LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED REPORT FOR THE YEAR 2010

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

(Translation of the Latvian original)

ORIGINAL OF CONSOLIDATED ANNUAL REPORT IN LVL EXPRESSED IN EUR. EXCHANGE RATE 0,702804 EUR/LVL.

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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

Council of the Group		**Number of shares owned at 31.12.2010**
From April 30, 2008 till April 28, 2010		
Name	Position	
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		
Name	Position	
From August 18, 2009 till the consolidated financial statements signing day		
Janis Birks	Chairman of the Board	65 083
Marta Aizsilniece	Member of the Board	1 344
Andris Vigants	Member of the Board	700

MANAGEMENT REPORT

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

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

This 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 -147 707 EUR.
The loss before taxes of subsidiary company was -05 368 EUR.

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.

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 perfomance 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
ASSETS	**EUR**	**EUR**	
Current assets:			
Stocks			
Raw materials	82 242	74 325	**4**
Total stocks	**82 242**	**74 325**	
Debtors:			
Trade debtors	170 264	199 740	**5**
Other debtors	62 188	42 897	**6**
Accruals	3 480	5 987	**7**
Total debtors	**235 932**	**248 624**	
Cash funds	**1 769 253**	**1 344 257**	**8**
Total current assets	**2 087 427**	**1 667 206**	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	4 903	11 306	**2**
Total intangible assets	**4 903**	**11 306**	
Fixed assets:			
Land and buildings	1 870 415	2 101 882	
Technological equipment and machines	569 802	689 854	
Other fixed assets and inventory	86 139	94 978	
Long term investments in rented fixed assets	5 814	-	
Unfinished building objects	-	250 201	
Advance payments for fixed assets	-	-	
Total fixed assets:	**2 532 170**	**3 136 914**	**2**
Long-term financial assets:			
Investment assets	266 330	-	**2**
Participating interests in associated enterprises	191 311	180 589	**3**
Total financial assets:	**457 641**	**180 589**	
Total long-term investments:	**2 994 714**	**3 328 810**	
TOTAL ASSETS	**5 082 141**	**4 996 016**	

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
LIABILITIES	**EUR**	**EUR**	
Liabilities:			
Liabilities:			
Received advance payments	221 127	30	**10**
Due to customers and suppliers	52 367	38 140	**11**
Taxes and social security payments	107 753	98 935	**12**
Other payables	130 782	131 368	**13**
Recognized deferred tax liabilities	167 987	191 398	**22**
Total liabilities	**680 016**	**459 871**	
Provisions for liabilities and charges:			
Provisions for vacations	130 255	137 449	
Total provisions	**130 255**	**137 449**	
Total liabilities	**810 271**	**597 320**	
Equity capital:			
Share equity	1 138 297	1 138 297	**9**
Reserves:			
c) reserves provided by the Articles of Association	45 522	45 522	
d) fixed asset's revaluation reserve	1 206 775	1 345 476	
Retained earnings:			
a) brought forward from previous years	2 030 559	1 950 626	
b) current year profit or loss	(151 272)	(83 248)	
Total shareholders' equity	**4 269 881**	**4 396 674**	
Non-controlling interest	**1 989**	**2 022**	
Total equity capital	**4 271 870**	**4 398 696**	
TOTAL EQUITY, PROVISIONS AND LIABILITIE	**5 082 141**	**4 996 016**	
	-	**-**	
Current Ratio	**3,07**	**3,63**	
Debt Ratio	**0,16**	**0,12**	

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

	2010	2009	Note
	EUR	EUR	
Net sales	4 773 944	6 491 999	**14**
Cost of goods sold	(4 698 543)	(6 123 400)	**15**
Gross profit or loss	**75 401**	**368 599**	
Administrative expenses	(365 372)	(557 945)	**16**
Other operating income	142 956	131 401	**17**
Other operating expenses	(13 682)	(5 721)	**18**
Income from investment in associates	10 721	(10 054)	**19**
Interest income and similar income	7 386	45 296	**20**
Profit (loss) before taxes	**(142 590)**	**(28 425)**	
Corporate income tax	(8 715)	(54 958)	**21**
NET PROFIT OR LOSS	**(151 305)**	**(83 383)**	
Other comprehensive income			
Gain (loss) on revaluation of properties excluding deferred tax	-	(2 283 355)	**22**
Other comprehensive income for the year, net of tax	**-**	**(2 283 355)**	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(151 305)**	**(2 366 738)**	
Profit attributable to			
Owners of LJMC	(151 272)	(83 248)	
Non-controlling interest	(33)	(135)	
	(151 305)	**(83 383)**	
Total comprehensive income attributable to			
Owners of LJMC	-	(2 267 434)	
Non-controlling interest	-	(15 921)	
	-	**(2 283 355)**	
Number of shares	800 000	800 000	
Earnings per Share (EPS) (EUR)	**-0,19**	**-0,10**	
EBITDA	383 445	640 732	

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 (EUR)
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
At 31 December 2008	**1 138 297**	**45 522**	**3 892 020**	**1 640 284**	**709**	**2 157**	**6 718 989**
Previous years retained earnings	-	-	-	709	(709)	-	-
Dividends paid	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(2 283 355)	-	(83 248)	(135)	(2 366 738)
Depriciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Deffered tax on revaluation surplus	-	-	46 445	-	-		46 445
At 31 December 2009	**1 138 297**	**45 522**	**1 345 476**	**1 950 626**	**(83 248)**	**2 022**	**4 398 696**
Previous years retained earnings	-	-	-	(83 248)	83 248	-	-
Depriciation of revaluation surplus	-	-	(163 181)	163 181	-	-	-
Deffered tax on revaluation surplus	-	-	24 479	-	-	-	24 479
Total comprehensive income for the year	-	-	-	-	(151 272)	(33)	(151 305)
Non-controlling interest changes	-	-	-		-		-
At 31 December 2010	**1 138 297**	**45 522**	**1 206 775**	**2 030 559**	**(151 272)**	**1 989**	**4 271 870**

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

	2010	2009	Note
	EUR	EUR	
Cash flows used in operating activities			
Net income before tax	**(142 590)**	**(28 425)**	
Adjustments:			
a) depreciation of tangibles	526 014	661 904	**2**
b) depreciation of goodwill	6 403	7 252	**2**
c) provisions	(7 194)	(49 052)	
d) loss (gain) on sale of tangibles	1 861	1 511	
e) interest income	(45 296)	(45 296)	**20**
f) gain (loss) from investments in associates	(10 721)	10 054	**19**
2. Gain (loss) before changes in current assets and liabilities	**328 477**	**557 949**	
Changes in operating assets and liabilities:			
a) receivables.	(40 903)	147 843	
b) inventory.	(7 917)	50 129	
c) current liabilities.	382 632	(758 159)	
3. Gross operating cash flow	**662 288**	**(2 237)**	
4. Paid corporate income tax.	(24 987)	(42 562)	**12**
5. Net cash used in operating activities	**637 301**	**(44 799)**	
II. Cash flow used in investment activities			
1. Purchase of shares of associates.	-	(879)	
2. Purchase of fixed assets.	(219 691)	(131 617)	**2**
3. Selling of fixed assets.	-	47	
4. Received interest.	7 386	45 296	**20**
5. Net cash from investment activities	**(212 305)**	**(87 154)**	
III. Cash flows used in financing activities			
1. Paid dividends.	-	-	
2. Net cash from financing activities	**-**	**-**	
IV. Net increase (decrease) in cash	**424 996**	**(131 953)**	
V. Cash at the beginning of the period	1 344 257	1 476 210	
VI. Cash at the end of the period	**1 769 253**	**1 344 257**	

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

GENERAL INFORMATION

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

The Group's main activity is health care services.

1. ACCOUNTING PRINCIPLES

Basis of consolidation

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

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

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

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

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

Foreign currency

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

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

	December 31, 2010	**December 31, 2009**
EUR	0,702804	0,702804
USD	0,535	0,489

Gains or losses on convertion 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.

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.

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 trasferred 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.

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

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

EUR	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
Historical cost									
At 31 December 2008	**36 898**	**6 191 487**	**-**	**2 784 381**	**554 833**	**-**	**18 852**	**250 201**	**9 836 651**
Additions	976	49 532	-	22 905	16 749	-	41 455	-	131 617
Transfers	-	(2 625 992)	-	-	-	-	(60 307)	-	(2 686 299)
Disposals	(777)	-		(38 193)	(83 118)	-	-	-	(122 088)
At 31 December 2009	**37 097**	**3 615 026**	**-**	**2 769 094**	**488 463**	**-**	**-**	**250 201**	**7 159 881**
Additions			-	132 284	81 593	5 814	-		219 691
Transfers	-	(16 130)	266 330	-			-	(250 201)	-
Revaluation									-
Disposals				(226 288)	(56 851)		-		(283 139)
At 31 December 2010	**37 097**	**3 598 897**	**266 330**	**2 675 090**	**513 206**	**5 814**	**-**	**-**	**7 096 434**
Accumulated depreciation									
At 31 December 2008	18 833	1 155 352	-	1 863 763	425 086	-	-	-	3 463 034
Charge for the year	7 252	48 159		253 594	50 518	-	-	-	359 523
Charge for the period for revaluationed fixed assets		309 634					-	-	309 634
Disposals	(295)	-	-	(38 117)	(82 118)	-	-	-	(120 530)
At 31 December 2009	**25 791**	**1 513 144**	**-**	**2 079 240**	**393 485**	**-**	**-**	**-**	**4 011 660**
Charge for the period	6 403	52 157	-	250 921	59 756		-	-	369 237
Charge for the period for revaluationed fixed assets		163 181	-	-	-	-	-	-	163 181
Disposals			-	(224 872)	(26 175)		-	-	(251 047)
At 31 December 2010	**32 194**	**1 728 482**	**-**	**2 105 288**	**427 066**	**-**	**-**	**-**	**4 293 030**
Net book value									
At 31 December 2008	**18 065**	**5 036 135**	**-**	**920 618**	**129 747**	**-**	**18 852**	**250 201**	**6 373 618**
At 31 December 2009	**11 306**	**2 101 882**	**-**	**689 854**	**94 978**	**-**	**-**	**250 201**	**3 148 221**
At 31 December 2010	**4 903**	**1 870 415**	**266 330**	**569 802**	**86 139**	**5 814**	**-**	**-**	**2 803 403**

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2010 EUR	Capital share (%)	Amount of investment 2009 EUR
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	**45**	191 311	**45**	180 589
Total participating interests in associated enterprises		**191 311**		**180 589**

4 RAW MATERIALS

	2010 EUR	2009 EUR
Pharmaceutical	74 018	68 648
Stock in warehouse	248	3 039
Inventory	83	669
Products	273	582
Furniture	-	
Other materials	7 355	1 015
Advance payments to supplier of goods	266	373
Total	**82 242**	**74 325**

5 DUE FROM CUSTOMERS

	2010 EUR	2009 EUR
Rigas department	119 429	59 154
Likvidējāmā RSK apdrošināšanas sabiedrība	-	41 276
Gjensidege Baltic	1 595	16 596
BTA AAS	6 568	15 911
IF Latvija AAS	3 116	14 886
Latvian University	7 891	11 790
SEESAM Latvija	4 663	11 409
Balta AAS	1 668	10 277
Balva AAS	1 188	7 425
Narkologijas centrs	440	4 071
Baltijas apdrosinasanas nams	1 356	3 194
Compensa Life Vienna Insurance group	142	2 541
NBS militaras medicinas centrs	-	2 329
Ministry of Interior – health and social depar	2 009	1 945
Ergo Latvija AAS	3 469	1 864
Biogen Idec Ltd.	36	1 662
Evolution Latvia	-	-
Merck sharp	-	-
Accrued income	-	-
Other customers	18 566	13 382
Bad debt provisions	(1 871)	(19 973)
Total	**170 264**	**199 740**

6 OTHER RECEIVABLES

	2010 EUR	2009 EUR
Taxes overpayment (note No.12)	48 732	33 806
VAT for unpaid invoices	7 180	6 147
Other debtors	6 276	2 944
Total	**62 188**	**42 897**

7 DIFFERED EXPENSES

	2010 EUR	2009 EUR
Assurance expense	3 480	5 987
Riga Stock Exchange, shares quotation	-	
Other expense	-	
Total	**3 480**	**5 987**

8 CASH

	2010 EUR	2009 EUR
Cash in banks	1 766 310	1 296 995
Deposit		42 406
Cash on hands	2 942	4 856
Total	**1 769 253**	**1 344 257**

9 SHARE CAPITAL

Shareholders:	2010 Number of shares	2010 Share %	2009 Number of shares	2009 Share %
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%
Total	**800 000**	**100,0%**	**800 000**	**100,0%**

10 DUE TO RECEIVED ADVANCE PAYMENTS

	2010 EUR	2009 EUR
VEK advance payment for 2010	220 739	
Other advances	388	30
Total	**221 127**	**30**

11 DUE TO SUPPLIERS AND CONTRACTORS

	2010 EUR	2009 EUR
Amerilat MD	12 740	7 187
Latvijas Gaze	15 997	6 249
Latvenergo Rīgas elektrotikls	7 941	6 175
Sistēmu Audits SIA	3 472	3 443
Latvian University	-	2 738
Rigas Ūdens	1 222	1 393
Academic histologic laboratory	312	1 033
Lattelekom	356	716
AB Medical Group Riga	-	320
Recipe Plus SIA	-	-
B.Braun SIA	-	-
Tradintek SIA	-	-
Olympus Latvia SIA	-	-
Other suppliers	10 327	8 886
Total	**52 367**	**38 140**

12 TAXES

	As of 31-12-2010	Calculated	Paid	Transfer	As of 30-09-2010
Value added tax	1 349	52 164	(50 466)	-	3 046
Social insurance	61 077	783 877	(782 968)	-	61 986
Personal income tax	36 073	520 767	(514 513)	-	42 326
Corporate income tax	(31 391)	7 647	(24 987)	-	(48 732)
Unemployment duty	114	1 473	(1 463)	-	124
Natural resources tax	323	509	(562)	-	270
Real estate tax	(2 415)	4 547	(2 133)	-	-
Total, including	**65 129**	**1 370 984**	**(1 377 092)**	**-**	**59 021**
due to the budget	98 935				107 753
overpayment	(33 806)				(48 732)

13 DUE TO OTHER COMPANIES

	2010 EUR	2009 EUR
Salaries	129 030	128 926
Deposited salary	693	1 043
Trade union	1 059	1 399
Total	**130 782**	**131 368**

14 NET SALES

	2010 EUR	2009 EUR
Medical ambulant services	3 016 640	2 549 583
Medical hospital services	1 046 161	2 451 420
Insurance payments	345 785	863 532
VS ZDC ambulant services	188 744	248 894
Services - minimum fixed part	13 143	126 118
Residents training	44 581	91 664
Stomatology services	58 496	62 073
Family doctors	45 606	52 972
Other income	14 788	45 742
Total	**4 773 944**	**6 491 999**

15 COST OF GOODS SOLD

	2010 EUR	2009 EUR
Salaries and wages	2 208 462	2 756 292
Medical goods	520 882	890 298
Fixed assets depreciation	526 036	669 157
Social tax	514 388	635 563
VAT - expenses	207 149	241 190
Public utilities	174 952	191 702
Rent of equipment	102 158	138 525
Repair expenses	148 024	91 808
Household goods	36 882	58 870
Computer maintenance, repair	21 475	33 502
Security ezpenses	35 979	30 129
Utilities	16 454	17 969
Current assets write-off	30 324	53 012
Feeding expenses	15 982	47 255
Medical researches	21 164	43 470
Employees trainings	1 744	40 364
Advertising	21 030	26 582
Gifts to employees	1 091	26 447
Accruals for vacations	(18 103)	20 385
Office expenses	17 730	13 226
Transport expense	6 322	9 408
Insurance expenses	6 377	6 860
Allowances to employees	2 618	3 771
Unemployment duty	1 473	1 810
Received discounts	(7 453)	(10 875)
Other operating expenses	85 402	86 681
Total	**4 698 543**	**6 123 400**

16 ADMINISTRATIVE EXPENSES

	2010 EUR	2009 EUR
Salaries and wages	168 000	290 200
Social tax	37 742	67 675
Board remuneration	35 223	47 873
Board chairperson remuneration	23 697	45 075
Communication expenses	17 558	24 488
Council members remuneration	17 530	18 964
Sakaru izdevumi	6 817	11 300
Office expenses	14 658	9 122
Chairperson of the Board social tax	5 709	9 627
Council chairperson remuneration	8 196	8 196
Audit expenses	7 114	7 114
Council members social tax	3 974	4 296
Presentation expenses	9 330	5 171
Bank expenses	4 952	3 839
Other administrative expenses	2 827	2 796
Chairperson of the Council social tax	1 975	1 975
Legal services	71	235
Total	**365 372**	**557 945**

17 OTHER OPERATING INCOME

	2010 EUR	2009 EUR
Rent income	92 356	94 573
Income from social tax return	-	12 362
Press goods	-	4 062
Received bonuses	3 234	-
Solarium income	1 037	1 939
Laundry income	1 165	1 296
Feeding income	1 885	1 060
Other income	43 278	16 108
Total	**142 956**	**131 401**

18 OTHER OPERATING EXPENSES

	2010 EUR	2009 EUR
Currency exchange loss	10	710
Loss from fixed assets disposals	1 861	1 511
Penalties	23	1 483
Real estate tax	4 547	90
Other expenses	7 241	1 928
Total	**13 682**	**5 721**

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2010 EUR	2009 EUR
Neurology clinic Ltd.	10 721	(10 054)
Total	**10 721**	**(10 054)**

20 INTEREST INCOME AND SIMILAR INCOME

	2010 EUR	2009 EUR
Interest income	7 386	45 296
Total	**7 386**	**45 296**

21 CORPORATE INCOME TAX

	2010 EUR	2009 EUR
Calculated Corporate income tax	7 647	51 563
Deferred Corporate income tax	1 069	3 395
Total	**8 715**	**54 958**

21 CORPORATE INCOME TAX (CONTINUED ...)

	2010 EUR	2009 EUR
Profit (loss) before tax	-202 888	-40 445
Theaoretically calculated corporate income	-	-1 803
Permanent differencies	-	51 563
Calculated corporate income tax	**-**	**34 972**
Deffered tax		
Temporary difference between financial	(383 985)	(383 985)
Temporary difference of fixed assets revaluation	(866 128)	(1 029 308)
Accruals for vacations	130 196	137 311
Accrued liabilities	-	-
Total temporary differencies	**(1 119 917)**	**(1 275 982)**
Tax rate applied	15%	15%
Deferred tax liabilities	**167 987**	**191 398**
Recognized deferred tax liabilities	**167 987**	**191 398**

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	**945 606**	**945 606**

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