



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NO AUDITED

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6
MONTH PERIOD ENDED 30 JUNE 2007**

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

INFORMATION ABOUT PARENT COMPANY

COMPANY NAME: LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

LEGAL STATUS: STOCK COMPANY

REGISTRATION: No.40003306807
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 2007 - 30 JUNE 2007

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

COUNCIL AND BOARD OF THE GROUP

Council of the Group

Number of shares owned

30.06.07

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

<u>Name</u>	<u>Position</u>	
Agris Shvarcbergs	Chairman of the Council	80 917
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	1 066
Andris Vigants	Member of the Board	-
Marika Baumgarte	Member of the Board	12 071

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 JSC "Latvijas Juras medicinas centrs" (hereinafter referred to as LJMC) and its subsidiary company SIA "Juras medicina" (hereinafter referred to as JM).

This audited consolidated annual report is prepared in accordance with International Financial Reporting 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 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 149 819 LVL.

The profit before taxes of subsidiary company was 05 358 LVL.

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 on 1 January 2007 as required by the relevant regulation by the Cabinet of Ministers and stipulated in the agreement with HCISA.

Important Events after the Balance Sheet Date

The reconstruction of sterilization has finished. The reconstruction of energy supplying network and fire security systems is in progress. The renovation of operating rooms (including new equipment) is done. Total 80000 LVL was spending for renovations in the summertime. This will affect the company's profit in 3-d quarter.

Future Development of the Group

The project development for a new surgery hospital started in this year.

Risk Management

The company has good debtor ageing ratio and current ratio. 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

29.08.07

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

DECLARATION OF MANAGEMENT RESPONSIBILITY

Consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by EU. These financial statements gives a true and fair view of the state of activities of the Group and of the results of the Group for the period ended 30 June 2007 in all essential aspects. In preparing those financial statements, management:

- selected suitable accounting policies and then apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairperson of the Board
Marta Aizsilniece

Member of the Board
Andris Vigants

Member of the Board
Marika Baumgarte
29.08.07

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

	2006, 6 month period LVL	2007, 12 month period LVL	Note	2006, 6 month period LVL
Net sales	2 485 734	3 982 675	15	1 856 067
Cost of goods sold	(2 174 394)	(3 585 452)	16	(1 725 062)
Gross profit or loss	311 340	397 223		131 005
Administrative expenses	(201 137)	(292 242)	17	(155 488)
Other operating income	37 858	57 731	18	29 907
Other operating expenses	(1 604)	(6 528)	19	(6 591)
Gain from the change of fair value of investment property		10 363		
Income from investment in associates	-	25 159	20	
Interest income and similar income	8 721	11 248	21	6 895
Interest expense and similar expense	-	(2 663)	22	(1 795)
Profit before taxes	155 178	200 291		3 933
Corporate income tax	-	22 453	23	-
Minority interest	(37)	(250)		(59)
NET PROFIT OR LOSS	155 141	222 494		3 874
Number of shares	800 000	800 000		800 000
Earnings per Share (EPS) (LVL)	0,19	0,28		-

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

29.08.07

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET
AS OF 30 JUNE 2007 AND 31 DECEMBER 2006

	June 30, 2007	December 31, 2006	Note	June 30, 2006
ASSETS	LVL	LVL		LVL
Current assets:				
Stocks				
Raw materials	55 146	60 129	4	52 083
Total stocks	55 146	60 129		52 083
Debtors:				
Trade debtors	91 474	103 494	5	185 535
Other debtors	56 909	15 918	6	38 886
Accruals	1 296	7 485	7	1 272
Total debtors	149 679	126 897		225 693
Cash funds	863 445	609 528	8	374 519
Total current assets	1 068 270	796 554		652 295
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	3 556	3 826	2	3 859
Goodwill	1 832	1 832		-
Total intangible assets	5 388	5 658		3 859
Fixed assets:				
Land and buildings	3 855 871	3 866 509		372 410
Technological equipment and machines	280 482	304 818		288 510
Other fixed assets and inventory	63 919	58 876		58 731
Long term investments in rented fixed assets	20 313	26 258		34 910
Unfinished building objects	175 842	175 842		175 842
Advance payments for fixed assets	22 091	6 135		17 893
Total fixed assets:	4 418 518	4 438 438	2	948 296
Long-term financial assets:				
Investment assets	132 590	132 590		-
Participating interests in associated enterprises	123 939	123 939	3	98 780
Total financial assets:	256 529	256 529		98 780
Total long-term investments:	4 680 435	4 700 625		1 050 935
TOTAL ASSETS	5 748 705	5 497 179		1 703 230

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 29.08.07	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET
AS OF 30 JUNE 2007 AND 31 DECEMBER 2006

	June 30, 2007	December 31, 2006	Note	June 30, 2006
LIABILITIES	LVL	LVL		LVL
Liabilities:				
Liabilities:				
Other loans	-	-	10	26 627
Received advance payments	119 664	87 273	11	4 141
Due to customers and suppliers	125 281	89 248	12	120 272
Taxes and social security payments	113 699	83 853	13	86 898
Other payables	135 574	105 157	14	113 014
Deferred tax liability	484 807	484 807	23	
Current year dividends				
Accrued previous year dividends				
Total liabilities	979 025	850 338		350 952
Provisions for liabilities and charges:				
Accruals for taxes				40 000
Provisions for vacations	144 988	145 329		109 557
Total provisions	144 988	145 329		149 557
Total liabilities	1 124 013	995 667		500 509
Equity capital:				
Share equity	800 000	800 000	9	800 000
Reserves:				
c) reserves provided by the Articles of Association	31 993	31 993		37 760
d) fixed asset's revaluation reserve	3 105 267	3 105 267		
Retained earnings:				
a) brought forward from previous years	530 694	340 233		338 775
b) current year profit or loss	155 141	222 494		3 874
Total shareholders' equity	4 623 095	4 499 987		1 180 409
Minority interest	1 597	1 525		22 312
Total equity capital	4 624 692	4 501 512		1 202 721
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 748 705	5 497 179		1 703 230

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_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte 29.08.07	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (LVL)
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

	Share capital	Reserves provided by the Articles of Association	Investment evaluation reserve	Previous years retained earnings	Current year profit	Minority interest	Total
At 31 December 2005	800 000	37 760	-	192 302	177 578	24 144	1 231 784
Transfers to reserves	-	-	-	177 578	(177 578)	-	-
Dividends paid	-	-	-	(32 000)	-	-	(32 000)
Profit for the year	-	-	-	-	222 494	-	222 494
Consolidated accumulated loss	-	(5 767)	3 105 267	-	-	-	3 099 500
Minority interest changes	-	-	-	2 353	-	(22 619)	(20 266)
At 31 December 2006	800 000	31 993	3 105 267	340 233	222 494	1 525	4 501 512
Previous years retained earnings	-	-	-	222 494	(222 494)	-	-
Dividends paid	-	-	-	(32 000)	-	-	(32 000)
Profit for the year	-	-	-	-	155 141	-	155 141
Transfers to reserves	-	-	-	-	-	-	-
Minority interest changes	-	-	-	(33)	-	72	39
At 30 June 2007	800 000	31 993	3 105 267	530 694	155 141	1 597	4 624 692

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_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte 29.08.07	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

	2006, 6 month period LVL	2007, 12 month LVL	Note	2006, 6 month period LVL
Cash flows used in operating activities				
Net income before tax	155 178	200 291		3 874
Adjustments:				
a) depreciation of tangibles	87 915	166 950	2	83 940
b) provisions for vacations	-	37 602		-
c) loss (gain) on sale of tangibles	59	19 431		394
d) interest expenses	-	2 663		1 795
e) gain (loss) from investments in associates	-	(25 159)	20	-
f) gain from the change of fair value of investment pproperty	-	(10 363)		
2. Gain (loss) before changes in current assets and liabilities	243 152	391 415		90 003
Changes in operating assets and liabilities:				
a) receivables.	(5 197)	72 245		(13 536)
b) inventory.	4 983	(5 719)		(2 327)
c) current liabilities.	134 952	(222 617)		(265 813)
3. Gross operating cash flow	377 890	235 324		(191 673)
4. Paid interest.	-	(2 663)		(1 795)
5. Paid corporate income tax.	(17 585)	(44 272)		(19 918)
7. Net cash used in operating activities	360 305	188 389		(213 386)
II. Cash flow used in investment activities				
1. Purchase of shares of associates	-	(25 312)		(2 092)
2. Purchase of fixed assets	(74 388)	(219 526)	2	(101 802)
3. Selling of fixed assets	-	847		42
4. Net cash from investment activities	(74 388)	(243 991)		(103 852)
III. Cash flows used in financing activities				
1. Settlement of loans	-	(53 223)		(26 596)
2. Paid dividends	(32 000)	(32 000)		(32 000)
3. Net cash from financing activities	(32 000)	(85 223)		(58 596)
IV. Net increase (decrease) in cash	253 917	(140 825)		(375 834)
V. Cash at the beginning of the year	609 528	750 353		750 353
VI. Cash at the end of the year	863 445	609 528		374 519

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

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_____	Andris Vigants	Member of the Board
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LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

GENERAL INFORMATION

"Latvijas Juras Medicinas 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 reflected 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 companies are eliminated on consolidation.

The portion attributed to the parent company of the net assets are offset with the investment and have been eliminated. The portion attributed to the parent company of the retained earnings earned after the acquisition date of shares are included in the consolidated retained earnings.

Foreign currency

Transactions denominated in foreign currencies are converted into Lats at the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted at the Bank of Latvia rate at the balance sheet date.

The applicable rate used for the principal currencies were the follows:

	June 30, 2007	December 31, 2006
EUR	0.702804	0.702804
USD	0,522	0,536

Gains or losses on converted 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 incurred.

Exchange differences rising 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 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 doubtful accounts receivable. Provision for doubtful accounts receivable at the balance sheet date represents the estimated amounts of probable losses that might 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.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

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 on fixed assets are 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 initially recognized at the cost and then accounted under the equity method.

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.

Property revaluation surplus

If a property's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of revaluation surplus. The amount of the surplus is decreased by the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are made through profit or loss.

Taxation

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.

Deferred tax is be charged or credited directly to equity in the same or a different period, directly to equity according to IAS 12.61.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

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

As of 30 June 2007 and 31 December 2006
fixed assets are composed as follows: (LVL)

LVL	Intangible assets	Land & buildings	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payments for fixed assets	Unfinished building objects	Total
Historical cost									
At 31 December 2005	10 024	834 131	-	1 656 501	312 041	55 138	-	175 842	3 043 677
Additions	2 863	26 123	-	137 790	24 228	4 887	6 135	17 500	219 526
Transfers		3 594 894	132 590						3 727 484
Disposals	(212)	(258 520)		(58 892)	(18 017)	(24 353)	-	(17 500)	(377 494)
At 31 December 2006	12 675	4 196 628	132 590	1 735 399	318 252	35 672	6 135	175 842	6 613 193
Additions	966	-		32 370	22 849		18 203		74 388
Transfers		-					(2 247)		(2 247)
Revaluation			-						-
Disposals or change of classification				(17 571)	(12 516)				(30 087)
At 30 June 2007	13 641	4 196 628	132 590	1 750 198	328 585	35 672	22 091	175 842	6 655 247
Accumulated depreciation									
At 31 December 2005	5 881	443 208	-	1 387 466	252 235	17 588	-	-	2 106 378
Charge for the year	3 123	23 204		99 846	24 598	16 179			166 950
Disposals	(155)	(136 293)		(56 731)	(17 457)	(24 353)			(234 989)
At 31 December 2006	8 849	330 119	-	1 430 581	259 376	9 414	-	-	2 038 339
Charge for the year	1 236	10 638		56 706	13 390	5 945			87 915
Disposals or change of classification				(17 571)	(8 100)				(25 671)
At 30 June 2007	10 085	340 757	-	1 469 716	264 666	15 359	-	-	2 100 583
Net book value									
At 31 December 2005	4 143	390 923	-	269 035	59 806	37 550	-	175 842	937 299
At 31 December 2006	3 826	3 866 509	132 590	304 818	58 876	26 258	6 135	175 842	4 574 854
At 30 June 2007	3 556	3 855 871	132 590	280 482	63 919	20 313	22 091	175 842	4 554 664

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2007 LVL	Capital share (%)	Amount of investment 2006 LVL
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	123 939	45	123 939
Total participating interests in associated enterprises		123 939		123 939

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

4 RAW MATERIALS

	2007 LVL	2006 LVL
Pharmaceutical	47 864	50 655
Stock in warehouse	2 955	2 967
Inventory	2 149	2 576
Products	972	1 712
Furniture	331	782
Other materials	709	1 083
Advance payments to supplier of goods	166	354
Total	55 146	60 129

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

5 DUE FROM CUSTOMERS

	2007	2006
	LVL	LVL
Riga slimokase AAS	28 132	30 225
LF Holdings	5 435	13 682
Balta AAS	6 245	12 443
Hospital patients treatment		12 278
BTA AAS	12 741	9 652
VOVAA Rigas department		3 777
Ergo Latvija slimokase	15 859	3 109
SEESAM Life Latvija	1 878	3 007
NBS militaras medicinas centrs	3 295	871
Balva AAS	1 206	657
BALTIKUMS DZIVIBA AAS	238	255
Med.prof.izglitiba centrs		
Other customers	16 445	13 538
Total	91 474	103 494

6 OTHER RECEIVABLES

	2007	2006
	LVL	LVL
Taxes overpayment (note No.13)	34 834	13 969
VAT for unpaid invoices	173	818
VAT advance payment	-	
Other debtors	21 902	1 131
Total	56 909	15 918

7 DIFFERED EXPENSES

	2007	2006
	LVL	LVL
Riga Stock Exchange, shares quotation		5 000
Assurance expense	1 296	841
Other expense		1 644
Total	1 296	7 485

8 CASH

	2007	2006
	LVL	LVL
Cash in banks	833 791	577 973
Deposit	26 100	26 800
Cash on hands	3 554	4 755
Total	863 445	609 528

9 SHARE CAPITAL

	2007	2007	2006	2006
	Number of	Share %	Number of	Share %
	shares		shares	
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
Total	800 000	100,0	800 000	100,0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

10 OTHER LOANS

	2007 LVL	2006 LVL
VOVAA diagnostics equipment - short-term part	-	-
Total	<u>-</u>	<u>-</u>

11 DUE TO RECEIVED ADVANCE PAYMENTS

	2007 LVL	2006 LVL
VOAVA advance payment for 2006	118 045	84 268
Other advances	1 619	3 005
Total	<u>119 664</u>	<u>87 273</u>

12 DUE TO SUPPLIERS AND CONTRACTORS

	2007 LVL	2006 LVL
Invitros SIA	2 808	-
Tamro SIA	11 702	-
Tradintek SIA	26 929	29 646
Amerilat MD	8 583	12 779
Siemens SIA	-	11 918
AB Medical Group Riga	-	7 342
NMS SIA	3 341	7 144
Latvenergo Rīgas elektrotīkls	2 943	3 283
Sistēmu Audits SIA	-	2 950
Latvijas Gaze	-	2 931
Valsts Patoloģijas centrs SIA	-	2 565
Lattelekom	1 400	1 123
NMS Diagnostika	-	919
Nacion.medic.serviss-laboratory	697	866
Rīgas Ūdens	-	811
S.A.V. SIA	178	719
Hospital Gaīlezers BO	949	719
Rīgas Stradiņu Universitāte	609	608
Other suppliers	65 142	2 925
Total	<u>125 281</u>	<u>89 248</u>

13 TAXES

	As of 31-12- 2006	Calculated	Paid	As of 30-06- 2007
Value added tax	1 725	14 338	(14 775)	1 288
Social insurance	48 641	379 141	(359 364)	68 418
Personal income tax	33 304	238 660	(228 099)	43 865
Corporate income tax	(15 803)	-	(17 585)	(33 388)
Corporate income tax	-	-	(2 588)	-
Unemployment duty	111	398	(381)	128
Natural resources tax	72	45	(117)	-
Real estate tax	(754)	294	(294)	(754)
Total, incl.	<u>67 296</u>	<u>632 876</u>	<u>(623 203)</u>	<u>79 557</u>
due to the budget	83 853			113 699
overpayment	(16 557)			(34 142)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

14 DUE TO OTHER COMPANIES

	2007	2006
	LVL	LVL
Salaries	133 639	98 455
Accured liabilities	-	2 950
Board remuneration	-	2 069
Trade union	1 123	889
Deposited salary	812	794
Council remuneration	-	-
Total	<u>135 574</u>	<u>105 157</u>

15 NET SALES

	2007	2006
	LVL	LVL
Medical hospital services	1 316 236	2 032 983
Medical ambulant services	788 551	1 212 688
Services - minimum fixed part	87 871	152 102
Insurance payments	130 406	236 822
VS ZDC ambulant services	66 225	185 169
Stomatology services	17 559	32 645
Residents training	41 184	52 115
Family doctors	14 378	18 868
Other income	23 324	59 283
Total	<u>2 485 734</u>	<u>3 982 675</u>

16 COST OF GOODS SOLD

	2007	2006
	LVL	LVL
Bad debt write-off	-	-
Boiling maintenance expenses	1 000	-
Salaries and wages	1 034 462	1 556 468
Medical goods	353 759	588 213
Social tax	241 241	364 707
Other operating expenses	222 344	274 218
Public utilities	54 448	196 373
Fixed assets depreciation	80 723	147 601
Repair expenses	5 151	100 159
Feeding expenses	32 934	56 956
Household goods	26 731	56 227
Medical researches	28 708	54 922
Current assets write-off	36 886	50 940
Accruals for vacations	-	37 602
Office expenses	16 202	31 119
Employees trainings	17 545	26 244
Gifts to employees	13 671	21 048
Rent fixed assets depreciation	5 945	16 178
Transport expense	5 141	5 346
Advertising	1 135	3 534
Tangible assets amortization	1 236	3 123
Allowances to employees	1 290	1 870
Insurance expenses	-	1 629
Unemployment duty	774	1 497
Received discounts	(12 667)	(16 394)
Other expenses	5 735	5 872
Total	<u>2 174 394</u>	<u>3 585 452</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

17 ADMINISTRATIVE EXPENSES

	2007	2006
	LVL	LVL
Salaries and wages	113 557	178 215
Social tax	33 560	34 719
Board chairperson remuneration	14 281	19 359
Office expenses	2 390	5 133
Board remuneration	14 623	11 675
Other administrative expenses	2 197	4 325
Presentation expenses	1 754	9 871
Chairperson of the Board social tax	2 869	3 858
Board members social tax	3 522	4 026
Council chairperson remuneration	5 127	7 100
Audit expenses	-	5 880
Council members remuneration	4 180	4 150
Bank expenses	560	931
Chairperson of the Council social tax	1 235	1 710
Council members social tax	1 182	1 000
Legal services	100	290
Total	<u>201 137</u>	<u>292 242</u>

18 OTHER OPERATING INCOME

	2007	2006
	LVL	LVL
Currency exchange gain	432	-
Rent income	19 721	30 718
Feeding income	5 658	10 847
Press goods	3 748	5 827
Solarium income	1 570	2 869
Laundry income	942	1 716
Gain on sale of fixed assets	3 856	847
Other income	1 931	4 907
Total	<u>37 858</u>	<u>57 731</u>

19 OTHER OPERATING EXPENSES

	2007	2006
	LVL	LVL
Currency exchange loss	1 169	2 935
Fixed assets disposals	59	2 736
Penalties	21	686
Other expenses	355	171
Total	<u>1 604</u>	<u>6 528</u>

20 INCOME FROM INVESTMENT IN ASSOCIATES

	2007	2006
	LVL	LVL
Psihiskas Veselibas centrs "Dzintari"	-	25 159
Total	<u>-</u>	<u>25 159</u>

21 INTEREST INCOME AND SIMILAR INCOME

	2007	2006
	LVL	LVL
Interest income	8 721	11 248
Total	<u>8 721</u>	<u>11 248</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED 30 JUNE 2007 AND 31 DECEMBER 2006

22 INTEREST EXPENSE AND SIMILAR EXPENSE

	2007	2006
	LVL	LVL
Loan interest expenses (VOAVAA)	-	2 663
Leasing interest payments	-	-
Total	<u>-</u>	<u>2 663</u>

23 CORPORATE INCOME TAX

	2007	2006
	LVL	LVL
Calculated Corporate income tax	-	29 067
Deferred Corporate income tax	-	(7 601)
Corrections for the year 2004	-	(41 365)
Corrections for the year 2005	-	(2 554)
Total	<u>-</u>	<u>(22 453)</u>

Calculated liabilities of deferred tax at the end of year 2006 aroused from the following differences

	2007	2006
	LVL	LVL
Liabilities of deferred tax:		
value of fixed assets in balance sheet and the same value used for calculation of corporate income tax	-	17 176
From changes of book value as a result of revaluation of fixed assets	-	489 627
Assets of deferred tax:		
Accumulated liabilities	<u>484 807</u>	<u>(21 996)</u>
Deferred tax liability	484 807	484 807
