



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED REPORT FOR THE YEAR 2009

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

(Translation of the Latvian original)

LATVIJAS JURAS MEDICINAS CENTRS JSC
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LATVIJAS JURAS MEDICINAS CENTRS JSC
INFORMATION ABOUT PARENT COMPANY

COMPANY NAME: Latvijas juras medicinas centrs JSC

LEGAL STATUS: Joint stock company

REGISTRATION: Registered in Latvian Register of Enterprises at 27.08.2004.
Registration Number: 40003306807

LEGAL ADDRESS: 23, Patversmes str. 23, Riga, LV - 1005, Latvia

SHARES 800 000 shares with face value 1,00 LVL, int. al.:
798 800 public registered shares. ISIN
code:LV0000100741

1 200 registered shares listed in the register of the Board

MAJOR SHAREHOLDERS: Ilze Birka 17,5%
Martins Birks 17,5%
Ilze Aizsilniece 11,4%
Guna Shvarcberga 10,4%
Janis Birks 7,6%

REPORTING PERIOD: 1 January 2009 - 31 December 2009

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
31.12.2009**

From April 23, 2008 till the consolidated financial statements signing day

<u>Name</u>	<u>Position</u>	
Martins Birks	Chairman of the Council	140 000
Antons Vjaters	Member of the Council	
Vladislavs Skrebelis	Member of the Council	
Austris Adumans	Vice-Chairman of the Council	till 15.12.2009
Viesturs Shilinsh	Member of the Council	3 038

Board of the Group

From April 28, 2005 till the August 18, 2009

<u>Name</u>	<u>Position</u>	
Marta Aizsilniece	Chairperson of the Board	
Marika Baumgarte	Member of the Board	12 071
Andris Vigants	Member of the Board	

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

Janis Birks	Chairman of the Board	60 883
Marta Aizsilniece	Member of the Board	1 344
Andris Vigants	Member of the Board	700

MANAGEMENT REPORT

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

The consolidated financial report contains information concerning the current financial situation and future development of parent company JSC “Latvijas Juras medicinas centrs” (hereinafter referred to as LJMC) and its subsidiary company “Juras medicina” Ltd. (hereinafter referred to as JM). Corporate Governance Report for the year 2009 is published as a separate document.

This audited consolidated financial report is prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and is based on business continuation principle. The financial statements were drawn up in Latvian lats (LVL) and euros (EUR). The applied currency exchange rate is EUR/LVL 0.702804.

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

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

The profit before taxes of the parent company was 1 049 LVL.

The loss before taxes of subsidiary company was -13 682 LVL.

The Group financial indexes

	2009	2008	2007
Net sales (mil. LVL)	4,56	5,89	5,24
Assets at the end of year (mil. LVL)	3,51	6,05	6,04
Profit after taxes (LVL)	-58 602	580	226 847
EBITDA (LVL)	450 309	499 745	716 444
Profit after taxes on shareholders’ equity (ROE) (%)	-1,9%	0,0%	4,8%
Profit after taxes on share (LVL)	-0,07	0,00	0,28
LJMC share market price at the end of the year (LVL)	1,60	2,38	2,80
LJMC dividends on share (LVL)	0,00	0,00	0,05

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

Due to the financial crisis, state government orders for a number of medical services during January - February 2009 were decreased from 4% to 20% compared to 2008 average monthly orders (income) and for some services up to 27%. To compensate the drop of government orders during January-March 2009, the volume of paid medical services from patients was increased twice compared to the corresponding period of 2008. Accordingly, the staff salaries and wages calculation and conditions were revised. The percentage of wages related to the quantity and the quality of the services were increased.

Rules published on 13.02.2009 by the Cabinet of Ministers have changed the conditions for financing of medical services; government orders were partly replaced by patient’s payments.

HCISA decreased the quota on hospital services for the second quarter of 2009. The decrease of financing was partially covered by the increase of patients payments, resulting 53% of average monthly income compared to 2008 average monthly income.

State government orders for the hospital services of LJMC was decreased in July and subsequently terminated in September. For the state-paid outpatient examination fees 20% were reduced in July. LJMC Board worked out the optimization plan based on the future financing and transition to the paid medical service and the implementation is in progress.

In order to maintain high quality services, improvements in the control system and risk management are in process. X-ray equipment of the surgery clinic located at Patversmes street 23 was upgraded. A new elevator to facilitate therapy and purulent surgery departments was installed to render substantially improved services for patients, particularly for aged and motion disorder patients. The transition to digital x-ray and mammography was done. Nevertheless the sharp drop in turnover and additional restructuring expenses of the hospital resulted in losses in the second half of the year and as result in the year.

At the end of year 2006 the land and buildings were evaluated in accordance with market prices of real estate. This was done by licensed appraisers. As a result the book value of land and buildings increased by LVL 3,264,179. Accordingly the fixed asset's revaluation reserve was increased and deferred tax liabilities were calculated.

The annual depreciation of the increased part of building's book value in the years 2007., 2008. and 2009. was LVL 217,612. This depreciation was disclosed in the Consolidated statement of income and together increased the retained earnings in the Consolidated statement of changes in equity.

The result of revaluation didn't have an effect on taxable profit.

At 31.12.09 buildings are evaluated as their cadastral value at 31.12.2009 (admit it to be market value). As a result the book value of buildings decreased by LVL 1,887,942.

The share price at the 31.12.08 was LVL 2,38; at 31.03.2009 - 2,38; 30.06.09 - LVL 1,47; 30.09.09. - LVL 1,65; 31.12.09 - LVL 1,60.

Important Events after the Balance Sheet Date

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

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

The share price at the 09.04.2010 was LVL 2,00

Future Development of the Group

Planned to develop outpatient care at Patversmes Street 23 area. The development of joint computerized information and accounting system will continue. That will provide precise details of the services rendered to patient; the medical information will be in a digital format, as well as perspective – integration into the e-health system.

Risk Management

On a regular basis the significant risks are assessed, involving a wide range of specialists. Measures are taken to mitigate the potential impact on business activities. During the year, the creditors have decreased by four times. Constantly, the Group's future development scenarios are reviewed based on the underlying and predictable market changes.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 12 April, 2010.

LATVIJAS JURAS MEDICINAS CENTRS JSC
DECLARATION OF MANAGEMENT RESPONSIBILITY

Consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards adopted by the European Union. These financial statements give a true and fair view of the financial position of the Group and of its financial performance for the period ended 31 December 2009 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, 12 April, 2010.

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2009 AND 31 DECEMBER 2008

	December 31, 2009 LVL	December 31, 2008 LVL	Note
ASSETS			
Current assets:			
Stocks			
Raw materials	52 236	87 467	4
Total stocks	52 236	87 467	
Debtors:			
Trade debtors	140 378	231 805	5
Other debtors	30 148	74 936	6
Accruals	4 208	6 514	7
Total debtors	174 734	313 255	
Cash funds	944 749	1 037 486	8
Total current assets	1 171 719	1 438 208	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	7 946	12 696	2
Total intangible assets	7 946	12 696	
Fixed assets:			
Land and buildings	1 477 211	3 539 416	
Technological equipment and machines	484 832	647 014	
Other fixed assets and inventory	66 751	91 187	
Long term investments in rented fixed assets	-	-	
Unfinished building objects	175 842	175 842	
Advance payments for fixed assets	-	13 249	
Total fixed assets:	2 204 636	4 466 708	2
Long-term financial assets:			
Participating interests in associated enterprises	126 919	133 367	3
Total financial assets:	126 919	133 367	
Total long-term investments:	2 339 501	4 612 771	
TOTAL ASSETS	3 511 220	6 050 979	

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 2009 AND 31 DECEMBER 2008

	December 31, 2009 LVL	December 31, 2008 LVL	Note
LIABILITIES			
Liabilities:			
Liabilities:			
Received advance payments	21	183 588	10
Due to customers and suppliers	26 805	302 570	11
Taxes and social security payments	69 532	113 737	12
Other payables	92 326	149 916	13
Recognized deferred tax liabilities	134 515	447 962	22
Total liabilities	323 199	1 197 773	
Provisions for liabilities and charges:			
Provisions for vacations	96 600	131 074	
Total provisions	96 600	131 074	
Total liabilities	419 799	1 328 847	
Equity capital:			
Share equity	800 000	800 000	9
Reserves:			
c) reserves provided by the Articles of Association	31 993	31 993	
d) fixed asset's revaluation reserve	945 606	2 735 327	
Retained earnings:			
a) brought forward from previous years	1 370 908	1 152 798	
b) current year profit or loss	(58 507)	498	
Total shareholders' equity	3 090 000	4 720 616	
Non-controlling interest	1 421	1 516	
Total equity capital	3 091 421	4 722 132	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	3 511 220	6 050 979	
	-	-	
Current Ratio	3,63	1,20	
Debt Ratio	0,12	0,22	

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 2009 AND 31 DECEMBER 2008

	2009	2008	Note
	LVL	LVL	
Net sales	4 562 603	5 894 140	14
Cost of goods sold	(4 303 550)	(5 461 534)	15
Gross profit or loss	259 053	432 606	
Administrative expenses	(392 126)	(499 166)	16
Other operating income	92 349	95 220	17
Other operating expenses	(4 021)	(13 974)	18
Income from investment in associates	(7 066)	7 810	19
Interest income and similar income	31 834	34 522	20
Profit (loss) before taxes	-19 977	57 018	
Corporate income tax	(38 625)	(56 438)	21
NET PROFIT OR LOSS	(58 602)	580	
Other comprehensive income			
Gain (loss) on revaluation of properties excluding deferred tax	(1 604 751)	-	22
Other comprehensive income for the year, net of tax	(1 604 751)	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1 663 353)	580	
Profit attributable to			
Owners of LJMC	(58 507)	498	
Non-controlling interest	(95)	82	
	(58 602)	580	
Total comprehensive income attributable to			
Owners of LJMC	(1 593 562)	-	
Non-controlling interest	(11 189)	-	
	(1 604 751)	-	
Number of shares	800 000	800 000	
Earnings per Share (EPS) (LVL)	-0,07	0,00	

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 2009 AND 31 DECEMBER 2008

	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 2007	800 000	31 993	2 920 297	748 339	226 847	1 434	4 728 910
Previous years retained earnings	-	-	-	226 847	(226 847)	-	-
Dividends paid	-	-	-	(40 000)	-	-	(40 000)
Total comprehensive income for the year	-	-	-	-	498	82	580
Depreciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Deffered tax on revaluation surplus	-	-	32 642	-	-	-	32 642
At 31 December 2008	800 000	31 993	2 735 327	1 152 798	498	1 516	4 722 132
Previous years retained earnings	-	-	-	498	(498)	-	-
Depreciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Deffered tax on revaluation surplus	-	-	32 642	-	-	-	32 642
Total comprehensive income for the year	-	-	(1 604 751)	-	(58 507)	(95)	(1 663 353)
Non-controlling interest changes	-	-	-	-	-	-	-
At 31 December 2009	800 000	31 993	945 606	1 370 908	(58 507)	1 421	3 091 421

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 2009 AND 31 DECEMBER 2008

	2009	2008	Note
	LVL	LVL	
Cash flows used in operating activities			
Net income before tax	(19 977)	57 018	
Adjustments:			
a) depreciation of tangibles	465 189	440 535	2
b) depreciation of goodwill	5 097	2 192	2
c) provisions	(34 474)	3 879	
d) loss (gain) on sale of tangibles	1 062	1 949	
e) interest income	(31 834)	(34 522)	20
f) gain (loss) from investments in associates	7 066	(7 810)	19
2. Gain (loss) before changes in current assets and liabilities	392 129	463 241	
Changes in operating assets and liabilities:			
a) receivables.	103 905	(53 407)	
b) inventory.	35 231	(23 471)	
c) current liabilities.	(532 837)	69 737	
3. Gross operating cash flow	(1 572)	456 100	
4. Paid corporate income tax.	(29 913)	(134 858)	12
5. Net cash used in operating activities	(31 485)	321 242	
II. Cash flow used in investment activities			
1. Purchase of shares of associates.	(618)	(40)	
2. Purchase of fixed assets.	(92 501)	(509 897)	2
3. Selling of fixed assets.	33	-	
4. Received interest.	31 834	34 522	20
5. Net cash from investment activities	(61 252)	(475 415)	
III. Cash flows used in financing activities			
1. Paid dividends.	-	(40 000)	
2. Net cash from financing activities	-	(40 000)	
IV. Net increase (decrease) in cash	(92 737)	(194 173)	
V. Cash at the beginning of the period	1 037 486	1 231 659	
VI. Cash at the end of the period	944 749	1 037 486	

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 2009 AND 31 DECEMBER 2008

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, 2009	December 31, 2008
EUR	0,702804	0,702804
USD	0,489	0,495

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 2009 AND 31 DECEMBER 2008

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 2009 AND 31 DECEMBER 2008

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 2009 AND 31 DECEMBER 2008

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

As of 31 December 2009 and 31 December 2008
fixed assets are composed as follows: (LVL)

LVL	Intangible assets	Land & buildings	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payments for fixed assets	Unfinishe d building objects	Total
Historical cost									
At 31 December									
2007	13 641	4 196 628	132 590	1 882 398	348 814	35 672	-	175 842	6 785 585
Additions	12 602	14 266	-	420 382	49 398	-	13 249	-	509 897
Transfers	-	141 012	(132 590)	-	-	(8 422)	-	-	-
Disposals	(311)	(504)		(345 906)	(8 273)	(27 250)	-	-	(382 244)
At 31 December									
2008	25 932	4 351 402	-	1 956 874	389 939	-	13 249	175 842	6 913 238
Additions	686	34 811	-	16 098	11 771		29 135	-	92 501
Transfers	-	42 384		-			(42 384)	-	-
Revaluation Disposals or change of classification	(546)	(1 887 942)		(26 842)	(58 416)		-	-	(1 887 942)
At 31 December									
2009	26 072	2 540 655	-	1 946 130	343 294	-	-	175 842	5 031 993
Accumulated depreciation									
At 31 December									
2007	11 271	569 006	-	1 497 860	271 960	21 305	-	-	2 371 402
Charge for the year	2 192	25 586		156 689	34 703	5 945	-	-	225 115
Charge for the period for revaluationed fixed assets		217 612					-	-	217 612
Disposals	(227)	(218)	-	(344 689)	(7 911)	(27 250)	-	-	(380 295)
At 31 December									
2008	13 236	811 986	-	1 309 860	298 752	-	-	-	2 433 834
Charge for the period	5 097	33 846	-	178 227	35 504		-		252 674
Charge for the period for revaluationed fixed assets		217 612	-	-	-	-	-	-	217 612
Disposals or change of classification	(207)		-	(26 789)	(57 713)		-	-	(84 709)
At 31 December									
2009	18 126	1 063 444	-	1 461 298	276 543	-	-	-	2 819 411
Net book value									
At 31 December									
2007	2 370	3 627 622	132 590	384 538	76 854	14 367	-	175 842	4 414 183
At 31 December									
2008	12 696	3 539 416	-	647 014	91 187	-	13 249	175 842	4 479 404
At 31 December									
2009	7 946	1 477 211	-	484 832	66 751	-	-	175 842	2 212 582

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2009 LVL	Capital share (%)	Amount of investment 2008 LVL
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	126 919	45	133 367
Total participating interests in associated enterprises		126 919		133 367

4 RAW MATERIALS

	2009 LVL	2008 LVL
Pharmaceutical	48 246	75 860
Stock in warehouse	2 136	5 702
Inventory	470	2 368
Products	409	1 231
Furniture	-	402
Other materials	713	1 536
Advance payments to supplier of goods	262	368
Total	52 236	87 467

5 DUE FROM CUSTOMERS

	2009 LVL	2008 LVL
VOVAA Rigas department	41 574	74 773
Riga slimokase AAS	29 009	22 341
Gjesidege Baltic	11 664	2 030
BTA AAS	11 182	25 110
IF Latvija AAS	10 462	6 965
Latvian University	8 286	-
SEESAM Latvija	8 018	743
Balta AAS	7 223	10 312
Balva AAS	5 218	3 503
Narkologijas centrs	2 861	5 138
Baltijas apdrošināšanas nams	2 245	95
Compensa Life Vienna Insurance group	1 786	2 677
NBS militāras medicīnas centrs	1 637	4 033
Ministry of Interior – health and social dep	1 367	188
Ergo Latvija AAS	1 310	57 086
Biogen Idec Ltd.	1 168	1 140
Evolution Latvia	-	767
Merck sharp	-	3 026
Accrued income	-	3 259
Other customers	9 405	8 619
Bad debt provisions	(14 037)	-
Total	140 378	231 805

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008

6 OTHER RECEIVABLES

	2009	2008
	LVL	LVL
Taxes overpayment (note No.12)	23 759	61 249
VAT for unpaid invoices	4 320	4 410
Other debtors	2 069	9 277
Total	30 148	74 936

7 DIFFERED EXPENSES

	2009	2008
	LVL	LVL
Assurance expense	4 208	2 616
Riga Stock Exchange, shares quotation	-	2 500
Other expense	-	1 398
Total	4 208	6 514

8 CASH

	2009	2008
	LVL	LVL
Cash in banks	911 533	1 007 775
Deposit	29 803	28 215
Cash on hands	3 413	1 496
Total	944 749	1 037 486

9 SHARE CAPITAL

	2009	2009	2008	2008
	Number of	Share %	Number of	Share %
Shareholders:	shares		shares	
Janis Birks	60 883	7,6%	311 583	38,9%
Ilze Birka	140 000	17,5%	-	0,0%
Martins Birks	140 000	17,5%	-	0,0%
Ilze Aizsilniece	91 565	11,4%	80 766	10,1%
Guna Shvarcberga	82 917	10,4%	82 917	10,4%
State social insurance agency	-	0,0%	40 000	5,0%
Other shareholders (shares less than 5%)	284 635	35,6%	284 734	35,6%
Total	800 000	100,0%	800 000	100,0%

10 DUE TO RECEIVED ADVANCE PAYMENTS

	2009	2008
	LVL	LVL
VOAVA advance payment for 2009	-	183 567
Other advances	21	21
Total	21	183 588

LATVIJAS JURAS MEDICINAS CENTRS JSC
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FOR THE YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008

11 DUE TO SUPPLIERS AND CONTRACTORS

	2009	2008
	LVL	LVL
Amerilat MD	5 051	11 465
Latvijas Gaze	4 392	8 328
Latvenergo Rīgas elektrotikls	4 340	5 659
Sistēmu Audits SIA	2 420	4 235
Latvian University	1 924	-
Rīgas Ūdens	979	1 243
Academic histologic laboratory	726	1 734
Lattelekom	503	796
AB Medical Group Riga	225	467
Recipe Plus SIA	-	483
Invitros SIA	-	827
Tradintek SIA	-	253 795
Olympus Latvia SIA	-	7 125
Other suppliers	6 245	6 413
Total	26 805	302 570

12 TAXES

	As of 31-12-2008	Calculated	Paid	Transfer	As of 31-12-2009
Value added tax	(4 529)	17 575	(17 723)	5 625	948
Social insurance	69 603	724 133	(718 621)	(32 190)	42 925
Personal income tax	43 826	405 274	(422 035)	(1 713)	25 352
Corporate income tax	(56 678)	36 239	(29 913)	28 290	(22 062)
Unemployment duty	122	1 272	(1 302)	(12)	80
Natural resources tax	186	227	(186)	-	227
Real estate tax	(42)	63	(1 718)	-	(1 697)
Total, including	52 488	1 184 783	(1 191 498)	-	45 773
due to the budget	113 737				69 532
overpayment	(61 249)				(23 759)

13 DUE TO OTHER COMPANIES

	2009	2008
	LVL	LVL
Salaries	90 610	148 098
Deposited salary	733	667
Trade union	983	1 151
Total	92 326	149 916

LATVIJAS JURAS MEDICINAS CENTRS JSC
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14 NET SALES

	2009 LVL	2008 LVL
Medical ambulant services	1 791 857	1 963 384
Medical hospital services	1 722 868	3 010 896
Insurance payments	606 894	364 263
VS ZDC ambulant services	174 924	152 430
Services - minimum fixed part	88 636	192 027
Residents training	64 422	110 504
Stomatology services	43 625	43 004
Family doctors	37 229	37 380
Other income	32 148	20 252
Total	4 562 603	5 894 140

15 COST OF GOODS SOLD

	2009 LVL	2008 LVL
Salaries and	1 937 133	2 420 250
Medical goods	625 705	756 607
Fixed assets depreciation	470 286	442 727
Social tax	446 676	565 403
VAT - expenses	169 509	216 457
Public utilities	134 729	145 472
Rent of equipment	97 356	157 183
Repair expenses	64 523	251 270
Household goods	41 374	64 354
Computer maintenance, repair	23 545	31 928
Security expenses	21 175	20 994
Utilities	12 629	15 220
Current assets write-off	37 257	105 021
Feeding expenses	33 211	62 390
Medical researches	30 551	43 822
Employees trainings	28 368	47 235
Advertising	18 682	1 886
Gifts to employees	18 587	18 862
Accruals for vacations	14 327	3 879
Office expenses	9 295	13 628
Transport expense	6 612	6 291
Insurance expenses	4 821	4 081
Allowances to employees	2 650	2 220
duty	1 272	1 498
Received discounts	(7 643)	(16 988)
Other operating expenses	60 920	79 844
Total	4 303 550	5 461 534

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008

16 ADMINISTRATIVE EXPENSES

	2009	2008
	LVL	LVL
Salaries and wages	203 954	263 674
Social tax	47 562	57 238
Board remuneration	33 645	32 396
Board chairperson remuneration	31 679	35 547
Communication expenses	17 210	21 316
Council members remuneration	13 328	23 320
Sakaru izdevumi	7 942	7 805
Office expenses	6 411	7 966
Chairperson of the Board social tax	6 766	7 312
Council chairperson remuneration	5 760	7 167
Audit expenses	5 000	5 000
Council members social tax	3 019	5 321
Presentation expenses	3 634	13 934
Bank expenses	2 698	1 250
Other administrative expenses	1 965	7 484
Chairperson of the Council social tax	1 388	1 726
Legal services	165	710
Total	392 126	499 166

17 OTHER OPERATING INCOME

	2009	2008
	LVL	LVL
Rent income	66 466	70 745
Income from social tax return	8 688	-
Press goods	2 855	5 998
Solarium income	1 363	2 641
Laundry income	911	1 341
Feeding income	745	5 937
Other income	11 321	8 558
Total	92 349	95 220

18 OTHER OPERATING EXPENSES

	2009	2008
	LVL	LVL
Currency exchange loss	499	-
Loss from fixed assets disposals	1 062	2 529
Penalties	1 042	632
Real estate tax	63	2 365
Other expenses	1 355	8 448
Total	4 021	13 974

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2009	2008
	LVL	LVL
Neurology clinic Ltd.	(7 066)	7 810
Total	(7 066)	7 810

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20 INTEREST INCOME AND SIMILAR INCOME

	2009	2008
	LVL	LVL
Interest income	31 834	34 522
Total	31 834	34 522

21 CORPORATE INCOME TAX

	2009	2008
	LVL	LVL
Calculated Corporate income tax	36 239	36 961
Deferred Corporate income tax	2 386	19 477
Total	38 625	56 438

21 CORPORATE INCOME TAX (CONTINUED ...)

	2009	2008
	LVL	LVL
Profit (loss) before tax	-19 977	57 018
Theoretically calculated corporate income	-	8 553
Permanent differences	36 239	28 408

Calculated corporate income tax	36 239	36 961
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Deferred tax

Temporary difference between financial	(269 866)	(288 260)
Temporary difference of fixed assets revaluation	(723 402)	(2 828 955)
Accruals for vacations	96 503	130 800
Accrued liabilities	-	-
Total temporary differences	(896 765)	(2 986 415)
Tax rate applied	15%	15%
Deferred tax liabilities	134 515	447 962
Recognized deferred tax liabilities	134 515	447 962

22 PROPERTIES REVALUATION RESERVE

Balance at beginning of year	2 735 327	2 920 297
Other comprehensive income:	-	-
Decrease arising on revaluation of properties	(1 887 942)	-
Deferred tax assets arising on revaluation	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	2 735 327

Translation from Latvian

INDEPENDENT AUDITORS' REPORT

To the Shareholders of JSC Latvijas Juras Medicinas Centrs

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements on pages 8 to 22 of JSC Latvijas Juras Medicinas Centrs (Group) which comprise the consolidated statement of financial position as of 31 December 2009 and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Latvian Association of certified auditors. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union.

Report on the Management Report

We have read the Management Report set out on pages 5-6 and did not identify material inconsistencies between the financial information contained in the Management Report and that contained in the consolidated financial statements for 2009.

Certified auditors' company System audit Ltd.
Audit company licence No. 53


Irina Saksaganska
Certified auditor
Certificate No. 41



Member of the Board

Riga, Latvia
April 13, 2010.