



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**CONSOLIDATED REPORT FOR THE YEAR 2008**

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

**AND INDEPENDENT AUDITOR'S REPORT**

**(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**

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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 39%  
ILZE AIZSILNIECE 10,1%  
GUNA SHVARCBERGA 10,4%  
STATE SOCIAL INSURANCE AGENCY 5%

**CEO:** MARTA AIZSILNIECE

**REPORTING PERIOD:** 1 JANUARY 2008 - 31 DECEMBER 2008

**AUDITORS NAME AND ADDRESS:** SYSTEM AUDIT LTD.  
LICENCE No.53  
MATISA STREET 19-6  
RIGA, LV 1001  
LATVIA

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

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**Council of the Group**

**Number of shares owned at  
31.12.2008**

**From December 20, 2007 till April 30, 2008**

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

**From April 30, 2008 till the consolidated financial statements signing day**

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

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY 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 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 current financial condition of the Group of companies and its development

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

The profit before taxes of the parent company was 123 409 LVL.

The profit before taxes of subsidiary company was 13 234 LVL.

### The Group financial indexes

	2008	2007	2006
Net sales (mil. LVL)	5,89	5,24	3,98
Assets at the end of year (mil. LVL)	6,05	6,04	5,5
Profit after taxes (LVL)	498	226 847	222 494
EBITDA (LVL)	499 745	716 444	369 904
Profit after taxes on shareholders' equity (ROE) (%)	0,0%	4,8%	4,9%
Profit after taxes on share (LVL)	0,00	0,28	0,28
LJMC share market price at the end of the year (LVL)	2,38	2,80	1,85
LJMC dividends on share (LVL)	0,00	0,05	0,04

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

Employees' salaries were raised on 1 January 2008 as per the requirement of relevant regulation passed 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 420 0000 was invested in medical equipments and LVL 50 000 in IT. In September, new GE 16 layer CT and Vivid 7 sonograf were purchased.

Primary health care centre and therapy departments were renovated for LVL 160 000 to improve patient care services and work conditions of medical staff.

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**

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 patients payments.

HCISA decreased the quota on hospital services for the second quarter of 2009. The decrease of financing was partially covered by the increase of patients payments, resulting 53% of average monthly income compared to 2008 average monthly income. State government orders for the hospital services of LJMC are undefined. LJMC Board had worked out optimization plan based on the possible financing to be discussed in the up-coming shareholders meeting.

LJMC share stock price as of 31.03.09 was LVL 2,38.

## **Future Development of the Group**

In order to maintain high quality services, improvements in the control system and risk management are in process. X-ray equipments of the surgery clinic located at Patversmes st.23 will be upgraded. Installation of a new elevator to facilitate therapy and purulent surgery departments is in the process 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.

## **Risk Management**

Alternative organizational plans are in place to maintain sufficient liquidity for the different scenarios during the crisis period.

## **Related party transactions effect**

Recovery of JM bad debt, resulted in LJMC profit for LVL 47 000 and JM profit from real estate sale to LJMC for LVL 40 000 were eliminated in the consolidated financial statements. The total effect of consolidation is decrease of profit LVL 87 000/-.

On behalf of the Group:

Chairperson of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Member of the Board

Marika Baumgarte

Riga, 16 April, 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 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 i

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, 16 April, 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
<b>ASSETS</b>	<b>LVL</b>	<b>LVL</b>	
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	87 467	63 996	4
<b>Total stocks</b>	<b>87 467</b>	<b>63 996</b>	
<b>Debtors:</b>			
Trade debtors	231 805	180 134	5
Other debtors	74 936	9 160	6
Accruals	6 514	13 876	7
<b>Total debtors</b>	<b>313 255</b>	<b>203 170</b>	
<b>Cash funds</b>	<b>1 037 486</b>	<b>1 231 659</b>	<b>8</b>
<b>Total current assets</b>	<b>1 438 208</b>	<b>1 498 825</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	12 696	2 370	2
<b>Total intangible assets</b>	<b>12 696</b>	<b>2 370</b>	
<b>Fixed assets:</b>			
Land and buildings	3 539 416	3 627 622	
Technological equipment and machines	647 014	384 538	
Other fixed assets and inventory	91 187	76 854	
Long term investments in rented fixed assets	-	14 367	
Unfinished building objects	175 842	175 842	
Advance payments for fixed assets	13 249	-	
<b>Total fixed assets:</b>	<b>4 466 708</b>	<b>4 279 223</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Investment assets	-	132 590	2
Participating interests in associated enterprises	133 367	125 517	3
<b>Total financial assets:</b>	<b>133 367</b>	<b>258 107</b>	
<b>Total long-term investments:</b>	<b>4 612 771</b>	<b>4 539 700</b>	
<b>TOTAL ASSETS</b>	<b>6 050 979</b>	<b>6 038 525</b>	

*The notes on pages 13-21 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
<b>LIABILITIES</b>	<b>LVL</b>	<b>LVL</b>	
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Received advance payments	183 588	372 502	<b>10</b>
Due to customers and suppliers	302 570	49 822	<b>11</b>
Taxes and social security payments	113 737	138 470	<b>12</b>
Other payables	149 916	160 499	<b>13</b>
Recognized deferred tax liabilities	447 962	461 127	<b>22</b>
<b>Total liabilities</b>	<b>1 197 773</b>	<b>1 182 420</b>	
<b>Provisions for liabilities and charges:</b>			
Provisions for vacations	131 074	127 195	
<b>Total provisions</b>	<b>131 074</b>	<b>127 195</b>	
<b>Total liabilities</b>	<b>1 328 847</b>	<b>1 309 615</b>	
<b>Equity capital:</b>			
Share equity	800 000	800 000	<b>9</b>
Reserves:			
c) reserves provided by the Articles of Association	31 993	31 993	
d) fixed asset's revaluation reserve	2 735 327	2 920 297	
Retained earnings:			
a) brought forward from previous years	1 152 798	748 339	
b) current year profit or loss	498	226 847	
<b>Total shareholders' equity</b>	<b>4 720 616</b>	<b>4 727 476</b>	
<b>Minority interest</b>	<b>1 516</b>	<b>1 434</b>	
<b>Total equity capital</b>	<b>4 722 132</b>	<b>4 728 910</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>6 050 979</b>	<b>6 038 525</b>	
<b>Current Ratio</b>	<b>1,20</b>	<b>1,27</b>	
<b>Debt Ratio</b>	<b>0,22</b>	<b>0,22</b>	

*The notes on pages 13-21 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**

	<b>2008</b>	<b>2007</b>	<b>Note</b>
	<b>LVL</b>	<b>LVL</b>	
Net sales	5 894 140	5 242 809	<b>14</b>
Cost of goods sold	(5 461 534)	(4 654 610)	<b>15</b>
<b>Gross profit or loss</b>	<b>432 606</b>	<b>588 199</b>	
Administrative expenses	(499 166)	(394 334)	<b>16</b>
Other operating income	95 220	110 033	<b>17</b>
Other operating expenses	(13 974)	(17 534)	<b>18</b>
Income from investment in associates	7 810	1 578	<b>19</b>
Interest income and similar income	34 522	26 494	<b>20</b>
<b>Profit before taxes</b>	<b>57 018</b>	<b>314 436</b>	
Corporate income tax	(56 438)	(87 680)	<b>21</b>
Minority interest	(82)	91	
<b>NET PROFIT OR LOSS</b>	<b>498</b>	<b>226 847</b>	
<b>Number of shares</b>	800 000	800 000	
<b>Earnings per Share (EPS) (LVL)</b>	-	<b>0,28</b>	

*The notes on pages 13-21 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 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
<b>At 31 December 2006</b>	<b>800 000</b>	<b>31 993</b>	<b>3 105 267</b>	<b>340 233</b>	<b>222 494</b>	<b>1 525</b>	<b>4 501 512</b>
Transfers to reserves	-	-	-	222 494	(222 494)	-	-
Dividends paid	-	-	-	(32 000)	-	-	(32 000)
Profit for the year	-	-	-	-	226 847	-	226 847
Depriciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Minority interest changes	-	-	32 642	-	-	(91)	32 551
<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>
Previous years retained earnings	-	-	-	226 847	(226 847)	-	-
Dividends paid	-	-	-	(40 000)	-	-	(40 000)
Depriciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Deffered tax on revaluation surplus	-	-	32 642	-	-	-	32 642
Profit for the year	-	-	-	-	498	-	498
Minority interest changes	-	-	-	-	-	82	82
<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>

*The notes on pages 13-21 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**

	<b>2008</b>	<b>2007</b>	<b>Note</b>
	<b>LVL</b>	<b>LVL</b>	
<b>Cash flows used in operating activities</b>			
<b>Net income before tax</b>	<b>57 018</b>	<b>314 436</b>	
Adjustments:			
a) depreciation of tangibles	440 535	402 008	<b>2</b>
b) depreciation of goodwill	2 192	1 832	<b>2</b>
c) provisions	3 879	(18 134)	<b>15</b>
d) loss (gain) on sale of tangibles	1 949	9 512	<b>2</b>
e) interest income	(34 522)	(26 494)	<b>20</b>
f) gain (loss) from investments in associates	(7 810)	(1 578)	<b>19</b>
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>463 241</b>	<b>681 582</b>	
Changes in operating assets and liabilities			
a) receivables.	(53 407)	(89 488)	
b) inventory.	(23 471)	(3 867)	
c) current liabilities.	69 737	314 534	
<b>3. Gross operating cash flow</b>	<b>456 100</b>	<b>902 761</b>	
4. Paid corporate income tax.	(134 858)	(24 275)	<b>12</b>
<b>6. Net cash used in operating activities</b>	<b>321 242</b>	<b>878 486</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates.	(40)	-	<b>3</b>
2. Purchase of fixed assets.	(509 897)	(251 181)	<b>2</b>
3. Selling of fixed assets.	-	332	
4. Received interest.	34 522	26 494	<b>20</b>
<b>5. Net cash from investment activities</b>	<b>(475 415)</b>	<b>(224 355)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Paid dividends.	(40 000)	(32 000)	
<b>3. Net cash from financing activities</b>	<b>(40 000)</b>	<b>(32 000)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>(194 173)</b>	<b>622 131</b>	
<b>V. Cash at the beginning of the period</b>	<b>1 231 659</b>	<b>609 528</b>	
<b>VI. Cash at the end of the period</b>	<b>1 037 486</b>	<b>1 231 659</b>	

*The notes on pages 13-21 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**

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**GENERAL INFORMATION**

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

The Company's main activity is health care services.

**1. ACCOUNTING PRINCIPLES**

**Basis of consolidation**

The consolidated financial statements have been prepared in accordance with the International Financial reporting Standards. Enclosed financial statements are reflected in the national currency of Latvia, the lats (LVL).

There is no difference in balance sheet dates of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the assets and liabilities recognized.

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

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

**Foreign currency**

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

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

	<b>December 31, 2008</b>	<b>December 31, 2007</b>
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.

## **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 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: (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 2006</b>	<b>12 675</b>	<b>4 196 628</b>	<b>132 590</b>	<b>1 735 399</b>	<b>318 252</b>	<b>35 672</b>	<b>6 135</b>	<b>175 842</b>	<b>6 613 193</b>
Additions	966	-	-	205 409	44 806	-	-	-	251 181
Transfers	-	-	-	-	2 247	-	(2 247)	-	-
Disposals	-	-	-	(58 410)	(16 491)	-	(3 888)	-	(78 789)
<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>-</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)	-	-	-
Pārvērtēšana	-	-	-	-	-	-	-	-	-
Disposals or change of classifi	(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>-</b>	<b>1 956 874</b>	<b>389 939</b>	<b>-</b>	<b>13 249</b>	<b>175 842</b>	<b>6 913 238</b>
<b>Accumulated depreciation</b>									
<b>At 31 December 2006</b>	<b>8 849</b>	<b>330 119</b>	<b>-</b>	<b>1 430 581</b>	<b>259 376</b>	<b>9 414</b>	<b>-</b>	<b>-</b>	<b>2 038 339</b>
Charge for the year	2 422	21 275	-	120 381	28 427	11 891	-	-	184 396
Charge for the period for revaluationed fixed assets	-	217 612	-	-	-	-	-	-	217 612
Disposals	-	-	-	(53 102)	(15 843)	-	-	-	(68 945)
<b>At 31 December 2007</b>	<b>11 271</b>	<b>569 006</b>	<b>-</b>	<b>1 497 860</b>	<b>271 960</b>	<b>21 305</b>	<b>-</b>	<b>-</b>	<b>2 371 402</b>
Charge for the period	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 or change of classifi	(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>-</b>	<b>1 309 860</b>	<b>298 752</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 433 834</b>
<b>Net book value</b>									
<b>At 31 December 2006</b>	<b>3 826</b>	<b>3 866 509</b>	<b>132 590</b>	<b>304 818</b>	<b>58 876</b>	<b>26 258</b>	<b>6 135</b>	<b>175 842</b>	<b>4 574 854</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>-</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>-</b>	<b>647 014</b>	<b>91 187</b>	<b>-</b>	<b>13 249</b>	<b>175 842</b>	<b>4 479 404</b>

**3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES**

	Capital share (%)	Amount of investment	Capital share (%)	Amount of investment
		2008		2007
		LVL		LVL
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	133 367	45	125 517
<b>Total participating interests in associated enterprises</b>		<b>133 367</b>		<b>125 517</b>

SIA "Neirozu klinika" 33 shares have been bought for 40 LVL.

**4 RAW MATERIALS**

	2008	2007
	LVL	LVL
Pharmaceutical	75 860	54 009
Stock in warehouse	5 702	3 355
Inventory	2 368	2 212
Products	1 231	1 411
Furniture	402	693
Other materials	1 536	1 987
Advance payments to supplier of goods	368	329
<b>Total</b>	<b>87 467</b>	<b>63 996</b>



## 5 DUE FROM CUSTOMERS

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
VOVAA Rigas department	74 773	53 908
Ergo Latvija AAS	57 086	18 285
BTA AAS	25 110	15 334
Riga slimokase AAS	22 341	35 261
Balta AAS	10 312	6 585
Other customers	8 521	4 762
NBS militaras medicinas centrs	4 033	4 696
Merck sharp	3 026	-
SEESAM Life Latvija	2 677	2 994
LMRIH	-	13 848
Riga 1.hospital	-	1 681
<b>Total</b>	<b><u>231 805</u></b>	<b><u>180 134</u></b>

## 6 OTHER RECEIVABLES

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Taxes overpayment (note No.13)	61 249	1 625
VAT for unpaid invoices	4 410	510
Parex bank	-	2 506
Riga Latvian association	-	1 650
LBM GROUP AS	-	1 000
Other debtors	9 277	1 869
<b>Total</b>	<b><u>74 936</u></b>	<b><u>9 160</u></b>

## 7 DIFFERED EXPENSES

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Assurance expense	2 616	2 306
Riga Stock Exchange, shares quotation	2 500	-
Other expense	1 398	11 570
<b>Total</b>	<b><u>6 514</u></b>	<b><u>13 876</u></b>

## 8 CASH

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Cash in banks	1 007 775	1 204 331
Deposit	28 215	24 200
Cash on hands	1 496	3 128
<b>Total</b>	<b><u>1 037 486</u></b>	<b><u>1 231 659</u></b>

## 9 SHARE CAPITAL

	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>Number of</b>	<b>Share %</b>	<b>Number of</b>	<b>Share %</b>
	<b>shares</b>		<b>shares</b>	
Shareholders:				
Janis Birks	311 583	39,0	309 509	38,7
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarebergs		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
<b>Total</b>	<b><u>717 083</u></b>	<b><u>89,7</u></b>	<b><u>800 000</u></b>	<b><u>100,0</u></b>

**10 DUE TO RECEIVED ADVANCE PAYMENTS**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
VOAVA advance payment for 2009	183 567	372 453
Other advances	21	49
<b>Total</b>	<b><u>183 588</u></b>	<b><u>372 502</u></b>

**11 DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Tradintek SIA	253 795	-
Amerilat MD	11 465	11 034
Latvijas Gaze	8 328	6 636
Latvenergo Rīgas elektrotikls	5 659	3 763
Rīgas Ūdens	1 243	1 275
Invitros SIA	827	-
Lattelekom	796	806
Recipe Plus SIA	483	-
AB Medical Group Rīga	467	77
B.Braun Medical SIA	188	-
Veselības centrs-4	-	11 843
Rīgas Stradiņu Universitāte	-	1 487
VPVD national diagnostic center	-	1 492
Hemis SIA	-	1 890
Sistēmu Audits SIA	-	4 130
Other suppliers	19 319	5 389
<b>Total</b>	<b><u>302 570</u></b>	<b><u>49 822</u></b>

**12 TAXES**

	<b>As of 31-12-2007</b>	<b>Calculated</b>	<b>Paid</b>	<b>As of 31-12-2008</b>
Value added tax	1 248	8 358	(14 135)	(4 529)
Social insurance	56 968	879 106	(866 471)	69 603
Personal income tax	38 856	543 801	(538 831)	43 826
Corporate income tax	41 219	36 961	(134 858)	(56 678)
Unemployment duty	109	1 498	(1 485)	122
Natural resources tax	70	186	(70)	186
Real estate tax	(1 625)	2 365	(782)	(42)
<b>Total, including</b>	<b><u>136 845</u></b>	<b><u>1 472 275</u></b>	<b><u>-1 556 632</u></b>	<b><u>52 488</u></b>
due to the budget	138 470			113 737
overpayment	(1 625)			(61 249)

**13 DUE TO OTHER COMPANIES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Salaries	148 098	123 007
Trade union	1 151	957
Deposited salary	667	795
Accrued liabilities	-	35 740
<b>Total</b>	<b><u>149 916</u></b>	<b><u>160 499</u></b>

#### 14 NET SALES

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Medical hospital services	3 010 896	2 737 313
Medical ambulant services	1 963 384	1 714 614
Insurance payments	364 263	261 921
Services - minimum fixed part	192 027	204 798
VS ZDC ambulant services	152 430	145 785
Residents training	110 504	91 094
Stomatology services	43 004	37 247
Family doctors	37 380	30 085
Other income	20 252	19 952
<b>Total</b>	<b><u>5 894 140</u></b>	<b><u>5 242 809</u></b>

#### 15 COST OF GOODS SOLD

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	2 420 250	2 028 811
Medical goods	756 607	675 622
Social tax	565 403	469 303
Fixed assets depreciation	442 727	401 995
Repair expenses	283 198	234 739
VAT - expenses	216 457	175 387
Rent of equipment	157 183	127 905
Public utilities	145 472	98 159
Current assets write-off	105 021	73 455
Household goods	64 354	55 243
Feeding expenses	62 390	60 122
Employees trainings	47 235	25 520
Medical researches	43 822	76 329
Gifts to employees	18 862	26 267
Office expenses	13 628	14 511
Transport expense	6 291	8 938
Insurance expenses	4 081	2 104
Accruals for vacations	3 879	(17 089)
Allowances to employees	2 220	3 060
Advertising	1 886	2 585
Unemployment duty	1 498	1 511
Received discounts	(16 988)	(21 578)
Saņemtās atlaides	116 058	131 711
<b>Total</b>	<b><u>5 461 534</u></b>	<b><u>4 654 610</u></b>

## 16 ADMINISTRATIVE EXPENSES

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	263 674	216 130
Social tax	57 238	47 148
Board chairperson remuneration	35 547	28 436
Board remuneration	32 396	27 581
Council members remuneration	23 320	9 512
Communication expenses	21 316	19 204
Sakaru izdevumi	13 934	3 852
Office expenses	7 966	8 846
Board members social tax	7 805	6 644
Other administrative expenses	7 484	1 423
Chairperson of the Board social tax	7 312	4 966
Council chairperson remuneration	7 167	8 899
Council members social tax	5 321	2 198
Audit expenses	5 000	5 700
Chairperson of the Council social tax	1 726	2 581
Bank expenses	1 250	1 114
Legal services	710	100
<b>Total</b>	<b><u>499 166</u></b>	<b><u>394 334</u></b>

## 17 OTHER OPERATING INCOME

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Rent income	70 745	72 494
Press goods	5 998	6 740
Feeding income	5 937	10 755
Solarium income	2 641	2 496
Laundry income	1 341	1 927
Received donations	-	10 285
Other income	8 558	5 336
<b>Total</b>	<b><u>95 220</u></b>	<b><u>110 033</u></b>

## 18 OTHER OPERATING EXPENSES

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Loss from fixed assets disposals	2 529	9 512
Real estate tax	2 365	1 205
Penalties	632	1 233
Currency exchange loss	-	2 833
Other expenses	8 448	2 751
<b>Total</b>	<b><u>13 974</u></b>	<b><u>17 534</u></b>

## 19 INCOME FROM INVESTMENT IN ASSOCIATES

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Psihiskas Veselibas centrs "Dzintari"	7 810	1 578
<b>Total</b>	<b><u>7 810</u></b>	<b><u>1 578</u></b>

## 20 INTEREST INCOME AND SIMILAR INCOME

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Interest income	34 522	26 494
<b>Total</b>	<b><u>34 522</u></b>	<b><u>26 494</u></b>

## 21 CORPORATE INCOME TAX

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Calculated Corporate income tax	36 961	78 718
Deferred Corporate income tax	19 477	8 962
<b>Total</b>	<b><u>56 438</u></b>	<b><u>87 680</u></b>

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

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Profit before tax	57 018	314 436
Theoretically calculated corporate income tax, rate 15%	8 553	47 165
Permanent differences	28 408	31 553
<b>Calculated corporate income tax</b>	<b><u>36 961</u></b>	<b><u>78 718</u></b>

### Deffered tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(288 260)	(154 666)
Temporary difference of fixed assets revaluation	(2 828 955)	(3 046 567)
Accruals for vacations	130 800	127 050
Accrued liabilities	-	-
<b>Total temporary differences</b>	<b><u>(2 986 415)</u></b>	<b><u>(3 074 183)</u></b>
Tax rate applied	15%	15%
<b>Deferred tax liabilities</b>	<b><u>447 962</u></b>	<b><u>461 127</u></b>
<b>Recognized deferred tax liabilities</b>	<b><u>447 962</u></b>	<b><u>461 127</u></b>

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