



**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**

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**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

**LATVIJAS JURAS MEDICINAS CENTRS JSC  
COUNCIL AND BOARD OF THE GROUP**

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**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	
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 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>	
<b>From August 18, 2009 till the consolidated financial statements signing day</b>		
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 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 -103 809 LVL.

The loss before taxes of subsidiary company was -03 773 LVL.

**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 volumes, because in the year 2009th 9 months was the state order for this service, but in the 2010th was not. Partly this decline is offset by the increase of outpatient one day service and payable patient service.

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 implementation of the project has begun.

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.

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.

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

**Important Events after the Balance Sheet Date**

The technical project development of outpatient medical services at Patversmes street 23 in former hospital care housing, including the building reconstruction and renovation is finished.

**Future Development of the Group**

It is planned to develop ambulatory care at Patversmes street 23 area and medical and nursing care in Vecmilgravis hospital. 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 adapting it to the ongoing changes in the health service structure and changing funding levels. The technical project of the former hospital care house reconstruction is planned to be complete in the December 2010.

**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, 25 February, 2011.

**LATVIJAS JURAS MEDICINAS CENTRS JSC**  
**DECLARATION OF MANAGEMENT RESPONSIBILITY**

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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 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, 25 February, 2011.

**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
<b>ASSETS</b>	<b>LVL</b>	<b>LVL</b>	
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	57 800	52 236	4
<b>Total stocks</b>	<b>57 800</b>	<b>52 236</b>	
<b>Debtors:</b>			
Trade debtors	119 662	140 378	5
Other debtors	43 706	30 148	6
Accruals	2 446	4 208	7
<b>Total debtors</b>	<b>165 814</b>	<b>174 734</b>	
<b>Cash funds</b>	<b>1 243 438</b>	<b>944 749</b>	<b>8</b>
<b>Total current assets</b>	<b>1 467 052</b>	<b>1 171 719</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	3 446	7 946	2
<b>Total intangible assets</b>	<b>3 446</b>	<b>7 946</b>	
<b>Fixed assets:</b>			
Land and buildings	1 314 535	1 477 211	
Technological equipment and machines	400 459	484 832	
Other fixed assets and inventory	60 539	66 751	
Long term investments in rented fixed assets	4 086	-	
Unfinished building objects	-	175 842	
Advance payments for fixed assets	-	-	
<b>Total fixed assets:</b>	<b>1 779 619</b>	<b>2 204 636</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Investment assets	187 178	-	2
Participating interests in associated enterprises	134 454	126 919	3
<b>Total financial assets:</b>	<b>321 632</b>	<b>126 919</b>	
<b>Total long-term investments:</b>	<b>2 104 697</b>	<b>2 339 501</b>	
<b>TOTAL ASSETS</b>	<b>3 571 749</b>	<b>3 511 220</b>	

*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 31 DECEMBER 2010 AND 31 DECEMBER 2009**

	December 31, 2010	December 31, 2009	Note
<b>LIABILITIES</b>	<b>LVL</b>	<b>LVL</b>	
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Received advance payments	155 409	21	<b>10</b>
Due to customers and suppliers	36 804	26 805	<b>11</b>
Taxes and social security payments	75 729	69 532	<b>12</b>
Other payables	91 914	92 326	<b>13</b>
Recognized deferred tax liabilities	118 062	134 515	<b>22</b>
<b>Total liabilities</b>	<b>477 918</b>	<b>323 199</b>	
<b>Provisions for liabilities and charges:</b>			
Provisions for vacations	91 544	96 600	
<b>Total provisions</b>	<b>91 544</b>	<b>96 600</b>	
<b>Total liabilities</b>	<b>569 462</b>	<b>419 799</b>	
<b>Equity capital:</b>			
Share equity	800 000	800 000	<b>9</b>
Reserves:			
c) reserves provided by the Articles of Association	31 993	31 993	
d) fixed asset's revaluation reserve	848 126	945 606	
Retained earnings:			
a) brought forward from previous years	1 427 085	1 370 908	
b) current year profit or loss	(106 305)	(58 507)	
<b>Total shareholders' equity</b>	<b>3 000 899</b>	<b>3 090 000</b>	
<b>Non-controlling interest</b>	<b>1 388</b>	<b>1 421</b>	
<b>Total equity capital</b>	<b>3 002 287</b>	<b>3 091 421</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>3 571 749</b>	<b>3 511 220</b>	
	-	-	
<b>Current Ratio</b>	<b>3,07</b>	<b>3,63</b>	
<b>Debt Ratio</b>	<b>0,16</b>	<b>0,12</b>	

*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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009**

	<b>2010</b>	<b>2009</b>	<b>Note</b>
	<b>LVL</b>	<b>LVL</b>	
Net sales	3 355 147	4 562 603	<b>14</b>
Cost of goods sold	(3 302 155)	(4 303 550)	<b>15</b>
<b>Gross profit or loss</b>	<b>52 992</b>	<b>259 053</b>	
Administrative expenses	(256 785)	(392 126)	<b>16</b>
Other operating income	100 470	92 349	<b>17</b>
Other operating expenses	(9 616)	(4 021)	<b>18</b>
Income from investment in associates	7 535	(7 066)	<b>19</b>
Interest income and similar income	5 191	31 834	<b>20</b>
<b>Profit (loss) before taxes</b>	<b>(100 213)</b>	<b>(19 977)</b>	
Corporate income tax	(6 125)	(38 625)	<b>21</b>
<b>NET PROFIT OR LOSS</b>	<b>(106 338)</b>	<b>(58 602)</b>	
<b>Other comprehensive income</b>			
Gain (loss) on revaluation of properties excluding deferred tax	-	(1 604 751)	<b>22</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>(1 604 751)</b>	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(106 338)</b>	<b>(1 663 353)</b>	
Profit attributable to			
Owners of LJMC	(106 305)	(58 507)	
Non-controlling interest	(33)	(95)	
	<b>(106 338)</b>	<b>(58 602)</b>	
Total comprehensive income attributable to			
Owners of LJMC	-	(1 593 562)	
Non-controlling interest	-	(11 189)	
	<b>-</b>	<b>(1 604 751)</b>	
<b>Number of shares</b>	800 000	800 000	
<b>Earnings per Share (EPS) (LVL)</b>	<b>-0,13</b>	<b>-0,07</b>	
EBITDA	269 487	450 309	

*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 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-controlling interest	Total
<b>At 31 December 2008</b>	<b>800 000</b>	<b>31 993</b>	<b>2 735 327</b>	<b>1 152 798</b>	<b>498</b>	<b>1 516</b>	<b>4 722 132</b>
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
<b>At 31 December 2009</b>	<b>800 000</b>	<b>31 993</b>	<b>945 606</b>	<b>1 370 908</b>	<b>(58 507)</b>	<b>1 421</b>	<b>3 091 421</b>
Previous years retained earnings	-	-	-	(58 507)	58 507	-	-
Depreciation of revaluation surplus	-	-	(114 684)	114 684	-	-	-
Deffered tax on revaluation surplus	-	-	17 204	-	-	-	17 204
Total comprehensive income for the year	-	-	-	-	(106 305)	(33)	(106 338)
Non-controlling interest changes	-	-	-	-	-	-	-
<b>At 31 December 2010</b>	<b>800 000</b>	<b>31 993</b>	<b>848 126</b>	<b>1 427 085</b>	<b>(106 305)</b>	<b>1 388</b>	<b>3 002 287</b>

*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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009**

	<b>2010</b>	<b>2009</b>	<b>Note</b>
	<b>LVL</b>	<b>LVL</b>	
<b>Cash flows used in operating activities</b>			
<b>Net income before tax</b>	<b>(100 213)</b>	<b>(19 977)</b>	
Adjustments:			
a) depreciation of tangibles	369 685	465 189	<b>2</b>
b) depreciation of goodwill	4 500	5 097	<b>2</b>
c) provisions	(5 056)	(34 474)	
d) loss (gain) on sale of tangibles	1 308	1 062	
e) interest income	(31 834)	(31 834)	<b>20</b>
f) gain (loss) from investments in associates	(7 535)	7 066	<b>19</b>
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>230 855</b>	<b>392 129</b>	
Changes in operating assets and liabilities:			
a) receivables.	(28 747)	103 905	
b) inventory.	(5 564)	35 231	
c) current liabilities.	268 915	(532 837)	
<b>3. Gross operating cash flow</b>	<b>465 459</b>	<b>(1 572)</b>	
4. Paid corporate income tax.	(17 561)	(29 913)	<b>12</b>
<b>5. Net cash used in operating activities</b>	<b>447 898</b>	<b>(31 485)</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates.	-	(618)	
2. Purchase of fixed assets.	(154 400)	(92 501)	<b>2</b>
3. Selling of fixed assets.	-	33	
4. Received interest.	5 191	31 834	<b>20</b>
<b>5. Net cash from investment activities</b>	<b>(149 209)</b>	<b>(61 252)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Paid dividends.	-	-	
<b>2. Net cash from financing activities</b>	<b>-</b>	<b>-</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>298 689</b>	<b>(92 737)</b>	
<b>V. Cash at the beginning of the period</b>	<b>944 749</b>	<b>1 037 486</b>	
<b>VI. Cash at the end of the period</b>	<b>1 243 438</b>	<b>944 749</b>	

*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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009**

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**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:

	<b>December 31, 2010</b>	<b>December 31, 2009</b>
EUR	0,702804	0,702804
USD	0,535	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 rising 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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009**

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**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 YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009**

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**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	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payments for fixed assets	Unfinished building objects	Total
<b>Historical cost</b>									
<b>At 31 December</b>									
<b>2008</b>	<b>25 932</b>	<b>4 351 402</b>	-	<b>1 956 874</b>	<b>389 939</b>	-	<b>13 249</b>	<b>175 842</b>	<b>6 913 238</b>
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)
<b>At 31 December</b>									
<b>2009</b>	<b>26 072</b>	<b>2 540 655</b>	-	<b>1 946 130</b>	<b>343 294</b>	-	-	<b>175 842</b>	<b>5 031 993</b>
Additions	-	-	-	92 970	57 344	4 086	-	-	154 400
Transfers	-	(11 336)	187 178	-	-	-	-	(175 842)	-
Revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(159 036)	(39 955)	-	-	-	(198 991)
<b>At 31 December</b>									
<b>2010</b>	<b>26 072</b>	<b>2 529 319</b>	<b>187 178</b>	<b>1 880 064</b>	<b>360 683</b>	<b>4 086</b>	-	-	<b>4 987 402</b>
<b>Accumulated depreciation</b>									
<b>At 31 December</b>									
<b>2008</b>	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)
<b>At 31 December</b>									
<b>2009</b>	<b>18 126</b>	<b>1 063 444</b>	-	<b>1 461 298</b>	<b>276 543</b>	-	-	-	<b>2 819 411</b>
Charge for the period	4 500	36 656	-	176 348	41 997	-	-	-	259 501
Charge for the period for revaluated fixed assets	-	114 684	-	-	-	-	-	-	114 684
Disposals	-	-	-	(158 041)	(18 396)	-	-	-	(176 437)
<b>At 31 December</b>									
<b>2010</b>	<b>22 626</b>	<b>1 214 784</b>	-	<b>1 479 605</b>	<b>300 144</b>	-	-	-	<b>3 017 159</b>
<b>Net book value</b>									
<b>At 31 December</b>									
<b>2008</b>	<b>12 696</b>	<b>3 539 416</b>	-	<b>647 014</b>	<b>91 187</b>	-	<b>13 249</b>	<b>175 842</b>	<b>4 479 404</b>
<b>At 31 December</b>									
<b>2009</b>	<b>7 946</b>	<b>1 477 211</b>	-	<b>484 832</b>	<b>66 751</b>	-	-	<b>175 842</b>	<b>2 212 582</b>
<b>At 31 December</b>									
<b>2010</b>	<b>3 446</b>	<b>1 314 535</b>	<b>187 178</b>	<b>400 459</b>	<b>60 539</b>	<b>4 086</b>	-	-	<b>1 970 243</b>

### 3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2010 LVL	Capital share (%)	Amount of investment 2009 LVL
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	134 454	45	126 919
<b>Total participating interests in associated enterprises</b>		<b>134 454</b>		<b>126 919</b>

### 4 RAW MATERIALS

	2010 LVL	2009 LVL
Pharmaceutical	52 020	48 246
Stock in warehouse	174	2 136
Inventory	58	470
Products	192	409
Furniture	-	-
Other materials	5 169	713
Advance payments to supplier of goods	187	262
<b>Total</b>	<b>57 800</b>	<b>52 236</b>

### 5 DUE FROM CUSTOMERS

	2010 LVL	2009 LVL
Rigas department	83 935	41 574
Likvidējamā RSK apdrošināšanas sabiedrība	-	29 009
Gjensidege Baltic	1 121	11 664
BTA AAS	4 616	11 182
IF Latvija AAS	2 190	10 462
Latvian University	5 546	8 286
SEESAM Latvija	3 277	8 018
Balta AAS	1 172	7 223
Balva AAS	835	5 218
Narkologijas centrs	309	2 861
Baltijas apdrošināšanas nams	953	2 245
Compensa Life Vienna Insurance group	100	1 786
NBS militaras medicinas centrs	-	1 637
Ministry of Interior – health and social depar	1 412	1 367
Ergo Latvija AAS	2 438	1 310
Biogen Idec Ltd.	25	1 168
Evolution Latvia	-	-
Merck sharp	-	-
Accrued income	-	-
Other customers	13 048	9 405
Bad debt provisions	(1 315)	(14 037)
<b>Total</b>	<b>119 662</b>	<b>140 378</b>



LATVIJAS JURAS MEDICINAS CENTRS JSC  
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**6 OTHER RECEIVABLES**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Taxes overpayment (note No.12)	34 249	23 759
VAT for unpaid invoices	5 046	4 320
Other debtors	4 411	2 069
<b>Total</b>	<b><u>43 706</u></b>	<b><u>30 148</u></b>

**7 DIFFERED EXPENSES**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Assurance expense	2 446	4 208
Riga Stock Exchange, shares quotation	-	
Other expense	-	
<b>Total</b>	<b><u>2 446</u></b>	<b><u>4 208</u></b>

**8 CASH**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Cash in banks	1 241 370	911 533
Deposit		29 803
Cash on hands	2 068	3 413
<b>Total</b>	<b><u>1 243 438</u></b>	<b><u>944 749</u></b>

**9 SHARE CAPITAL**

	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
<b>Shareholders:</b>	<b>Number of</b>	<b>Share %</b>	<b>Number of</b>	<b>Share %</b>
	<b>shares</b>		<b>shares</b>	
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 Shvarcberga	82 917	10,4%	82 917	10,4%
Other shareholders (shares less than 5%)	280 435	35,1%	284 635	35,6%
<b>Total</b>	<b><u>800 000</u></b>	<b><u>100,0%</u></b>	<b><u>800 000</u></b>	<b><u>100,0%</u></b>

**10 DUE TO RECEIVED ADVANCE PAYMENTS**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
VEK advance payment for 2010	155 136	
Other advances	273	21
<b>Total</b>	<b><u>155 409</u></b>	<b><u>21</u></b>

**LATVIJAS JURAS MEDICINAS CENTRS JSC**  
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**11 DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Amerilat MD	8 954	5 051
Latvijas Gaze	11 243	4 392
Latvenergo Rīgas elektrotīkls	5 581	4 340
Sistēmu Audīts SIA	2 440	2 420
Latvian University	-	1 924
Rīgas Ūdens	859	979
Academic histologic laboratory	219	726
Lattelekom	250	503
AB Medical Group Riga	-	225
Recipe Plus SIA	-	-
B.Braun SIA	-	-
Tradintek SIA	-	-
Olympus Latvia SIA	-	-
Other suppliers	7 258	6 245
<b>Total</b>	<b><u>36 804</u></b>	<b><u>26 805</u></b>

**12 TAXES**

	<b>As of 31-12- 2010</b>	<b>Calculated</b>	<b>Paid</b>	<b>Transfer</b>	<b>As of 30- 09-2010</b>
Value added tax	948	36 661	(35 468)	-	2 141
Social insurance	42 925	550 912	(550 273)	-	43 564
Personal income tax	25 352	365 997	(361 602)	-	29 747
Corporate income tax	(22 062)	5 374	(17 561)	-	(34 249)
Unemployment duty	80	1 035	(1 028)	-	87
Natural resources tax	227	358	(395)	-	190
Real estate tax	(1 697)	3 196	(1 499)	-	-
<b>Total, including</b>	<b><u>45 773</u></b>	<b><u>963 533</u></b>	<b><u>(967 826)</u></b>	<b><u>-</u></b>	<b><u>41 480</u></b>
due to the budget	69 532				75 729
overpayment	(23 759)				(34 249)

**13 DUE TO OTHER COMPANIES**

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

**LATVIJAS JURAS MEDICINAS CENTRS JSC**  
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**14 NET SALES**

	<b>2010</b> <b>LVL</b>	<b>2009</b> <b>LVL</b>
Medical ambulant services	2 120 107	1 791 857
Medical hospital services	735 246	1 722 868
Insurance payments	243 019	606 894
VS ZDC ambulant services	132 650	174 924
Services - minimum fixed part	9 237	88 636
Residents training	31 332	64 422
Stomatology services	41 111	43 625
Family doctors	32 052	37 229
Other income	10 393	32 148
<b>Total</b>	<b><u>3 355 147</u></b>	<b><u>4 562 603</u></b>

**15 COST OF GOODS SOLD**

	<b>2010</b> <b>LVL</b>	<b>2009</b> <b>LVL</b>
Salaries and wages	1 552 116	1 937 133
Medical goods	366 078	625 705
Fixed assets depreciation	369 700	470 286
Social tax	361 514	446 676
VAT - expenses	145 585	169 509
Public utilities	122 957	134 729
Rent of equipment	71 797	97 356
Repair expenses	104 032	64 523
Household goods	25 921	41 374
Computer maintenance, repair	15 093	23 545
Security expenses	25 286	21 175
Utilities	11 564	12 629
Current assets write-off	21 312	37 257
Feeding expenses	11 232	33 211
Medical researches	14 874	30 551
Employees trainings	1 226	28 368
Advertising	14 780	18 682
Gifts to employees	767	18 587
Accruals for vacations	(12 723)	14 327
Office expenses	12 461	9 295
Transport expense	4 443	6 612
Insurance expenses	4 482	4 821
Allowances to employees	1 840	2 650
Unemployment duty	1 035	1 272
Received discounts	(5 238)	(7 643)
Other operating expenses	60 021	60 920
<b>Total</b>	<b><u>3 302 155</u></b>	<b><u>4 303 550</u></b>

**LATVIJAS JURAS MEDICINAS CENTRS JSC**  
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**16 ADMINISTRATIVE EXPENSES**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
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	4 791	7 942
Office expenses	10 302	6 411
Chairperson of the Board social tax	4 012	6 766
Council chairperson remuneration	5 760	5 760
Audit expenses	5 000	5 000
Council members social tax	2 793	3 019
Presentation expenses	6 557	3 634
Bank expenses	3 480	2 698
Other administrative expenses	1 987	1 965
Chairperson of the Council social tax	1 388	1 388
Legal services	50	165
<b>Total</b>	<b><u>256 785</u></b>	<b><u>392 126</u></b>

**17 OTHER OPERATING INCOME**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Rent income	64 908	66 466
Income from social tax return	-	8 688
Press goods	-	2 855
Received bonuses	2 273	-
Solarium income	729	1 363
Laundry income	819	911
Feeding income	1 325	745
Other income	30 416	11 321
<b>Total</b>	<b><u>100 470</u></b>	<b><u>92 349</u></b>

**18 OTHER OPERATING EXPENSES**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Currency exchange loss	7	499
Loss from fixed assets disposals	1 308	1 062
Penalties	16	1 042
Real estate tax	3 196	63
Other expenses	5 089	1 355
<b>Total</b>	<b><u>9 616</u></b>	<b><u>4 021</u></b>

**19 INCOME FROM INVESTMENT IN ASSOCIATES**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Neurology clinic Ltd.	7 535	(7 066)
<b>Total</b>	<b><u>7 535</u></b>	<b><u>(7 066)</u></b>

**20 INTEREST INCOME AND SIMILAR INCOME**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Interest income	5 191	31 834
<b>Total</b>	<b><u>5 191</u></b>	<b><u>31 834</u></b>

**21 CORPORATE INCOME TAX**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Calculated Corporate income tax	5 374	36 239
Deferred Corporate income tax	751	2 386
<b>Total</b>	<b><u>6 125</u></b>	<b><u>38 625</u></b>

**21 CORPORATE INCOME TAX (CONTINUED ...)**

	<b>2010</b>	<b>2009</b>
	<b>LVL</b>	<b>LVL</b>
Profit (loss) before tax	-100 213	-19 977
Theoretically calculated corporate income	-	-
Permanent differences	-	36 239
<b>Calculated corporate income tax</b>	<b>-</b>	<b>36 239</b>

**Deffered tax**

Temporary difference between financial	(269 866)	(269 866)
Temporary difference of fixed assets revaluation	(608 718)	(723 402)
Accruals for vacations	91 502	96 503
Accrued liabilities	-	-
<b>Total temporary differences</b>	<b><u>(787 082)</u></b>	<b><u>(896 765)</u></b>
Tax rate applied	15%	15%
<b>Deferred tax liabilities</b>	<b><u>118 062</u></b>	<b><u>134 515</u></b>
<b>Recognized deferred tax liabilities</b>	<b><u>118 062</u></b>	<b><u>134 515</u></b>

**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
<b>Balance at end of year</b>	<b><u>945 606</u></b>	<b><u>945 606</u></b>

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