

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**No audited**

**Consolidated Financial Statements: June 30, 2006,  
in accordance with International financial reporting standards**

***LVL***

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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

LVL	2006	2005	Note
Net sales	1 856 067	3 847 301	15
Cost of goods sold	-1 725 062	-3 440 772	16
<b>Gross profit or loss</b>	<b>131 005</b>	<b>406 529</b>	
Administrative expenses	-155 488	-248 899	17
Other operating income	29 907	76 701	18
Other operating expenses	-6 591	-14 703	19
Interest income and similar income	6 895	7 036	20
Interest expense and similar expense	(1 795)	-6 308	21
<b>Extraordinary profit or loss before taxes</b>	<b>3 933</b>	<b>220 356</b>	
Corporate income tax	-	(41 800)	
Deferred tax	-	-	
Minority interest	(59)	(978)	
<b>NET PROFIT OR LOSS</b>	<b>3 874</b>	<b>177 578</b>	
<b>Number of shares</b>	<b>800 000</b>	<b>800 000</b>	
<b>One share profit LVL</b>	<b>0.00</b>	<b>0.22</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

LVL	Jyne 30, 2006	December 31, 2005	Note
<b>ASSETS</b>			
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	52 083	54 410	4
<b>Total stocks</b>	<b>52 083</b>	<b>54 410</b>	
<b>Debtors:</b>			
Trade debtors	185 535	181 366	5
Other debtors	38 886	1 922	6
Accruals	1 272	7 272	7
<b>Total debtors</b>	<b>225 693</b>	<b>190 560</b>	
<b>Cash funds</b>	<b>374 519</b>	<b>750 353</b>	<b>8</b>
<b>Total current assets</b>	<b>652 295</b>	<b>995 323</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	3 859	4 143	2
Positive consolidation difference	-	-	
<b>Total intangible assets</b>	<b>3 859</b>	<b>4 143</b>	
<b>Fixed assets:</b>			
Land and buildings	372 410	390 923	
Technological equipment and machines	288 510	269 035	
Other fixed assets and inventory	58 731	59 806	
Long term investments in rented fixed assets	34 910	37 550	
Advance payments for fixed assets	175 842	175 842	
Unfinished building objects	17 893	-	
<b>Total fixed assets:</b>	<b>948 296</b>	<b>933 156</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Participating interests in associated enterprises	98 780	98 780	3
<b>Total financial assets:</b>	<b>98 780</b>	<b>98 780</b>	
<b>Total long-term investments:</b>	<b>1 050 935</b>	<b>1 036 079</b>	
<b>TOTAL ASSETS</b>	<b>1 703 230</b>	<b>2 031 402</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

LVL	Jyne 30, 2006	December 31, 2005	Note
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Other loans	26 627	53 223	<b>10</b>
Received advance payments	4 141	393 295	<b>11</b>
Due to customers and suppliers	120 272	42 459	<b>12</b>
Taxes and social security payments	86 898	72 337	<b>13</b>
Other payables	113 014	82 047	<b>14</b>
<b>Total liabilities</b>	<b>350 952</b>	<b>643 361</b>	
<b>Provisions for liabilities and charges:</b>			
Accruals for taxes	40 000	46 700	
Provisions for vacations	109 557	109 557	
<b>Total provisions</b>	<b>149 557</b>	<b>156 257</b>	
<b>Total liabilities</b>	<b>500 509</b>	<b>799 618</b>	
<b>Equity capital:</b>			
Share equity	800 000	800 000	<b>9</b>
Reserves:			
c) reserves provided by the Articles of Association	37 760	37 760	
Retained earnings:			
a) brought forward from previous years	338 775	192 302	
b) current year profit or loss	3 874	177 578	
<b>Total shareholders' equity</b>	<b>1 180 409</b>	<b>1 207 640</b>	
<b>Minority interest</b>	<b>22 312</b>	<b>24 144</b>	
<b>Total equity capital</b>	<b>1 202 721</b>	<b>1 231 784</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>1 703 230</b>	<b>2 031 402</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

LVL	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>800 000</b>	<b>37 760</b>	<b>175 195</b>	<b>56 498</b>	<b>51 704</b>	<b>1 121 157</b>
Transfers to reserves	-	-	56 498	(56 498)	-	-
Dividends paid	-	-	(16 000)	-	-	(16 000)
Profit for the year	-	-	-	177 578	-	177 578
Consolidated accumulated loss	-	-	(23 391)	-	-	(23 391)
Minority interest changes	-	-	-	-	(27 560)	(27 560)
<b>At 31 December 2005</b>	<b>800 000</b>	<b>37 760</b>	<b>192 302</b>	<b>177 578</b>	<b>24 144</b>	<b>1 231 784</b>
Previous years retained earnings	-	-	177 578	(177 578)	-	-
Dividends paid	-	-	(32 000)	-	-	(32 000)
Profit for the year	-	-	-	3 874	-	3 874
Consolidated accumulated loss	-	-	1 096	-	-	1 096
Minority interest changes	-	-	(201)	-	(1 832)	(2 033)
<b>At 30 June 2006</b>	<b>800 000</b>	<b>37 760</b>	<b>338 775</b>	<b>3 874</b>	<b>22 312</b>	<b>1 202 721</b>

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

The financial statements were approved by:

_____	Marta Aizsiliece	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

LVL	2006	2005	Note
<b>Cash flows used in operating activities</b>			
Net income before tax	3 874	220 356	
Adjustments:			
a) Depreciation of tangibles	83 940	211 291	2
b) provisions for vacations	-	18 734	
c) Loss (gain) on sale of tangibles	394	2 629	
d) interest expenses	1 795	6 308	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>90 003</b>	<b>459 318</b>	
Changes in operating assets and liabilities:			
a) receivables.	(13 536)	(91 094)	
b) inventory.	(2 327)	4 110	
c) current liabilities.	(265 813)	305 295	
<b>3. Gross operating cash flow</b>	<b>- 191 673</b>	<b>677 629</b>	
4. Paid interest.	(1 795)	(6 308)	
5. Paid corporate income tax.	(19 918)	(45 271)	
<b>7. Net cash used in operating activities</b>	<b>- 213 386</b>	<b>626 050</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates	(2 092)	(32 919)	
2. Purchase of fixed assets	(101 802)	(195 403)	2
3. Selling of fixed assets	42	11 914	
<b>4. Net cash from investment activities</b>	<b>(103 852)</b>	<b>(216 408)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Settlement of loans	(26 596)	(65 691)	
2. Paid dividends	(32 000)	(16 000)	
<b>3. Net cash from financing activities</b>	<b>(58 596)</b>	<b>(81 691)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>(375 834)</b>	<b>327 951</b>	
<b>V. Cash at the beginning of the year</b>	<b>750 353</b>	<b>422 402</b>	
<b>VI. Cash at the end of the year</b>	<b>374 519</b>	<b>750 353</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:

LVL	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	7 225	772 574	1 571 473	325 874	24 353	1 565	187 508	2 890 572
Additions	2 799	61 557	93 278	18 650	30 785		-11 666	195 403
Transfers								
Disposals			-8 250	-29 193		-1 565		-39 008
At 31 December 2005	10 024	834 131	1 656 501	315 331	55 138	0	175 842	3 046 967
Additions	1 327		66 527	11 168	4 887	17 893		101 802
Disposals			-40 152	-11 618				-51 770
At 30 June 2006	11 351	834 131	1 682 876	314 881	60 025	17 893	175 842	3 096 999
<b>Accumulated depreciation</b>								
At 31 December 2004	3 111	407 483	1 262 560	238 652	9 471	0	0	1 921 277
Charge for the year	2 770	35 725	132 616	32 063	8 117			211 291
Disposals			-7 710	-15 190				-22 900
At 31 December 2005	5 881	443 208	1 387 466	255 525	17 588	0	0	2 109 668
Charge for the year	1 611	18 513	46 730	9 559	7 527			83 940
Disposals			-39 830	-8 934				-48 764
At 30 June 2006	7 492	461 721	1 394 366	256 150	25 115	0	0	2 144 844
<b>Net book value</b>								
At 31 December 2004	4 114	365 091	308 913	87 222	14 882	1 565	187 508	969 295
At 31 December 2005	4 143	390 923	269 035	59 806	37 550	0	175 842	937 299
At 30 June 2006	3 859	372 410	288 510	58 731	34 910	17 893	175 842	952 155

**3. PARTICIPATING INTERESTS IN ENTERPRISES**

	Capital share (%)	Amount of investment	Capital share (%)	Amount of investment
		2006 LVL		2005 LVL
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	98 780	45	98 780
<b>Total participating interests in associated enterprises</b>		<b>98 780</b>		<b>98 780</b>

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

**4. RAW MATERIALS**

	2006 LVL	2005 LVL
Pharmaceutical	41 186	42 664
Stock in warehouse	4 371	4 432
Inventory	3 498	2 516
Products	1 167	1 266

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

Furniture	959	1 001
Other materials	356	925
Advance payments to supplier of goods	546	1 606
<b>Total</b>	<b>52 083</b>	<b>54 410</b>

5. DUE FROM CUSTOMERS

	2006 LVL	2005 LVL
VOVAA Rigas department	105 070	72 812
Riga slimokase AAS	38 061	53 373
Balta AAS	8 644	10 437
Med.prof.izglitibas centrs	3 544	6 443
BTA AAS	8 013	6 230
LF Holdings		4 508
NBS militaras medicinas centrs	1 911	1 832
Ergo Latvija slimokase	4 051	1 822
SEESAM Life Latvija	3 506	1 707
Balva AAS	1 076	1 088
BALTIKUMS DZIVIBA AAS	621	1 014
Hospital patients treatment		16 911
Other customers	11 038	3 189
<b>Total</b>	<b>185 535</b>	<b>181 366</b>

6. OTHER RECEIVABLES

	2006 LVL	2005 LVL
VAT advance payment		242
VAT for unpaid invoices	582	820
Taxes overpayment (note No.20)	20 350	513
Other debtors	17 954	347
<b>Total</b>	<b>38 886</b>	<b>1 922</b>

7. DIFFERED EXPENSES

	2006 LVL	2005 LVL
Riga Stock Exchange, shares quotation		5 000
Assurance expense	1 272	1 972
Other expense		300
<b>Total</b>	<b>1 272</b>	<b>7 272</b>

8. CASH

	2006 LVL	2005 LVL
Cash in banks	341 352	717 559
Deposit	28 000	28 701
Cash on hands	5 167	4 093
<b>Total</b>	<b>374 519</b>	<b>750 353</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
	LVL	LVL
VOVAA diagnostics equipment - long-term p		
VOVAA diagnostics equipment - short-term	26 627	53 223
deed of cession - Latvian Shipping Company		
<b>Total</b>	<b>26 627</b>	<b>53 223</b>

11 . DUE TO RECEIVED ADVANCE PAYMENTS

	2006	2005
	LVL	LVL
VOAVA advance payment for 2006	2 368	389 453
Other advances	1 773	3 842
<b>Total</b>	<b>4 141</b>	<b>393 295</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>LVL</b>	<b>LVL</b>
Recipe Plus SIA	9 130	-
Tradintek SIA	6 071	17 010
Tamro SIA	7 486	-
B.Braun Medical	17 416	-
Valsts Patologijas centrs SIA	2 038	5 063
Invitros SIA	3 397	162
Latvijas Gaze	1 021	4 361
Arbor Medical Korporācija	1 539	-
Amerilat MD	3 364	-
Medeksperts SIA	286	-
S.A.V. SIA	-	-
Latvenergo Rīgas rajons	1 428	1 922
Latvenergo Rīgas elektrotīkls	2 103	1 554
Rīgas Ūdens	1 458	1 530
Sistēmu Audīts SIA	1 628	1 180
Lattelekom	1 602	1 061
Nacion.medic.serviss-laboratory	437	799
Hanza Lizings SIA	-	-
Hospital Gaiļezers BO	-	470
Rīgas Slimokases AAS	-	-
Rīgas Siltums	-	-
LUMPI institute	-	-
Other suppliers	59 868	7 347
<b>Total</b>	<b><u>120 272</u></b>	<b><u>42 459</u></b>

**13 . TAXES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Value added tax	1 204	942
Social insurance	50 740	42 514
Personal income tax	34 809	26 696
Corporate income tax	0	1 990
Corporate income tax - penalty	12	12
Unemployment duty	133	183
<b>Total</b>	<b><u>86 898</u></b>	<b><u>72 337</u></b>

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

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Due to other companies		
Salaries	104 478	78 446
Board remuneration	121	1 934
Trade union	987	717
Deposited salary	728	642
Differed taxes	6 700	-
Council remuneration	-	308
<b>Total</b>	<b><u>113 014</u></b>	<b><u>82 047</u></b>

**15 . NET SALES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Medical hospital services	938 613	1 697 282
Medical ambulant services	586 320	991 250
Services - minimum fixed part	71 319	691 981
Insurance payments	104 604	245 334
VS ZDC ambulant services	56 526	110 113
Stomatology services	17 009	42 260
Residents training	21 264	29 050
Family doctors	7 935	9 262
Other income	52 477	30 769
<b>Total</b>	<b><u>1 856 067</u></b>	<b><u>3 847 301</u></b>

**16 . COST OF GOODS SOLD**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	782 474	1 144 263
Medical goods	302 222	1 027 156
Social tax	178 671	266 388
Other operating expenses	97 584	174 285
Fixed assets depreciation	77 295	200 305
Public utilities	87 357	141 506
Accruals for vacations	-	107 730
Repair expenses	4 267	97 808
Feeding expenses	29 914	57 890
Household goods	30 358	55 937
Medical researches	56 835	53 463
Current assets write-off	24 015	35 607
Employees trainings	11 020	18 443
Gifts to employees	10 310	17 879
Office expenses	9 916	17 688
Rent fixed assets depreciation	7 527	8 118
Transport expense	3 712	8 464
Insurance expenses	797	2 896
Advertising	2 419	2 813
Tangible assets amortization	1 611	2 770
Allowances to employees	890	2 336
Unemployment duty	781	2 221
Bad debt write-off	8 643	855

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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Received discounts	-7 337	-14 918
Boiling maintenance expenses	-	3 327
Other expenses	3 781	5 542
<b>Total</b>	<b>1 725 062</b>	<b>3 440 772</b>

17 . ADMINISTRATIVE EXPENSES

	2006	2005
	LVL	LVL
Salaries and wages	86 222	127 911
Social tax	18 173	29 677
Board chairperson remuneration	12 336	24 597
Office expenses	10 748	20 266
Board remuneration	8 597	14 306
Other administrative expenses	1 113	6 572
Presentation expenses	2 883	5 264
Chairperson of the Board social tax	2 458	5 163
Board members social tax	2 071	3 446
Council chairperson remuneration	2 600	3 000
Audit expenses	2 380	3 800
Council members remuneration	3 800	2 400
Bank expenses	500	1 184
Chairperson of the Council social tax	626	723
Council members social tax	876	553
Legal services	105	37
<b>Total</b>	<b>155 488</b>	<b>248 899</b>

18 . OTHER OPERATING INCOME

	2006	2005
	LVL	LVL
Rent income	14 404	23 850
Gain on sale of fixed assets	42	11 914
Feeding income	5 667	9 236
Press goods	2 834	4 692
Currency exchange gain	-	3 716
Solarium income	1 342	2 617
Laundry income	790	1 794
Other income	4 828	18 882
<b>Total</b>	<b>29 907</b>	<b>76 701</b>

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**19 . OTHER OPERATING EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Fixed assets disposals	394	14 543
Penalties	608	160
Currency exchange loss	1 690	-
Other expenses	3 899	-
<b>Total</b>	<b><u>6 591</u></b>	<b><u>14 703</u></b>

**20 . INTEREST INCOME AND SIMILAR INCOME**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Interest income	6 895	7 036
<b>Total</b>	<b><u>6 895</u></b>	<b><u>7 036</u></b>

**21 . INTEREST EXPENSE AND SIMILAR EXPENSE**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Loan interest expenses (VOAVAA)	1 795	6 269
Leasing interest payments	-	39
<b>Total</b>	<b><u>1 795</u></b>	<b><u>6 308</u></b>

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