



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**CONSOLIDATED INTERIM REPORT FOR THE 9 MONTHS OF 2009**

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

**(Translation of the Latvian original)**

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**TABLE OF CONTENTS**

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	<b>PAGE</b>
<b>INFORMATION ABOUT PARENT COMPANY</b>	<b>3</b>
<b>COUNCIL AND BOARD OF THE GROUP</b>	<b>4</b>
<b>MANAGEMENT REPORT</b>	<b>5</b>
<b>DECLARATION OF MANAGEMENT RESPONSIBILITY</b>	<b>6</b>
<b>FINANCIAL STATEMENTS</b>	<b>7 - 11</b>
<b>CONSOLIDATED BALANCE SHEET</b>	<b>7 -8</b>
<b>CONSOLIDATED STATEMENT OF INCOME</b>	<b>9</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>10</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>11</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>12 - 20</b>

**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 13,9%  
ILZE BIRKA 12,5%  
MĀRTIŅŠ BIRKS 12,5%  
ILZE AIZSILNIECE 10,1%  
GUNA SHVARCBERGA 10,4%  
STATE SOCIAL INSURANCE AGENCY 5%

**CEO:** JANIS BIRKS

**REPORTING PERIOD:** 1 JANUARY 2009 - 30 SEPTEMBER 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  
30.09.09**

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

<u>Name</u>	<u>Position</u>	
Martins Birks	Chairman of the Council	100 000
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 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	111 183
Marta Aizsilniece	Member of the Board	1 066
Andris Vigants	Member of the Board	

## **LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

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### **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 40 497 LVL.

The profit before taxes of subsidiary company was -11 420 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.

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.

#### **Important Events after the Balance Sheet Date**

The share price at the 20.11.2009 was LVL 1,78

#### **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, 24 November, 2009.

**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 30 September 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, 24 November, 2009.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

	September 30, 2009	December 31, 2008	Note	September 30, 2008
ASSETS	LVL	LVL		LVL
<b>Current assets:</b>				
<b>Stocks</b>				
Raw materials	53 069	87 467	4	75 575
<b>Total stocks</b>	<b>53 069</b>	<b>87 467</b>		<b>75 575</b>
<b>Debtors:</b>				
Trade debtors	173 538	231 805	5	141 781
Other debtors	69 805	74 936	6	90 080
Accruals	4 318	6 514	7	2 638
<b>Total debtors</b>	<b>247 661</b>	<b>313 255</b>		<b>234 499</b>
<b>Cash funds</b>	<b>1 085 275</b>	<b>1 037 486</b>	8	<b>954 181</b>
<b>Total current assets</b>	<b>1 386 005</b>	<b>1 438 208</b>		<b>1 264 255</b>
<b>Long-term investments:</b>				
<b>Intangible assets:</b>				
Other intangible (fixed) assets	9 505	12 696	2	4 097
<b>Total intangible assets</b>	<b>9 505</b>	<b>12 696</b>		<b>4 097</b>
<b>Fixed assets:</b>				
Land and buildings	3 429 030	3 539 416		3 642 327
Technological equipment and machines	527 851	647 014		697 198
Other fixed assets and inventory	74 243	91 187		92 974
Long term investments in rented fixed assets	-	-		-
Unfinished building objects	175 842	175 842		175 842
Advance payments for fixed assets	-	13 249		-
<b>Total fixed assets:</b>	<b>4 206 966</b>	<b>4 466 708</b>	2	<b>4 608 341</b>
<b>Long-term financial assets:</b>				
Investment assets	-	-	2	-
Participating interests in associated enterprises	134 603	133 367	3	125 557
<b>Total financial assets:</b>	<b>134 603</b>	<b>133 367</b>		<b>125 557</b>
<b>Total long-term investments:</b>	<b>4 351 074</b>	<b>4 612 771</b>		<b>4 737 995</b>
<b>TOTAL ASSETS</b>	<b>5 737 079</b>	<b>6 050 979</b>		<b>6 002 250</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 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

	September 30, 2009	December 31, 2008	Note	September 30, 2008
<b>LIABILITIES</b>	<b>LVL</b>	<b>LVL</b>		<b>LVL</b>
<b>Liabilities:</b>				
<b>Liabilities:</b>				
Received advance payments	1 161	183 588	<b>10</b>	12
Due to customers and suppliers	208 180	302 570	<b>11</b>	429 137
Taxes and social security payments	75 833	113 737	<b>12</b>	111 418
Other payables	100 840	149 916	<b>13</b>	146 317
Recognized deferred tax liabilities	414 857	447 962	<b>22</b>	436 646
<b>Total liabilities</b>	<b>800 871</b>	<b>1 197 773</b>		<b>1 123 530</b>
<b>Provisions for liabilities and charges:</b>				
Provisions for vacations	188 566	131 074		127 195
<b>Total provisions</b>	<b>188 566</b>	<b>131 074</b>		<b>127 195</b>
<b>Total liabilities</b>	<b>989 437</b>	<b>1 328 847</b>		<b>1 250 725</b>
<b>Equity capital:</b>				
Share equity	800 000	800 000	<b>9</b>	800 000
Reserves:				
c) reserves provided by the Articles of Association	31 993	31 993		31 993
d) fixed asset's revaluation reserve	2 596 601	2 735 327		2 757 088
Retained earnings:				
a) brought forward from previous years	1 316 597	1 152 798		1 051 253
b) current year profit or loss	1 108	498		109 519
<b>Total shareholders' equity</b>	<b>4 746 299</b>	<b>4 720 616</b>		<b>4 749 853</b>
<b>Minority interest</b>	<b>1 343</b>	<b>1 516</b>		<b>1 672</b>
<b>Total equity capital</b>	<b>4 747 642</b>	<b>4 722 132</b>		<b>4 751 525</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>5 737 079</b>	<b>6 050 979</b>		<b>6 002 250</b>
	-	-		
<b>Current Ratio</b>	<b>1,73</b>	<b>1,20</b>		<b>1,13</b>
<b>Debt Ratio</b>	<b>0,17</b>	<b>0,22</b>		<b>0,21</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 PERIODS ENDED 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

	2008, 9 month period LVL	2009, 12 month period LVL	Note	2008, 9 month period LVL
Net sales	3 768 461	5 894 140	<b>14</b>	4 352 310
Cost of goods sold	(3 525 836)	(5 461 534)	<b>15</b>	(4 062 909)
<b>Gross profit or loss</b>	<b>242 625</b>	<b>432 606</b>		<b>289 401</b>
Administrative expenses	(311 450)	(499 166)	<b>16</b>	(372 156)
Other operating income	64 973	95 220	<b>17</b>	151 970
Other operating expenses	(2 802)	(13 974)	<b>18</b>	(6 408)
Income from investment in associates	618	7 810	<b>19</b>	-
Interest income and similar income	35 209	34 522	<b>20</b>	15 712
<b>Profit before taxes</b>	<b>29 173</b>	<b>57 018</b>		<b>85 186</b>
Corporate income tax	(28 146)	(56 438)	<b>21</b>	-
Minority interest	81	(82)		(147)
<b>NET PROFIT OR LOSS</b>	<b>1 108</b>	<b>498</b>		<b>85 039</b>
<b>Number of shares</b>	800 000	800 000		800 000
<b>Earnings per Share (EPS) (LVL)</b>	-	-		<b>0,11</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 (LVL)**  
**FOR THE PERIODS ENDED 30 SEPTEMBER 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>800 000</b>	<b>31 993</b>	<b>2 920 297</b>	<b>748 339</b>	<b>226 847</b>	<b>1 434</b>	<b>4 728 910</b>
Transfers to reserves	-	-	-	226 847	(226 847)	-	-
Dividends paid	-	-	-	(40 000)	-	-	(40 000)
Profit for the year	-	-	-	-	498	-	498
Depriciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Minority interest changes	-	-	32 642	-	-	82	32 724
<b>At 31 December 2008</b>	<b>800 000</b>	<b>31 993</b>	<b>2 735 327</b>	<b>1 152 798</b>	<b>498</b>	<b>1 516</b>	<b>4 722 132</b>
Previous years retained earnings	-	-	-	498	(498)	-	-
Dividends paid	-	-	-	-	-	-	-
Depriciation of revaluation surplus	-	-	(163 209)	163 209	-	-	-
Deffered tax on revaluation surplus	-	-	24 483	-	-	-	24 483
Profit for the year	-	-	-	-	1 108	-	1 108
Minority interest changes	-	-	-	92	-	(173)	(81)
<b>At 30 September 2009</b>	<b>800 000</b>	<b>31 993</b>	<b>2 596 601</b>	<b>1 316 597</b>	<b>1 108</b>	<b>1 343</b>	<b>4 747 642</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 PERIODS ENDED 30 SEPTEMBER 2009 AND 31 DECEMBER 2008**

	2008, 9 month period LVL	2009, 12 month period LVL	Note	2008, 9 month period
<b>Cash flows used in operating activities</b>				
<b>Net income before tax</b>	<b>29 173</b>	<b>57 018</b>		<b>85 186</b>
Adjustments:				
a) depreciation of tangibles	349 038	440 535	2	320 315
b) depreciation of goodwill	3 877	2 192	2	-
c) provisions	57 492	3 879	15	-
d) loss (gain) on sale of tangibles	723	1 949	2	1 230
e) interest income	(35 209)	(34 522)	20	-
f) gain (loss) from investments in associates	(618)	(7 810)	19	-
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>404 476</b>	<b>463 241</b>		<b>406 731</b>
Changes in operating assets and liabilities				
a) receivables.	65 594	(53 407)		(31 329)
b) inventory.	34 398	(23 471)		(11 579)
c) current liabilities.	(366 817)	69 737		51 262
<b>3. Gross operating cash flow</b>	<b>137 651</b>	<b>456 100</b>		<b>415 085</b>
4. Paid corporate income tax.	(33 714)	(134 858)	12	(104 692)
<b>6. Net cash used in operating activities</b>	<b>103 937</b>	<b>321 242</b>		<b>310 393</b>
<b>II. Cash flow used in investment activities</b>				
1. Purchase of shares of associates.	(618)	(40)	3	-
2. Purchase of fixed assets.	(90 739)	(509 897)	2	(670 836)
3. Selling of fixed assets.	-	-		122 965
4. Received interest.	35 209	34 522	20	-
<b>5. Net cash from investment activities</b>	<b>(56 148)</b>	<b>(475 415)</b>		<b>(547 871)</b>
<b>III. Cash flows used in financing activities</b>				
1. Settlement of loans.				-
1. Paid dividends.	-	(40 000)		-
<b>3. Net cash from financing activities</b>	<b>-</b>	<b>(40 000)</b>		<b>(40 000)</b>
<b>IV. Net increase (decrease) in cash</b>	<b>47 789</b>	<b>(194 173)</b>		<b>(277 478)</b>
<b>V. Cash at the beginning of the period</b>	<b>1 037 486</b>	<b>1 231 659</b>		<b>1 231 659</b>
<b>VI. Cash at the end of the period</b>	<b>1 085 275</b>	<b>1 037 486</b>		<b>954 181</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 PERIODS ENDED 30 SEPTEMBER 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>September 30, 2009</b>	<b>December 31, 2008</b>
EUR	0,702804	0,702804
USD	0,477	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 PERIODS ENDED 30 SEPTEMBER 2009 AND 31 DECEMBER 2008

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

As of 30 September 2009 and 31 December 2008  
 fixed assets are composed as follows: (LVL)

LVL	Intangible assets	Land & buildings	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payments for fixed assets	Unfinished building objects	Total
<b>Historical cost</b>									
<b>At 31 December 2007</b>	<b>13 641</b>	<b>4 196 628</b>	<b>132 590</b>	<b>1 882 398</b>	<b>348 814</b>	<b>35 672</b>	-	<b>175 842</b>	<b>6 785 585</b>
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)
<b>At 31 December 2008</b>	<b>25 932</b>	<b>4 351 402</b>	-	<b>1 956 874</b>	<b>389 939</b>	-	<b>13 249</b>	<b>175 842</b>	<b>6 913 238</b>
Additions	686	34 811	-	15 242	10 865	-	29 135	-	90 739
Transfers	-	42 384	-	-	-	-	(42 384)	-	-
Pārvērtēšana	-	-	-	-	-	-	-	-	-
Disposals or change of classification	-	-	-	(26 714)	(21 183)	-	-	-	(47 897)
<b>At 30 September 2009</b>	<b>26 618</b>	<b>4 428 597</b>	-	<b>1 945 402</b>	<b>379 621</b>	-	-	<b>175 842</b>	<b>6 956 080</b>
<b>Accumulated depreciation</b>									
<b>At 31 December 2007</b>	<b>11 271</b>	<b>569 006</b>	-	<b>1 497 860</b>	<b>271 960</b>	<b>21 305</b>	-	-	<b>2 371 402</b>
Charge for the year	2 192	25 586	-	156 689	34 703	5 945	-	-	225 115
Charge for the period for revaluationed fixed assets	-	217 612	-	-	-	-	-	-	217 612
Disposals	(227)	(218)	-	(344 689)	(7 911)	(27 250)	-	-	(380 295)
<b>At 31 December 2008</b>	<b>13 236</b>	<b>811 986</b>	-	<b>1 309 860</b>	<b>298 752</b>	-	-	-	<b>2 433 834</b>
Charge for the period	3 877	24 372	-	134 351	27 106	-	-	-	189 706
Charge for the period for revaluationed fixed assets	-	163 209	-	-	-	-	-	-	163 209
Disposals or change of classification	-	-	-	(26 660)	(20 480)	-	-	-	(47 140)
<b>At 30 September 2009</b>	<b>17 113</b>	<b>999 567</b>	-	<b>1 417 551</b>	<b>305 378</b>	-	-	-	<b>2 739 609</b>
<b>Net book value</b>									
<b>At 31 December 2007</b>	<b>2 370</b>	<b>3 627 622</b>	<b>132 590</b>	<b>384 538</b>	<b>76 854</b>	<b>14 367</b>	-	<b>175 842</b>	<b>4 414 183</b>
<b>At 31 December 2008</b>	<b>12 696</b>	<b>3 539 416</b>	-	<b>647 014</b>	<b>91 187</b>	-	<b>13 249</b>	<b>175 842</b>	<b>4 479 404</b>
<b>At 30 September 2009</b>	<b>9 505</b>	<b>3 429 030</b>	-	<b>527 851</b>	<b>74 243</b>	-	-	<b>175 842</b>	<b>4 216 471</b>

**3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES**

	Capital share (%)	Amount of investment 2009 LVL	Capital share (%)	Amount of investment 2008 LVL
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	134 603	45	133 367
<b>Total participating interests in associated enterprises</b>		<b>134 603</b>		<b>133 367</b>

**4 RAW MATERIALS**

	2009 LVL	2008 LVL
Pharmaceutical	49 379	75 860
Stock in warehouse	1 941	5 702
Inventory	466	2 368
Products	320	1 231
Furniture	-	402
Other materials	819	1 536
Advance payments to supplier of goods	144	368
<b>Total</b>	<b>53 069</b>	<b>87 467</b>

## 5 DUE FROM CUSTOMERS

	2009	2008
	LVL	LVL
VOVAA Rigas department	41 737	74 773
Riga slimokase AAS	21 586	22 341
Ergo Latvija AAS	8 294	57 086
BTA AAS	24 980	25 110
Accrued income	-	3 259
LMRIH	3 585	-
NBS militaras medicinas centrs	3 633	4 033
IF Latvija AAS	10 635	6 965
Riga I.hospital	-	-
Balva AAS	11 625	3 503
Baltikums Dzīvības AAS	448	381
<b>Total</b>	<b>173 538</b>	<b>231 805</b>

## 6 OTHER RECEIVABLES

	2009	2008
	LVL	LVL
Parex bank	-	-
Riga Latvian association	-	-
Taxes overpayment (note No.13)	49 941	61 249
LBM GROUP AS	-	-
VAT for unpaid invoices	37	4 410
Other debtors	19 827	9 277
<b>Total</b>	<b>69 805</b>	<b>74 936</b>

## 7 DIFFERED EXPENSES

	2009	2008
	LVL	LVL
Assurance expense	4 318	2 616
Riga Stock Exchange, shares quotation		2 500
Other expense		1 398
<b>Total</b>	<b>4 318</b>	<b>6 514</b>

## 8 CASH

	2009	2008
	LVL	LVL
Cash in banks	1 049 947	1 007 775
Deposit	29 619	28 215
Cash on hands	5 709	1 496
<b>Total</b>	<b>1 085 275</b>	<b>1 037 486</b>

## 9 SHARE CAPITAL

	2009	2009	2008	2008
	Number of	Share %	Number of	Share %
Shareholders:	shares		shares	
Janis Birks	111 183	13,9	309 509	38,7
Ilze Birka	100 000	12,5	-	-
Mārtiņš Birks	100 000	12,5	-	-
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarcbergs		0,0	80 917	10,1
Guna Shvarcberga	82 917	10,4	-	-
State social insurance agency	40 000	5,0	40 000	5,0
Other shareholders (shares less than 5%)	285 134	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

	2009	2008
	LVL	LVL
VOAVA advance payment for 2009		183 567
Other advances	1 161	21
<b>Total</b>	<b>1 161</b>	<b>183 588</b>

## 11 DUE TO SUPPLIERS AND CONTRACTORS

	2009	2008
	LVL	LVL
Veselības centrs-4	-	-
Amerilat MD	-	11 465
Latvijas Gaze	-	8 328
Other suppliers	33 383	19 319
Sistēmu Audits SIA	-	-
Latvenergo Rīgas elektrotikls	-	5 659
Johnsons Johnson SIA	-	-
Peana SIA	884	-
Tamro SIA	4 154	-
Rīgas Ūdens	953	1 243
Lattelekom	-	796
AB Medical Group Rīga	125	467
Invitros SIA	9 553	827
B.Braun Medical SIA	9 370	188
Recipe Plus SIA	5 885	483
Tradintek SIA	143 873	253 795
<b>Total</b>	<b>208 180</b>	<b>302 570</b>

## 12 TAXES

	As of 31-12- 2008	Calculated	Paid	Atlikums uz 30-09-2008
Value added tax	(4 529)	13 622	(9 213)	61
Social insurance	69 603	582 375	(604 709)	22 091
Personal income tax	43 826	323 944	(339 352)	75 833
Corporate income tax	(56 678)	36 770	(33 714)	(53 742)
Unemployment duty	122	1 010	(1 047)	-
Natural resources tax	186	-	(186)	-
Real estate tax	(42)	1 760	(1 657)	-
<b>Total, including</b>	<b>52 488</b>	<b>959 481</b>	<b>(989 878)</b>	<b>44 243</b>
due to the budget	113 737			75 833
overpayment	(61 249)			(53 742)

## 13 DUE TO OTHER COMPANIES

	2009	2008
	LVL	LVL
Salaries	99 357	148 098
Accrued liabilities	-	-
Trade union	816	1 151
Deposited salary	667	667
<b>Total</b>	<b>100 840</b>	<b>149 916</b>

## 14 NET SALES

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Medical hospital services	1 512 808	3 010 896
Medical ambulant services	1 420 008	1 963 384
Insurance payments	482 458	364 263
Services - minimum fixed part	85 497	192 027
VS ZDC ambulant services	138 381	152 430
Residents training	58 023	110 504
Stomatology services	32 514	43 004
Family doctors	9 219	37 380
Other income	29 553	20 252
<b>Total</b>	<b><u>3 768 461</u></b>	<b><u>5 894 140</u></b>

## 15 COST OF GOODS SOLD

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	1 555 488	2 420 250
Medical goods	522 751	756 607
Social tax	393 212	565 403
Fixed assets depreciation	377 813	442 727
Repair expenses	39 753	283 198
VAT - expenses	133 027	216 457
Rent of equipment	74 841	157 183
Public utilities	96 450	145 472
Medical researches	24 963	43 822
Current assets write-off	30 355	105 021
Feeding expenses	29 741	62 390
Household goods	33 029	64 354
Gifts to employees	17 434	18 862
Employees trainings	26 154	47 235
Office expenses	8 248	13 628
Transport expense	5 427	6 291
Allowances to employees	2 170	2 220
Advertising	10 890	1 886
Insurance expenses	3 548	4 081
Unemployment duty	1 000	1 498
Accruals for vacations	57 492	3 879
Received discounts	(5 415)	(16 988)
Saņemtās atlaides	87 465	116 058
<b>Total</b>	<b><u>3 525 836</u></b>	<b><u>5 461 534</u></b>

## 16 ADMINISTRATIVE EXPENSES

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	167 603	263 674
Social tax	39 216	57 238
Board chairperson remuneration	24 249	35 547
Office expenses	4 348	7 966
Board remuneration	25 137	32 396
Other administrative expenses	1 406	7 484
Sakaru izdevumi	12 139	21 316
Presentation expenses	2 757	13 934
Chairperson of the Board social tax	4 728	7 312
Board members social tax	6 023	7 805
Council chairperson remuneration	4 320	7 167
Audit expenses	1 500	5 000
Council members remuneration	12 600	23 320
Bank expenses	1 378	1 250
Chairperson of the Council social tax	1 041	1 726
Council members social tax	2 890	5 321
Legal services	115	710
<b>Total</b>	<b><u>311 450</u></b>	<b><u>499 166</u></b>

## 17 OTHER OPERATING INCOME

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Rent income	51 638	70 745
Feeding income	258	5 937
Received donations	-	-
Press goods	2 855	5 998
Solarium income	1 134	2 641
Laundry income	694	1 341
Other income	8 394	8 558
<b>Total</b>	<b><u>64 973</u></b>	<b><u>95 220</u></b>

## 18 OTHER OPERATING EXPENSES

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Loss from fixed assets disposals	723	2 529
Penalties	78	632
Currency exchange loss	1 080	-
Real estate tax	244	2 365
Other expenses	677	8 448
<b>Total</b>	<b><u>2 802</u></b>	<b><u>13 974</u></b>

## 19 INCOME FROM INVESTMENT IN ASSOCIATES

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Psihiskas Veselibas centrs "Dzintari"	618	7 810
<b>Total</b>	<b><u>618</u></b>	<b><u>7 810</u></b>

## 20 INTEREST INCOME AND SIMILAR INCOME

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Interest income	35 209	34 522
<b>Total</b>	<b><u>35 209</u></b>	<b><u>34 522</u></b>

## 21 CORPORATE INCOME TAX

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Calculated Corporate income tax	36 770	36 961
Deferred Corporate income tax	(8 624)	19 477
<b>Total</b>	<b><u>28 146</u></b>	<b><u>56 438</u></b>

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

	<b>2009</b>	<b>2008</b>
	<b>LVL</b>	<b>LVL</b>
Profit before tax	29 173	57 018
Theoretically calculated corporate income tax, rate 15%	4 376	8 553
Permanent differences	28 408	28 408
<b>Calculated corporate income tax</b>	<b><u>32 784</u></b>	<b><u>36 961</u></b>

### Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(288 260)	(288 260)
Temporary difference of fixed assets revaluation	(2 665 746)	(2 828 955)
Accruals for vacations	188 292	130 800
Accrued liabilities	-	-
<b>Total temporary differences</b>	<b><u>(2 765 714)</u></b>	<b><u>(2 986 415)</u></b>
Tax rate applied	15%	15%
<b>Deferred tax liabilities</b>	<b><u>414 857</u></b>	<b><u>447 962</u></b>
<b>Recognized deferred tax liabilities</b>	<b><u>414 857</u></b>	<b><u>447 962</u></b>

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