

**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

LVL	2006	2005	Note
Net sales	2 814 763	3 847 301	15
Cost of goods sold	(2 578 020)	(3 440 772)	16
<b>Gross profit or loss</b>	<b>236 743</b>	<b>406 529</b>	
Administrative expenses	(227 273)	(248 899)	17
Other operating income	43 752	76 701	18
Other operating expenses	(9 699)	(14 703)	19
Interest income and similar income	9 543	7 036	20
Interest expense and similar expense	(1 795)	(6 308)	21
<b>Extraordinary profit or loss before taxes</b>	<b>51 271</b>	<b>220 356</b>	
Corporate income tax	-	(41 800)	
Deferred tax	-	-	
Minority interest	(122)	(978)	
<b>NET PROFIT OR LOSS</b>	<b>51 149</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>0,06</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	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

LVL	September 30, 2006	December 31, 2005	Note
<b>ASSETS</b>			
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	54 155	54 410	4
<b>Total stocks</b>	<b>54 155</b>	<b>54 410</b>	
<b>Debtors:</b>			
Trade debtors	175 471	181 366	5
Other debtors	33 687	1 922	6
Accruals	1 165	7 272	7
<b>Total debtors</b>	<b>210 323</b>	<b>190 560</b>	
<b>Cash funds</b>	<b>401 950</b>	<b>750 353</b>	<b>8</b>
<b>Total current assets</b>	<b>666 428</b>	<b>995 323</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	3 769	4 143	2
Positive consolidation difference	-	-	
<b>Total intangible assets</b>	<b>3 769</b>	<b>4 143</b>	
<b>Fixed assets:</b>			
Land and buildings	389 731	390 923	
Technological equipment and machines	317 017	269 035	
Other fixed assets and inventory	61 770	59 806	
Long term investments in rented fixed assets	29 907	37 550	
Advance payments for fixed assets	175 842	175 842	
Unfinished building objects	8 750	-	
<b>Total fixed assets:</b>	<b>983 017</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>1 085 566</b>	<b>1 036 079</b>	
<b>TOTAL ASSETS</b>	<b>1 751 994</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	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

LVL	September 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	3 148	393 295	<b>11</b>
Due to customers and suppliers	162 164	42 459	<b>12</b>
Taxes and social security payments	78 502	72 337	<b>13</b>
Other payables	93 275	82 047	<b>14</b>
Current year dividends			
Accrued previous year dividends			
<b>Total liabilities</b>	<b>363 716</b>	<b>643 361</b>	
<b>Provisions for liabilities and charges:</b>			
Accruals for taxes	46 700	46 700	
Provisions for vacations	109 557	109 557	
<b>Total provisions</b>	<b>156 257</b>	<b>156 257</b>	
<b>Total liabilities</b>	<b>519 973</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	338 802	192 302	
b) current year profit or loss	51 149	177 578	
<b>Total shareholders' equity</b>	<b>1 227 711</b>	<b>1 207 640</b>	
<b>Minority interest</b>	<b>4 310</b>	<b>24 144</b>	
<b>Total equity capital</b>	<b>1 232 021</b>	<b>1 231 784</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIE</b>	<b>1 751 994</b>	<b>2 031 402</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

LVL	Share capital	provided by the Articles of	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	-	-	-	51 149	-	51 149
Consolidated accumulated loss	-	-	-	-	-	-
Minority interest changes	-	-	922	-	(19 834)	(18 912)
<b>At 30 September 2006</b>	<b>800 000</b>	<b>37 760</b>	<b>338 802</b>	<b>51 149</b>	<b>4 310</b>	<b>1 232 021</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  
AND 31 DECEMBER 2005**

LVL	2006	2005	Note
<b>Cash flows used in operating activities</b>			
<b>Net income before tax</b>	51 271	220 356	
Adjustments:			
a) Depreciation of tangibles	132 871	211 291	2
b) provisions for vacations	-	18 734	
c) Loss (gain) on sale of tangibles	1 031	2 629	
d) interest expenses	1 795	6 308	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>186 968</b>	<b>459 318</b>	
Changes in operating assets and liabilities:			
a) receivables.	(19 763)	(91 094)	
b) inventory.	255	4 110	
c) current liabilities.	(218 862)	305 295	
<b>3. Gross operating cash flow</b>	<b>(51 402)</b>	<b>677 629</b>	
4. Paid interest.	(1 795)	(6 308)	
5. Paid corporate income tax.	(31 098)	(45 271)	
<b>7. Net cash used in operating activities</b>	<b>(84 295)</b>	<b>626 050</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates	(22 079)	(32 919)	
2. Purchase of fixed assets	(183 475)	(195 403)	2
3. Selling of fixed assets	42	11 914	
<b>4. Net cash from investment activities</b>	<b>(205 512)</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>(348 403)</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>401 950</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	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:

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>								
<b>At 31 December 2004</b>	<b>7 225</b>	<b>772 574</b>	<b>1 571 473</b>	<b>325 874</b>	<b>24 353</b>	<b>1 565</b>	<b>187 508</b>	<b>2 890 572</b>
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)
<b>At 31 December 2005</b>	<b>10 024</b>	<b>834 131</b>	<b>1 656 501</b>	<b>315 331</b>	<b>55 138</b>	<b>-</b>	<b>175 842</b>	<b>3 046 967</b>
Additions	2 138	26 123	120 937	20 640	4 887	8 750		183 475
Transfers								-
Disposals	(212)		(57 024)	(13 337)				(70 573)
<b>At 30 September 2006</b>	<b>11 950</b>	<b>860 254</b>	<b>1 720 414</b>	<b>322 634</b>	<b>60 025</b>	<b>8 750</b>	<b>175 842</b>	<b>3 159 869</b>
<b>Accumulated depreciation</b>								
<b>At 31 December 2004</b>	<b>3 111</b>	<b>407 483</b>	<b>1 262 560</b>	<b>238 652</b>	<b>9 471</b>	<b>-</b>	<b>-</b>	<b>1 921 277</b>
Charge for the year	2 770	35 725	132 616	32 063	8 117			211 291
Disposals			(7 710)	(15 190)				(22 900)
<b>At 31 December 2005</b>	<b>5 881</b>	<b>443 208</b>	<b>1 387 466</b>	<b>255 525</b>	<b>17 588</b>	<b>-</b>	<b>-</b>	<b>2 109 668</b>
Charge for the year	2 455	27 315	72 273	18 298	12 530			132 871
Disposals	(155)		(56 342)	(12 959)				(69 456)
<b>At 30 September 2006</b>	<b>8 181</b>	<b>470 523</b>	<b>1 403 397</b>	<b>260 864</b>	<b>30 118</b>	<b>-</b>	<b>-</b>	<b>2 173 083</b>
<b>Net book value</b>								
<b>At 31 December 2004</b>	<b>4 114</b>	<b>365 091</b>	<b>308 913</b>	<b>87 222</b>	<b>14 882</b>	<b>1 565</b>	<b>187 508</b>	<b>969 295</b>
<b>At 31 December 2005</b>	<b>4 143</b>	<b>390 923</b>	<b>269 035</b>	<b>59 806</b>	<b>37 550</b>	<b>-</b>	<b>175 842</b>	<b>937 299</b>
<b>At 30 September 2006</b>	<b>3 769</b>	<b>389 731</b>	<b>317 017</b>	<b>61 770</b>	<b>29 907</b>	<b>8 750</b>	<b>175 842</b>	<b>986 786</b>

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

**3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES**

	Capital share (%)	Amount of investmen t 2006 LVL	Capital share (%)	Amount of investment 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	43 019	42 664
Stock in warehouse	4 057	4 432
Inventory	3 432	2 516
Products	1 133	1 266
Furniture	873	1 001
Other materials	866	925
Advance payments to supplier of goods	775	1 606
<b>Total</b>	<b>54 155</b>	<b>54 410</b>

**5 DUE FROM CUSTOMERS**

	2006 LVL	2005 LVL
VOVAA Rigas department	114 324	72 812
Riga slimokase AAS	11 503	53 373
Balta AAS	5 970	10 437

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

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

Med.prof.izglitibas centrs	6 356	6 443
BTA AAS	11 939	6 230
LF Holdings		4 508
NBS militaras medicinas centrs	1 251	1 832
Ergo Latvija slimokase	4 372	1 822
SEESAM Life Latvija	2 195	1 707
Balva AAS	598	1 088
BALTIKUMS DZIVIBA AAS	144	1 014
Hospital patients treatment		16 911
Other customers	16 819	3 189
<b>Total</b>	<b>175 471</b>	<b>181 366</b>

**6 OTHER RECEIVABLES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
VAT advance payment		242
VAT for unpaid invoices	630	820
Taxes overpayment (note No.20)	31 959	513
Other debtors	1 098	347
<b>Total</b>	<b>33 687</b>	<b>1 922</b>

**7 DIFFERED EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Riga Stock Exchange, shares quotation		5 000
Assurance expense	1 165	1 972
Other expense		300
<b>Total</b>	<b>1 165</b>	<b>7 272</b>

**8 CASH**



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Cash in banks	368 947	717 559
Deposit	27 600	28 701
Cash on hands	5 403	4 093
<b>Total</b>	<b><u>401 950</u></b>	<b><u>750 353</u></b>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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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>LVL</b>	<b>LVL</b>
VOVAA diagnostics equipment - long-term part		
VOVAA diagnostics equipment - short-term part	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**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
VOAVA advance payment for 2006	2 343	389 453
Other advances	805	3 842
<b>Total</b>	<b>3 148</b>	<b>393 295</b>

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**12 DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Recipe Plus SIA	7 454	-
Tradintek SIA	39 934	17 010
Tamro SIA	6 478	-
B.Braun Medical	7 767	-
Valsts Patologijas centrs SIA	2 250	5 063
Invitros SIA	4 156	162
Latvijas Gaze	691	4 361
Arbor Medical Korporācija	20	-
Amerilat MD	252	-
Medeksperts SIA	1 215	-
S.A.V. SIA	724	-
Latvenergo Rīgas rajons	1 612	1 922
Latvenergo Rīgas elektrotīkls	1 542	1 554
Rīgas Ūdens	391	1 530
Sistēmu Audits SIA	-	1 180
Lattelekom	1 465	1 061
Nacion.medic.serviss-laboratory	503	799
Hanza Lizings SIA	-	-
Hospital Gaiļezers BO	1 792	470
Rīgas Slimokases AAS	-	-
Rīgas Siltums	-	-
LUMPI institute	-	-
Other suppliers	83 918	7 347
<b>Total</b>	<b>162 164</b>	<b>42 459</b>

**13 TAXES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Value added tax	1 090	942

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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Social insurance	46 623	42 514
Personal income tax	30 657	26 696
Corporate income tax	-	1 990
Corporate income tax - penalty	-	12
Unemployment duty	132	183
<b>Natural resources tax</b>	<b><u>78 502</u></b>	<b><u>72 337</u></b>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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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	91 684	78 446
Board remuneration	-	1 934
Trade union	805	717
Deposited salary	786	642
Differed taxes	-	-
Council remuneration	-	308
<b>Total</b>	<b><u>93 275</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	1 445 368	1 697 282
Medical ambulant services	884 523	991 250
Services - minimum fixed part	166 992	691 981
Insurance payments	104 604	245 334
VS ZDC ambulant services	90 623	110 113
Stomatology services	24 200	42 260
Residents training	34 934	29 050
Family doctors	11 932	9 262
Other income	51 587	30 769
<b>Total</b>	<b><u>2 814 763</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	1 155 828	1 144 263
Medical goods	425 183	1 027 156
Social tax	265 633	266 388

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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Other operating expenses	160 298	174 285
Fixed assets depreciation	117 849	200 305
Public utilities	126 329	141 506
Accruals for vacations	-	107 730
Repair expenses	36 346	97 808
Feeding expenses	41 265	57 890
Household goods	41 286	55 937
Medical researches	107 093	53 463
Current assets write-off	36 186	35 607
Employees trainings	14 774	18 443
Gifts to employees	10 815	17 879
Office expenses	11 987	17 688
Rent fixed assets depreciation	12 529	8 118
Transport expense	5 174	8 464
Insurance expenses	1 629	2 896
Advertising	2 522	2 813
Tangible assets amortization	2 455	2 770
Allowances to employees	1 150	2 336
Unemployment duty	1 056	2 221
Bad debt write-off	8 252	855
Received discounts	(11 313)	(14 918)
Boiling maintenance expenses	-	3 327
Other expenses	3 694	5 542
<b>Total</b>	<b>2 578 020</b>	<b>3 440 772</b>

**17 ADMINISTRATIVE EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	127 026	127 911
Social tax	27 601	29 677
Board chairperson remuneration	17 057	24 597
Office expenses	15 614	20 266
Board remuneration	12 399	14 306
Other administrative expenses	1 970	6 572

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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Presentation expenses	3 718	5 264
Chairperson of the Board social tax	3 399	5 163
Board members social tax	2 987	3 446
Council chairperson remuneration	4 850	3 000
Audit expenses	2 380	3 800
Council members remuneration	5 000	2 400
Bank expenses	762	1 184
Chairperson of the Council social tax	1 168	723
Council members social tax	1 152	553
Legal services	190	37
<b>Total</b>	<b>227 273</b>	<b>248 899</b>

18 OTHER OPERATING INCOME

	2006	2005
	LVL	LVL
Rent income	21 538	23 850
Gain on sale of fixed assets	42	11 914
Feeding income	7 561	9 236
Press goods	5 296	4 692
Currency exchange gain	-	3 716
Solarium income	1 760	2 617
Laundry income	1 232	1 794
Other income	6 323	18 882
<b>Total</b>	<b>43 752</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	1 031	14 543
Penalties	608	160
Currency exchange loss	2 096	-
Other expenses	5 964	-
<b>Total</b>	<b><u>9 699</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	9 543	7 036
<b>Total</b>	<b><u>9 543</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>