



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED REPORT FOR THE YEAR 2008

**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**

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 38,9%
ILZE AIZSILNIECE 10,1%
GUNA SHVARCBERGA 10,4%
STATE SOCIAL INSURANCE AGENCY 5%

CEO: MARTA AIZSILNIECE

REPORTING PERIOD: 1 JANUARY 2008 - 31 DECEMBER 2008

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

Council of the Group

**Number of shares owned at
31.12.08**

From November 22, 2006 till April 23, 2008

<u>Name</u>	<u>Position</u>	
Agris Shvarcbergs	Chairman of the Council	80 917 died 23.11.07
Antons Vjaters	Member of the Council	-
Vladislavs Skrebelis	Member of the Council	-
Austris Adumans	Vice-Chairman of the Council	-
Martins Birks	Member of the Council	-

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

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

Board of the Group

From April 28, 2005 till the consolidated financial statements signing day

<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	-

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 159 454 EUR.

The profit before taxes of subsidiary company was 18 830 EUR.

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

On the base of increased government funding, employees' salaries have been raised on 1 January 2008 as required by the relevant regulation by the Cabinet of Ministers and stipulated in the agreement with HCISA.

To put into effect the decision of the current shareholders meeting in the year 2007 "Latvijas Juras medicinas centrs stock company" purchased from its daughter company "SIA Juras medicina" 6164/13134 supposed parts of the whole real estate (buildings and land) and has right to use the 2-stairs building and land. The price based on valuation of the real estate company "Eiroexpert" is LVL 183,000. "Latvijas Juras medicinas centrs stock company" was the tenant of 75% of this building since year 2000 and there is dislocated the medical diagnostic center.

In reporting period LVL 4000000 was invested in medical equipment and LVL 25000 in IT. In september were purchased new GE 16 layer CT and Vivid 7 sonograf.

The share price at the 03.01.08 was LVL 2,80; at 31.03.2008 - LVL 3,45; at 30.06.08 - LVL 3,90; at 30.09.08 - LVL 2,80; at 31.12.08 - LVL 2,38

Important Events after the Balance Sheet Date

Because of crisis the government decreased the funding for the medicine service from 4% till 20%, but for particular cases till 27% for January and February 2009 in comparison with the same months in the year 2008. To compensate the decline of income "Latvijas Juras medicinas centrs stock company" succeeded in January to increase 3 times the income from insured patients and from patients, who pay themselves, in comparison with the January 2008. Also the corrections were made in salary policy. The salaries now are more depending from the amount and quality of the work done.

The share price at the 26.02.2009 was LVL 2,38.

Future Development of the Group

The new regulations issued by the Cabinet of Ministers establish an increasing patient's payments for the health care instead of state payments. Specified amount of state founding for next 10 months of this year for hospitals is not known yet.

On purpose to ensure high quality of medical service the quality control system and risk control system are now improved. The old X-ray equipment in surgery clinic will be replaced. A new lift will be installed in surgery clinic. This will improve the service of oldest patients and patients with disturbances of movement. 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.

On behalf of the Group:

Chairperson of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Member of the Board

Marika Baumgarte

Riga, 26 February, 2009.

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 2008 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.

Chairperson of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Member of the Board

Marika Baumgarte

Riga, 26 February, 2009.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007

	December 31, 2008	December 31, 2007	Note
ASSETS	EUR	EUR	
Current assets:			
Stocks			
Raw materials	124 454	91 058	4
Total stocks	124 454	91 058	
Debtors:			
Trade debtors	323 205	256 308	5
Other debtors	109 831	13 034	6
Accruals	9 340	19 744	7
Total debtors	442 377	289 085	
Cash funds	1 476 210	1 752 493	8
Total current assets	2 043 040	2 132 636	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	18 065	3 372	2
Goodwill	-	-	
Total intangible assets	18 065	3 372	
Fixed assets:			
Land and buildings	5 036 135	5 161 641	
Technological equipment and machines	920 618	547 148	
Other fixed assets and inventory	129 747	109 353	
Long term investments in rented fixed assets	-	20 442	
Unfinished building objects	250 201	250 201	
Advance payments for fixed assets	18 852	-	
Total fixed assets:	6 355 553	6 088 786	2
Long-term financial assets:			
Investment assets	-	188 659	2
Participating interests in associated enterprises	191 652	178 595	3
Total financial assets:	191 652	367 253	
Total long-term investments:	6 565 270	6 459 411	
TOTAL ASSETS	8 608 310	8 592 047	

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 2008 AND 31 DECEMBER 2007

	December 31, 2008	December 31, 2007	Note
LIABILITIES	EUR	EUR	
Liabilities:			
Liabilities:			
Received advance payments	261 221	530 023	10
Due to customers and suppliers	422 707	70 890	11
Taxes and social security payments	161 846	197 025	12
Other payables	218 320	228 370	13
Recognized deferred tax liabilities	606 643	656 125	22
Total liabilities	1 670 736	1 682 432	
Provisions for liabilities and charges:			
Provisions for vacations	201 410	180 982	
Total provisions	201 410	180 982	
Total liabilities	1 872 146	1 863 414	
Equity capital:			
Share equity	1 138 297	1 138 297	9
Reserves:			
c) reserves provided by the Articles of Association	45 522	45 522	
d) fixed asset's revaluation reserve	3 895 056	4 155 208	
Retained earnings:			
a) brought forward from previous years	1 640 154	1 064 790	
b) current year profit or loss	14 833	322 774	
Total shareholders' equity	6 733 863	6 726 592	
Minority interest	2 301	2 040	
Total equity capital	6 736 164	6 728 633	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	8 608 310	8 592 047	
Current Ratio	1,22	1,27	
Debt Ratio	0,22	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 2008 AND 31 DECEMBER 2007

	2008	2007	Note
	EUR	EUR	
Net sales	8 399 947	7 459 845	14
Cost of goods sold	(7 784 998)	(6 622 913)	15
Gross profit or loss	614 948	836 932	
Administrative expenses	(711 905)	(561 087)	16
Other operating income	134 932	156 563	17
Other operating expenses	(19 079)	(24 949)	18
Gain from the change of fair value of investment property		-	
Income from investment in associates	13 001	2 245	19
Interest income and similar income	34 983	37 698	20
Interest expense and similar expense	-	-	21
Profit before taxes	66 879	447 402	
Corporate income tax	(51 915)	(124 757)	22
Minority interest	(131)	129	
NET PROFIT OR LOSS	14 833	322 774	
Number of shares	800 000	800 000	
Earnings per Share (EPS) (EUR)	0,02	0,40	

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 2008 AND 31 DECEMBER 2007

	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 2006	1 138 297	45 522	4 418 397	484 108	316 580	2 170	6 405 075
Transfers to reserves	-	-	-	316 580	(316 580)	-	-
Dividends paid	-	-	-	(45 532)	-	-	(45 532)
Profit for the year	-	-	-	-	322 774	-	322 774
Depreciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Minority interest changes	-	-	46 445	-	-	(129)	46 316
At 31 December 2007	1 138 297	45 522	4 155 208	1 064 790	322 774	2 040	6 728 633
Previous years retained earnings	-	-	-	322 774	(322 774)	-	-
Dividends paid	-	-	-	(56 915)	-	-	(56 915)
Depreciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Deffered tax on revaluation surplus	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	14 833	-	14 833
Minority interest changes	-	-	49 482	(129)	-	260	49 613
At 31 December 2008	1 138 297	45 522	3 895 056	1 640 154	14 833	2 301	6 736 164

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 2008 AND 31 DECEMBER 2007

	2008	2007	Note
	EUR	EUR	
Cash flows used in operating activities			
Net income before tax	66 879	447 402	
Adjustments:			
a) depreciation of tangibles	629 958	572 006	2
b) depreciation of goodwill	-	2 607	
c) provisions	20 428	(25 802)	
d) loss (gain) on sale of tangibles	2 762	13 534	18
e) interest expenses	-	-	
f) gain (loss) from investments in associates	(13 001)	(2 245)	20
g) gain from the change of fair value of investment pproperty	-	-	
2. Gain (loss) before changes in current assets and liabilities	707 026	1 007 501	
Changes in operating assets and liabilities:			
a) receivables.	(153 292)	(127 330)	
b) inventory.	(33 396)	(5 502)	
c) current liabilities.	(14 338)	447 542	
3. Gross operating cash flow	506 000	1 322 211	
4. Paid interest.	-	-	
5. Paid corporate income tax.	(181 817)	(34 540)	12
6. Net cash used in operating activities	324 183	1 287 671	
II. Cash flow used in investment activities			
1. Purchase of shares of associates	(53)	-	
2. Purchase of fixed assets	(737 501)	(357 398)	2
3. Selling of fixed assets	194 003	472	
4. Net cash from investment activities	(543 551)	(356 926)	
III. Cash flows used in financing activities			
1. Settlement of loans	(56 915)	(45 532)	
2. Paid dividends	-	-	
3. Net cash from financing activities	(56 915)	(45 532)	
IV. Net increase (decrease) in cash	(276 283)	885 213	
V. Cash at the beginning of the period	1 752 493	867 280	
VI. Cash at the end of the period	1 476 210	1 752 493	

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 2008 AND 31 DECEMBER 2007**

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, 2008	December 31, 2007
EUR	0,702804	0,702804
USD	0,495	0,484

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.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

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.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

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 2008 AND 31 DECEMBER 2007

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

As of 31 December 2008 and 31 December 2007
 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
Historical cost									
At 31 December 2006	18 035	5 971 264	188 659	2 469 250	452 832	50 757	8 729	250 201	9 409 726
Additions	1 374	-	-	292 271	63 753	-	-	-	357 398
Transfers	-	-	-	-	3 197	-	(3 197)	-	-
Disposals	-	-	-	(83 110)	(23 465)	-	(5 532)	-	(112 107)
At 31 December 2007	19 409	5 971 264	188 659	2 678 411	496 318	50 757	-	250 201	9 655 018
Additions	17 931	32 282	-	598 150	70 287	-	18 852	-	737 501
Transfers	-	-	-	-	-	-	-	-	-
Pārvērtēšana	-	-	-	-	-	-	-	-	-
Disposals or change of classif	(443)	(14 983)	(188 659)	(492 180)	(11 771)	(50 757)	-	-	(758 792)
At 31 December 2008	36 898	5 988 563	-	2 784 381	554 833	-	18 852	250 201	9 633 727
Accumulated depreciation									
At 31 December 2006	12 591	469 717	-	2 035 533	369 059	13 395	-	-	2 900 295
Charge for the year	3 446	30 272	-	171 287	40 448	16 919	-	-	262 372
Charge for the period for revaluationed fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals	-	-	-	(75 557)	(22 543)	-	-	-	(98 100)
At 31 December 2007	16 037	809 623	-	2 131 263	386 964	30 314	-	-	3 374 201
Charge for the period	3 119	36 418	-	222 948	49 378	8 460	-	-	320 324
Charge for the period for revaluationed fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals or change of classif	(323)	(203 247)	-	(490 448)	(11 256)	(38 775)	-	-	(744 050)
At 31 December 2008	18 833	952 428	-	1 863 763	425 086	-	-	-	3 260 110
Net book value									
At 31 December 2006	5 444	5 501 547	188 659	433 717	83 773	37 362	8 729	250 201	6 509 431
At 31 December 2007	3 372	5 161 641	188 659	547 148	109 353	20 442	-	250 201	6 280 817
At 31 December 2008	18 065	5 036 135	-	920 618	129 747	-	18 852	250 201	6 373 618

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2008 EUR	Capital share (%)	Amount of investment 2007 EUR
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	191 652	45	178 595
Total participating interests in associated enterprises		191 652		178 595

October 4, 2005 the company changed the name from SIA "Psihiskas veselibas centrs 'Dzintari' " to SIA "Neirozu klinika"

4 RAW MATERIALS

	2008 EUR	2007 EUR
Pharmaceutical	107 939	76 848
Stock in warehouse	8 113	4 774
Inventory	3 369	3 147
Products	1 752	2 008
Furniture	572	986
Other materials	2 186	2 827
Advance payments to supplier of goods	524	468
Total	124 454	91 058

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

5 DUE FROM CUSTOMERS

	2008	2007
	EUR	EUR
VOVAA Rigas department	106 392	76 704
Riga slimokase AAS	31 169	50 172
Ergo Latvija AAS	80 731	26 017
BTA AAS	35 782	21 818
Accrued income	-	21 717
LMRIH	-	19 704
NBS militaras medicinas centrs	5 738	6 682
IF Latvija AAS	10 010	2 975
Riga I.hospital	-	2 392
Balva AAS	5 114	1 746
Baltikums Dzīvības AAS	542	249
Total	<u>323 205</u>	<u>256 308</u>

6 OTHER RECEIVABLES

	2008	2007
	EUR	EUR
Parex bank	-	3 566
Riga Latvian association	-	2 348
Taxes overpayment (note No.13)	89 339	2 312
LBM GROUP AS	-	1 423
VAT for unpaid invoices	7 413	726
Other debtors	13 079	2 659
Total	<u>109 831</u>	<u>13 034</u>

7 DIFFERED EXPENSES

	2008	2007
	EUR	EUR
Assurance expense	3 722	3 281
Riga Stock Exchange, shares quotation	3 557	
Other expense	2 060	16 463
Total	<u>9 340</u>	<u>19 744</u>

8 CASH

	2008	2007
	EUR	EUR
Cash in banks	1 433 935	1 713 609
Deposit	40 146	34 433
Cash on hands	2 129	4 451
Total	<u>1 476 210</u>	<u>1 752 493</u>

9 SHARE CAPITAL

	2008	2008	2007	2007
	Number of	Share %	Number of	Share %
	shares		shares	
Shareholders:				
Janis Birks	311 583	38,9	309 509	38,7
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarcbergs		0,0	80 917	10,1
State social insurance agency	40 000	5,0	40 000	5,0
Other shareholders (shares less than 5%)	284 734	35,6	288 808	36,1
Total	<u>717 083</u>	<u>89,6</u>	<u>800 000</u>	<u>100,0</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

10 DUE TO RECEIVED ADVANCE PAYMENTS

	2008	2007
	EUR	EUR
VOAVA advance payment for 2009	261 192	529 953
Other advances	28	70
Total	<u>261 221</u>	<u>530 023</u>

11 DUE TO SUPPLIERS AND CONTRACTORS

	2008	2007
	EUR	EUR
Veselības centrs-4	-	16 851
Amerilat MD	16 313	15 700
Latvijas Gaze	11 850	9 442
Other suppliers	19 677	7 668
Sistēmu Audits SIA	-	5 876
Latvenergo Rīgas elektrotikls	8 052	5 354
Hemis SIA	-	2 689
VPVD national diagnostic center	-	2 123
Rīgas Stradiņu Universitāte	-	2 116
Rīgas Ūdens	1 769	1 814
Lattelekom	1 133	1 147
AB Medical Group Riga	664	110
Invitros SIA	1 177	-
B.Braun Medical SIA	267	-
Recipe Plus SIA	687	-
Tradintek SIA	361 118	-
Total	<u>422 707</u>	<u>70 890</u>

12 TAXES

	As of 31-12- 2007	Calculated	Paid	As of 31-12- 2008
Value added tax	1 776	33 354	(43 113)	(7 984)
Social insurance	81 058	1 262 474	(1 244 484)	99 049
Personal income tax	55 287	773 759	(766 687)	62 359
Corporate income tax	58 662	41 872	(181 817)	(81 283)
Corporate income tax-adjustment	(13)	-	-	(13)
Unemployment duty	155	2 131	(2 113)	174
Natural resources tax	100	265	(100)	265
Real estate tax	(2 312)	3 365	(1 113)	(60)
Total, including	<u>194 713</u>	<u>2 117 220</u>	<u>(2 239 427)</u>	<u>72 507</u>
due to the budget	197 025			161 846
overpayment	(2 312)			(89 339)

13 DUE TO OTHER COMPANIES

	2008	2007
	EUR	EUR
Salaries	214 350	175 023
Accured liabilities	1 383	50 853
Trade union	1 638	1 362
Deposited salary	949	1 131
Board remuneration	-	-
Total	<u>218 320</u>	<u>228 370</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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14 NET SALES

	2008	2007
	EUR	EUR
Medical hospital services	4 246 662	3 894 846
Medical ambulant services	2 791 709	2 439 676
Insurance payments	518 048	372 680
Services - minimum fixed part	294 058	291 401
VS ZDC ambulant services	220 508	207 433
Residents training	157 233	129 615
Stomatology services	61 189	52 998
Family doctors	53 187	42 807
Other income	57 353	28 389
Total	<u>8 399 947</u>	<u>7 459 845</u>

15 COST OF GOODS SOLD

	2008	2007
	EUR	EUR
Salaries and wages	3 442 994	2 886 738
Medical goods	1 076 555	961 323
Social tax	805 818	667 758
Fixed assets depreciation	629 727	571 987
Repair expenses	357 515	334 004
VAT - expenses	303 160	249 553
Rent of equipment	223 651	181 992
Public utilities	208 162	139 668
Medical researches	62 353	108 606
Current assets write-off	149 259	104 517
Feeding expenses	88 773	85 546
Household goods	91 567	78 604
Gifts to employees	25 297	37 375
Employees trainings	67 209	36 312
Office expenses	19 391	20 647
Transport expense	8 951	12 718
Allowances to employees	3 983	4 354
Advertising	2 684	3 678
Insurance expenses	5 807	2 994
Unemployment duty	2 110	2 150
Accruals for vacations	20 245	(24 315)
Received discounts	(24 244)	(30 703)
Saņemtās atlaides	214 031	187 408
Total	<u>7 784 998</u>	<u>6 622 913</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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16 ADMINISTRATIVE EXPENSES

	2008	2007
	EUR	EUR
Salaries and wages	381 796	307 525
Social tax	81 455	67 086
Board chairperson remuneration	50 579	40 461
Office expenses	13 655	12 587
Board remuneration	46 095	39 244
Other administrative expenses	38 659	29 350
Presentation expenses	19 826	5 481
Chairperson of the Board social tax	10 404	7 066
Board members social tax	11 106	9 454
Council chairperson remuneration	10 198	12 662
Audit expenses	2 134	8 110
Council members remuneration	33 181	13 534
Bank expenses	1 779	1 585
Chairperson of the Council social tax	2 456	3 672
Council members social tax	7 571	3 127
Legal services	1 010	142
Total	<u>711 905</u>	<u>561 087</u>

17 OTHER OPERATING INCOME

	2008	2007
	EUR	EUR
Rent income	91 018	103 150
Feeding income	8 446	15 303
Received donations	-	14 634
Press goods	8 534	9 590
Solarium income	3 758	3 551
Laundry income	1 908	2 742
Other income	21 268	7 592
Total	<u>134 932</u>	<u>156 563</u>

18 OTHER OPERATING EXPENSES

	2008	2007
	EUR	EUR
Fixed assets disposals	2 762	13 534
Penalties	435	1 754
Currency exchange loss	3 542	4 031
Real estate tax	401	1 715
Other expenses	11 939	3 914
Total	<u>19 079</u>	<u>24 949</u>

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2008	2007
	EUR	EUR
Psihiskas Veselibas centrs "Dzintari"	13 001	2 245
Total	<u>13 001</u>	<u>2 245</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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20 INTEREST INCOME AND SIMILAR INCOME

	2008 EUR	2007 EUR
Interest income	34 983	37 698
Total	<u>34 983</u>	<u>37 698</u>

21 INTEREST EXPENSE AND SIMILAR EXPENSE

	2008 EUR	2007 EUR
Loan interest expenses (VOAVAA)	-	-
Total	<u>-</u>	<u>-</u>

22 CORPORATE INCOME TAX

	2008 EUR	2007 EUR
Calculated Corporate income tax	51 915	112 006
Deferred Corporate income tax	-	12 752
Total	<u>51 915</u>	<u>124 757</u>

23 CORPORATE INCOME TAX (CONTINUED ...)

	2008 EUR	2007 EUR
Profit before tax	95 161	636 596
Theoretically calculated corporate income tax, rate 15%	14 274	95 489
Permanent differences	46 443	44 896
Calculated corporate income tax	<u>42 672</u>	<u>98 663</u>

Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(220 070)	(220 070)
Temporary difference of fixed assets revaluation	(4 025 240)	(4 334 874)
Accruals for vacations	201 020	180 776
Accrued liabilities	-	-
Total temporary differences	<u>(4 044 290)</u>	<u>(4 374 168)</u>
Tax rate applied	15%	15%
Deferred tax liabilities	<u>606 643</u>	<u>656 125</u>
Recognized deferred tax liabilities	<u>606 643</u>	<u>656 125</u>
