



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**INDEPENDENT AUDITOR'S REPORT AND  
COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2006**

**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**TABLE OF CONTENTS**

---

	<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 - 6</b>
<b>DECLARATION OF MANAGEMENT RESPONSIBILITY</b>	<b>7</b>
<b>FINANCIAL STATEMENTS</b>	<b>8 - 12</b>
<b>CONSOLIDATED STATEMENT OF INCOME</b>	<b>8</b>
<b>CONSOLIDATED BALANCE SHEET</b>	<b>9 - 10</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>11</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>12</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>13 - 20</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>21</b>

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**INFORMATION ABOUT PARENT COMPANY**

---

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

**LEGAL STATUS:** STOCK COMPANY

**REGISTRATION:** No.40003306807  
AUGUST 27, 1996  
RIGA, LV - 1005, LATVIA

**LEGAL ADDRESS:** 23, PATVERSMES STREET, RIGA, LV - 1005, LATVIA

**MAJOR SHAREHOLDERS:** JANIS BIRKS 38,7%  
ILZE AIZSILNIECE 10,1%  
AGRIS SHVARCBERGS 10,1%  
STATE SOCIAL INSURANCE AGENCY 5%

**CEO:** MARTA AIZSILNIECE

**REPORTING PERIOD:** 1 JANUARY 2006 - 31 DECEMBER 2006

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**COUNCIL AND BOARD OF THE GROUP**

---

**Council of the Group**

**Number of shares owned**

**From June 6, 2003 till the May 31, 2006**

**31.12.06**

<u>Name</u>	<u>Position</u>
Agris Shvarebergs	Chairman of the Council
Antons Vjaters	Member of the Council
Vladislavs Skrebelis	Member of the Council
Austris Adumans	Member of the Council
Janis Aboltins	Member of the Council

**From May 31, 2006 till the November 22, 2006**

<u>Name</u>	<u>Position</u>	
Agris Shvarebergs	Chairman of the Council	
Antons Vjaters	Member of the Council	
Vladislavs Skrebelis	Member of the Council	
Austris Adumans	Member of the Council	
Janis Aboltins	Member of the Council	died 31.07.06

**From November 22, 2006 till the consolidated financial statements signing day**

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

**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
Andris Vigants	Member of the Board	-
Marika Baumgarte	Member of the Board	12 071

# 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 annual 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 annual 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 197 247 EUR.

The profit before taxes of subsidiary company was 52 402 EUR.

### The Group financial indexes

	2006	2005	2004
Net sales (mil. LVL)	5,67	3,85	3,39
Assets at the end of year (mil. LVL)	7,82	2,03	1,67
Profit after taxes (LVL)	316 580	174 775	56 498
Profit after taxes on share (LVL)	0,40	0,22	0,07
LJMC share market price at the end of the year (LVL)	1,85	1,80	1,20
LJMC dividends on share (LVL)	0,04	0,04	0,02

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

Since February 2006 the magnetic resonance imaging services was started. Total joint investments in the year 2005 and 2006 for this type of activity together with cooperation partners constitute almost 0,5 million EUR (LJMC takes on lease the equipment from SIA "Amerilat". The lease payments in the year 2006 were 69 132 LVL. The owner of SIA "Amerilat" is Chairman of the Council of LJMC A. Shwarzbergs.) In the year 2006 are made investments in the new medical equipment: Siemens mammography, Getinge sterilization equipment, electro surgery equipment, insufflators and other. This enabled additional medical services and higher quality of existing service. Total 160 000 LVL was invested in equipment and facilities. The project draft for a new surgery clinic was developed. 29 000 LVL were invested in training of the health care professionals. 102 000 LVL were spent in renovation of the premises which resulted in providing better environment for patients and better work places for personal.

On the base of increased government funding, employees' salaries have been raised on 1 January 2006, on 1 July 2006 and on 1 January 2007 as required by the relevant regulation by the Cabinet of Ministers and stipulated in the agreement with HCISA.

The LJMC owned real estate (land 15 235 m<sup>2</sup> and hospital buildings with 6 283 m<sup>2</sup> premises on Patversmes street 23; land 3 464 m<sup>2</sup> and hospital building with 2 467 m<sup>2</sup> premises on Vecmigravja 5. street 26; land 3 504 m<sup>2</sup> and building of polyclinics with 2 012 m<sup>2</sup> premises on Melidas street 10) was reevaluated according market situation by real estate company "Latio". The value of the real estate was estimated 3 589 443 LVL more than its former balance value. By this amount was increased fixed asset's revaluation reserve in LJMC equity capital. The possible liabilities of income tax in this case when these real estate are sold at the new price, are also disclosed in the balance sheet as "Deferred liabilities".

The owned building of JM was estimated by SIA "Euroexpert" as investment asset since, almost all premises are leased. The difference between estimated value and book value was 10 363 LVL which increased the profit of the JM.

**MANAGEMENT REPORT**

In the year 2006 LJMC has increased its shareholding in the capital of SIA "Juras medicina" from 86,80% to 99,3% by purchase of shares from other shareholders: LAS "Rinuzi" - 64 640 shares for 13574,40 LVL; The member of Council of LJMC, A. Vjaters - 745 shares for 156,45 LVL; Riga City Council 15 394 shares for 3 232,74 LVL; Chairperson of the Board of LJMC, M. Aizsilniece 29 793 shares for Ls 6 256,53; SIA "LLS Baltic Container Service" 9 964 shares for 2 092,44 LVL; The price of all these shares were equal to their book value 0,21 LVL. Other shareholder Baltic Marine Fishing Company JSC also increased its part in JM share capital.

**Important Events after the Balance Sheet Date**

The reserve electricity source for operation rooms and intensive therapy is provided

**Future Development of the Group**

The project development for a new surgery hospital in Vecmilgravis started in this year.

**Risk Management**

The company has good debtor ageing ratio and current ratio. Health Compulsory Insurance State Agency that is the biggest debtor (government procurement) usually settles its payments in due time.

On behalf of the Group:

Chairperson of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Member of the Board

Marika Baumgarte

## **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 year ended 31 December 2006 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

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005**

<b>EUR</b>	<b>2006</b>	<b>2005</b>	<b>Note</b>
Net sales	5 666 836	5 474 216	<b>15</b>
Cost of goods sold	(5 101 639)	(4 895 777)	<b>16</b>
<b>Gross profit or loss</b>	<b>565 197</b>	<b>578 439</b>	
Administrative expenses	(415 823)	(354 151)	<b>17</b>
Other operating income	82 144	109 136	<b>18</b>
Other operating expenses	(9 289)	(20 920)	<b>19</b>
Gain from the change of fair value of investment property	14 745	-	
Income from investment in associates	35 798	-	<b>20</b>
Interest income and similar income	16 004	10 011	<b>21</b>
Interest expense and similar expense	(3 789)	(8 975)	<b>22</b>
<b>Profit before taxes</b>	<b>284 988</b>	<b>313 538</b>	
Corporate income tax	31 948	(59 476)	<b>23</b>
Minority interest	(356)	(1 392)	
<b>NET PROFIT OR LOSS</b>	<b>316 580</b>	<b>252 671</b>	
<b>Number of shares</b>	800 000	800 000	
<b>One share profit LVL</b>	<b>0,40</b>	<b>0,32</b>	

*The accompanying notes are an integral part of these financial statements*

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET  
AS OF 31 DECEMBER 2006 AND 31 DECEMBER 2005

	December 31, 2006	December 31, 2005	Note
ASSETS	EUR	EUR	
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	85 556	77 418	<b>4</b>
<b>Total stocks</b>	<b>85 556</b>	<b>77 418</b>	
<b>Debtors:</b>			
Trade debtors	147 259	258 061	<b>5</b>
Other debtors	22 649	2 735	<b>6</b>
Accruals	10 650	10 347	<b>7</b>
<b>Total debtors</b>	<b>180 558</b>	<b>271 142</b>	
<b>Cash funds</b>	<b>867 280</b>	<b>1 067 656</b>	<b>8</b>
<b>Total current assets</b>	<b>1 133 394</b>	<b>1 416 217</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	5 444	5 895	<b>2</b>
Goodwill	2 607	-	
<b>Total intangible assets</b>	<b>8 051</b>	<b>5 895</b>	
<b>Fixed assets:</b>			
Land and buildings	5 501 547	556 233	
Technological equipment and machines	433 717	382 802	
Other fixed assets and inventory	83 773	85 096	
Long term investments in rented fixed assets	37 362	53 429	
Unfinished building objects	250 201	250 201	
Advance payments for fixed assets	8 729	-	
<b>Total fixed assets:</b>	<b>6 315 328</b>	<b>1 327 761</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Investment assets	188 659	-	
Participating interests in associated enterprises	176 349	140 551	<b>3</b>
<b>Total financial assets:</b>	<b>365 008</b>	<b>140 551</b>	
<b>Total long-term investments:</b>	<b>6 688 387</b>	<b>1 474 208</b>	
<b>TOTAL ASSETS</b>	<b>7 821 781</b>	<b>2 890 425</b>	

*The accompanying notes are an integral part of these financial statements*

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2006 AND 31 DECEMBER 2005

	December 31, 2006	December 31, 2005	Note
LIABILITIES	EUR	EUR	
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Other loans	-	75 730	<b>10</b>
Received advance payments	124 178	559 608	<b>11</b>
Due to customers and suppliers	126 988	60 414	<b>12</b>
Taxes and social security payments	119 312	102 926	<b>13</b>
Other payables	149 625	116 742	<b>14</b>
Deferred tax liability	689 818	66 448	<b>23</b>
<b>Total liabilities</b>	<b>1 209 922</b>	<b>981 868</b>	
<b>Provisions for liabilities and charges:</b>			
Provisions for vacations	206 785	155 886	
<b>Total provisions</b>	<b>206 785</b>	<b>155 886</b>	
<b>Total liabilities</b>	<b>1 416 707</b>	<b>1 137 754</b>	
<b>Equity capital:</b>			
Share equity	1 138 297	1 138 297	<b>9</b>
Reserves:			
c) reserves provided by the Articles of Association	45 522	53 728	
d) fixed asset's revaluation reserve	4 418 397	-	
Retained earnings:			
a) brought forward from previous years	484 108	273 621	
b) current year profit or loss	316 580	252 671	
<b>Total shareholders' equity</b>	<b>6 402 905</b>	<b>1 718 317</b>	
<b>Minority interest</b>	<b>2 170</b>	<b>34 354</b>	
<b>Total equity capital</b>	<b>6 405 075</b>	<b>1 752 671</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>7 821 781</b>	<b>2 890 425</b>	

*The accompanying notes are an integral part of these financial statements*

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR)  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

	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 2004</b>	<b>1 138 297</b>	<b>53 728</b>	-	<b>249 280</b>	<b>80 389</b>	<b>73 568</b>	<b>1 595 263</b>
Transfers to reserves	-	-	-	80 389	(80 389)	-	-
Dividends paid	-	-	-	(22 766)	-	-	(22 766)
Profit for the year	-	-	-	-	252 671	-	252 671
Consolidated accumulated loss	-	-	-	(33 282)	-	-	(33 282)
Minority interest changes	-	-	-	-	-	(39 214)	(39 214)
<b>At 31 December 2005</b>	<b>1 138 297</b>	<b>53 728</b>	-	<b>273 621</b>	<b>252 671</b>	<b>34 354</b>	<b>1 752 671</b>
Previous years retained earnings	-	-	-	252 671	(252 671)	-	-
Dividends paid	-	-	-	(45 532)	-	-	(45 532)
Profit for the year	-	-	-	-	316 580	-	316 580
Transfers to reserves	-	(8 206)	4 418 397	-	-	-	4 410 191
Minority interest changes	-	-	-	3 348	-	(32 184)	(28 836)
<b>At 31 December 2006</b>	<b>1 138 297</b>	<b>45 522</b>	<b>4 418 397</b>	<b>484 108</b>	<b>316 580</b>	<b>2 170</b>	<b>6 405 075</b>

*The accompanying notes are an integral part of these financial statements*

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

	2006	2005	Note
	EUR	EUR	
<b>Cash flows used in operating activities</b>			
<b>Net income before tax</b>	<b>284 988</b>	<b>313 538</b>	
Adjustments:			
a) depreciation of tangibles	237 548	300 640	2
b) provisions for vacations	53 503	26 656	
c) loss (gain) on sale of tangibles	27 648	3 741	
d) interest expenses	3 789	8 975	
e) gain (loss) from investments in associates	(35 798)	-	20
f) gain from the change of fair value of investment pproperty	(14 745)	-	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>556 933</b>	<b>653 551</b>	
Changes in operating assets and liabilities:			
a) receivables.	102 795	(129 615)	
b) inventory.	(8 137)	5 848	
c) current liabilities.	(316 755)	434 396	
<b>3. Gross operating cash flow</b>	<b>334 836</b>	<b>964 179</b>	
4. Paid interest.	(3 789)	(8 975)	
5. Paid corporate income tax.	(62 993)	(64 415)	
<b>7. Net cash used in operating activities</b>	<b>268 053</b>	<b>890 789</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates	(36 016)	(46 840)	
2. Purchase of fixed assets	(312 357)	(278 033)	2
3. Selling of fixed assets	1 205	16 952	
<b>4. Net cash from investment activities</b>	<b>(347 168)</b>	<b>(307 921)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Settlement of loans	(75 730)	(93 470)	
2. Paid dividends	(45 532)	(22 766)	
<b>3. Net cash from financing activities</b>	<b>(121 261)</b>	<b>(116 236)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>(200 376)</b>	<b>466 632</b>	
<b>V. Cash at the beginning of the year</b>	<b>1 067 656</b>	<b>601 024</b>	
<b>VI. Cash at the end of the year</b>	<b>867 280</b>	<b>1 067 656</b>	

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

---

#### 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, 2006	December 31, 2005
EUR	0.702804	0.702804
USD	0,536	0,593

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

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

---

Fixed assets 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 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
Machinery and equipment:	3 years
Other fixed assets:	5 years

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.

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**

If a property's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of revaluation surplus. The amount of the surplus is decreased by 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 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 is be charged or credited directly to equity in the same or a different period, directly to equity according to IAS 12.61.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

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

As of 31 December 2006 and 31 December 2005  
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 payments for fixed assets	Unfinished building objects	Total
<b>Historical cost</b>									
<b>At 31 December 2004</b>	<b>10 280</b>	<b>1 099 274</b>	-	<b>2 236 005</b>	<b>463 677</b>	<b>34 651</b>	<b>2 227</b>	<b>266 800</b>	<b>4 112 913</b>
Additions	3 983	87 588	-	132 723	26 537	43 803	-	(16 599)	278 033
Transfers	-	-	-	-	(4 681)	-	-	-	(4 681)
Disposals	-	-	-	(11 739)	(41 538)	-	(2 227)	-	(55 503)
<b>At 31 December 2005</b>	<b>14 263</b>	<b>1 186 861</b>	-	<b>2 356 989</b>	<b>443 994</b>	<b>78 454</b>	-	<b>250 201</b>	<b>4 330 762</b>
Additions	4 074	37 170	-	196 058	34 473	6 954	8 729	24 900	312 357
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	5 115 073	188 659	-	-	-	-	-	5 303 732
Disposals or change of classification	(302)	(367 841)	-	(83 796)	(25 636)	(34 651)	-	(24 900)	(537 126)
<b>At 31 December 2006</b>	<b>18 035</b>	<b>5 971 264</b>	<b>188 659</b>	<b>2 469 250</b>	<b>452 832</b>	<b>50 757</b>	<b>8 729</b>	<b>250 201</b>	<b>9 409 726</b>
<b>Accumulated depreciation</b>									
<b>At 31 December 2004</b>	4 427	579 796	-	1 796 461	339 571	13 476	-	-	2 733 731
Charge for the year	3 941	50 832	-	188 696	45 622	11 549	-	-	300 640
Disposals	-	-	-	(10 970)	(26 295)	-	-	-	(37 265)
<b>At 31 December 2005</b>	<b>8 368</b>	<b>630 628</b>	-	<b>1 974 186</b>	<b>358 898</b>	<b>25 025</b>	-	-	<b>2 997 106</b>
Charge for the year	4 444	33 016	-	142 068	35 000	23 021	-	-	237 548
Disposals or change of classification	(221)	(193 927)	-	(80 721)	(24 839)	(34 651)	-	-	(334 359)
<b>At 31 December 2006</b>	<b>12 591</b>	<b>469 717</b>	-	<b>2 035 533</b>	<b>369 059</b>	<b>13 395</b>	-	-	<b>2 900 295</b>
<b>Net book value</b>									
<b>At 31 December 2004</b>	<b>5 854</b>	<b>519 478</b>	-	<b>439 544</b>	<b>124 106</b>	<b>21 175</b>	<b>2 227</b>	<b>266 800</b>	<b>1 379 183</b>
<b>At 31 December 2005</b>	<b>5 895</b>	<b>556 233</b>	-	<b>382 802</b>	<b>85 096</b>	<b>53 429</b>	-	<b>250 201</b>	<b>1 333 656</b>
<b>At 31 December 2006</b>	<b>5 444</b>	<b>5 501 547</b>	<b>188 659</b>	<b>433 717</b>	<b>83 773</b>	<b>37 362</b>	<b>8 729</b>	<b>250 201</b>	<b>6 509 431</b>

## 3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2006 EUR	Capital share (%)	Amount of investment 2005 EUR
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	176 349	45	140 551
<b>Total participating interests in associated enterprises</b>		<b>176 349</b>		<b>140 551</b>

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

## 4 RAW MATERIALS

	2006 EUR	2005 EUR
Pharmaceutical	72 076	60 705
Stock in warehouse	4 222	6 306
Inventory	3 665	3 580
Products	2 436	1 801
Furniture	1 113	1 424
Other materials	1 541	1 316
Advance payments to supplier of goods	504	2 285
<b>Total</b>	<b>85 556</b>	<b>77 418</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

## 5 DUE FROM CUSTOMERS

	2006 EUR	2005 EUR
Riga slimokase AAS	43 006	75 943
LF Holdings	19 468	6 414
Balta AAS	17 705	14 851
Hospital patients treatment	17 470	24 062
BTA AAS	13 734	8 864
VOVAA Rigas department	5 374	103 602
Ergo Latvija slimokase	4 424	2 592
SEESAM Life Latvija	4 279	2 429
NBS militaras medicinas centrs	1 239	2 607
Balva AAS	935	1 548
BALTIKUMS DZIVIBA AAS	363	1 443
Med.prof.izglitibas centrs	-	9 168
Other customers	19 263	4 538
<b>Total</b>	<b>147 259</b>	<b>258 061</b>

## 6 OTHER RECEIVABLES

	2006 EUR	2005 EUR
Taxes overpayment (note No.13)	19 876	730
VAT for unpaid invoices	1 164	1 167
VAT advance payment	-	344
Other debtors	1 609	494
<b>Total</b>	<b>22 649</b>	<b>2 735</b>

## 7 DIFFERED EXPENSES

	2006 EUR	2005 EUR
Riga Stock Exchange, shares quotation	7 114	7 114
Assurance expense	1 197	2 806
Other expense	2 339	427
<b>Total</b>	<b>10 650</b>	<b>10 347</b>

## 8 CASH

	2006 EUR	2005 EUR
Cash in banks	822 381	1 020 994
Deposit	38 133	40 838
Cash on hands	6 766	5 824
<b>Total</b>	<b>867 280</b>	<b>1 067 656</b>

## 9 SHARE CAPITAL

	2006 Number of shares	2006 Share %	2005 Number of shares	2005 Share %
Shareholders:				
Janis Birks	309 909	38,7	302 109	37,8
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarcbergs	80 917	10,1	44 147	5,5
Peteris Augustovs	-	0,0	41 412	5,2
State social insurance agency	40 000	5,0	40 000	5,0
Other shareholders (shares less than 5%)	288 408	36,1	291 566	36,4
<b>Total</b>	<b>800 000</b>	<b>100,0</b>	<b>800 000</b>	<b>100,0</b>



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

**10 OTHER LOANS**

	2006 EUR	2005 EUR
VOVAA diagnostics equipment - short-term part	-	75 730
<b>Total</b>	<u>-</u>	<u>75 730</u>

**11 DUE TO RECEIVED ADVANCE PAYMENTS**

	2006 EUR	2005 EUR
VOAVA advance payment for 2006	119 903	554 142
Other advances	4 276	5 467
<b>Total</b>	<u>124 178</u>	<u>559 608</u>

**12 DUE TO SUPPLIERS AND CONTRACTORS**

	2006 EUR	2005 EUR
Invitros SIA	-	231
Latvenergo Rīgas rajons	-	2 735
Tradintek SIA	42 182	24 203
Amerilat MD	18 183	-
Siemens SIA	16 958	-
AB Medical Group Riga	10 447	-
NMS SIA	10 165	-
Latvenergo Rīgas elektrotīkls	4 671	2 211
Sistēmu Audits SIA	4 197	1 679
Latvijas Gaze	4 170	6 205
Valsts Patoloģijas centrs SIA	3 650	7 204
Lattelekom	1 598	1 510
NMS Diagnostika	1 308	-
Nacion.medic.serviss-laboratory	1 232	1 137
Rīgas Ūdens	1 154	2 177
S.A.V. SIA	1 023	-
Hospital Gaiļezers BO	1 023	669
Rīgas Stradiņu Universitāte	865	-
Other suppliers	4 162	10 454
<b>Total</b>	<u>126 988</u>	<u>60 414</u>

**13 TAXES**

	As of 31-12- 2005	Calculated	Paid	As of 31-12- 2006
Value added tax	1 340	20 925	(19 811)	2 454
Social insurance	60 492	797 744	(789 027)	69 210
Personal income tax	37 985	523 102	(513 699)	47 387
Corporate income tax	2 832	41 359	(62 993)	(18 803)
Corporate income tax	17	104	(121)	-
Unemployment duty	260	2 201	(2 304)	158
Natural resources tax	(26)	166	(38)	102
Real estate tax	(704)	576	(945)	(1 073)
<b>Total, incl.</b>	<u>71 824</u>	<u>1 386 177</u>	<u>(1 388 938)</u>	<u>99 436</u>
due to the budget	102 926			119 312
overpayment	(730)			(19 876)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

**14 DUE TO OTHER COMPANIES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Salaries	140 089	111 619
Accured liabilities	4 197	-
Board remuneration	2 944	2 752
Trade union	1 265	1 020
Deposited salary	1 130	913
Council remuneration	-	438
<b>Total</b>	<b><u>149 625</u></b>	<b><u>116 742</u></b>

**15 NET SALES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Medical hospital services	2 892 674	2 415 015
Medical ambulant services	1 725 500	1 410 422
Services - minimum fixed part	216 422	984 600
Insurance payments	336 967	349 079
VS ZDC ambulant services	263 472	156 677
Stomatology services	46 450	60 131
Residents training	74 153	41 334
Family doctors	26 847	13 179
Other income	84 352	43 780
<b>Total</b>	<b><u>5 666 836</u></b>	<b><u>5 474 216</u></b>

**16 COST OF GOODS SOLD**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Bad debt write-off	-	1 217
Boiling maintenance expenses	-	4 734
Salaries and wages	2 214 654	1 754 769
Medical goods	836 952	1 461 511
Social tax	518 931	379 036
Other operating expenses	390 177	247 985
Public utilities	279 414	201 345
Fixed assets depreciation	210 017	285 008
Repair expenses	142 513	139 168
Feeding expenses	81 041	82 370
Household goods	80 004	79 591
Medical researches	78 147	76 071
Current assets write-off	72 481	50 664
Accruals for vacations	53 503	26 656
Office expenses	44 278	25 168
Employees trainings	37 342	26 242
Gifts to employees	29 949	25 440
Rent fixed assets depreciation	23 019	11 551
Transport expense	7 607	12 043
Advertising	5 028	4 003
Tangible assets amortization	4 444	3 941
Allowances to employees	2 661	3 324
Insurance expenses	2 318	4 121
Unemployment duty	2 130	3 160
Received discounts	(23 327)	(21 226)
Other expenses	8 355	7 886
<b>Total</b>	<b><u>5 101 639</u></b>	<b><u>4 895 777</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

**17 ADMINISTRATIVE EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and wages	253 577	182 001
Social tax	49 401	42 227
Board chairperson remuneration	27 545	34 998
Office expenses	7 304	28 836
Board remuneration	16 612	20 356
Other administrative expenses	6 154	9 351
Presentation expenses	14 045	7 490
Chairperson of the Board social tax	5 489	7 346
Board members social tax	5 728	4 903
Council chairperson remuneration	10 102	4 269
Audit expenses	8 366	5 407
Council members remuneration	5 905	3 415
Bank expenses	1 325	1 685
Chairperson of the Council social tax	2 433	1 029
Council members social tax	1 423	787
Legal services	413	53
<b>Total</b>	<b><u>415 823</u></b>	<b><u>354 151</u></b>

**18 OTHER OPERATING INCOME**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Currency exchange gain	-	5 287
Rent income	43 708	33 935
Feeding income	15 434	13 142
Press goods	8 291	6 676
Solarium income	4 082	3 724
Laundry income	2 442	2 553
Gain on sale of fixed assets	1 205	16 952
Other income	6 982	26 867
<b>Total</b>	<b><u>82 144</u></b>	<b><u>109 136</u></b>

**19 OTHER OPERATING EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Currency exchange loss	4 176	-
Fixed assets disposals	3 893	20 693
Penalties	976	228
Other expenses	243	-
<b>Total</b>	<b><u>9 289</u></b>	<b><u>20 920</u></b>

**20 INCOME FROM INVESTMENT IN ASSOCIATES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Psihiskas Veselibas centrs "Dzintari"	35 798	-
<b>Total</b>	<b><u>35 798</u></b>	<b><u>-</u></b>

**21 INTEREST INCOME AND SIMILAR INCOME**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Interest income	16 004	10 011
<b>Total</b>	<b><u>16 004</u></b>	<b><u>10 011</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

**22 INTEREST EXPENSE AND SIMILAR EXPENSE**

	2006	2005
	EUR	EUR
Loan interest expenses (VOAVAA)	3 789	8 920
Leasing interest payments	-	55
<b>Total</b>	<u><u>3 789</u></u>	<u><u>8 975</u></u>

**23 CORPORATE INCOME TAX**

	2006	2005
	EUR	EUR
Calculated Corporate income tax	41 359	59 476
Deferred Corporate income tax	(10 815)	-
Corrections for the year 2004	(58 857)	-
Corrections for the year 2005	(3 634)	-
<b>Total</b>	<u><u>(31 948)</u></u>	<u><u>59 476</u></u>

Calculated liabilities of deferred tax at the end of year 2006 aroused from the following differences

	2006	2005
	EUR	EUR
Liabilities of deferred tax:		
From the temporary differences between the value of fixed assets in balance sheet and the same value used for calculation of corporate income tax	24 439	89 442
From changes of book value as a result of revaluation of fixed assets	696 676	-
Assets of deferred tax:		
Accumulated liabilities	<u>(31 297)</u>	<u>(22 994)</u>
<b>Deferred tax liability</b>	<u><b>689 818</b></u>	<u><b>66 448</b></u>

\*\*\*\*\*