

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**No audited**

**Consolidated Financial Statements: September 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%  
PETERIS AUGUSTOVS 0%  
STATE SOCIAL INSURANCE AGENCY 5%

**CEO:** MARTA AIZSILNIECE

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

**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	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 22.11.2006**

<u>Name</u>	<u>Position</u>	
Agris Shvarcbergs	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

**22.11.2006 elected following Council members:**

Agris Shvarcbergs  
Antons Vjaters  
Vladislavs Skrebelis,  
Austris Adumans  
Mārtiņš Birks

**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	Member of the Board
Marika Baumgarte	Member of the Board

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

### **MANAGEMENT REPORT**

In accordance with the paragraph 1 of Section 4 of the law "On Consolidated Annual Reports" the joint stock company is under an obligation to prepare the consolidated Annual Report.

The Consolidated 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 and 1 July 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**

The extraordinary shareholder meeting in 22.11.2006 elected Council and approved nearest activities of company's development.

#### **Future Development of the Group**

The project development for a new surgery hospital in Vecmilgravis started in this year. The reconstruction of sterilization in Central hospital will be carried out in next 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 31 October 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 SEPTEMBER 2006 AND 31 DECEMBER 2005

EUR	2006	2005	Note
Net sales	4 005 047	5 474 216	15
Cost of goods sold	(3 668 192)	(4 895 777)	16
<b>Gross profit or loss</b>	<b>336 855</b>	<b>578 439</b>	
Administrative expenses	(323 380)	(354 151)	17
Other operating income	62 253	109 136	18
Other operating expenses	(13 800)	(20 920)	19
Interest income and similar income	13 578	10 011	20
Interest expense and similar expense	(2 554)	(8 975)	21
<b>Extraordinary profit or loss before taxes</b>	<b>72 952</b>	<b>313 538</b>	
Corporate income tax	-	(59 476)	
Deferred tax	-	-	
Minority interest	(174)	(1 392)	
<b>NET PROFIT OR LOSS</b>	<b>72 778</b>	<b>252 671</b>	
<b>Number of shares</b>	<b>800 000</b>	<b>800 000</b>	
<b>One share profit LVL</b>	<b>0,09</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

CONSOLIDATED BALANCE SHEET  
AS OF 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

EUR	September 30, 2006	December 31, 2005	Note
<b>ASSETS</b>			
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	77 056	77 418	4
<b>Total stocks</b>	<b>77 056</b>	<b>77 418</b>	
<b>Debtors:</b>			
Trade debtors	249 673	258 061	5
Other debtors	47 932	2 735	6
Accruals	1 658	10 347	7
<b>Total debtors</b>	<b>299 263</b>	<b>271 142</b>	
<b>Cash funds</b>	<b>571 923</b>	<b>1 067 656</b>	<b>8</b>
<b>Total current assets</b>	<b>948 242</b>	<b>1 416 217</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	5 363	5 895	2
Positive consolidation difference	-	-	
<b>Total intangible assets</b>	<b>5 363</b>	<b>5 895</b>	
<b>Fixed assets:</b>			
Land and buildings	554 537	556 233	
Technological equipment and machines	451 075	382 802	
Other fixed assets and inventory	87 891	85 096	
Long term investments in rented fixed assets	42 554	53 429	
Advance payments for fixed assets	250 201	250 201	
Unfinished building objects	12 450	-	
<b>Total fixed assets:</b>	<b>1 398 707</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>1 544 621</b>	<b>1 474 208</b>	
<b>TOTAL ASSETS</b>	<b>2 492 863</b>	<b>2 890 425</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	Member of the Board
	Marika Baumgarte	Member of the Board



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET  
AS OF 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

EUR	September 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	4 479	559 608	<b>11</b>
Due to customers and suppliers	230 739	60 414	<b>12</b>
Taxes and social security payments	111 698	72 337	<b>13</b>
Other payables	132 718	116 742	<b>14</b>
Current year dividends			
Accrued previous year dividends			
<b>Total liabilities</b>	<b>517 521</b>	<b>884 831</b>	
<b>Provisions for liabilities and charges:</b>			
Accruals for taxes	66 448	66 448	
Provisions for vacations	155 886	155 886	
<b>Total provisions</b>	<b>222 334</b>	<b>222 334</b>	
<b>Total liabilities</b>	<b>739 855</b>	<b>1 107 165</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	482 072	273 621	
b) current year profit or loss	72 778	252 671	
<b>Total shareholders' equity</b>	<b>1 746 875</b>	<b>1 718 317</b>	
<b>Minority interest</b>	<b>6 133</b>	<b>34 354</b>	
<b>Total equity capital</b>	<b>1 753 008</b>	<b>1 752 671</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIE</b>	<b>2 492 863</b>	<b>2 859 835</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	Member of the Board
	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

EUR	Share capital	provided by the Articles of	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	-	-	-	72 778	-	72 778
Consolidated accumulated loss	-	-	-	-	-	-
Minority interest changes	-	-	1 312	-	(28 221)	(26 909)
<b>At 30 September 2006</b>	<b>1 138 297</b>	<b>53 728</b>	<b>482 072</b>	<b>72 778</b>	<b>6 133</b>	<b>1 753 008</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 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

EUR	2006	2005	Note
<b>Cash flows used in operating activities</b>			
Net income before tax	72 952	313 538	
Adjustments:	-	-	
a) Depreciation of tangibles	189 058	300 640	2
b) provisions for vacations	-	26 656	
c) Loss (gain) on sale of tangibles	1 467	3 741	
d) interest expenses	2 554	8 975	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>266 031</b>	<b>653 551</b>	
Changes in operating assets and liabilities:	-	-	
a) receivables.	(28 120)	(129 615)	
b) inventory.	363	5 848	
c) current liabilities.	(311 413)	434 396	
<b>3. Gross operating cash flow</b>	<b>(73 138)</b>	<b>964 179</b>	
4. Paid interest.	(2 554)	(8 975)	
5. Paid corporate income tax.	(44 248)	(64 415)	
<b>7. Net cash used in operating activities</b>	<b>(119 941)</b>	<b>890 789</b>	
	-	-	
<b>II. Cash flow used in investment activities</b>			
	-	-	
1. Purchase of shares of associates	(31 416)	(46 840)	
2. Purchase of fixed assets	(261 061)	(278 033)	2
3. Selling of fixed assets	60	16 952	
<b>4. Net cash from investment activities</b>	<b>(292 417)</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>(495 733)</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>571 923</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 30 SEPTEMBER 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 were the follows:

	September 30, 2006	December 31, 2005
EUR	0,702804	0,702804
USD	0,552	0,593

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

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

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 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 SEPTEMBER 2006 AND 31 DECEMBER 2005

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

As of 30 September 2006 and 31 December 2005  
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>								
<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								
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>448 676</b>	<b>78 454</b>	<b>-</b>	<b>250 201</b>	<b>4 335 443</b>
Additions	3 042	37 170	172 078	29 368	6 954	12 450		261 061
Transfers								-
Disposals	(302)		(81 138)	(18 977)				(100 416)
<b>At 30 September 2006</b>	<b>17 003</b>	<b>1 224 031</b>	<b>2 447 929</b>	<b>459 067</b>	<b>85 408</b>	<b>12 450</b>	<b>250 201</b>	<b>4 496 089</b>
<b>Accumulated depreciation</b>								
<b>At 31 December 2004</b>	<b>4 427</b>	<b>579 796</b>	<b>1 796 461</b>	<b>339 571</b>	<b>13 476</b>	<b>-</b>	<b>-</b>	<b>2 733 731</b>
Charge for the year	3 941	50 832	188 696	45 622	11 549			300 640
Disposals			(10 970)	(21 613)				(32 584)
<b>At 31 December 2005</b>	<b>8 368</b>	<b>630 628</b>	<b>1 974 186</b>	<b>363 579</b>	<b>25 025</b>	<b>-</b>	<b>-</b>	<b>3 001 787</b>
Charge for the year	3 493	38 866	102 835	26 036	17 829			189 058
Disposals	(221)		(80 167)	(18 439)				(98 827)
<b>At 30 September 2006</b>	<b>11 641</b>	<b>669 494</b>	<b>1 996 854</b>	<b>371 176</b>	<b>42 854</b>	<b>-</b>	<b>-</b>	<b>3 092 019</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>-</b>	<b>250 201</b>	<b>1 333 656</b>
<b>At 30 September 2006</b>	<b>5 363</b>	<b>554 537</b>	<b>451 075</b>	<b>87 891</b>	<b>42 554</b>	<b>12 450</b>	<b>250 201</b>	<b>1 404 070</b>

### 3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investmen t 2006 EUR	Capital share (%)	Amount of investment 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	61 211	60 705
Stock in warehouse	5 773	6 306
Inventory	4 883	3 580
Products	1 612	1 801
Furniture	1 242	1 424
Other materials	1 232	1 316
Advance payments to supplier of goods	1 103	2 285
<b>Total</b>	<b>77 056</b>	<b>77 418</b>

### 5 DUE FROM CUSTOMERS

	2006 EUR	2005 EUR
VOVAA Rigas department	162 668	103 602
Riga slimokase AAS	16 367	75 943
Balta AAS	8 495	14 851

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 30 SEPTEMBER 2006 AND 31 DECEMBER 2005**

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Med.prof.izglitibas centrs	9 044	9 168
BTA AAS	16 988	8 864
LF Holdings		6 414
NBS militaras medicinas centrs	1 780	2 607
Ergo Latvija slimokase	6 221	2 592
SEESAM Life Latvija	3 123	2 429
Balva AAS	851	1 548
BALTIKUMS DZIVIBA AAS	205	1 443
Hospital patients treatment		24 062
Other customers	23 931	4 538
Total	<u>249 673</u>	<u>258 061</u>

**6 OTHER RECEIVABLES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
VAT advance payment		344
VAT for unpaid invoices	896	1 167
Taxes overpayment (note No.20)	45 474	730
Other debtors	1 562	494
Total	<u>47 932</u>	<u>2 735</u>

**7 DIFFERED EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Riga Stock Exchange, shares quotation		7 114
Assurance expense	1 658	2 806
Other expense		427
Total	<u>1 658</u>	<u>10 347</u>

**8 CASH**



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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	2006	2005
	EUR	EUR
Cash in banks	524 964	1 020 994
Deposit	39 271	40 838
Cash on hands	7 688	5 824
<b>Total</b>	<b>571 923</b>	<b>1 067 656</b>

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**9 SHARE CAPITAL**

	<b>2006</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
	<b>Number of</b>	<b>Share %</b>	<b>Number of</b>	<b>Share %</b>
	<b>shares</b>		<b>shares</b>	
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**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
VOVAA diagnostics equipment - long-term part		
VOVAA diagnostics equipment - short-term part	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**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
VOAVA advance payment for 2006	3 334	554 142
Other advances	1 145	5 467
<b>Total</b>	<b>4 479</b>	<b>559 608</b>

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**12 DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Recipe Plus SIA	10 606	-
Tradintek SIA	56 821	24 203
Tamro SIA	9 217	-
B.Braun Medical	11 051	-
Valsts Patoloģijas centrs SIA	3 201	7 204
Invitros SIA	5 913	231
Latvijas Gaze	983	6 205
Arbor Medical Korporācija	28	-
Amerilat MD	359	-
Medeksperts SIA	1 729	-
S.A.V. SIA	1 030	-
Latvenergo Rīgas rajons	2 294	2 735
Latvenergo Rīgas elektrotīkls	2 194	2 211
Rīgas Ūdens	556	2 177
Sistēmu Audits SIA	-	1 679
Lattelekom	2 085	1 510
Nacion.medic.serviss-laboratory	716	1 137
Hanza Lizings SIA	-	-
Hospital Gaiļezers BO	2 550	669
Rīgas Slimokases AAS	-	-
Rīgas Siltums	-	-
LUMPI institute	-	-
Other suppliers	119 405	10 454
<b>Total</b>	<b>230 739</b>	<b>60 414</b>

**13 TAXES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Value added tax	1 551	942

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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Social insurance	66 339	42 514
Personal income tax	43 621	26 696
Corporate income tax	-	1 990
Corporate income tax - penalty	-	12
Unemployment duty	188	183
<b>Natural resources tax</b>	<b>111 698</b>	<b>72 337</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	130 455	111 619
Board remuneration	-	2 752
Trade union	1 145	1 020
Deposited salary	1 118	913
Differed taxes	-	-
Council remuneration	-	438
<b>Total</b>	<b><u>132 718</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	2 056 573	2 415 015
Medical ambulant services	1 258 563	1 410 422
Services - minimum fixed part	237 608	984 600
Insurance payments	148 838	349 079
VS ZDC ambulant services	128 945	156 677
Stomatology services	34 433	60 131
Residents training	49 707	41 334
Family doctors	16 978	13 179
Other income	73 402	43 780
<b>Total</b>	<b><u>4 005 047</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	1 644 595	1 628 140
Medical goods	604 981	1 461 511
Social tax	377 962	379 036

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

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Other operating expenses	228 084	247 985
Fixed assets depreciation	167 684	285 008
Public utilities	179 750	201 345
Accruals for vacations	-	153 286
Repair expenses	51 716	139 168
Feeding expenses	58 715	82 370
Household goods	58 745	79 591
Medical researches	152 380	76 071
Current assets write-off	51 488	50 664
Employees trainings	21 022	26 242
Gifts to employees	15 388	25 440
Office expenses	17 056	25 168
Rent fixed assets depreciation	17 827	11 551
Transport expense	7 362	12 043
Insurance expenses	2 318	4 121
Advertising	3 588	4 003
Tangible assets amortization	3 493	3 941
Allowances to employees	1 636	3 324
Unemployment duty	1 503	3 160
Bad debt write-off	11 742	1 217
Received discounts	(16 097)	(21 226)
Boiling maintenance expenses	-	4 734
Other expenses	5 256	7 886
<b>Total</b>	<b>3 668 192</b>	<b>4 895 777</b>

**17 ADMINISTRATIVE EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and wages	180 742	182 001
Social tax	39 273	42 227
Board chairperson remuneration	24 270	34 998
Office expenses	22 217	28 836
Board remuneration	17 642	20 356
Other administrative expenses	2 803	9 351

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

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Presentation expenses	5 290	7 490
Chairperson of the Board social tax	4 836	7 346
Board members social tax	4 250	4 903
Council chairperson remuneration	6 901	4 269
Audit expenses	3 386	5 407
Council members remuneration	7 114	3 415
Bank expenses	1 084	1 685
Chairperson of the Council social tax	1 662	1 029
Council members social tax	1 639	787
Legal services	270	53
<b>Total</b>	<b>323 380</b>	<b>354 151</b>

**18 OTHER OPERATING INCOME**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Rent income	30 646	33 935
Gain on sale of fixed assets	60	16 952
Feeding income	10 758	13 142
Press goods	7 536	6 676
Currency exchange gain	-	5 287
Solarium income	2 504	3 724
Laundry income	1 753	2 553
Other income	8 997	26 867
<b>Total</b>	<b>62 253</b>	<b>109 136</b>

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**19 OTHER OPERATING EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Fixed assets disposals	1 467	20 693
Penalties	865	228
Currency exchange loss	2 982	-
Other expenses	8 486	-
<b>Total</b>	<b><u>13 800</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	13 578	10 011
<b>Total</b>	<b><u>13 578</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>