



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2011

**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 public registered shares with face value 1,00 LVL.
ISIN code: LV0000100741

MAJOR SHAREHOLDERS:
Ilze Birka 17,5%
Martins Birks 17,5%
Ilze Aizsilniece 11,4%
Guna Shvarcberga 10,4%
Janis Birks 8,3%

REPORTING PERIOD: 1 January 2011 - 30 June 2011

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
30.06.2011**

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

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

Board of the Group

Name

Position

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

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

MANAGEMENT REPORT

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

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

This not audited consolidated financial report is prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and is based on business continuation principle. The financial statements were drawn up in Latvian lats (LVL) and euros (EUR). The applied currency exchange rate is EUR/LVL 0.702804.

The current financial condition of the Group of companies and its development

The share of the parent company constitutes the dominant part of the group's assets, turnover and profits.

The loss before taxes of the parent company was -107 107 LVL.

The loss before taxes of the subsidiary company was -2 368 LVL.

EBITDA 71 279 LVL

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

Patient demand for state-funded outpatient medical in the first half of 2010th significantly exceeded the funding quota. During the summer months are traditionally lower demand for medical services. Therefore during the first half year the exceeding of the state funding quota was tolerated by 143 000 LVL. This enabled to maintain the patient attraction to the Latvian Maritime Medical Centre and to ensure smooth personnel utilized capacity in winter and in the summer vacation period. Accordingly the contract with the Health Billing Center the exceeding of quota cannot be credited to the income at the reference period. 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 140 000.

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

The Olympus equipment for laparoscopy operations in gynaecology was purchased.

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

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

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

Important Events after the Balance Sheet Date

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

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

The share price at the 25.08.11 was LVL 1,40.

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, 29 August, 2011.

LATVIJAS JURAS MEDICINAS CENTRS JSC
DECLARATION OF MANAGEMENT RESPONSIBILITY

Consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards adopted by the European Union. These financial statements give a true and fair view of the financial position of the Group and of its financial performance for the period ended 30 June 2011 in all essential aspects. In preparing those financial statements, management:

- selected suitable accounting policies and then apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 29 August, 2011.

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

	June 30,	December		June 30, 2010
	2011	31, 2010	Note	
ASSETS	LVL	LVL		LVL
Current assets:				
Stocks				
Raw materials	582 202	57 800	4	43 740
Total stocks	582 202	57 800		43 740
Debtors:				
Trade debtors	184 455	119 182	5	110 864
Other receivables	118 363	37 977	6	34 698
Accruals	688	2 446	7	1 748
Total debtors	303 506	159 605		147 310
Cash funds	1 053 711	1 243 435	8	801 965
Total current assets	1 939 419	1 460 840		993 015
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	2 150	3 446	2	5 676
Total intangible assets	2 150	3 446		5 676
Fixed assets:				
Land and buildings	1 250 339	1 325 870		1 401 402
Technological equipment and machines	340 073	400 459		470 112
Other fixed assets and inventory	47 805	60 540		82 029
Fixed assets add-ons (EU funds)	13 531	2 689		-
Unfinished building objects	175 842	175 842		175 842
Advance payments for fixed assets	-	1 397		-
Total fixed assets:	1 827 590	1 966 797	2	2 129 385
Long-term financial assets:				
Participating interests in associated enterprises	135 176	135 080	3	126 919
Total financial assets:	135 176	135 080		126 919
Total long-term investments:	1 964 916	2 105 323		2 261 980
TOTAL ASSETS	3 904 335	3 566 163		3 254 995

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

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

	June 30, 2011	December 31, 2010	Note	June 30, 2010
LIABILITIES	LVL	LVL		LVL
Liabilities:				
Liabilities:				
Received advance payments	155 157	155 409	10	412
Due to customers and suppliers	433 621	36 805	11	32 906
Taxes and social security payments	112 017	76 631	12	116 671
Other payables	107 611	91 914	13	108 380
Recognized deferred tax liabilities	102 473	111 074	22	132 198
Total liabilities	910 879	471 833		390 567
Provisions for liabilities and charges:				
Provisions for vacations	91 544	91 544		54 700
Total provisions	91 544	91 544		54 700
Total liabilities	1 002 423	563 377		445 267
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	799 383	848 124		896 866
Retained earnings:				
a) brought forward from previous years	1 378 623	1 427 086		1 369 743
b) current year profit or loss	(109 458)	(105 805)		(289 824)
Total shareholders' equity	2 900 541	3 001 398		2 808 778
Non-controlling interest	1 371	1 388		950
Total equity capital	2 901 912	3 002 786		2 809 728
TOTAL EQUITY, PROVISIONS AND LIABILITIES	3 904 335	3 566 163		3 254 995
Current Ratio	2,13	3,10		2,54
Debt Ratio	0,26	0,16		0,14

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

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

	2010, 6	2011, 12		2010, 6
	month	month	Note	month period
	period	period		month period
	LVL	LVL		LVL
Net sales	1 772 153	3 360 119	14	1 557 316
Cost of goods sold	(1 779 535)	(3 304 405)	15	(1 748 337)
Gross profit or loss	(7 382)	55 714		-191 021
Administrative expenses	(152 586)	(256 785)	16	(150 918)
Other operating income	51 872	93 615	17	46 781
Other operating expenses	(1 858)	(9 616)	18	(709)
Income from investment in associates	-	8 161	19	-
Interest income and similar income	479	5 189	20	11 857
Profit (loss) before taxes	(109 475)	(103 722)		-284 010
Corporate income tax	-	(2 116)	21	(6 285)
NET PROFIT OR LOSS	(109 475)	(105 838)		-290 295
Other comprehensive income				
Gain (loss) on revaluation of properties excluding deferred tax	-	-	22	-
Other comprehensive income for the year, net of tax	-	-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(109 475)	(105 838)		(290 295)
Profit attributable to				
Owners of LJMC	(109 458)	(105 805)		(289 824)
Non-controlling interest	(17)	(33)		(471)
	(109 475)	(105 838)		(290 295)
Total comprehensive income attributable to				
Owners of LJMC	-	-		-
Non-controlling interest	-	-		-
	-	-		-
Number of shares	800 000	800 000		800 000
Earnings per Share (EPS) (LVL)	-0,14	-0,13		-0,36

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 PERIODS ENDED 30 JUNE 2011 AND 31 DECEMBER 2010

	Share capital	Reserves provided by the Articles of Association	Properties revaluation reserve	Previous years retained earnings	Current year profit	Non-controlling interest	Total
At 31 December 2009	800 000	31 993	945 606	1 370 908	(58 507)	1 421	3 091 421
Previous years retained earnings	-	-	-	(58 507)	58 507	-	-
Dividends paid	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(105 805)	(33)	(105 838)
Depriciation of revaluation surplus	-	-	(114 685)	114 685	-	-	-
Deffered tax on revaluation surplus	-	-	17 203	-	-	-	17 203
At 31 December 2010	800 000	31 993	848 124	1 427 086	(105 805)	1 388	3 002 786
Previous years retained earnings	-	-	-	(105 805)	105 805	-	-
Depriciation of revaluation surplus	-	-	(57 342)	57 342	-	-	0
Deffered tax on revaluation surplus	-	-	8 601	-	-	-	8 601
Total comprehensive income for the year	-	-	-	-	(109 458)	(17)	(109 475)
At 30 June 2011	800 000	31 993	799 383	1 378 623	(109 458)	1 371	2 901 912

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

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

	2010, 6 month period LVL	2011, 12 month period LVL	Note	2010, 6 month period
Cash flows used in operating activities				
Net income before tax	(109 475)	(103 722)		(284 010)
Adjustments:				
a) depreciation of tangibles	178 662	364 291	2	181 987
b) depreciation of goodwill	2 091	4 500	2	2 270
c) provisions	-	(5 056)		(41 900)
d) loss (gain) on sale of tangibles	857	1 309		356
e) interest income	(5 189)	(5 189)	20	(31 834)
f) gain (loss) from investments in associates	-	(8 161)	19	-
2. Gain (loss) before changes in current assets and liabilities	66 946	247 972		(173 131)
Changes in operating assets and liabilities:				
a) receivables.	24 336	24 336		(7 192)
b) inventory.	(524 402)	(5 564)		8 496
c) current liabilities.	295 946	172 075		130 794
3. Gross operating cash flow	(137 174)	438 819		(41 033)
4. Paid corporate income tax.	(11 936)	(17 561)	12	(6 326)
5. Net cash used in operating activities	(149 110)	421 258		(47 359)
II. Cash flow used in investment activities				
1. Purchase of shares of associates.	-	-		-
2. Purchase of fixed assets.	(41 312)	(127 980)	2	(107 282)
3. Selling of fixed assets.	219	219		-
4. Received interest.	479	5 189	20	11 857
5. Net cash from investment activities	(40 614)	(122 572)		(95 425)
IV. Net increase (decrease) in cash	(189 724)	298 686		(142 784)
V. Cash at the beginning of the period	1 243 435	944 749		944 749
VI. Cash at the end of the period	1 053 711	1 243 435		801 965

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

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

GENERAL INFORMATION

“Latvijas Juras Medicinas Centrs” is a joint-stock company (the Company) incorporated in the Republic of Latvia on 27 August 1996. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary - "Juras medicina" Ltd. (the Group).

The Group's main activity is health care services.

1. ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements have been prepared in accordance with the International financial reporting standards adopted by the European Union. Enclosed financial statements are prepared in the national currency of Latvia, the lats (LVL).

There is no difference in balance sheet dates of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the net assets.

All significant intercompany transactions and balances among Group companies are eliminated on consolidation.

The portion attributed to the parent company of the net assets are offset with the investment and have been eliminated. The portion attributed to the parent company of the retained earnings earned after the acquisition date of shares are included in the consolidated retained earnings.

Foreign currency

Transactions denominated in foreign currencies are converted into Lats at the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted at the Bank of Latvia rate at the balance sheet date.

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

	June 30, 2011	December 31, 2010
EUR	0,702804	0,702804
USD	0,489	0,535

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

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

Cash and cash equivalents

Cash includes cash on hand and demand deposits with credit institutions. The statement on cash flow is prepared using indirect method, making adjustments affecting the net profit reconciling with the changes in cash during the year.

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 2011 AND 31 DECEMBER 2010

Inventory

Inventories are stated at the lower of cost or market, using FIFO method.

Fixed assets

Fixed assets excluding real estate are stated at historical cost, less accumulated depreciation. The cost of the item comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to working condition for intended use. The cost of self-constructed asset is determined using the same principles as for an acquired asset. Only assets with its useful life more than one year are capitalized. Depreciation is calculated based on the historical cost.

Separate accounts are used for assets acquired by EU funding.

Repair and maintenance costs are expensed when incurred. Capital expenditures such as refurbishment of buildings and improvements to structural elements are recognized as an asset if the expenditures improve the condition of the asset beyond its original estimated life.

Land and buildings (real estate) are accounted according to the revaluation model, recognized at the fair value determined from market-based evidence. Buildings are revaluated as on 31.12.2009 based on the cadastral value as fair value. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Depreciation is calculated based on the revalued amount. The depreciation charge for each period is recognised in the statement of income.

The increase (decrease) in the value of buildings and constructions is reflected in the Statement of comprehensive income under "Gains (losses) from revaluation of properties". Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss.

Depreciation is provided on all fixed assets based on historical cost. Depreciation on fixed assets are computed using the straight-line method over the estimated average useful lives:

Buildings:	20 years
Revaluated part of the buildings	15 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

For tax purposes, depreciation on tangible fixed assets is calculated under the double declining balance method over the period established in accordance with prevailing tax legislation.

Investments in associates

Investments in associates are initially recognized at the cost and then accounted under the equity method.

Revenue recognition

Sales of goods are recognized when goods are delivered and title has passed.

Dividends

Dividends are recognized as liabilities in the Group financial statements after the Group shareholders made a decision to pay.

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

Property revaluation surplus

The revaluation surplus is included in other comprehensive income and accrued amount is reflected in equity under the heading "Investment revaluation reserve". According to IASs 16, p.41, the revaluation surplus included in equity is transferred directly to retained earnings. The surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Taxation

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in opinion of management, it is more likely than not that some proportion or all deferred tax assets will not be realized.

Deferred tax on revaluation surplus is reflected in the Statement of other comprehensive income.

Risk Management

The Management Board is responsible for setting up risk management guidelines and risk monitoring.

The Group has identified the major risk factors and developed policies and mechanisms to control these factors. The major risks are defined as:

Market risk: a country's economic deterioration, changes in the public and the insurer health care and its financing policy, competition, changes in utility tariffs, etc. can significantly affect the demand for Groups services and its profitability.

Operational risk: The possibility of suffering losses caused by inadequate or failed internal pace of the medical treatment process, actions of staff or systems, or external events impact. Patient dissatisfaction with the quality of medical services, treatment process organization or staff attitudes in the long term can lead to a fall in income and even financial claims.

Credit Risk: The inability of insurance companies and patients to pay for the services in time and in full amount.

Liquidity risk: unable to meet the legally enforceable requirements without major damage and inability to cope with unplanned changes in Groups resources and / or market conditions related to the fact that it does not have sufficient liquid assets.

Risk control mechanisms include: appropriate risk policies, investment planning, cash flow planning, budgeting and control, liquidity control, the medical treatment process organization and control, sanitary compliance control, staff skill development, implementation of advanced technologies, employee involvement in risk assessment and control.

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

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

As of 30 June 2011 and 31 December 2010
 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								
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
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(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
Additions	795	-	26 463	4 609	9 445	-	-	41 312
Transfers	-	-	-	-	1 397	(1 397)	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposals or change in classification	(103)	-	(26 546)	(21 384)	-	-	-	(48 033)
At 30 June 2011	26 764	2 540 655	1 879 981	336 427	13 531	-	175 842	4 973 200
Accumulated depreciation								
At 31 December								
2009	18 126	1 063 444	1 461 298	276 543	-	-	-	2 819 411
Charge for the year	4 500	36 656	176 348	36 602	-	-	-	254 106
Charge for the period for revaluated fixed assets	-	114 685	-	-	-	-	-	114 685
Disposals	-	-	(158 041)	(20 483)	-	-	-	(178 524)
At 31 December								
2010	22 626	1 214 785	1 479 605	292 662	-	-	-	3 009 678
Charge for the period	2 091	18 188	86 402	16 729	-	-	-	123 410
Charge for the period for revaluated fixed assets	-	57 343	-	-	-	-	-	57 343
Disposals or change in classification	(103)	-	(26 099)	(20 769)	-	-	-	(46 971)
At 30 June 2011	24 614	1 290 316	1 539 908	288 622	-	-	-	3 143 460
Net book value								
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
At 30 June 2011	2 150	1 250 339	340 073	47 805	13 531	-	175 842	1 829 740

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

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2011 LVL	Capital share (%)	Amount of investment 2010 LVL
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45,3	135 176	45,3	135 080
Total participating interests in associated enterprises		<u>135 176</u>		<u>135 080</u>

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

4 RAW MATERIALS

	2011 LVL	2010 LVL
Pharmaceutical	69 432	56 890
Products	243	192
Advance payments to supplier of goods	469	187
Stock in warehouse	511 796	174
Inventory	97	58
Other materials	165	299
Total	<u>582 202</u>	<u>57 800</u>

5 TRADE DEBTORS

	2011 LVL	2010 LVL
Rigas department	135 622	83 935
Latvian University	-	5 546
Insurance BTA SE	3 936	4 616
SEESAM Latvija	1 120	3 259
Ergo Latvija AAS	2 064	2 438
IF Latvija AAS	1 908	2 190
Ministry of Interior – health and social departme	877	1 412
Latvian railway AS	2 440	1 210
Balta AAS	494	1 172
Gjesidege Baltic	1 751	1 121
Baltijas apdrošināšanas nams	50	953
Balva AAS	1 753	835
Narkologijas centrs	-	309
Compensa Life Vienna Insurance group	1 504	100
Biogen Idec Ltd.	-	25
P.Stradiņa klīniskā universitātes slimnīca	17 235	-
Olla M SIA	1 185	-
Other customers	13 831	11 376
Bad debt provisions	(1 315)	(1 315)
Total	<u>184 455</u>	<u>119 182</u>

6 OTHER RECEIVABLES

	2011 LVL	2010 LVL
Taxes overpayment (note No.12)	42 187	31 269
VAT for unpaid invoices	2	2 297
Other debtors	76 174	4 411
Total	<u>118 363</u>	<u>37 977</u>

7 ACCRUALS

	2011 LVL	2010 LVL
Assurance expense	688	2 446
Total	<u>688</u>	<u>2 446</u>

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

8 CASH

	2011	2010
	LVL	LVL
Cash in banks	1 047 613	1 241 367
Deposit	-	
Cash on hands	6 098	2 068
Total	<u>1 053 711</u>	<u>1 243 435</u>

9 SHARE CAPITAL

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

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

10 RECEIVED ADVANCE PAYMENTS

	2011	2010
	LVL	LVL
VEK advance payment for 2010	155 136	155 136
Other advances	21	273
Total	<u>155 157</u>	<u>155 409</u>

11 DUE TO CUSTOMERS AND SUPPLIERS

	2011	2010
	LVL	LVL
Latvijas Gaze	-	11 243
Amerilat MD	-	8 954
Latvenergo Rīgas elektrotīkls	-	5 581
Sistēmu Audits SIA	-	2 440
Rīgas Ūdens	929	859
Lattelekom	-	250
Academic histologic laboratory	327	219
AB Medical Group Riga	120	119
Segaway SIA	13 306	-
Tradintek SIA	397 326	-
Other suppliers	21 613	7 140
Total	<u>433 621</u>	<u>36 805</u>

12 TAXES

	As of 31-				As of
	12-2010	Calculated	Paid	Repayed	31.03.2011
Value added tax	3 371	20 696	(22 393)	2	1 676
Social insurance	43 237	328 265	(301 311)	-	70 191
Personal income tax	29 746	186 273	(174 943)	(1 000)	40 076
Corporate income tax	(31 269)	-	(11 936)	1 020	(42 185)
Unemployment duty	87	530	(521)	(22)	74
Natural resources tax	190	-	(192)	-	(2)
Real estate tax	-	386	(386)	-	-
Total, including	<u>45 362</u>	<u>536 150</u>	<u>(511 682)</u>	<u>-</u>	<u>69 830</u>
due to the budget	76 631				112 017
overpayment	(31 269)				(42 187)

LATVIJAS JURAS MEDICINAS CENTRS JSC
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13 OTHER PAYABLES

	2011	2010
	LVL	LVL
Salaries	106 163	90 683
Trade union	970	744
Deposited salary	478	487
Total	<u>107 611</u>	<u>91 914</u>

14 NET SALES

	2011	2010
	LVL	LVL
Medical ambulant services	1 135 461	2 126 920
Medical hospital services	401 528	717 280
Insurance payments	104 445	243 001
VS ZDC ambulant services	70 493	132 650
Services - minimum fixed part	4 619	9 238
Residents training	11 367	31 332
Stomatology services	23 451	41 111
Family doctors	15 927	32 052
Other income	4 862	26 535
Total	<u>1 772 153</u>	<u>3 360 119</u>

15 COST OF GOODS SOLD

	2011	2010
	LVL	LVL
Salaries and	852 467	1 548 086
Fixed assets depreciation	180 754	368 791
Medical goods	237 125	366 078
Social tax	193 349	360 544
VAT - expenses	82 057	145 049
Public utilities	42 628	122 957
Repair expenses	21 618	104 033
Rent of	34 075	71 797
Household goods	9 029	25 921
Security expenses	12 572	25 286
Current assets write-off	13 385	21 828
Computer maintenance, repair	8 186	15 093
Medical researches	6 630	14 874
Advertising	5 512	14 780
Office expenses	4 303	12 460
Utilities	62 054	11 564
Feeding expenses	9 056	11 232
Insurance expenses	1 720	4 482
Transport expense	2 277	4 443
Employees trainings	3 818	3 466
Allowances to employees	600	1 840
Unemployment duty	530	1 035

LATVIJAS JURAS MEDICINAS CENTRS JSC
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15 COST OF GOODS SOLD (CONTINUED ...)

Gifts to employees	670	767
Accruals for vacations	-	(12 723)
Received discounts	(4 880)	(5 238)
Other operating expenses	-	65 960
Total	<u>1 779 535</u>	<u>3 304 405</u>

16 ADMINISTRATIVE EXPENSES

	2011	2010
	LVL	LVL
Salaries and wages	79 034	118 071
Social tax	21 660	26 525
Board remuneration	12 869	24 755
Board chairperson remuneration	11 272	16 654
Communication expenses	4 809	12 340
Council members remuneration	3 360	12 320
Office expenses	2 375	10 302
Presentation expenses	1 119	6 557
Council chairperson remuneration	2 880	5 760
Audit expenses	-	5 000
Board members social tax	4 436	4 791
Chairperson of the Board social tax	3 674	4 012
Bank expenses	1 814	3 480
Council members social tax	1 553	2 793
Other administrative expenses	1 037	1 987
Chairperson of the Council social tax	694	1 388
Legal services	-	50
Total	<u>152 586</u>	<u>256 785</u>

17 OTHER OPERATING INCOME

	2011	2010
	LVL	LVL
Rent income	30 669	64 908
Hotel services – food	8 510	11 024
Utilities for tenants	11 384	5 175
Feeding income	161	1 280
Laundry income	594	1 192
Solarium income	394	729
Income from social tax return	-	-
Press goods	-	-
Other income	160	9 307
Total	<u>51 872</u>	<u>93 615</u>

18 OTHER OPERATING EXPENSES

	2011	2010
	LVL	LVL
Real estate tax	452	3 196
Loss from fixed assets disposals	857	1 309
Penalties	70	16
Currency exchange loss	-	7
Other expenses	479	5 088
Total	<u>1 858</u>	<u>9 616</u>

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2011	2010
	LVL	LVL
Neurology clinic Ltd.	-	8 161
Total	<u>-</u>	<u>8 161</u>

20 INTEREST INCOME AND SIMILAR INCOME

	2011	2010
	LVL	LVL
Interest income	479	5 189
Total	<u>479</u>	<u>5 189</u>

21 CORPORATE INCOME TAX

	2011	2010
	LVL	LVL
Calculated Corporate income tax	-	8 354
Deferred Corporate income tax	-	(6 238)
Total	<u>-</u>	<u>2 116</u>

21 CORPORATE INCOME TAX (CONTINUED ...)

	2011	2010
	LVL	LVL
Profit (loss) before tax	(109 475)	(103 722)
Loss of a subsidiary	2 368	4 700
Evaluation of an associate company	(8 161)	(8 161)
Theoretically calculated corporate income tax,	(17 290)	(16 077)
Permanent differences	-	24 431
Changes in deferred income tax	-	(6 238)
Total	-17 290	2 116

Deferred tax

Temporary difference between financial statements	(223 322)	(223 322)
Temporary difference of fixed assets revaluation	(551 373)	(608 715)
Accruals for vacations	91 544	91 544
Total temporary differences	(683 151)	(740 493)
Tax rate applied	15%	15%
Deferred tax liabilities	<u>102 473</u>	<u>111 074</u>
Recognized deferred tax liabilities	<u>102 473</u>	<u>111 074</u>

22 PROPERTIES REVALUATION RESERVE

Balance at beginning of year	848 124	945 606
Depreciation on evaluation surplus	(57 342)	(114 685)
Reversal of deferred tax liability on revaluation	8 601	17 203
Balance at end of year	<u>799 383</u>	<u>848 124</u>
