



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)

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

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

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 Shilins | 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 04 617 LVL.

The profit before taxes of subsidiary company was -13 438 LVL.

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

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

| | December 31, 2009 LVL | December 31, 2008 LVL | Note |
|---|-----------------------------|-----------------------------|------|
| ASSETS | | | |
| Current assets: | | | |
| Stocks | | | |
| Raw materials | 52 358 | 87 467 | 4 |
| Total stocks | 52 358 | 87 467 | |
| Debtors: | | | |
| Trade debtors | 146 648 | 231 805 | 5 |
| Other debtors | 28 553 | 74 936 | 6 |
| Accruals | 4 208 | 6 514 | 7 |
| Total debtors | 179 409 | 313 255 | |
| Cash funds | 944 565 | 1 037 486 | 8 |
| Total current assets | 1 176 332 | 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 | 1 477 212 | 3 539 416 | |
| Technological equipment and machines | 484 831 | 647 014 | |
| Other fixed assets and inventory | 66 779 | 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: | 2 204 664 | 4 466 708 | 2 |
| Long-term financial assets: | | | |
| Investment assets | - | - | 2 |
| Participating interests in associated enterprises | 126 149 | 133 367 | 3 |
| Total financial assets: | 126 149 | 133 367 | |
| Total long-term investments: | 2 338 759 | 4 612 771 | |
| TOTAL ASSETS | 3 515 091 | 6 050 979 | |

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

| | December 31, 2009 | December 31, 2008 | Note |
|---|------------------------------|------------------------------|-------------|
| LIABILITIES | LVL | LVL | |
| Liabilities: | | | |
| Liabilities: | | | |
| Received advance payments | 1 021 | 183 588 | 10 |
| Due to customers and suppliers | 26 957 | 302 570 | 11 |
| Taxes and social security payments | 67 929 | 113 737 | 12 |
| Other payables | 93 796 | 149 916 | 13 |
| Recognized deferred tax liabilities | 134 515 | 447 962 | 22 |
| Total liabilities | 324 218 | 1 197 773 | |
| Provisions for liabilities and charges: | | | |
| Provisions for vacations | 96 600 | 131 074 | |
| Total provisions | 96 600 | 131 074 | |
| Total liabilities | 420 818 | 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 | 1 371 526 | 1 152 798 | |
| b) current year profit or loss | (56 272) | 498 | |
| Total shareholders' equity | 3 092 853 | 4 720 616 | |
| Minority interest | 1 420 | 1 516 | |
| Total equity capital | 3 094 273 | 4 722 132 | |
| TOTAL EQUITY, PROVISIONS AND LIABILITIES | 3 515 091 | 6 050 979 | |
| | - | - | |
| Current Ratio | 3,63 | 1,20 | |
| Debt Ratio | 0,12 | 0,22 | |

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

| | 2009 | 2008 | Note |
|---------------------------------------|-----------------|----------------|-------------|
| | LVL | LVL | |
| Net sales | 4 563 130 | 5 894 140 | 14 |
| Cost of goods sold | (4 304 371) | (5 461 534) | 15 |
| Gross profit or loss | 258 759 | 432 606 | |
| Administrative expenses | (392 126) | (499 166) | 16 |
| Other operating income | 87 537 | 95 220 | 17 |
| Other operating expenses | (4 621) | (13 974) | 18 |
| Income from investment in associates | (8 454) | 7 810 | 19 |
| Interest income and similar income | 41 108 | 34 522 | 20 |
| Profit before taxes | -17 797 | 57 018 | |
| Corporate income tax | (38 571) | (56 438) | 21 |
| Minority interest | 96 | (82) | |
| NET PROFIT OR LOSS | (56 272) | 498 | |
| Number of shares | 800 000 | 800 000 | |
| Earnings per Share (EPS) (LVL) | -0,07 | 0,00 | |

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 (LVL)
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 |
|--|----------------|--|-------------------------------------|---|------------------------|----------------------|------------------|
| At 31 December 2007 | 800 000 | 31 993 | 2 920 297 | 748 339 | 226 847 | 1 434 | 4 728 910 |
| Transfers to reserves | - | - | - | 226 847 | (226 847) | - | - |
| Dividends paid | - | - | - | (40 000) | - | - | (40 000) |
| Profit for the year | - | - | - | - | 498 | - | 498 |
| Depreciation of revaluation surplus | - | - | (217 612) | 217 612 | - | - | - |
| Minority interest changes | - | - | 32 642 | - | - | 82 | 32 724 |
| 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) | - | - |
| Dividends paid | - | - | (1 789 721) | - | - | - | (1 789 721) |
| Depreciation of revaluation surplus | - | - | - | 218 230 | - | - | 218 230 |
| Deffered tax on revaluation surplus | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | (56 272) | - | (56 272) |
| Minority interest changes | - | - | - | - | - | (96) | (96) |
| At 31 December 2009 | 800 000 | 31 993 | 945 606 | 1 371 526 | (56 272) | 1 420 | 3 094 273 |

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

| | 2009 | 2008 | Note |
|--|------------------|------------------|-------------|
| | LVL | LVL | |
| Cash flows used in operating activities | | | |
| Net income before tax | (17 797) | 57 018 | |
| Adjustments: | | | |
| a) depreciation of tangibles | 465 162 | 440 535 | 2 |
| b) depreciation of goodwill | 5 097 | 2 192 | 2 |
| c) provisions | (34 474) | 3 879 | 15 |
| d) loss (gain) on sale of tangibles | 1 062 | 1 949 | 2 |
| e) interest income | (41 108) | (34 522) | 20 |
| f) gain (loss) from investments in associates | 8 454 | (7 810) | 19 |
| 2. Gain (loss) before changes in current assets and liabilities | 386 396 | 463 241 | |
| Changes in operating assets and liabilities: | | | |
| a) receivables. | 133 846 | (53 407) | |
| b) inventory. | 35 109 | (23 471) | |
| c) current liabilities. | (594 637) | 69 737 | |
| 3. Gross operating cash flow | (39 286) | 456 100 | |
| 4. Paid corporate income tax. | (1 623) | (134 858) | 12 |
| 6. Net cash used in operating activities | (40 909) | 321 242 | |
| II. Cash flow used in investment activities | | | |
| 1. Purchase of shares of associates. | (618) | (40) | 3 |
| 2. Purchase of fixed assets. | (92 502) | (509 897) | 2 |
| 3. Selling of fixed assets. | - | - | |
| 4. Received interest. | 41 108 | 34 522 | 20 |
| 5. Net cash from investment activities | (52 012) | (475 415) | |
| III. Cash flows used in financing activities | | | |
| 1. Settlement of loans. | | | |
| 1. Paid dividends. | - | (40 000) | |
| 3. Net cash from financing activities | - | (40 000) | |
| IV. Net increase (decrease) in cash | (92 921) | (194 173) | |
| V. Cash at the beginning of the period | 1 037 486 | 1 231 659 | |
| VI. Cash at the end of the period | 944 565 | 1 037 486 | |

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

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:

| | December 31, 2009 | December 31, 2008 |
|-----|--------------------------|--------------------------|
| 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: (LVL)

| LVL | 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 |
|---|----------------------|---------------------|----------------------|-------------------------------|-----------------------|---|--|---------------------------------------|------------------|
| 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 | - | 16 099 | 11 771 | - | 29 135 | - | 92 502 |
| Transfers | - | 42 384 | - | - | - | - | (42 384) | - | - |
| Pārvērtēšana | - | (1 887 942) | - | - | - | - | - | - | (1 887 942) |
| Disposals or change of classif | (546) | - | - | (26 842) | (56 804) | - | - | - | (84 192) |
| At 31 December 2009 | 26 072 | 2 540 655 | - | 1 946 131 | 344 906 | - | - | 175 842 | 5 033 606 |
| 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 revaluation 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 | 33 845 | - | 178 229 | 35 476 | - | - | - | 252 647 |
| Charge for the period for revaluation fixed assets | - | 217 612 | - | - | - | - | - | - | 217 612 |
| Disposals or change of classif | (207) | - | - | (26 789) | (56 101) | - | - | - | (83 097) |
| At 31 December 2009 | 18 126 | 1 063 443 | - | 1 461 300 | 278 127 | - | - | - | 2 820 996 |
| 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 | 1 477 212 | - | 484 831 | 66 779 | - | - | 175 842 | 2 212 610 |

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 | 126 149 | 45 | 133 367 |
| Total participating interests in associated enterprises | | 126 149 | | 133 367 |

4 RAW MATERIALS

| | 2009 LVL | 2008 LVL |
|---------------------------------------|---------------|---------------|
| Pharmaceutical | 48 265 | 75 860 |
| Stock in warehouse | 2 136 | 5 702 |
| Inventory | 470 | 2 368 |
| Products | 409 | 1 231 |
| Furniture | - | 402 |
| Other materials | 816 | 1 536 |
| Advance payments to supplier of goods | 262 | 368 |
| Total | 52 358 | 87 467 |

5 DUE FROM CUSTOMERS

| | 2009 | 2008 |
|--------------------------------|----------------|----------------|
| | LVL | LVL |
| VOVAA Rīgas department | 41 574 | 74 773 |
| Rīga slimokase AAS | 30 405 | 22 341 |
| Ergo Latvija AAS | 4 477 | 57 086 |
| BTA AAS | 11 182 | 25 110 |
| Accrued income | - | 3 259 |
| LMRIH | - | - |
| NBS militāras medicīnas centrs | 1 637 | 4 033 |
| IF Latvija AAS | 10 462 | 6 965 |
| Rīga 1.hospital | - | - |
| Balva AAS | 5 312 | 3 503 |
| Baltikums Dzīvības AAS | 427 | 381 |
| Total | 146 648 | 231 805 |

6 OTHER RECEIVABLES

| | 2009 | 2008 |
|--------------------------------|---------------|---------------|
| | LVL | LVL |
| Parex bank | - | - |
| Rīga Latvian association | - | - |
| Taxes overpayment (note No.13) | 22 277 | 61 249 |
| LBM GROUP AS | - | - |
| VAT for unpaid invoices | 4 332 | 4 410 |
| Other debtors | 1 944 | 9 277 |
| Total | 28 553 | 74 936 |

7 DIFFERED EXPENSES

| | 2009 | 2008 |
|---------------------------------------|--------------|--------------|
| | LVL | LVL |
| Assurance expense | 4 208 | 2 616 |
| Rīga 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 | 29 619 | 28 215 |
| Cash on hands | 3 413 | 1 496 |
| Total | 944 565 | 1 037 486 |

9 SHARE CAPITAL

| | 2009 | 2009 | 2008 | 2008 |
|--|------------------|--------------|------------------|--------------|
| | Number of shares | Share % | Number of shares | Share % |
| Shareholders: | | | | |
| 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 Shvarcbergs | | 0,0 | 80 917 | 10,1 |
| Guna Shvarcberga | 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 |
| Total | 800 000 | 100,0 | 800 000 | 100,0 |

10 DUE TO RECEIVED ADVANCE PAYMENTS

| | 2009 LVL | 2008 LVL |
|-----------------------------------|--------------|----------------|
| VOAVA advance payment for 2009 | | 183 567 |
| Other advances | 1 021 | 21 |
| Total | 1 021 | 183 588 |

11 DUE TO SUPPLIERS AND CONTRACTORS

| | 2009 LVL | 2008 LVL |
|-------------------------------|---------------|----------------|
| Veselības centrs-4 | - | - |
| Amerilat MD | 5 051 | 11 465 |
| Latvijas Gaze | 4 392 | 8 328 |
| Other suppliers | 9 046 | 19 319 |
| Sistēmu Audits SIA | 2 420 | - |
| Latvenergo Rīgas elektrotīkls | 4 340 | 5 659 |
| Johnsons Johnson SIA | - | - |
| Pean SIA | - | - |
| Tamro SIA | - | - |
| Rigas Ūdens | 979 | 1 243 |
| Lattelekom | 503 | 796 |
| AB Medical Group Riga | 225 | 467 |
| Invitros SIA | - | 827 |
| B.Braun Medical SIA | 1 | 188 |
| Recipe Plus SIA | - | 483 |
| Tradintek SIA | - | 253 795 |
| Total | 26 957 | 302 570 |

12 TAXES

| | As of 31-12- 2008 | Calculated | Paid | Atlikums uz 31.12.2009 |
|-------------------------|----------------------|------------------|--------------------|---------------------------|
| Value added tax | (4 529) | 15 521 | (12 098) | - |
| Social insurance | 69 603 | 723 974 | (751 334) | 44 708 |
| Personal income tax | 43 826 | 405 274 | (423 494) | 67 929 |
| Corporate income tax | (56 678) | 36 186 | (1 623) | (23 221) |
| Unemployment duty | 122 | 1 272 | (1 314) | - |
| Natural resources tax | 186 | - | (186) | - |
| Real estate tax | (42) | 1 760 | (1 718) | - |
| Total, including | 52 488 | 1 183 987 | (1 191 767) | 89 416 |
| due to the budget | 113 737 | | | 67 929 |
| overpayment | (61 249) | | | (23 221) |

13 DUE TO OTHER COMPANIES

| | 2009 LVL | 2008 LVL |
|---------------------|---------------|----------------|
| Salaries | 92 346 | 148 098 |
| Accured liabilities | - | - |
| Trade union | 745 | 1 151 |
| Deposited salary | 705 | 667 |
| Total | 93 796 | 149 916 |

14 NET SALES

| | 2009 | 2008 |
|-------------------------------|------------------|------------------|
| | LVL | LVL |
| Medical hospital services | 1 721 300 | 3 010 896 |
| Medical ambulant services | 1 791 867 | 1 963 384 |
| Insurance payments | 607 252 | 364 263 |
| Services - minimum fixed part | 88 636 | 192 027 |
| VS ZDC ambulant services | 174 924 | 152 430 |
| Residents training | 64 422 | 110 504 |
| Stomatology services | 43 625 | 43 004 |
| Family doctors | 37 229 | 37 380 |
| Other income | 33 875 | 20 252 |
| Total | 4 563 130 | 5 894 140 |

15 COST OF GOODS SOLD

| | 2009 | 2008 |
|---------------------------|------------------|------------------|
| | LVL | LVL |
| Salaries and wages | 1 938 391 | 2 420 250 |
| Medical goods | 625 582 | 756 607 |
| Social tax | 446 968 | 565 403 |
| Fixed assets depreciation | 470 414 | 442 727 |
| Repair expenses | 64 523 | 283 198 |
| VAT - expenses | 167 466 | 216 457 |
| Rent of equipment | 97 356 | 157 183 |
| Public utilities | 134 729 | 145 472 |
| Medical researches | 30 551 | 43 822 |
| Current assets write-off | 37 240 | 105 021 |
| Feeding expenses | 33 211 | 62 390 |
| Household goods | 41 374 | 64 354 |
| Gifts to employees | 18 587 | 18 862 |
| Employees trainings | 28 368 | 47 235 |
| Office expenses | 9 295 | 13 628 |
| Transport expense | 6 612 | 6 291 |
| Allowances to employees | 2 650 | 2 220 |
| Advertising | 18 682 | 1 886 |
| Insurance expenses | 4 683 | 4 081 |
| Unemployment duty | 1 272 | 1 498 |
| Accruals for vacations | 14 352 | 3 879 |
| Received discounts | (7 642) | (16 988) |
| Saņemtās atlaides | 119 707 | 116 058 |
| Total | 4 304 371 | 5 461 534 |

16 ADMINISTRATIVE EXPENSES

| | 2009 | 2008 |
|---------------------------------------|----------------|----------------|
| | LVL | LVL |
| Salaries and wages | 201 010 | 263 674 |
| Social tax | 46 847 | 57 238 |
| Board chairperson remuneration | 29 816 | 35 547 |
| Office expenses | 6 431 | 7 966 |
| Board remuneration | 35 204 | 32 396 |
| Other administrative expenses | 1 942 | 7 484 |
| Sakaru izdevumi | 17 210 | 21 316 |
| Presentation expenses | 3 634 | 13 934 |
| Chairperson of the Board social tax | 6 387 | 7 312 |
| Board members social tax | 8 256 | 7 805 |
| Council chairperson remuneration | 5 760 | 7 167 |
| Audit expenses | 5 000 | 5 000 |
| Council members remuneration | 16 576 | 23 320 |
| Bank expenses | 2 698 | 1 250 |
| Chairperson of the Council social tax | 1 388 | 1 726 |
| Council members social tax | 3 802 | 5 321 |
| Legal services | 165 | 710 |
| Total | 392 126 | 499 166 |

17 OTHER OPERATING INCOME

| | 2009 | 2008 |
|--------------------|---------------|---------------|
| | LVL | LVL |
| Rent income | 67 994 | 70 745 |
| Feeding income | 745 | 5 937 |
| Received donations | - | - |
| Press goods | 2 855 | 5 998 |
| Solarium income | 1 363 | 2 641 |
| Laundry income | 911 | 1 341 |
| Other income | 13 669 | 8 558 |
| Total | 87 537 | 95 220 |

18 OTHER OPERATING EXPENSES

| | 2009 | 2008 |
|----------------------------------|--------------|---------------|
| | LVL | LVL |
| Loss from fixed assets disposals | 1 062 | 2 529 |
| Penalties | 878 | 632 |
| Currency exchange loss | 1 080 | - |
| Real estate tax | 244 | 2 365 |
| Other expenses | 1 357 | 8 448 |
| Total | 4 621 | 13 974 |

19 INCOME FROM INVESTMENT IN ASSOCIATES

| | 2009 | 2008 |
|---------------------------------------|----------------|--------------|
| | LVL | LVL |
| Psihiskas Veselibas centrs "Dzintari" | (8 454) | 7 810 |
| Total | (8 454) | 7 810 |

20 INTEREST INCOME AND SIMILAR INCOME

| | 2009 | 2008 |
|-----------------|---------------|---------------|
| | LVL | LVL |
| Interest income | 41 108 | 34 522 |
| Total | 41 108 | 34 522 |

21 CORPORATE INCOME TAX

| | 2009 | 2008 |
|---------------------------------|---------------|---------------|
| | LVL | LVL |
| Calculated Corporate income tax | 36 186 | 36 961 |
| Deferred Corporate income tax | 2 385 | 19 477 |
| Total | 38 571 | 56 438 |

23 CORPORATE INCOME TAX (CONTINUED ...)

| | 2009 | 2008 |
|---|----------------|---------------|
| | LVL | LVL |
| Profit before tax | -17 797 | 57 018 |
| Theoretically calculated corporate income tax, rate 15% | -2 670 | 8 553 |
| Permanent differences | -35 493 | 28 408 |
| Calculated corporate income tax | -38 163 | 36 961 |

Deferred tax

| | | |
|---|------------------|--------------------|
| Temporary difference between financial statement depreciation and depreciation for tax purposes | (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 |
