 June 2010	26 072	2 540 655	-	2 012 483	370 903	-	-	175 842	5 125 955
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	2 270	18 467	-	89 110	17 068	-	-	-	126 915
Charge for the period for revaluated fixed assets	-	57 342	-	-	-	-	-	-	57 342
Disposals or change of classification	-	-	-	(8 037)	(4 737)	-	-	-	(12 774)
At 30 June 2010	20 396	1 139 253	-	1 542 371	288 874	-	-	-	2 990 894
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 30 June 2010	5 676	1 401 402	-	470 112	82 029	-	-	175 842	2 135 061

LATVIJAS JURAS MEDICINAS CENTRS JSC
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED 30 JUNE 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	126 919	45	126 919
Total participating interests in associated enterprises		126 919		126 919

4 RAW MATERIALS

	2010 LVL	2009 LVL
Pharmaceutical	42 470	48 246
Stock in warehouse	145	2 136
Inventory	51	470
Products	77	409
Furniture	-	-
Other materials	772	713
Advance payments to supplier of goods	225	262
Total	43 740	52 236

5 DUE FROM CUSTOMERS

	2010 LVL	2009 LVL
VOVAA Rigas department	32 276	41 574
Riga slimokase AAS	29 715	29 009
Gjesidege Baltic	4 084	11 664
BTA AAS	20 814	11 182
IF Latvija AAS	2 408	10 462
Latvian University	2 310	8 286
SEESAM Latvija	1 477	8 018
Balta AAS	1 472	7 223
Balva AAS	1 048	5 218
Narkologijas centrs	6 956	2 861
Baltijas apdrošināšanas nams	1 948	2 245
Compensa Life Vienna Insurance group	99	1 786
NBS militāras medicīnas centrs	48	1 637
Ministry of Interior – health and social dep:	425	1 367
Ergo Latvija AAS	1 000	1 310
Biogen Idec Ltd.	2 567	1 168
Evolution Latvia	-	-
Merck sharp	-	-
Accrued income	-	-
Other customers	16 254	9 405
Bad debt provisions	(14 037)	(14 037)
Total	110 864	140 378

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

6 OTHER RECEIVABLES

	2010	2009
	LVL	LVL
Taxes overpayment (note No.12)	30 141	23 759
VAT for unpaid invoices	70	4 320
Other debtors	4 487	2 069
Total	<u>34 698</u>	<u>30 148</u>

7 DIFFERED EXPENSES

	2010	2009
	LVL	LVL
Assurance expense	1 748	4 208
Riga Stock Exchange, shares quotation	-	
Other expense	-	
Total	<u>1 748</u>	<u>4 208</u>

8 CASH

	2010	2009
	LVL	LVL
Cash in banks	768 500	911 533
Deposit	29 803	29 803
Cash on hands	3 662	3 413
Total	<u>801 965</u>	<u>944 749</u>

9 SHARE CAPITAL

	2010	2010	2009	2009
Shareholders:	Number of	Share %	Number of	Share %
	shares		shares	
Janis Birks	60 883	7,6%	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 Shvarcberga	82 917	10,4%	82 917	10,4%
Other shareholders (shares less than 5%)	284 635	35,6%	284 635	35,6%
Total	<u>800 000</u>	<u>100,0%</u>	<u>800 000</u>	<u>100,0%</u>

10 DUE TO RECEIVED ADVANCE PAYMENTS

	2010	2009
	LVL	LVL
VOAVA advance payment for 2009	-	
Other advances	412	21
Total	<u>412</u>	<u>21</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

11 DUE TO SUPPLIERS AND CONTRACTORS

	2010	2009
	LVL	LVL
Amerilat MD	-	5 051
Latvijas Gaze	-	4 392
Latvenergo Rīgas elektrotīkls	-	4 340
Sistēmu Audits SIA	-	2 420
Latvian University	-	1 924
Rīgas Ūdens	-	979
Academic histologic laboratory	-	726
Lattelekom	-	503
AB Medical Group Rīga	-	225
Recipe Plus SIA	-	-
B.Braun SIA	2 060	-
Tradintek SIA	17 464	-
Olympus Latvia SIA	-	-
Other suppliers	13 382	6 245
Total	<u>32 906</u>	<u>26 805</u>

12 TAXES

	As of 31-12- 2008	Calculated	Paid	Transfer	As of 30- 06-2010
Value added tax	948	17 637	(16 976)	-	1 609
Social insurance	42 925	309 792	(284 055)	-	68 662
Personal income tax	25 352	205 681	(184 718)	-	46 315
Corporate income tax	(22 062)	-	(6 326)	-	(28 388)
Unemployment duty	80	521	(516)	-	85
Natural resources tax	227	-	(283)	-	(56)
Real estate tax	(1 697)	308	(308)	-	(1 697)
Total, including	<u>45 773</u>	<u>533 939</u>	<u>(493 182)</u>	<u>-</u>	<u>86 530</u>
due to the budget	69 532				116 671
overpayment	(23 759)				(30 141)

13 DUE TO OTHER COMPANIES

	2010	2009
	LVL	LVL
Salaries	106 774	90 610
Deposited salary	478	733
Trade union	1 128	983
Total	<u>108 380</u>	<u>92 326</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

14 NET SALES

	2010	2009
	LVL	LVL
Medical ambulant services	861 242	1 791 857
Medical hospital services	410 870	1 722 868
Insurance payments	158 871	606 894
VS ZDC ambulant services	67 086	174 924
Services - minimum fixed part	4 619	88 636
Residents training	16 413	64 422
Stomatology services	20 067	43 625
Family doctors	16 079	37 229
Other income	2 069	32 148
Total	<u>1 557 316</u>	<u>4 562 603</u>

15 COST OF GOODS SOLD

	2010	2009
	LVL	LVL
Salaries and	826 675	1 937 133
Medical goods	210 893	625 705
Fixed assets depreciation	184 258	470 286
Social tax	194 642	446 676
VAT - expenses	79 502	169 509
Public utilities	51 045	134 729
equipment	32 853	97 356
Repair expenses	28 254	64 523
Household goods	18 922	41 374
Computer maintenance, repair	7 788	23 545
Security ezpenses	10 464	21 175
Utilities	15 313	12 629
Current assets write-off	13 838	37 257
Feeding expenses	7 143	33 211
Medical researches	8 485	30 551
Employees trainings	691	28 368
Advertising	12 778	18 682
Gifts to employees	429	18 587
Accruals for vacations	-	14 327
Office expenses	3 680	9 295
Transport expense	2 144	6 612
Insurance expenses	2 476	4 821
Allowances to employees	1 190	2 650
duty	522	1 272
Received		
discounts	(2 824)	(7 643)
Other operating expenses	37 176	60 920
Total	<u>1 748 337</u>	<u>4 303 550</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

16 ADMINISTRATIVE EXPENSES

	2010	2009
	LVL	LVL
Salaries and wages	82 716	203 954
Social tax	16 442	47 562
Board remuneration	11 676	33 645
Board chairperson remuneration	8 691	31 679
Communication expenses	5 650	17 210
Council members remuneration	5 600	13 328
Sakaru izdevumi	2 251	7 942
Office expenses	7 054	6 411
Chairperson of the Board social tax	2 094	6 766
Council chairperson remuneration	2 880	5 760
Audit expenses	-	5 000
Council members social tax	1 262	3 019
Presentation expenses	1 152	3 634
Bank expenses	1 898	2 698
Other administrative expenses	808	1 965
Chairperson of the Council social tax	694	1 388
Legal services	50	165
Total	<u>150 918</u>	<u>392 126</u>

17 OTHER OPERATING INCOME

	2010	2009
	LVL	LVL
Rent income	32 276	66 466
Income from social tax return	-	8 688
Press goods	-	2 855
Solarium income	415	1 363
Laundry income	591	911
Feeding income	979	745
Other income	12 520	11 321
Total	<u>46 781</u>	<u>92 349</u>

18 OTHER OPERATING EXPENSES

	2010	2009
	LVL	LVL
Currency exchange loss	7	499
Loss from fixed assets disposals	356	1 062
Penalties	16	1 042
Real estate tax	-	63
Other expenses	330	1 355
Total	<u>709</u>	<u>4 021</u>

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2010	2009
	LVL	LVL
Neurology clinic Ltd.	-	(7 066)
Total	<u>-</u>	<u>(7 066)</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED 30 JUNE 2010 AND 31 DECEMBER 2009

20 INTEREST INCOME AND SIMILAR INCOME

	2010 LVL	2009 LVL
Interest income	11 857	31 834
Total	<u>11 857</u>	<u>31 834</u>

21 CORPORATE INCOME TAX

	2010 LVL	2009 LVL
Calculated Corporate income tax	-	36 239
Deferred Corporate income tax	6 285	2 386
Total	<u>6 285</u>	<u>38 625</u>

21 CORPORATE INCOME TAX (CONTINUED ...)

	2010 LVL	2009 LVL
Profit (loss) before tax	-284 010	-19 977
Theaoretically calculated corporate income	-	-
Permanent differencies	-	36 239

Calculated corporate income tax - **36 239**

Deffered tax

Temporary difference between financial	(269 866)	(269 866)
Temporary difference of fixed assets revaluation	(666 060)	(723 402)
Accruals for vacations	54 603	96 503
Accrued liabilities	-	-
Total temporary differencies	<u>(881 323)</u>	<u>(896 765)</u>
Tax rate applied	15%	15%
Deferred tax liabilities	<u>132 198</u>	<u>134 515</u>
Recognized deferred tax liabilities	<u>132 198</u>	<u>134 515</u>

22 PROPERTIES REVALUATION RESERVE

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