

# LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**No audited**

**Consolidated Financial Statements: December 31, 2006**

**in accordance with International financial reporting standards**

**EUR**

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## INFORMATION ABOUT THE COMPANY

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<b>COMPANY NAME:</b>	LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
<b>LEGAL STATUS:</b>	STOCK COMPANY
<b>REGISTRATION:</b>	No.000330680 AUGUST 27, 1996 RIGA, LV - 1005, LATVIA
<b>LEGAL ADDRESS:</b>	23, PATVERSMES STREET, RIGA, LV - 1005, LATVIA
<b>MAJOR SHAREHOLDERS:</b>	JANIS BIRKS 38,7% ILZE AIZSILNIECE 10,1% AGRIS SHVARCBERGS 10,1% PETERIS AUGUSTOVS 0% STATE SOCIAL INSURANCE AGENCY 5%
<b>CEO:</b>	MARTA AIZSILNIECE
<b>REPORTING PERIOD:</b>	1 JANUARY 2006 - 31 DECEMBER 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	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 the November 22, 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

**From November 22, 2006 till the consolidated financial statements signing day**

<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
Martins Birks	Member of the Council

#### **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 Current Financial Condition of the Group of Companies and its development

The share of the parent company constitutes the dominant part of the group's assets, turnover and profits.

The profit before taxes of the parent company was 213 777 EUR

The profit before taxes of subsidiary company was 52 444 EUR

#### The Group financial indices

	2006	2005	2004
Net sales (mil. LVL)	5,68	3,85	3,39
Assets at the end of year (mil. LVL)	7,81	2,03	1,67
Profit after taxes (LVL)	225 490	174 775	56 498
LJMC profit after taxes on share (LVL)	0,28	0,22	0,07
LJMC share market price at the end of the year (LVL)	1,85	1,80	1,20

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

More than 3000000 LVL were invested in new medicine technologies, education, and development of new projects and improvement of premises. 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.

On the base of increased government funding, employees' salaries have been raised on 1 January 2006, on 1 July 2006 and on 1 January 2007 as required by the relevant regulation by the Cabinet of Ministers and stipulated in the agreement with HCISA.

The LJMC owned real estate (land 15235 m2 and hospital buildings with 6283 m2 premises on Patversmes street 23; land 3464 m2 and hospital building with 2467 m2 premises on Vecmigravja 5. street 26; land 3504 m2 and building of policlinics with 2012 m2 premises on Melidas street 10) was reevaluated according market situation by real estate company "Latio". The value of the real estate was estimated 3589443 LVL more than its former balance value. By this amount was increased fixed asset's revaluation reserve in LJMC equity capital.

The JM owned building was estimated SIA "Euroexpert" as investment asset because almost all premises are leased. The difference between estimated value and book value was 25000 LVL and increased the profit of the JM.

In the year 2006 LJMC has increased its shareholding in the capital of SIA "Jūras medicīna" from 86,80% to 99,3% by purchasing shares from other shareholders.

#### Important Events After the End of Reporting Period

The reserve electricity source for operation rooms and intensive therapy is provided

#### 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 31 DECEMBER 2006 AND 31 DECEMBER 2005**

<b>EUR</b>	<b>2006</b>	<b>2005</b>	<b>Note</b>
Net sales	5 683 131	5 474 216	<b>15</b>
Cost of goods sold	(5 101 404)	(4 895 777)	<b>16</b>
<b>Gross profit or loss</b>	<b>581 727</b>	<b>578 439</b>	
Administrative expenses	(415 823)	(354 151)	<b>17</b>
Other operating income	96 949	109 136	<b>18</b>
Other operating expenses	(9 348)	(20 920)	<b>19</b>
Interest income and similar income	16 004	10 011	<b>20</b>
Interest expense and similar expense	(3 789)	(8 975)	<b>21</b>
<b>Extraordinary profit or loss before taxes</b>	<b>265 720</b>	<b>313 538</b>	
Corporate income tax	(39 875)	(59 476)	
Deferred tax	-	-	
Minority interest	(356)	(1 392)	
<b>NET PROFIT OR LOSS</b>	<b>225 490</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>0,28</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 COMPANY

CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2006 AND 31 DECEMBER 2005

EUR	December 31, 2006	December 31, 2005	Note
<b>ASSETS</b>			
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	85 556	77 418	4
<b>Total stocks</b>	<b>85 556</b>	<b>77 418</b>	
<b>Debtors:</b>			
Trade debtors	165 833	258 061	5
Other debtors	25 119	2 735	6
Accruals	10 650	10 347	7
<b>Total debtors</b>	<b>201 602</b>	<b>271 142</b>	
<b>Cash funds</b>	<b>867 280</b>	<b>1 067 656</b>	8
<b>Total current assets</b>	<b>1 154 439</b>	<b>1 416 217</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	5 444	5 895	2
Positive consolidation difference	2 607	-	
<b>Total intangible assets</b>	<b>8 051</b>	<b>5 895</b>	
	-	-	
<b>Fixed assets:</b>			
Land and buildings	5 501 996	556 233	
Technological equipment and machines	433 717	382 802	
Other fixed assets and inventory	83 773	85 096	
Long term investments in rented fixed assets	37 362	53 429	
Unfinished building objects	250 201	250 201	
Advance payments for fixed assets	8 729	-	
<b>Total fixed assets:</b>	<b>6 315 778</b>	<b>1 327 761</b>	2
	-	-	
<b>Long-term financial assets:</b>			
Investment assets	188 659	-	
Participating interests in associated enterprises	140 551	140 551	3
<b>Total financial assets:</b>	<b>329 210</b>	<b>140 551</b>	
<b>Total long-term investments:</b>	<b>6 653 038</b>	<b>1 474 208</b>	
<b>TOTAL ASSETS</b>	<b>7 807 477</b>	<b>2 890 425</b>	

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

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_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

EUR	December 31, 2006	December 31, 2005	Note
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Other loans	-	75 730	10
Received advance payments	124 178	559 608	11
Due to customers and suppliers	129 999	60 414	12
Taxes and social security payments	122 354	102 926	13
Other payables	154 961	116 742	14
Current year dividends			
Accrued previous year dividends			
<b>Total liabilities</b>	<b>531 492</b>	<b>915 420</b>	
<b>Provisions for liabilities and charges:</b>			
Accruals for taxes	56 915	66 448	
Provisions for vacations	207 960	155 886	
<b>Total provisions</b>	<b>264 875</b>	<b>222 334</b>	
<b>Total liabilities</b>	<b>796 367</b>	<b>1 137 754</b>	
<b>Equity capital:</b>			
Share equity	1 138 297	1 138 297	9
Reserves:	-	-	
c) reserves provided by the Articles of Association	53 728	53 728	
d) fixed asset's revaluation reserve	5 107 317	-	
Retained earnings:	-	-	
a) brought forward from previous years	484 108	273 621	
b) current year profit or loss	225 490	252 671	
<b>Total shareholders' equity</b>	<b>7 008 940</b>	<b>1 718 317</b>	
<b>Minority interest</b>	<b>2 170</b>	<b>34 354</b>	
<b>Total equity capital</b>	<b>7 011 110</b>	<b>1 752 671</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>7 807 477</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	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 31 DECEMBER 2006 AND 31 DECEMBER 2005

EUR	Share capital	Reserves provided by the Articles of Association	Investment evaluation reserve	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	-	-	-	-	225 490	-	225 490
Transfers to reserves	-	-	5 107 317	-	-	-	5 107 317
Minority interest changes	-	-	-	3 348	-	(32 184)	(28 836)
<b>At 31 December 2006</b>	<b>1 138 297</b>	<b>53 728</b>	<b>5 107 317</b>	<b>484 108</b>	<b>225 490</b>	<b>2 170</b>	<b>7 011 110</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 CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005

EUR	2006	2005	Note
<b>Cash flows used in operating activities</b>			
Net income before tax	265 720	313 538	
Adjustments:	-	-	
a) Depreciation of tangibles	237 548	300 640	2
b) provisions for vacations	42 541	26 656	
c) Loss (gain) on sale of tangibles	3 954	3 741	
d) interest expenses	3 789	8 975	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>553 553</b>	<b>653 551</b>	
Changes in operating assets and liabilities:	-	-	
a) receivables.	69 540	(129 615)	
b) inventory.	(8 137)	5 848	
c) current liabilities.	(278 870)	434 396	
<b>3. Gross operating cash flow</b>	<b>336 085</b>	<b>964 179</b>	
4. Paid interest.	(3 789)	(8 975)	
5. Paid corporate income tax.	(63 097)	(64 415)	
<b>7. Net cash used in operating activities</b>	<b>269 199</b>	<b>890 789</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates	(36 016)	(46 840)	
2. Purchase of fixed assets	(312 357)	(278 033)	2
3. Selling of fixed assets	60	16 952	
<b>4. Net cash from investment activities</b>	<b>(348 313)</b>	<b>(307 921)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Settlement of loans	(75 730)	(93 470)	
2. Paid dividends	(45 532)	(22 766)	
<b>3. Net cash from financing activities</b>	<b>(121 261)</b>	<b>(116 236)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>(200 376)</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>867 280</b>	<b>1 067 656</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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 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:

	December 31, 2006	December 31, 2005
EUR	0,702804	0,702804
USD	0,536	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
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**

### **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.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

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

As of 31 December 2006 and 31 December 2005  
fixed assets are composed as follows:

EUR	Intangi ble assets	Land, building s	Investm ent assets	Machine ry and equipme nt	Other fixed assets	Long- term investme nts in rented fixed assets	Advanc e paymen ts for fixed assets	Unfinishe d building objects	Total
<b>Historical cost</b>									
<b>At 31 December 2004</b>	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					(4 681)				(4 681)
Disposals				(11 739)	(41 538)		(2 227)		(55 503)
<b>At 31 December 2005</b>	14 263	1 186 861	-	2 356 989	443 994	78 454	-	250 201	4 330 762
Additions	4 074	37 170		196 058	34 473	6 954	8 729	24 900	312 357
Transfers		-							-
Revaluation		5 115 523	188 659						5 304 182
Disposals or change of classification	(302)	(367 841)		(83 796)	(25 636)	(34 651)		(24 900)	(537 126)
<b>At 31 December 2006</b>	18 035	5 971 713	188 659	2 469 250	452 832	50 757	8 729	250 201	9 410 176
<b>Accumulated depreciation</b>									
<b>At 31 December 2004</b>	4 427	579 796	-	1 796 461	339 571	13 476	-	-	2 733 731
Charge for the year	3 941	50 832		188 696	45 622	11 549			300 640
Disposals				(10 970)	(26 295)				(37 265)
<b>At 31 December 2005</b>	8 368	630 628	-	1 974 186	358 898	25 025	-	-	2 997 106
Charge for the year	4 444	33 016		142 068	35 000	23 021			237 548
Disposals or change of classification	(221)	(193 927)		(80 721)	(24 839)	(34 651)			(334 359)
<b>At 31 December 2006</b>	12 591	469 717	-	2 035 533	369 059	13 395	-	-	2 900 295
<b>Net book value</b>									
<b>At 31 December 2004</b>	5 854	519 478	-	439 544	124 106	21 175	2 227	266 800	1 379 183
<b>At 31 December 2005</b>	5 895	556 233	-	382 802	85 096	53 429	-	250 201	1 333 656
<b>At 31 December 2006</b>	5 444	5 501 996	188 659	433 717	83 773	37 362	8 729	250 201	6 509 880

### PARTICIPATING INTERESTS IN ASSOCIATED 3 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	<u>140 551</u>	45	<u>140 551</u>
<b>Total participating interests in associated enterprises</b>		<u><u>140 551</u></u>		<u><u>140 551</u></u>

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	72 076	60 705
Stock in warehouse	4 222	6 306
Inventory	3 665	3 580
Products	2 436	1 801
Furniture	1 113	1 424
Other materials	1 541	1 316
Advance payments to supplier of goods	<u>504</u>	<u>2 285</u>
<b>Total</b>	<u><u>85 556</u></u>	<u><u>77 418</u></u>

### 5 DUE FROM CUSTOMERS

	2006 EUR	2005 EUR
VOVAA Rigas department	23 940	103 602
Riga slimokase AAS	43 006	75 943
Balta AAS	17 705	14 851
Med.prof.izglitibas centrs		9 168
BTA AAS	13 734	8 864
LF Holdings	19 468	6 414
NBS militaras medicinas centrs	1 239	2 607
Ergo Latvija slimokase	4 424	2 592
SEESAM Life Latvija	4 279	2 429
Balva AAS	935	1 548
BALTIKUMS DZIVIBA AAS	363	1 443
Hospital patients treatment	17 470	24 062
Other customers	<u>19 271</u>	<u>4 538</u>
<b>Total</b>	<u><u>165 833</u></u>	<u><u>258 061</u></u>

### 6 OTHER RECEIVABLES

	2006 EUR	2005 EUR
VAT advance payment		344
VAT for unpaid invoices	1 236	1 167

Taxes overpayment (note No.20)	22 762	730
Other debtors	1 121	494
<b>Total</b>	<b>25 119</b>	<b>2 735</b>

#### 7 DIFFERED EXPENSES

	2006 EUR	2005 EUR
Riga Stock Exchange, shares quotation	7 114	7 114
Assurance expense	1 197	2 806
Other expense	2 339	427
<b>Total</b>	<b>10 650</b>	<b>10 347</b>

#### 8 CASH

	2006 EUR	2005 EUR
Cash in banks	822 381	1 020 994
Deposit	38 133	40 838
Cash on hands	6 766	5 824
<b>Total</b>	<b>867 280</b>	<b>1 067 656</b>

#### 9 SHARE CAPITAL

	2006 Number of shares	2006 Share %	2005 Number of shares	2005 Share %
Shareholders:				
Janis Birks	309 909	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%)	288 408	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 EUR	2005 EUR
VOVAA diagnostics equipment - long-term part		
VOVAA diagnostics equipment - short-term part		75 730
deed of cession - Latvian Shipping Company		
<b>Total</b>	<b>-</b>	<b>75 730</b>

#### 11 DUE TO RECEIVED ADVANCE PAYMENTS

2006	2005
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	<b>EUR</b>	<b>EUR</b>
VOAVA advance payment for 2006	119 903	554 142
Other advances	4 276	5 467
<b>Total</b>	<b>124 178</b>	<b>559 608</b>

## 12 DUE TO SUPPLIERS AND CONTRACTORS

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Recipe Plus SIA	-	-
Tradintek SIA	42 182	24 203
Siemens SIA	16 958	-
NMS Diagnostika	1 308	-
Valsts Patoloģijas centrs SIA	3 650	7 204
Invitros SIA	-	231
Latvijas Gaze	4 170	6 205
AB Medical Group Riga	10 447	-
Amerilat MD	18 183	-
Medeksperts SIA	-	-
S.A.V. SIA	1 023	-
Latvenergo Rīgas rajons	-	2 735
Latvenergo Rīgas elektrotīkls	4 671	2 211
Rīgas Ūdens	1 154	2 177
Sistēmu Audits SIA	4 197	1 679
Lattelekom	1 598	1 510
Nacion.medic.serviss-laboratory	1 232	1 137
Hanza Lizings SIA	-	-
Hospital Gaiļezers BO	1 023	669
Rīgas Slimokases AAS	-	-
NMS SIA	10 165	-
Rīgas Stradiņu Universitāte	865	-
Other suppliers	7 173	10 454
<b>Total</b>	<b>129 999</b>	<b>60 414</b>

## 13 TAXES

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Value added tax	2 294	1 340
Social insurance	71 501	60 492
Personal income tax	47 387	37 985
Corporate income tax	913	2 832
Corporate income tax - penalty	-	17
Unemployment duty	157	260
Natural resources tax	102	(26)
Real estate tax	(1 073)	(704)
<b>Total, incl.</b>	<b>121 281</b>	<b>102 196</b>
due to the budget	122 354	102 926

**14 DUE TO OTHER COMPANIES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Due to other companies		
Salaries	140 089	111 619
Board remuneration	2 944	2 752
Trade union	1 265	1 020
Deposited salary	1 130	913
Differed taxes	9 533	-
Council remuneration	-	438
<b>Total</b>	<b>154 961</b>	<b>116 742</b>

**15 NET SALES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Medical hospital services	2 911 292	2 415 015
Medical ambulant services	1 725 500	1 410 422
Services - minimum fixed part	216 422	984 600
Insurance payments	336 967	349 079
VS ZDC ambulant services	263 472	156 677
Stomatology services	46 450	60 131
Residents training	74 153	41 334
Family doctors	26 847	13 179
Other income	82 029	43 780
<b>Total</b>	<b>5 683 131</b>	<b>5 474 216</b>

**16 COST OF GOODS SOLD**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and wages	2 063 066	1 628 140
Medical goods	836 952	1 461 511
Social tax	518 931	379 036
Other operating expenses	390 177	247 985
Fixed assets depreciation	210 017	285 008
Public utilities	279 414	201 345
Accruals for vacations	205 091	153 286
Repair expenses	142 513	139 168
Feeding expenses	81 041	82 370
Household goods	80 004	79 591
Medical researches	78 147	76 071
Current assets write-off	72 481	50 664
Employees trainings	37 342	26 242
Gifts to employees	29 949	25 440
Office expenses	44 278	25 168
Rent fixed assets depreciation	23 019	11 551
Transport expense	7 607	12 043
Insurance expenses	2 318	4 121
Advertising	5 028	4 003
Tangible assets amortization	4 444	3 941
Allowances to employees	2 661	3 324
Unemployment duty	2 130	3 160
Bad debt write-off	-	1 217
Received discounts	(23 327)	(21 226)
Boiling maintenance expenses	-	4 734
Other expenses	8 120	7 886
<b>Total</b>	<b>5 101 404</b>	<b>4 895 777</b>



**17 ADMINISTRATIVE EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and wages	255 304	182 001
Social tax	49 401	42 227
Board chairperson remuneration	27 545	34 998
Office expenses	7 304	28 836
Board remuneration	16 612	20 356
Other administrative expenses	6 154	9 351
Presentation expenses	14 045	7 490
Chairperson of the Board social tax	5 489	7 346
Board members social tax	4 001	4 903
Council chairperson remuneration	10 102	4 269
Audit expenses	8 366	5 407
Council members remuneration	5 905	3 415
Bank expenses	1 325	1 685
Chairperson of the Council social tax	2 433	1 029
Council members social tax	1 423	787
Legal services	413	53
<b>Total</b>	<b>415 823</b>	<b>354 151</b>

**18 OTHER OPERATING INCOME**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Rent income	43 708	33 935
Gain on sale of fixed assets	1 205	16 952
Feeding income	15 434	13 142
Press goods	8 291	6 676
Currency exchange gain	-	5 287
Solarium income	4 082	3 724
Laundry income	2 442	2 553
Other income	21 787	26 867
<b>Total</b>	<b>96 949</b>	<b>109 136</b>

**19 OTHER OPERATING EXPENSES**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Fixed assets disposals	3 954	20 693
Penalties	976	228
Currency exchange loss	4 175	-
Other expenses	243	-
<b>Total</b>	<b>9 348</b>	<b>20 920</b>

**20 INTEREST INCOME AND SIMILAR INCOME**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Interest income	16 004	10 011
<b>Total</b>	<b>16 004</b>	<b>10 011</b>

**21 INTEREST EXPENSE AND SIMILAR EXPENSE**

	<b>2006</b>	<b>2005</b>
	<b>EUR</b>	<b>EUR</b>
Loan interest expenses (VOAVAA)	3 789	8 920
Leasing interest payments	-	55
<b>Total</b>	<b>3 789</b>	<b>8 975</b>