

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**Not audited Consolidated Financial Statements: March 31, 2006,
in accordance with International financial reporting standards**

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COMPANY NAME: LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

LEGAL STATUS: STOCK COMPANY

REGISTRATION: No.000330680
AUGUST 27, 1996
RIGA, LV - 1005, LATVIA

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

MAJOR SHAREHOLDERS: JANIS BIRKS 37.6 %
ILZE AIZSILNIECE 10.1%
AGRIS SHVARCBERGS 10,7%
STATE SOCIAL INSUARANCE AGENCY 5.0%

CEO: MARTA AIZSILNIECE

REPORTING PERIOD: 1 JANUARY 2006 - 31 MARCH 2006

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

COUNCIL AND BOARD OF THE GROUP

Council of the Group

From June 6, 2003 till the consolidated financial statements signing day

<u>Name</u>	<u>Position</u>
Agris Shvarcbergs	Chairman of the Council
Antons Vjaters	Council member
Vladislavs Skrebelis,	Council member
Austris Adumans	Council member
Janis Aboltins	Council member

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
Andris Vigants	Board member
Marika Baumgarte	Board member

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 AS "Latvians Jars medicines centrs" (hereinafter referred to as LJMC) and its subsidiary company SIA "Jūras medicīna" (hereinafter referred to as JM).

This Annual Report is prepared in accordance with International Financial Review 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 of the parent company was EUR 43337 before taxes. The profit of subsidiary company was EUR 5739 before taxes.

Important Events that Affected Results of the Group's Activities in Reporting Period

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

Since February 2006 the provision of Magnetic Resonance Imaging Services was started. Total joint investments for this type of activity together with cooperation partners constitute almost 0,5 million EUR.

In January 2006 LJMC has increased its shareholding in the capital of SIA "Jūras medicīna" from 86,80% to 87,83% by purchasing shares from other shareholders.

Important Events After the End of Reporting Period

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 debt and current ratios. 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

Board member
Andris Vigants

Board member
Marika Baumgarte

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

EUR	2006	2005	Note
Net sales	1 298 667	5 474 247	15
Cost of goods sold	-1 176 515	-4 895 805	16
Gross profit or loss	122 151	578 442	
Administrative expenses	-97 800	-354 153	17
Other operating income	20 692	109 136	18
Other operating expenses	-1 818	-20 921	19
Interest income and similar income	5 852	10 011	20
Interest expense and similar expense	-	-8 976	21
Extraordinary profit or loss before taxes	49 077	313 540	
Corporate income tax	-	(59 476)	
Deffered tax	-	-	
Minority interest	(699)	(1 392)	
NET PROFIT OR LOSS	48 378	252 672	
Number of shares	800 000	800 000	
One share profit EUR	0.06	0.31	

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	Board member
_____	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET
AS OF 31 MARCH 2006 AND 31 DECEMBER 2004

EUR	March 31, 2006	December 31, 2005	Note
ASSETS			
Current assets:			
Stocks			
Raw materials	78 931 -	77 419	4
Total stocks	78 931 -	77 419	
Debtors:			
Trade debtors	398 691	258 062	5
Other debtors	19 131	2 735	6
Accruals	1 050	10 347	7
Total debtors	418 872	271 144	
	0	0	
Cash funds	885 433	1 067 662	8
	0	0	
Total current assets	1 383 236 -	1 416 225	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets			2
Positive consolidation difference	-	-	
Total intangible assets	-	-	
Fixed assets:			
Land and buildings	542 573 -	556 236	
Technological equipment and machines	375 895 -	382 804	
Other fixed assets and inventory	82 120 -	85 097	
Long term investments in rented fixed assets	57 494 -	53 429	
Advance payments for fixed assets	250 202 -	250 202	
Unfinished building objects	- -	-	
Total fixed assets:	1 308 284 -	1 327 769	2
Long-term financial assets:			
Participating interests in associated enterprises	140 552 -	140 552	3
Total financial assets:	140 552 -	140 552	
Total long-term investments:	1 448 836 -	1 468 321	
TOTAL ASSETS	2 832 072 -	2 884 546	

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	Board member
_____	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET
AS OF 31 MARCH 2006 AND 31 DECEMBER 2004

EUR	March 31, 2006	December 31, 2005	Note
LIABILITIES			
Liabilities:			
Liabilities:			
Other loans	75 730	75 730	10
Received advance payments	359 402	559 612	11
Due to customers and suppliers	148 739	60 414	12
Taxes and social security payments	104 032	102 927	13
Other payables	138 744	116 743	14
Total liabilities	826 648	915 425	
Provisions for liabilities and charges:			
Accruals for taxes	56 915	66 448	
Provisions for vacations	155 886	155 886	
Total provisions	212 802	222 335	
Total liabilities	1 039 449	1 137 760	
Equity capital:			
Share equity	1 138 304	1 138 304	9
Reserves:			
c) reserves provided by the Articles of Association	53 728	53 728	
Retained earnings:			
a) brought forward from previous years	526 009	273 623	
b) current year profit or loss	48 378	252 672	
Total shareholders' equity	1 766 419	1 718 327	
Minority interest	32 362	34 354	
Total equity capital	1 798 781	1 752 681	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	2 838 230	2 890 441	

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	Board member
_____	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 MARCH 2006 AND 31 DECEMBER 2005

EUR	Share capital	Reserves provided by the Articles of Association	Previous years retained earnings	Current year profit	Minority interest	Total
At 31 December 2004	1 138 304	53 728	249 281	80 390	73 569	1 595 272
Transfers to reserves	-	-	80 390	(80 390)	-	-
Dividends paid	-	-	(22 766)	-	-	(22 766)
Profit for the year	-	-	0	252 672	-	252 672
Consolidated accumulated loss	-	-	(33 283)	-	-	(33 283)
Minority interest changes	-	-	-	-	(39 215)	(39 215)
At 31 December 2005	1 138 304	53 728	273 623	252 672	34 354	1 752 681
Previous years retained earnings	-	-	252 672	(252 672)	-	-
Dividends paid	-	-	-	-	-	-
Profit for the year	-	-	0	48 378	-	48 378
Consolidated accumulated loss	-	-	-	-	-	-
Minority interest changes	-	-	(286)	-	(1 992)	(2 278)
At 31 March 2006	1 138 304	53 728	526 009	48 378	32 362	1 798 781

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	Board member
_____	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

EUR	2006	2005	Note
Cash flows used in operating activities			
Net income before tax	48 378	313 540	
Ajustments:			
a) Depreciation of tangibles	59 287	300 642	2
b) provisions gor vacations	(9 533)	26 656	
c) Loss (gain) on sale of tangibles	-	3 741	
d) interest expenses	-	8 976	
	<u>98 132</u>	<u>653 554</u>	
2. Gain (loss) before changes in current assets and liabilities	98 132	653 554	
Changes in operating assets and liabilities:			
a) receivables.	(150 559)	(129 616)	
b) inventory.	(1 513)	5 848	
c) current liabilities.	(85 248)	434 398	
3. Gross operating cash flow	- 139 188	964 185	
4. Paid interest.	-	(8 976)	
5. Paid corporate income tax.	-	(64 415)	
7. Net cash used in operating activities	- 139 188	890 794	
II. Cash flow used in investment activities			
1. Purchase of shares of associates	(2 977)	(46 840)	
2. Purchase of fixed assets	(40 065)	(278 035)	2
3. Selling of fixed assets	-	16 952	
4. Net cash from investment activities	(43 042)	(307 923)	
III. Cash flows used in financing activities			
1. Settlement of loans	-	(93 470)	
2. Paid dividends	-	(22 766)	
3. Net cash from financing activities	-	(116 236)	
IV. Net increase (decrease) in cash	(182 230)	466 635	
V. Cash at the beginning of the year	1 067 662	601 027	
VI. Cash at the end of the year	885 433	1 067 662	

The accompanying notes are an integral part of these financial statments

The financial statements were approved by:

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

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

GENERAL INFORMATION

"Latvijas Juras Medicīnas 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 medicīna" 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 produced 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 enterprises are eliminated on consolidation.

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

Foreign currency

Transactions denominated in foreign currencies are translated into Lats at the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are translated at the Bank of Latvia rate at the balance sheet date. The applicable rate used for the principal currencies as of 31 March and 31 December 31 were the follows:

	Year 2006	Year 2005
USD	0.582	0.593
EUR	0.702804	0.702804

Gains or losses on translation 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 occur.

Exchange differences arising 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 effecting the net profit reconciling it 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 uncollectible accounts receivable. Provision for uncollectible accounts receivable at the balance sheet date represents the estimated amounts of probable losses that 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 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 of fixed assets is computed using the straight-line method over the estimated average useful lives:

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

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

Investment in associates are stated at historical cost. The fair value can not be estimated because of the lack of the free market.

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.

Changes of accounting policies

The Group made changes of the investments in associates accounting policy which arised from the implementation of a new IFRS. These changes have been applied retrospectively, with an adjustment to the opening balance of retained earnings and investments in associates. From the year 2005 all investments in associates are recorded at cost (no fair value can be defined) and the equity method is not applied any more. The effect of these changes in accounting policy is 5,767 LVL which related to the previous years.

Reclassification

2004 year cost of goods sold have been reclassified as other operating expenses for the amount LVL 55 340.

Taxation

Corporate income tax at a rate of 25 % is calculated based on the taxable income for the year in accordance with Latvian legislation. 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.

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

2 . FIXED ASSETS

As of 31 march 2006 and 31 December 2004
fixed assets are composed as follows:

EUR	Intangible assets	Land, buildings	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advanc e payment s for fixed assets	Unfinished building objects	Total
Historical cost								
At 31 December 2004	10 280	1 099 280	2 236 017	463 680	34 651	2 227	266 801	4 112 937
Additions	3 983	87 588	132 723	26 537	43 803	-	(16 599)	278 035
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	(11 739)	41 538	-	(2 227)	-	(55 504)
At 31 December 2005	14 263	1 186 868	2 357 002	448 678	78 455	-	250 202	4 335 468
Additions	1 380	-	25 804	5 928	6 954	-	-	40 065
Disposals	-	-	(32 941)	(169)	-	-	-	(33 110)
At 31 March 2006	15 643	1 186 868	2 349 865	454 437	85 408	-	250 202	4 342 423
Accumulated depreciation								
At 31 December 2004	4 427	579 799	1 796 471	339 573	13 476	-	-	2 733 746
Charge for the year	3 941	50 832	188 697	45 622	11 550	-	-	300 642
Disposals	-	-	(10 970)	21 614	-	-	-	(32 584)
At 31 December 2005	8 368	630 632	1 974 197	363 581	25 026	-	-	3 001 804
Charge for the year	1 117	13 664	32 713	8 904	2 888	-	-	59 287
Disposals	-	-	(32 941)	(169)	-	-	-	(33 110)
At 31 March 2006	9 485	644 296	1 973 970	372 316	27 914	-	-	3 027 981
Net book value								
At 31 December 2004	5 854	519 481	439 546	124 106	21 175	2 227	266 801	1 379 190
At 31 December 2005	5 895	556 236	382 804	85 097	53 429	-	250 202	1 333 664
At 31 March 2006	6 158	542 573	375 895	82 120	57 494	-	250 202	1 314 442

3 . PARTICIPATING INTERESTS IN ENTERPRISES

	Captial share (%)	Amount of investment	Captial share (%)	Amount of investment
		2006 EUR		2005 EUR
Participating interests in associated enterprises				
Partisipation in "Neirozu klinika" Ltd.	45	140 552	45	140 552
Total participating interests in associated enterprises		140 552		140 552

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

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

4 . RAW MATERIALS

	2006	2005
	EUR	EUR
Pharmaceutical	62 341	60 706
Stock in warehouse	4 954	6 306
Inventory	6 232	3 580
Products	2 171	1 801
Furniture	1 242	1 424
Other materials	1 184	1 316
Advance payments to supplier of goods	807	2 285
Total	<u>78 931</u>	<u>77 419</u>

5 . DUE FROM CUSTOMERS

	2006	2005
	EUR	EUR
VOVAA Rigas department	299 495	103 603
Riga slimokase AAS	41 064	75 943
Balta AAS	15 437	14 851
Med.prof.izglitibas centrs	5 043	9 168
BTA AAS	9 274	8 865
LF Holdings	7 224	6 414
NBS militaras medicinas centrs	2 240	2 607
Ergo Latvija f.slimokase	1 756	2 592
SEESAM Life Latvija	4 604	2 429
Balva AAS	1 450	1 548
BALTIKUMS DZIVIBA AAS	871	1 443
Hospital patients treatment		24 062
Other customers	10 233	4 538
Total	<u>398 691</u>	<u>258 062</u>

6 . OTHER RECEIVABLES

	2006	2005
	EUR	EUR
VAT advance payment	346	344
VAT for unpaid invoices	966	1 167
Taxes overpayment (note No.20)	12 602	730
Other debtors	5 216	494
Total	<u>19 131</u>	<u>2 735</u>

7 . DEFFERED EXPENSES

	2006	2005
	EUR	EUR
Riga Stock Exchange, shares quotation		7 114
Assuarance expense	1 050	2 806
Other expense		427
Total	<u>1 050</u>	<u>10 347</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

8 . CASH

	2006	2005
	EUR	EUR
Cash in banks	831 318	1 021 000
Deposit	41 406	40 838
Cash on hands	12 709	5 824
Total	<u>885 433</u>	<u>1 067 662</u>

9 . SHARE CAPITAL

	2006	2006	2005	2004
	Number of share	Share %	Number of share	Share %
Shareholders:				
Janis Birks	302 109	37.76	302 109	37.8
Ilze Aizsilniece	80 766	10.10	80 766	10.1
Agris Shvarcbergs	85 559	10.69	44 147	5.5
Peteris Augustovs		0.00	41 412	5.2
State social insurance agency	40 000	5.00	40 000	5.0
Other shareholders (shares less than 5%)	291 566	36.45	291 566	36.4
Total	<u>800 000</u>	<u>100.00</u>	<u>800 000</u>	<u>100.0</u>

10 . OTHER LOANS

	2006	2005
	EUR	EUR
VOVAA diagnostics equipment - long-term p	-	
VOVAA diagnostics equipment - short-term p	75 730	75 730
deed of cession - Latvian Shiping Company	-	
Total	<u>75 730</u>	<u>75 730</u>

11 . DUE TO RECEIVED ADVANCE PAYMENTS

	2006	2005
	EUR	EUR
VOAVA advance payment for 2006	355 147	554 145
Other advances	4 256	5 467
Total	<u>359 402</u>	<u>559 612</u>

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

12 . DUE TO SUPPLIERS AND CONTRACTORS

	2006	2005
	EUR	EUR
Recipe Plus SIA	20 087	-
Tradintek SIA	16 135	24 203
Tamro SIA	10 539	-
B.Braun Medical	13 438	-
Valsts Patoloģijas centrs SIA	3 926	7 204
Invitros SIA	8 431	231
Latvijas Gaze	6 865	6 205
Arbor Medical Korporācija	5 784	-
Amerilat MD	5 754	-
Medeksperts SIA	4 972	-
S.A.V. SIA	1 998	-
Latvenergo Rīgas rajons	3 122	2 735
Latvenergo Rīgas elektrotīkls	1 508	2 211
Rīgas Ūdens	1 712	2 177
Sistēmu Audits SIA	-	1 679
Lattelekom	2 085	1 510
Nacion.medic.serviss-laboratory	1 073	1 137
Hanza Lizings SIA	-	-
Hospital Gaļezers BO	669	669
Rīgas Slimokases AAS	-	-
Rīgas Siltums	-	-
LUMPI institute	-	-
Other suppliers	40 643	10 454
Total	<u>148 739</u>	<u>60 414</u>

13 . TAXES

	2006	2005
	EUR	EUR
Value added tax	1 416	1 340
Social insurance	62 516	60 492
Personal income tax	40 038	37 985
Corporate income tax	-	2 832
Corporate income tax - penalty	17	17
Unemployment duty	46	260
Total	<u>104 032</u>	<u>102 927</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

14 . DUE TO OTHER COMPANIES

	2006	2005
	EUR	EUR
Due to other companies		
Salaries	127 140	111 619
Board remuneration	-	2 752
Trade union	1 089	1 020
Deposited salary	982	913
Deffered taxes	9 533	-
Council remuneration	-	438
Total	<u>138 744</u>	<u>116 743</u>

15 . NET SALES

	2006	2005
	EUR	EUR
Medical hospital services	708 795	2 415 028
Medical ambulant services	423 014	1 410 430
Services - minimum fixed part	3 849	984 606
Insurance payments	81 599	349 081
VS ZDC ambulant services	29 755	156 678
Stomatology services	13 500	60 131
Residents training	15 128	41 335
Family doctors	5 155	13 179
Othe income	17 871	43 781
Total	<u>1 298 667</u>	<u>5 474 247</u>

16 . COST OF GOODS SOLD

	2006	2005
	EUR	EUR
Salaries and wages	509 654	1 628 149
Medical goods	220 391	1 461 520
Social tax	118 627	379 038
Other operating expenses	88 092	247 987
Fixed assets depreciation	55 260	285 010
Public utilities	64 933	201 346
Accruals for vacations	-	153 287
Repair expenses	3 258	139 169
Feeding expenses	23 707	82 371
Household goods	19 153	79 592
Medical researches	31 365	76 071
Current assets write-off	17 634	50 664
Employees trainings	7 795	26 242
Gifts to employees	1 037	25 440
Office expenses	-	25 168
Rent fixed assets depreciation	2 887	11 551
Transport expense	2 574	12 043
Insurance expenses	1 134	4 121
Advertising	2 314	4 003

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

Tangible asstes amortization	1 118	3 941
Allowances to employees	598	3 324
Unemployment duty	554	3 160
Bad debt write-off	-	1 217
Received discounts	- 5 245	- 21 227
Building maintainance expenses	-	4 734
Other expenses	9 676	7 886
Total	1 176 515	4 895 805

17 . ADMINISTRATIVE EXPENSES

	2006	2005
	EUR	EUR
Salaries and wages	53 826	182 002
Social tax	10 030	42 227
Board chaiperson remuneration	9 005	34 999
Office expenses	9 597	28 836
Board remuneration	5 717	20 356
Other administrative expenses	1 345	9 351
Presentation expenses	2 389	7 490
Chairperson of the Board social tax	1 794	7 346
Board members social tax	1 377	4 903
Council chaiperson remuneration	1 067	4 269
Audit expenses	-	5 407
Council members remuniration	854	3 415
Bank expenses	353	1 685
Chairperson of the Council social tax	258	1 029
Council members social tax	188	787
Legal services	-	53
Total	97 800	354 153

18 . OTHER OPERATING INCOME

	2006	2005
	EUR	EUR
Rent income	10 263	33 936
Gain on sale of fixed assets	-	16 952
Feeding income	4 172	13 142
Press goods	2 477	6 676
Currency exchange gain	-	5 287
Solarium income	1 218	3 724
Launfry income	519	2 553
Other income	2 042	26 867
Total	20 692	109 136

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

19 . OTHER OPERATING EXPENSES

	2006	2005
	EUR	EUR
Fixed assets disposals	-	20 693
Penalties	852	228
Currency exchange loss	801	-
Other expenses	165	-
Total	<u>1 818</u>	<u>20 921</u>

20 . INTEREST INCOME AND SIMILAR INCOME

	2006	2005
	EUR	EUR
Interest income	5 852	10 011
Total	<u>5 852</u>	<u>10 011</u>

21 . INTEREST EXPENSE AND SIMILAR EXPENSE

	2006	2005
	EUR	EUR
Loan interest expenses (VOAVAA)	-	8 920
Leasing interest payments	-	55
Total	<u>-</u>	<u>8 976</u>
