

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**No audited**

**Consolidated Financial Statements: June 30, 2006,**

**in accordance with International financial reporting standards**

***EUR***

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**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**INFORMATION ABOUT THE COMPANY**

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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 38,7%  
ILZE AIZSILNIECE 10,1%  
AGRIS SHVARCBERGS 10,1%  
STATE SOCIAL INSURANCE AGENCY 5%

**CEO:** MARTA AIZSILNIECE

**REPORTING PERIOD:** 1 JANUARY 2006 - 30 JUNE 2006

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

### COUNCIL AND BOARD OF THE GROUP

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#### **Council of the Group**

From June 6, 2003 till the May 31, 2006

<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

#### **From May 31, 2006 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      died 31.07.06

#### **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 Juras medicines centrs" (hereinafter referred to as LJMC) and its subsidiary company SIA "Jūras medicīna" (hereinafter referred to as JM).

This no audited 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 data for 6 month period of year 2006 are not compared with data for 6 month period of year 2005 because another method for evaluating of financial investments was used in report for 30.06.2005.

### **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.

### **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

Member of the Board  
Andris Vigants

Member of the Board  
Marika Baumgarte

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

### **NOTICE OF RESPONSIBILITY OF MANAGEMENT**

Rely upon disposable information we confirm that the consolidated financial statements are prepared in accordance with existing normative documents and present fairly the assets, liabilities, financial position and profit or loss of the Group as of 30 June 2006. We confirm that Management report contains true information.

Chairperson of the Board

Marta Aizsilniece

Member of the Board, financial director

Andris Vigants

Member of the Board, chief accountant

Marika Baumgarte

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEARS ENDED 30 JUNE 2006 AND 31 DECEMBER 2005

EUR	2006	2005	Note
Net sales	2 640 945	5 474 216	15
Cost of goods sold	-2 454 542	-4 895 777	16
<b>Gross profit or loss</b>	<b>186 403</b>	<b>578 439</b>	
Administrative expenses	-221 239	-354 151	17
Other operating income	42 554	109 136	18
Other operating expenses	-9 378	-20 920	19
Interest income and similar income	9 811	10 011	20
Interest expense and similar expense	(2 554)	-8 975	21
<b>Extraordinary profit or loss before taxes</b>	<b>5 596</b>	<b>313 538</b>	
Corporate income tax	-	(59 476)	
Deferred tax	-	-	
Minority interest	(84)	(1 392)	
<b>NET PROFIT OR LOSS</b>	<b>5 512</b>	<b>252 671</b>	
<b>Number of shares</b>	<b>1 138 297</b>	<b>1 138 297</b>	
<b>One share profit EUR</b>	<b>0.00</b>	<b>0.31</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	Board member
_____	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET  
AS OF 30 JYNE 2006 AND 31 DECEMBER 2004

EUR	Jyne 30, 2006	December 31, 2005	Note
<b>ASSETS</b>			
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	74 107 -	77 418	4
<b>Total stocks</b>	<b>74 107 -</b>	<b>77 418</b>	
<b>Debtors:</b>			
Trade debtors	263 993 -	258 061	5
Other debtors	55 330 -	2 735	6
Accruals	1 810 -	10 347	7
<b>Total debtors</b>	<b>321 132 -</b>	<b>271 142</b>	
<b>Cash funds</b>	<b>532 893 -</b>	<b>1 067 656</b>	<b>8</b>
<b>Total current assets</b>	<b>928 132 -</b>	<b>1 416 217</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	5 491 -	5 895	2
Positive consolidation difference	- -	-	
<b>Total intangible assets</b>	<b>5 491</b>	<b>5 895</b>	
<b>Fixed assets:</b>			
Land and buildings	529 892 -	556 233	
Technological equipment and machines	410 513 -	382 802	
Other fixed assets and inventory	83 567 -	85 096	
Long term investments in rented fixed assets	49 672 -	53 429	
Advance payments for fixed assets	250 201 -	250 201	
Unfinished building objects	25 459 -	-	
<b>Total fixed assets:</b>	<b>1 349 304 -</b>	<b>1 327 761</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Participating interests in associated enterprises	140 551 -	140 551	3
<b>Total financial assets:</b>	<b>140 551 -</b>	<b>140 551</b>	
<b>Total long-term investments:</b>	<b>1 495 346 -</b>	<b>1 474 208</b>	
<b>TOTAL ASSETS</b>	<b>2 423 478</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	Board member
	Marika Baumgarte	Board member



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET  
AS OF 30 JUNE 2006 AND 31 DECEMBER 2004

EUR	June 30, 2006	December 31, 2005	Note
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Other loans	37 887	75 730	<b>10</b>
Received advance payments	5 892	559 608	<b>11</b>
Due to customers and suppliers	171 132	60 414	<b>12</b>
Taxes and social security payments	123 645	102 926	<b>13</b>
Other payables	160 804	116 742	<b>14</b>
<b>Total liabilities</b>	<b>499 360</b>	<b>915 420</b>	
<b>Provisions for liabilities and charges:</b>			
Accruals for taxes	56 915	66 448	
Provisions for vacations	155 886	155 886	
<b>Total provisions</b>	<b>212 800</b>	<b>222 334</b>	
<b>Total liabilities</b>	<b>712 160</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	53 728	53 728	
Retained earnings:			
a) brought forward from previous years	482 033	273 621	
b) current year profit or loss	5 512	252 671	
<b>Total shareholders' equity</b>	<b>1 679 571</b>	<b>1 718 317</b>	
<b>Minority interest</b>	<b>31 747</b>	<b>34 354</b>	
<b>Total equity capital</b>	<b>1 711 318</b>	<b>1 752 671</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>2 423 478</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	Board member
	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 30 JUNE 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
<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	-	-	0	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	-	-	0	5 512	-	5 512
Consolidated accumulated loss	-	-	1 559	-	-	1 559
Minority interest changes	-	-	(286)	-	(2 607)	(2 893)
<b>At 30 June 2006</b>	<b>1 138 297</b>	<b>53 728</b>	<b>482 033</b>	<b>5 512</b>	<b>31 747</b>	<b>1 711 318</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	Board member
_____	Marika Baumgarte	Board member

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED 30 JUNE 2006 AND 31 DECEMBER 2005

EUR	2006	2005	Note
<b>Cash flows used in operating activities</b>			
Net income before tax	5 512	313 538	
Adjustments:			
a) Depreciation of tangibles	119 436	300 640	2
b) provisions for vacations	-	26 656	
c) Loss (gain) on sale of tangibles	561	3 741	
d) interest expenses	2 554	8 975	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>128 063</b>	<b>653 551</b>	
Changes in operating assets and liabilities:	-	-	
a) receivables.	(19 260)	(129 615)	
b) inventory.	(3 311)	5 848	
c) current liabilities.	(378 218)	434 396	
<b>3. Gross operating cash flow</b>	<b>- 272 726</b>	<b>964 179</b>	
4. Paid interest.	(2 554)	(8 975)	
5. Paid corporate income tax.	(28 341)	(64 415)	
<b>7. Net cash used in operating activities</b>	<b>- 303 621</b>	<b>890 789</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates	(2 977)	(46 840)	
2. Purchase of fixed assets	(144 851)	(278 033)	2
3. Selling of fixed assets	60	16 952	
<b>4. Net cash from investment activities</b>	<b>(147 768)</b>	<b>(307 921)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Settlement of loans	(37 843)	(93 470)	
2. Paid dividends	(45 532)	(22 766)	
<b>3. Net cash from financing activities</b>	<b>(83 375)</b>	<b>(116 236)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>(534 764)</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>532 893</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	Board member
_____	Marika Baumgarte	Board member

# LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 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 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 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 affecting 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:

Buildings:	20 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2006 AND 31 DECEMBER 2005

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 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 aroused 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 30 JUNE 2006 AND 31 DECEMBER 2005**
**2 . FIXED ASSETS**

As of 30 June 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	Advance payments for fixed assets	Unfinished building objects	Total
<b>Historical cost</b>								
At 31 December 2004	10 280	1 099 274	2 236 005	463 677	34 651	2 227	266 800	4 112 913
Additions	3 983	87 588	132 723	26 537	43 803		-16 599	278 033
Transfers								
Disposals			-11 739	-41 538		-2 227		-55 503
At 31 December 2005	14 263	1 186 861	2 356 989	448 676	78 454	0	250 201	4 335 443
Additions	1 888		94 659	15 891	6 954	25 459		144 851
Disposals			-57 131	-16 531				-73 662
At 30 June 2006	16 151	1 186 861	2 394 517	448 035	85 408	25 459	250 201	4 406 633
	0	0	0	0	0	0	0	0
<b>Accumulated depreciation</b>	0	0	0	0	0	0	0	0
At 31 December 2004	4 427	579 796	1 796 461	339 571	13 476	0	0	2 733 731
Charge for the year	3 941	50 832	188 696	45 622	11 549			300 640
Disposals			-10 970	-21 613				-32 584
At 31 December 2005	8 368	630 628	1 974 186	363 579	25 025	0	0	3 001 787
Charge for the year	2 292	26 342	66 491	13 601	10 710			119 436
Disposals			-56 673	-12 712				-69 385
At 30 June 2006	10 660	656 970	1 984 004	364 469	35 735	0	0	3 051 838
	0	0	0	0	0	0	0	0
<b>Net book value</b>	0	0	0	0	0	0	0	0
At 31 December 2004	5 854	519 478	439 544	124 106	21 175	2 227	266 800	1 379 183
At 31 December 2005	5 895	556 233	382 802	85 096	53 429	0	250 201	1 333 656
At 30 June 2006	5 491	529 892	410 513	83 567	49 672	25 459	250 201	1 354 795

**3 . PARTICIPATING INTERESTS IN ENTERPRISES**

	Capital share (%)	Amount of investment	Capital share (%)	Amount of investment
		2006 EUR		2005 EUR
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	140 551	45	140 551
<b>Total participating interests in associated enterprises</b>		<b>140 551</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	58 602	60 705
Stock in warehouse	6 219	6 306
Inventory	4 977	3 580
Products	1 660	1 801

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 30 JUNE 2006 AND 31 DECEMBER 2005

Furniture	1 365	1 424
Other materials	507	1 316
Advance payments to supplier of goods	777	2 285
<b>Total</b>	<b>74 107</b>	<b>77 418</b>

5. DUE FROM CUSTOMERS

	2006 EUR	2005 EUR
VOVAA Rigas department	149 501	103 602
Riga slimokase AAS	54 156	75 943
Balta AAS	12 299	14 851
Med.prof.izglitibas centrs	5 043	9 168
BTA AAS	11 401	8 864
LF Holdings		6 414
NBS militaras medicinas centrs	2 719	2 607
Ergo Latvija slimokase	5 764	2 592
SEESAM Life Latvija	4 989	2 429
Balva AAS	1 531	1 548
BALTIKUMS DZIVIBA AAS	884	1 443
Hospital patients treatment		24 062
Other customers	15 706	4 538
<b>Total</b>	<b>263 993</b>	<b>258 061</b>

6. OTHER RECEIVABLES

	2006 EUR	2005 EUR
VAT advance payment		344
VAT for unpaid invoices	828	1 167
Taxes overpayment (note No.20)	28 955	730
Other debtors	25 546	494
<b>Total</b>	<b>55 330</b>	<b>2 735</b>

7. DIFFERED EXPENSES

	2006 EUR	2005 EUR
Riga Stock Exchange, shares quotation		7 114
Assurance expense	1 810	2 806
Other expense		427
<b>Total</b>	<b>1 810</b>	<b>10 347</b>

8. CASH

	2006 EUR	2005 EUR
Cash in banks	485 700	1 020 994
Deposit	39 840	40 838
Cash on hands	7 352	5 824
<b>Total</b>	<b>532 893</b>	<b>1 067 656</b>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 30 JUNE 2006 AND 31 DECEMBER 2005

9 . SHARE CAPITAL

	2006	2006	2005	2005
	Number of share	Share %	Number of share	Share %
Shareholders:				
Janis Birks	309 509	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%)	288 808	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>

10 . OTHER LOANS

	2006	2005
	EUR	EUR
VOVAA diagnostics equipment - long-term p		
VOVAA diagnostics equipment - short-term	37 887	75 730
deed of cession - Latvian Shipping Company		
<b>Total</b>	<b>37 887</b>	<b>75 730</b>

11 . DUE TO RECEIVED ADVANCE PAYMENTS

	2006	2005
	EUR	EUR
VOAVA advance payment for 2006	3 369	554 142
Other advances	2 523	5 467
<b>Total</b>	<b>5 892</b>	<b>559 608</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 30 JUNE 2006 AND 31 DECEMBER 2005**
**12 . DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Recipe Plus SIA	12 991	-
Tradintek SIA	8 638	24 203
Tamro SIA	10 652	-
B.Braun Medical	24 781	-
Valsts Patologijas centrs SIA	2 900	7 204
Invitros SIA	4 833	231
Latvijas Gaze	1 453	6 205
Arbor Medical Korporācija	2 190	-
Amerilat MD	4 787	-
Medeksperts SIA	407	-
S.A.V. SIA	-	-
Latvenergo Rīgas rajons	2 032	2 735
Latvenergo Rīgas elektrotīkls	2 992	2 211
Rīgas Ūdens	2 075	2 177
Sistēmu Audīts SIA	2 316	1 679
Lattelekom	2 279	1 510
Nacion.medic.serviss-laboratory	622	1 137
Hanza Lizings SIA	-	-
Hospital Gaiļezers BO	-	669
Rīgas Slimokases AAS	-	-
Rīgas Siltums	-	-
LUMPI institute	-	-
Other suppliers	85 184	10 454
<b>Total</b>	<b><u>171 132</u></b>	<b><u>60 414</u></b>

**13 . TAXES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Value added tax	1 713	1 340
Social insurance	72 197	60 492
Personal income tax	49 529	37 985
Corporate income tax	0	2 832
Corporate income tax - penalty	17	17
Unemployment duty	189	260
<b>Total</b>	<b><u>123 645</u></b>	<b><u>102 926</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**14 . DUE TO OTHER COMPANIES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Due to other companies		
Salaries	148 659	111 619
Board remuneration	172	2 752
Trade union	1 404	1 020
Deposited salary	1 036	913
Differed taxes	9 533	-
Council remuneration	-	438
<b>Total</b>	<b><u>160 804</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	1 335 526	2 415 015
Medical ambulant services	834 258	1 410 422
Services - minimum fixed part	101 478	984 600
Insurance payments	148 838	349 079
VS ZDC ambulant services	80 429	156 677
Stomatology services	24 202	60 131
Residents training	30 256	41 334
Family doctors	11 290	13 179
Other income	74 668	43 780
<b>Total</b>	<b><u>2 640 945</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>
Salaries and wages	1 113 360	1 628 140
Medical goods	430 023	1 461 511
Social tax	254 226	379 036
Other operating expenses	138 850	247 985
Fixed assets depreciation	109 981	285 008
Public utilities	124 298	201 345
Accruals for vacations	-	153 286
Repair expenses	6 071	139 168
Feeding expenses	42 564	82 370
Household goods	43 196	79 591
Medical researches	80 869	76 071
Current assets write-off	34 170	50 664
Employees trainings	15 680	26 242
Gifts to employees	14 670	25 440
Office expenses	14 109	25 168
Rent fixed assets depreciation	10 710	11 551
Transport expense	5 282	12 043
Insurance expenses	1 134	4 121
Advertising	3 442	4 003
Tangible assets amortization	2 292	3 941
Allowances to employees	1 266	3 324
Unemployment duty	1 111	3 160
Bad debt write-off	12 298	1 217

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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Received discounts	-10 440	-21 226
Boiling maintenance expenses	-	4 734
Other expenses	5 380	7 886
<b>Total</b>	<b>2 454 542</b>	<b>4 895 777</b>

17 . ADMINISTRATIVE EXPENSES

	2006	2005
	EUR	EUR
Salaries and wages	122 683	182 001
Social tax	25 858	42 227
Board chairperson remuneration	17 553	34 998
Office expenses	15 293	28 836
Board remuneration	12 232	20 356
Other administrative expenses	1 584	9 351
Presentation expenses	4 102	7 490
Chairperson of the Board social tax	3 497	7 346
Board members social tax	2 947	4 903
Council chairperson remuneration	3 699	4 269
Audit expenses	3 386	5 407
Council members remuneration	5 407	3 415
Bank expenses	711	1 685
Chairperson of the Council social tax	891	1 029
Council members social tax	1 246	787
Legal services	149	53
<b>Total</b>	<b>221 239</b>	<b>354 151</b>

18 . OTHER OPERATING INCOME

	2006	2005
	EUR	EUR
Rent income	20 495	33 935
Gain on sale of fixed assets	60	16 952
Feeding income	8 063	13 142
Press goods	4 032	6 676
Currency exchange gain	-	5 287
Solarium income	1 909	3 724
Laundry income	1 124	2 553
Other income	6 870	26 867
<b>Total</b>	<b>42 554</b>	<b>109 136</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**19 . OTHER OPERATING EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Fixed assets disposals	561	20 693
Penalties	865	228
Currency exchange loss	2 405	-
Other expenses	5 548	-
<b>Total</b>	<b><u>9 378</u></b>	<b><u>20 920</u></b>

**20 . INTEREST INCOME AND SIMILAR INCOME**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Interest income	9 811	10 011
<b>Total</b>	<b><u>9 811</u></b>	<b><u>10 011</u></b>

**21 . INTEREST EXPENSE AND SIMILAR EXPENSE**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Loan interest expenses (VOAVAA)	2 554	8 920
Leasing interest payments	-	55
<b>Total</b>	<b><u>2 554</u></b>	<b><u>8 975</u></b>

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