



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**CONSOLIDATED REPORT FOR THE YEAR 2009**

**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.**

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
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**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**INFORMATION ABOUT PARENT COMPANY**

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**COMPANY NAME:** LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**LEGAL STATUS:** STOCK COMPANY

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

**LEGAL ADDRESS:** 23, PATVERSMES STREET, 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:** JANIS BIRKS 7,6%  
ILZE BIRKA 17,5%  
MARTINS BIRKS 17,5%  
ILZE AIZSILNIECE 11,4%  
GUNA SHVARCBERGA 10,4%

**CEO:** JANIS BIRKS

**REPORTING PERIOD:** 1 JANUARY 2009 - 31 DECEMBER 2009

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**COUNCIL AND BOARD OF THE GROUP**

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**Council of the Group**

**Number of shares owned at  
31.12.09**

**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	1 066
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	1 066
Andris Vigants	Member of the Board	700

**MANAGEMENT REPORT**

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

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

This not audited consolidated financial report is prepared in accordance with International Financial Reporting Standards (IFRS) 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 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 06 569 EUR.

The profit before taxes of subsidiary company was -19 121 EUR.

**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 are 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.

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 st.23 is upgraded. Installation of a new elevator to facilitate therapy and purulent surgery departments is done to render substantially improved services for patients, particularly for aged patients and patients with motions injuries. Further plans are initiated to develop patients care sectors, improve other hospital, ambulatory and paid services to increase income.

State government orders for the hospital services of LJMC from July is decreased, but from September is terminated. LJMC Board had worked out and is implementing the optimization plan based on the future financing and transition to the paid medical service.

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 evaluators. As a result the book value of land and buildings increased by LVL 3,594,894. 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 the land and buildings are evaluated as their cadastral value at 01.01.10 (admit it to be market value). As a result the book value of land and buildings decreased by LVL 1,887,242.

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**

The share price at the 24.02.2010 was LVL 1,40

**Future Development of the Group**

The developing of patient care centre and one day stationary is planned.

**Risk Management**

The company's management has developed main directions of changing company's structure, work process organization and keeping liquidity in case of further income decreasing due to crisis.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 25 February, 2010.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**DECLARATION OF MANAGEMENT RESPONSIBILITY**

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Consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by EU. These financial statements gives a true and fair view of the state of activities of the Group and of the results of the Group 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, 25 February, 2010.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF 31 DECEMBER 2009 AND 31 DECEMBER 2008**

	<b>December 31, 2009</b>	<b>December 31, 2008</b>	<b>Note</b>
<b>ASSETS</b>	<b>EUR</b>	<b>EUR</b>	
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	74 499	124 454	<b>4</b>
<b>Total stocks</b>	<b>74 499</b>	<b>124 454</b>	
<b>Debtors:</b>			
Trade debtors	208 661	329 829	<b>5</b>
Other debtors	40 627	106 624	<b>6</b>
Accruals	5 987	9 269	<b>7</b>
<b>Total debtors</b>	<b>255 276</b>	<b>445 722</b>	
<b>Cash funds</b>	<b>1 343 995</b>	<b>1 476 210</b>	<b>8</b>
<b>Total current assets</b>	<b>1 673 770</b>	<b>2 046 386</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	11 306	18 065	<b>2</b>
<b>Total intangible assets</b>	<b>11 306</b>	<b>18 065</b>	
<b>Fixed assets:</b>			
Land and buildings	2 101 883	5 036 135	
Technological equipment and machines	689 852	920 618	
Other fixed assets and inventory	95 018	129 747	
Long term investments in rented fixed assets	-	-	
Unfinished building objects	250 201	250 201	
Advance payments for fixed assets	-	18 852	
<b>Total fixed assets:</b>	<b>3 136 954</b>	<b>6 355 553</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Investment assets	-	-	<b>2</b>
Participating interests in associated enterprises	179 494	189 764	<b>3</b>
<b>Total financial assets:</b>	<b>179 494</b>	<b>189 764</b>	
<b>Total long-term investments:</b>	<b>3 327 754</b>	<b>6 563 382</b>	
<b>TOTAL ASSETS</b>	<b>5 001 524</b>	<b>8 609 767</b>	

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF 31 DECEMBER 2009 AND 31 DECEMBER 2008**

	<b>December 31, 2009</b>	<b>December 31, 2008</b>	<b>Note</b>
<b>LIABILITIES</b>	<b>EUR</b>	<b>EUR</b>	
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Received advance payments	1 453	261 222	<b>10</b>
Due to customers and suppliers	38 356	430 518	<b>11</b>
Taxes and social security payments	96 654	161 833	<b>12</b>
Other payables	133 460	213 311	<b>13</b>
Recognized deferred tax liabilities	191 398	637 393	<b>22</b>
<b>Total liabilities</b>	<b>461 321</b>	<b>1 704 277</b>	
<b>Provisions for liabilities and charges:</b>			
Provisions for vacations	137 449	186 501	
<b>Total provisions</b>	<b>137 449</b>	<b>186 501</b>	
<b>Total liabilities</b>	<b>598 770</b>	<b>1 890 779</b>	
<b>Equity capital:</b>			
Share equity	1 138 297	1 138 297	<b>9</b>
Reserves:			
c) reserves provided by the Articles of Association	45 522	45 522	
d) fixed asset's revaluation reserve	1 345 476	3 892 020	
Retained earnings:			
a) brought forward from previous years	1 951 506	1 640 284	
b) current year profit or loss	(80 068)	709	
<b>Total shareholders' equity</b>	<b>4 400 733</b>	<b>6 716 831</b>	
<b>Minority interest</b>	<b>2 020</b>	<b>2 157</b>	
<b>Total equity capital</b>	<b>4 402 754</b>	<b>6 718 989</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>5 001 524</b>	<b>8 609 767</b>	
	-	-	
<b>Current Ratio</b>	<b>3,63</b>	<b>1,20</b>	
<b>Debt Ratio</b>	<b>0,12</b>	<b>0,22</b>	

*The notes on pages 12-20 form an integral part of these financial statements.*



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008**

	<b>2009</b>	<b>2008</b>	<b>Note</b>
	<b>EUR</b>	<b>EUR</b>	
Net sales	6 492 749	8 386 606	<b>14</b>
Cost of goods sold	(6 124 568)	(7 771 063)	<b>15</b>
<b>Gross profit or loss</b>	<b>368 181</b>	<b>615 543</b>	
Administrative expenses	(557 945)	(710 249)	<b>16</b>
Other operating income	124 554	135 486	<b>17</b>
Other operating expenses	(6 575)	(19 883)	<b>18</b>
Income from investment in associates	(12 029)	11 113	<b>19</b>
Interest income and similar income	58 491	49 120	<b>20</b>
<b>Profit before taxes</b>	<b>-25 323</b>	<b>81 129</b>	
Corporate income tax	(54 882)	(80 304)	<b>21</b>
Minority interest	137	(117)	
<b>NET PROFIT OR LOSS</b>	<b>(80 068)</b>	<b>709</b>	
<b>Number of shares</b>	800 000	800 000	
<b>Earnings per Share (EPS) (EUR)</b>	<b>-0,10</b>	<b>0,00</b>	

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR)**  
**FOR THE YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008**

	Share capital	Reserves provided by the Articles of Association	Investment evaluation reserve	Previous years retained earnings	Current year profit	Minority interest	Total
<b>At 31 December 2007</b>	<b>1 138 297</b>	<b>45 522</b>	<b>4 155 208</b>	<b>1 064 790</b>	<b>322 774</b>	<b>2 040</b>	<b>6 728 633</b>
Transfers to reserves	-	-	-	322 774	(322 774)	-	-
Dividends paid	-	-	-	(56 915)	-	-	(56 915)
Profit for the year	-	-	-	-	709	-	709
Depreciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Minority interest changes	-	-	46 445	-	-	117	46 562
<b>At 31 December 2008</b>	<b>1 138 297</b>	<b>45 522</b>	<b>3 892 020</b>	<b>1 640 284</b>	<b>709</b>	<b>2 157</b>	<b>6 718 989</b>
Previous years retained earnings	-	-	-	709	(709)	-	-
Dividends paid	-	-	(2 546 544)	-	-	-	(2 546 544)
Depreciation of revaluation surplus	-	-	-	310 513	-	-	310 513
Deferred tax on revaluation surplus	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(80 068)	-	(80 068)
Minority interest changes	-	-	-	-	-	(137)	(137)
<b>At 31 December 2009</b>	<b>1 138 297</b>	<b>45 522</b>	<b>1 345 476</b>	<b>1 951 506</b>	<b>(80 068)</b>	<b>2 020</b>	<b>4 402 754</b>

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008**

	<b>2009</b>	<b>2008</b>	<b>Note</b>
	<b>EUR</b>	<b>EUR</b>	
<b>Cash flows used in operating activities</b>			
<b>Net income before tax</b>	<b>(25 323)</b>	<b>81 129</b>	
Adjustments:			
a) depreciation of tangibles	661 866	626 825	<b>2</b>
b) depreciation of goodwill	7 252	3 119	<b>2</b>
c) provisions	(49 052)	5 519	<b>15</b>
d) loss (gain) on sale of tangibles	1 511	2 773	<b>2</b>
e) interest income	(83 226)	(69 892)	<b>20</b>
f) gain (loss) from investments in associates	12 029	(11 113)	<b>19</b>
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>525 058</b>	<b>638 361</b>	
Changes in operating assets and liabilities:			
a) receivables.	190 446	(75 991)	
b) inventory.	49 956	(33 396)	
c) current liabilities.	(846 092)	99 227	
<b>3. Gross operating cash flow</b>	<b>(80 633)</b>	<b>628 200</b>	
4. Paid corporate income tax.	(2 309)	(191 886)	<b>12</b>
<b>6. Net cash used in operating activities</b>	<b>(82 943)</b>	<b>436 315</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates.	(879)	(57)	<b>3</b>
2. Purchase of fixed assets.	(131 618)	(725 518)	<b>2</b>
3. Selling of fixed assets.	-	-	
4. Received interest.	83 226	69 892	<b>20</b>
<b>5. Net cash from investment activities</b>	<b>(49 272)</b>	<b>(655 683)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Settlement of loans.			
1. Paid dividends.	-	(56 915)	
<b>3. Net cash from financing activities</b>	<b>-</b>	<b>(56 915)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>(132 215)</b>	<b>(276 283)</b>	
<b>V. Cash at the beginning of the period</b>	<b>1 476 210</b>	<b>1 752 493</b>	
<b>VI. Cash at the end of the period</b>	<b>1 343 995</b>	<b>1 476 210</b>	

*The notes on pages 12-20 form an integral part of these financial statements.*

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

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**GENERAL INFORMATION**

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

The Company'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. Enclosed financial statements are reflected 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 assets and liabilities recognized.

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

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

**Foreign currency**

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

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

	<b>December 31, 2009</b>	<b>December 31, 2008</b>
EUR	0,702804	0,702804
USD	0,489	0,495

Gains or losses on converted 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 within 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, appraised by professionally qualified valuers as of 31 December, 2006. 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.

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 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 charged or credited directly to equity in the same or a different period according to IAS 12 p.61.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY  
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: (EUR)

EUR	Intangible assets	Land & buildings	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payment s for fixed assets	Unfinishe d building objects	Total
<b>Historical cost</b>									
<b>At 31 December 2007</b>	<b>19 409</b>	<b>5 971 264</b>	<b>188 659</b>	<b>2 678 411</b>	<b>496 318</b>	<b>50 757</b>	<b>-</b>	<b>250 201</b>	<b>9 655 018</b>
Additions	17 931	20 299	-	598 150	70 287	-	18 852	-	725 518
Transfers	-	200 642	(188 659)	-	-	(11 983)	-	-	-
Disposals	(443)	(717)	-	(492 180)	(11 771)	(38 773)	-	-	(543 884)
<b>At 31 December 2008</b>	<b>36 898</b>	<b>6 191 487</b>	<b>-</b>	<b>2 784 381</b>	<b>554 833</b>	<b>-</b>	<b>18 852</b>	<b>250 201</b>	<b>9 836 651</b>
Additions	976	49 532	-	22 907	16 749	-	41 455	-	131 618
Transfers	-	60 307	-	-	-	-	(60 307)	-	-
Pārvērtēšana	-	(2 686 299)	-	-	-	-	-	-	(2 686 299)
Disposals or change of classif	(777)	-	-	(38 193)	(80 825)	-	-	-	(119 794)
<b>At 31 December 2009</b>	<b>37 097</b>	<b>3 615 026</b>	<b>-</b>	<b>2 769 095</b>	<b>490 757</b>	<b>-</b>	<b>-</b>	<b>250 201</b>	<b>7 162 176</b>
<b>Accumulated depreciation</b>									
<b>At 31 December 2007</b>	<b>16 037</b>	<b>809 623</b>	<b>-</b>	<b>2 131 263</b>	<b>386 964</b>	<b>30 314</b>	<b>-</b>	<b>-</b>	<b>3 374 201</b>
Charge for the year	3 119	36 406	-	222 948	49 378	8 459	-	-	320 310
Charge for the period for revaluation fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals	(323)	(310)	-	(490 448)	(11 256)	(38 773)	-	-	(541 111)
<b>At 31 December 2008</b>	<b>18 833</b>	<b>1 155 352</b>	<b>-</b>	<b>1 863 763</b>	<b>425 086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 463 034</b>
Charge for the period	7 252	48 157	-	253 597	50 478	-	-	-	359 484
Charge for the period for revaluation fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals or change of classif	(295)	-	-	(38 117)	(79 825)	-	-	-	(118 236)
<b>At 31 December 2009</b>	<b>25 791</b>	<b>1 513 143</b>	<b>-</b>	<b>2 079 243</b>	<b>395 739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 013 916</b>
<b>Net book value</b>									
<b>At 31 December 2007</b>	<b>3 372</b>	<b>5 161 641</b>	<b>188 659</b>	<b>547 148</b>	<b>109 353</b>	<b>20 442</b>	<b>-</b>	<b>250 201</b>	<b>6 280 817</b>
<b>At 31 December 2008</b>	<b>18 065</b>	<b>5 036 135</b>	<b>-</b>	<b>920 618</b>	<b>129 747</b>	<b>-</b>	<b>18 852</b>	<b>250 201</b>	<b>6 373 618</b>
<b>At 31 December 2009</b>	<b>11 306</b>	<b>2 101 883</b>	<b>-</b>	<b>689 852</b>	<b>95 018</b>	<b>-</b>	<b>-</b>	<b>250 201</b>	<b>3 148 260</b>

**3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES**

	Capital share (%)	Amount of investment 2009 EUR	Capital share (%)	Amount of investment 2008 EUR
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	179 494	45	189 764
<b>Total participating interests in associated enterprises</b>		<b>179 494</b>		<b>189 764</b>

**4 RAW MATERIALS**

	2009 EUR	2008 EUR
Pharmaceutical	68 675	107 939
Stock in warehouse	3 039	8 113
Inventory	669	3 369
Products	582	1 752
Furniture	-	572
Other materials	1 161	2 186
Advance payments to supplier of goods	373	524
<b>Total</b>	<b>74 499</b>	<b>124 454</b>

## 5 DUE FROM CUSTOMERS

	2009	2008
	EUR	EUR
VOVAA Rīgas department	59 154	106 392
Rīga slimokase AAS	43 262	31 788
Ergo Latvija AAS	6 370	81 226
BTA AAS	15 911	35 728
Accrued income	-	4 637
LMRIH	-	-
NBS militāras medicīnas centrs	2 329	5 738
IF Latvija AAS	14 886	9 910
Rīga 1.hospital	-	-
Balva AAS	7 558	4 984
Baltikums Dzīvības AAS	608	542
<b>Total</b>	<b>208 661</b>	<b>329 829</b>

## 6 OTHER RECEIVABLES

	2009	2008
	EUR	EUR
Parex bank	-	-
Rīga Latvian association	-	-
Taxes overpayment (note No.13)	31 697	87 149
LBM GROUP AS	-	-
VAT for unpaid invoices	6 164	6 275
Other debtors	2 766	13 200
<b>Total</b>	<b>40 627</b>	<b>106 624</b>

## 7 DIFFERED EXPENSES

	2009	2008
	EUR	EUR
Assurance expense	5 987	3 722
Rīga Stock Exchange, shares quotation		3 557
Other expense		1 989
<b>Total</b>	<b>5 987</b>	<b>9 269</b>

## 8 CASH

	2009	2008
	EUR	EUR
Cash in banks	1 296 995	1 433 935
Deposit	42 144	40 146
Cash on hands	4 856	2 129
<b>Total</b>	<b>1 343 995</b>	<b>1 476 210</b>

## 9 SHARE CAPITAL

	2009	2009	2008	2008
	Number of shares	Share %	Number of shares	Share %
<b>Shareholders:</b>				
Janis Birks	60 883	7,6	309 509	38,7
Ilze Birka	140 000	17,5	-	-
Martins Birks	140 000	17,5	-	-
Ilze Aizsilniece	91 565	11,4	80 766	10,1
Agris Shvarchbergs		0,0	80 917	10,1
Guna Shvarchberga	82 917	10,4	-	-
State social insurance agency		0,0	40 000	5,0
Other shareholders (shares less than 5%)	284 635	35,6	288 808	36,1
<b>Total</b>	<b>800 000</b>	<b>100,0</b>	<b>800 000</b>	<b>100,0</b>



## 10 DUE TO RECEIVED ADVANCE PAYMENTS

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
VOAVA advance payment for 2009		261 192
Other advances	1 453	30
<b>Total</b>	<b>1 453</b>	<b>261 222</b>

## 11 DUE TO SUPPLIERS AND CONTRACTORS

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
Veselības centrs-4	-	-
Amerilat MD	7 187	16 313
Latvijas Gaze	6 249	11 850
Other suppliers	12 871	27 488
Sistēmu Audits SIA	3 443	-
Latvenergo Rīgas elektrotīkls	6 175	8 052
Johnsons Johnson SIA	-	-
Pean SIA	-	-
Tamro SIA	-	-
Rigas Ūdens	1 393	1 769
Lattelekom	716	1 133
AB Medical Group Riga	320	664
Invitros SIA	-	1 177
B.Braun Medical SIA	1	267
Recipe Plus SIA	-	687
Tradintek SIA	-	361 118
<b>Total</b>	<b>38 356</b>	<b>430 518</b>

## 12 TAXES

	<b>As of 31-12- 2008</b>	<b>Calculated</b>	<b>Paid</b>	<b>Atlikums uz 31.12.2009</b>
Value added tax	(6 444)	22 084	(17 214)	-
Social insurance	99 036	1 030 122	(1 069 052)	63 614
Personal income tax	62 359	576 653	(602 578)	96 654
Corporate income tax	(80 646)	51 488	(2 309)	(33 041)
Unemployment duty	174	1 810	(1 870)	-
Natural resources tax	265	-	(265)	-
Real estate tax	(60)	2 504	(2 444)	-
<b>Total, including</b>	<b>74 684</b>	<b>1 684 662</b>	<b>(1 695 732)</b>	<b>127 228</b>
due to the budget	161 833			96 654
overpayment	(87 149)			(33 041)

## 13 DUE TO OTHER COMPANIES

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
Salaries	131 397	210 724
Accrued liabilities	-	-
Trade union	1 060	1 638
Deposited salary	1 003	949
<b>Total</b>	<b>133 460</b>	<b>213 311</b>

## 14 NET SALES

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
Medical hospital services	2 449 189	4 284 119
Medical ambulant services	2 549 597	2 793 644
Insurance payments	864 042	518 300
Services - minimum fixed part	126 118	273 230
VS ZDC ambulant services	248 894	216 888
Residents training	91 664	157 233
Stomatology services	62 073	61 189
Family doctors	52 972	53 187
Other income	48 200	28 816
<b>Total</b>	<b>6 492 749</b>	<b>8 386 606</b>

## 15 COST OF GOODS SOLD

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and wages	2 758 082	3 443 705
Medical goods	890 123	1 076 555
Social tax	635 978	804 496
Fixed assets depreciation	669 339	629 944
Repair expenses	91 808	402 954
VAT - expenses	238 283	307 991
Rent of equipment	138 525	223 651
Public utilities	191 702	206 988
Medical researches	43 470	62 353
Current assets write-off	52 988	149 431
Feeding expenses	47 255	88 773
Household goods	58 870	91 567
Gifts to employees	26 447	26 838
Employees trainings	40 364	67 209
Office expenses	13 226	19 391
Transport expense	9 408	8 951
Allowances to employees	3 771	3 159
Advertising	26 582	2 684
Insurance expenses	6 663	5 807
Unemployment duty	1 810	2 131
Accruals for vacations	20 421	5 519
Received discounts	(10 874)	(24 172)
Saņemtās atlaides	170 328	165 136
<b>Total</b>	<b>6 124 568</b>	<b>7 771 063</b>

## 16 ADMINISTRATIVE EXPENSES

	2009	2008
	EUR	EUR
Salaries and wages	286 011	375 174
Social tax	66 657	81 442
Board chairperson remuneration	42 424	50 579
Office expenses	9 150	11 335
Board remuneration	50 091	46 095
Other administrative expenses	2 763	10 649
Sakaru izdevumi	24 488	30 330
Presentation expenses	5 171	19 826
Chairperson of the Board social tax	9 088	10 404
Board members social tax	11 747	11 106
Council chairperson remuneration	8 196	10 198
Audit expenses	7 114	7 114
Council members remuneration	23 586	33 181
Bank expenses	3 839	1 779
Chairperson of the Council social tax	1 975	2 456
Council members social tax	5 410	7 571
Legal services	235	1 010
<b>Total</b>	<b>557 945</b>	<b>710 249</b>

## 17 OTHER OPERATING INCOME

	2009	2008
	EUR	EUR
Rent income	96 747	100 661
Feeding income	1 060	8 448
Received donations	-	-
Press goods	4 062	8 534
Solarium income	1 939	3 758
Laundry income	1 296	1 908
Other income	19 449	12 177
<b>Total</b>	<b>124 554</b>	<b>135 486</b>

## 18 OTHER OPERATING EXPENSES

	2009	2008
	EUR	EUR
Loss from fixed assets disposals	1 511	3 598
Penalties	1 249	899
Currency exchange loss	1 537	-
Real estate tax	347	3 365
Other expenses	1 931	12 020
<b>Total</b>	<b>6 575</b>	<b>19 883</b>

## 19 INCOME FROM INVESTMENT IN ASSOCIATES

	2009	2008
	EUR	EUR
Psihiskas Veselibas centrs "Dzintari"	(12 029)	11 113
<b>Total</b>	<b>(12 029)</b>	<b>11 113</b>

## 20 INTEREST INCOME AND SIMILAR INCOME

	2009	2008
	EUR	EUR
Interest income	58 491	49 120
<b>Total</b>	<b>58 491</b>	<b>49 120</b>

## 21 CORPORATE INCOME TAX

	2009	2008
	EUR	EUR
Calculated Corporate income tax	51 488	52 591
Deferred Corporate income tax	3 394	27 713
<b>Total</b>	<b>54 882</b>	<b>80 304</b>

## 23 CORPORATE INCOME TAX (CONTINUED ...)

	2009	2008
	EUR	EUR
Profit before tax	-36 031	115 437
Theoretically calculated corporate income tax, rate 15%	-5 404	17 315
Permanent differences	-50 502	40 421
<b>Calculated corporate income tax</b>	<b>-39 291</b>	<b>40 577</b>

### Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(383 985)	(410 157)
Temporary difference of fixed assets revaluation	(1 029 308)	(4 025 240)
Accruals for vacations	137 311	186 112
Accrued liabilities	-	-
<b>Total temporary differences</b>	<b>(1 275 982)</b>	<b>(4 249 286)</b>
Tax rate applied	15%	15%
<b>Deferred tax liabilities</b>	<b>191 398</b>	<b>637 393</b>
<b>Recognized deferred tax liabilities</b>	<b>191 398</b>	<b>637 393</b>

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