



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**NO AUDITED**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2007**

**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**INFORMATION ABOUT PARENT COMPANY**

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**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 38,9%  
ILZE AIZSILNIECE 10,1%  
AGRIS SHVARCBERGS 10,4%  
STATE SOCIAL INSURANCE AGENCY 5%

**CEO:** MARTA AIZSILNIECE

**REPORTING PERIOD:** 1 JANUARY 2007 - 31 DECEMBER 2007

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**COUNCIL AND BOARD OF THE GROUP**

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**Council of the Group**

**Number of shares owned  
31.12.07**

**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 died 23.11.07
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

**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 472 129 EUR.

The profit before taxes of subsidiary company was -26 926 EUR.

**The Group financial indexes**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net sales (mil. LVL)	5,28	3,85	3,39
Assets at the end of year (mil. LVL)	6,04	2,03	1,67
Profit after taxes (LVL)	256 052	174 775	56 498
Profit after taxes on shareholders' equity (ROE) (%)	5,4%	4,0%	14,7%
Profit after taxes on share (LVL)	0,32	0,22	0,07
LJMC share market price at the end of the year (LVL)	2,80	1,80	1,20
LJMC dividends on share (LVL)		0,04	0,02

**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**

To put into effect the decision of the shareholders meeting "Latvijas Juras medicinas centrs stock company" and its daughter company "SIA Juras medicina" at 27.12.2007 signed the letter of intent. According this letter "Latvijas Juras medicinas centrs stock company" is will buy from "SIA Juras medicina" the 2-stairs building and land. The price based on valuation of the real estate company "Eiroexpert" is LVL 183000. "Latvijas Juras medicinas centrs stock company" is the tenant of the 75% of this building and there is dislocated the medical diagnostic center. According mentioned letter the buyer in January 2008 has paid LVL 30000 deposit.

On the base of increased government funding, employees' salaries have been raised on 1 January 2008 as required by the relevant regulation by the Cabinet of Ministers and stipulated in the agreement with HCISA.

**Future Development of the Group**

The project development for a new surgery hospital at Patversmes street 23 started in the year 2007. The further development of primary health care including e-medicine will start in 2008.

**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. In cooperation with SIA "Marsh" the identification and evaluation of the main company's risks was done. Now the risk management politic is being developed.

On behalf of the Group:

Chairperson of the Board  
Marta Aizsilniece

Member of the Board  
Andris Vigants

Member of the Board  
Marika Baumgarte  
28.02.08

## **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 31 December 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  
28.02.08

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006**

	<b>2007</b>	<b>2006</b>	<b>Note</b>
	<b>EUR</b>	<b>EUR</b>	
Net sales	7 511 945	5 666 836	<b>15</b>
Cost of goods sold	(6 659 549)	(5 101 639)	<b>16</b>
<b>Gross profit or loss</b>	<b>852 396</b>	<b>565 197</b>	
Administrative expenses	(536 495)	(415 823)	<b>17</b>
Other operating income	103 228	82 144	<b>18</b>
Other operating expenses	(14 735)	(9 289)	<b>19</b>
Gain from the change of fair value of investment property		14 745	
Income from investment in associates	-	35 798	<b>20</b>
Interest income and similar income	37 698	16 004	<b>21</b>
Interest expense and similar expense	-	(3 789)	<b>22</b>
<b>Profit before taxes</b>	<b>442 091</b>	<b>284 988</b>	
Corporate income tax	(77 948)	31 948	<b>23</b>
Minority interest	186	(356)	
<b>NET PROFIT OR LOSS</b>	<b>364 329</b>	<b>316 580</b>	
<b>Number of shares</b>	<b>800 000</b>	<b>800 000</b>	
<b>Earnings per Share (EPS) (EUR)</b>	<b>0,46</b>	<b>0,40</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

28.02.08

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

	December 31, 2007	December 31, 2006	Note
ASSETS	EUR	EUR	
<b>Current assets:</b>			
<b>Stocks</b>			
Raw materials	91 058	85 556	4
<b>Total stocks</b>	<b>91 058</b>	<b>85 556</b>	
<b>Debtors:</b>			
Trade debtors	256 308	147 259	5
Other debtors	16 942	22 649	6
Accruals	19 744	10 650	7
<b>Total debtors</b>	<b>292 993</b>	<b>180 558</b>	
<b>Cash funds</b>	<b>1 752 493</b>	<b>867 280</b>	<b>8</b>
<b>Total current assets</b>	<b>2 136 544</b>	<b>1 133 394</b>	
<b>Long-term investments:</b>			
<b>Intangible assets:</b>			
Other intangible (fixed) assets	3 372	5 444	2
Goodwill	-	2 607	
<b>Total intangible assets</b>	<b>3 372</b>	<b>8 051</b>	
<b>Fixed assets:</b>			
Land and buildings	5 161 641	5 501 547	
Technological equipment and machines	547 148	433 717	
Other fixed assets and inventory	109 353	83 773	
Long term investments in rented fixed assets	20 442	37 362	
Unfinished building objects	250 201	250 201	
Advance payments for fixed assets	-	8 729	
<b>Total fixed assets:</b>	<b>6 088 786</b>	<b>6 315 328</b>	<b>2</b>
<b>Long-term financial assets:</b>			
Investment assets	188 659	188 659	
Participating interests in associated enterprises	176 349	176 349	3
<b>Total financial assets:</b>	<b>365 008</b>	<b>365 008</b>	
<b>Total long-term investments:</b>	<b>6 457 166</b>	<b>6 688 387</b>	
<b>TOTAL ASSETS</b>	<b>8 593 710</b>	<b>7 821 781</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 28.02.08	Member of the Board



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2007 AND 31 DECEMBER 2006

	December 31, 2007 EUR	December 31, 2006 EUR	Note
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
<b>Liabilities:</b>			
Other loans	-	-	10
Received advance payments	530 023	124 178	11
Due to customers and suppliers	70 892	126 988	12
Taxes and social security payments	203 637	119 312	13
Other payables	228 368	149 625	14
Deferred tax liability	656 125	689 818	23
Current year dividends			
Accrued previous year dividends			
<b>Total liabilities</b>	<b>1 689 044</b>	<b>1 209 922</b>	
<b>Provisions for liabilities and charges:</b>			
Accruals for taxes			
Provisions for vacations	180 776	206 785	
<b>Total provisions</b>	<b>180 776</b>	<b>206 785</b>	
<b>Total liabilities</b>	<b>1 869 820</b>	<b>1 416 707</b>	
<b>Equity capital:</b>			
Share equity	1 138 297	1 138 297	9
Reserves:			
c) reserves provided by the Articles of Association	45 522	45 522	
d) fixed asset's revaluation reserve	4 108 763	4 418 397	
Retained earnings:			
a) brought forward from previous years	1 064 995	484 108	
b) current year profit or loss	364 329	316 580	
<b>Total shareholders' equity</b>	<b>6 721 907</b>	<b>6 402 905</b>	
<b>Minority interest</b>	<b>1 983</b>	<b>2 170</b>	
<b>Total equity capital</b>	<b>6 723 890</b>	<b>6 405 075</b>	
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>8 593 710</b>	<b>7 821 781</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 28.02.08	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR)  
FOR THE YEARS ENDED 31 DECEMBER 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
<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>
Transfers to reserves	-	-	-	252 671	(252 671)	-	-
Dividends paid	-	-	-	(45 532)	-	-	(45 532)
Profit for the year	-	-	-	-	316 580	-	316 580
Consolidated accumulated loss	-	(8 206)	4 418 397	-	-	-	4 410 191
Minority interest changes	-	-	-	3 348	-	(32 184)	(28 836)
<b>At 31 December 2006</b>	<b>1 138 297</b>	<b>45 522</b>	<b>4 418 397</b>	<b>484 108</b>	<b>316 580</b>	<b>2 170</b>	<b>6 405 075</b>
Previous years retained earnings	-	-	-	316 580	(316 580)	-	-
Dividends paid	-	-	-	(45 532)	-	-	(45 532)
Profit for the year	-	-	-	-	364 329	-	364 329
Transfers to reserves	-	-	(309 634)	309 634	-	-	-
Minority interest changes	-	-	-	205	-	(186)	18
<b>At 31 December 2007</b>	<b>1 138 297</b>	<b>45 522</b>	<b>4 108 763</b>	<b>1 064 995</b>	<b>364 329</b>	<b>1 983</b>	<b>6 723 890</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 28.02.08	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

	2007	2006	Note
	EUR	EUR	
<b>Cash flows used in operating activities</b>			
<b>Net income before tax</b>	<b>442 091</b>	<b>284 988</b>	
Adjustments:			
a) depreciation of tangibles	572 006	237 548	<b>2</b>
b) provisions for vacations	24 315	53 503	
c) loss (gain) on sale of tangibles	8 402	27 648	
d) interest expenses	-	3 789	
e) gain (loss) from investments in associates	-	(35 798)	<b>20</b>
f) gain from the change of fair value of investment pproperty	6 695	(14 745)	
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>1 053 509</b>	<b>556 933</b>	
Changes in operating assets and liabilities:			
a) receivables.	(112 435)	102 795	
b) inventory.	(5 502)	(8 137)	
c) current liabilities.	426 354	(316 755)	
<b>3. Gross operating cash flow</b>	<b>1 361 925</b>	<b>334 836</b>	
4. Paid interest.	-	(3 789)	
5. Paid corporate income tax.	(26 924)	(62 993)	
<b>7. Net cash used in operating activities</b>	<b>1 335 001</b>	<b>268 053</b>	
<b>II. Cash flow used in investment activities</b>			
1. Purchase of shares of associates	-	(36 016)	
2. Purchase of fixed assets	(404 256)	(312 357)	<b>2</b>
3. Selling of fixed assets	-	1 205	
<b>4. Net cash from investment activities</b>	<b>(404 256)</b>	<b>(347 168)</b>	
<b>III. Cash flows used in financing activities</b>			
1. Settlement of loans	-	(75 730)	
2. Paid dividends	(45 532)	(45 532)	
<b>3. Net cash from financing activities</b>	<b>(45 532)</b>	<b>(121 261)</b>	
<b>IV. Net increase (decrease) in cash</b>	<b>885 213</b>	<b>(200 376)</b>	
<b>V. Cash at the beginning of the year</b>	<b>867 280</b>	<b>1 067 656</b>	
<b>VI. Cash at the end of the year</b>	<b>1 752 493</b>	<b>867 280</b>	

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

The financial statements were approved by:

	Marta Aizsilniece	Chairperson of the Boar
	Andris Vigants	Member of the Board
	Marika Baumgarte 28.02.08	Member of the Board

## LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

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#### 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:

	December 31, 2007	December 31, 2006
EUR	0.702804	0.702804
USD	0,484	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 YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

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#### 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 YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

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

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

EUR	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
<b>Historical cost</b>									
<b>At 31 December 2005</b>	<b>14 263</b>	<b>1 186 861</b>	-	<b>2 356 989</b>	<b>443 994</b>	<b>78 454</b>	-	<b>250 201</b>	<b>4 330 762</b>
Additions	4 074	37 170	-	196 058	34 473	6 954	8 729	24 900	312 357
Transfers		5 115 073	188 659						5 303 732
Disposals	(302)	(367 841)		(83 796)	(25 636)	(34 651)	-	(24 900)	(537 126)
<b>At 31 December 2006</b>	<b>18 035</b>	<b>5 971 264</b>	<b>188 659</b>	<b>2 469 250</b>	<b>452 832</b>	<b>50 757</b>	<b>8 729</b>	<b>250 201</b>	<b>9 409 726</b>
Additions	1 374	-		292 271	72 377		38 234		404 256
Transfers		-					(46 963)		(46 963)
Revaluation			-						-
Disposals or change of classification				(83 110)	(28 891)				(112 001)
<b>At 31 December 2007</b>	<b>19 409</b>	<b>5 971 264</b>	<b>188 659</b>	<b>2 678 411</b>	<b>496 318</b>	<b>50 757</b>	-	<b>250 201</b>	<b>9 655 018</b>
<b>Accumulated depreciation</b>									
<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	(221)	(193 927)		(80 721)	(24 839)	(34 651)			(334 359)
<b>At 31 December 2006</b>	<b>12 591</b>	<b>469 717</b>	-	<b>2 035 533</b>	<b>369 059</b>	<b>13 395</b>	-	-	<b>2 900 295</b>
Charge for the year	3 446	30 272		171 287	40 448	16 919			262 372
Charge for the year for revaluated fixed assets		309 634							309 634
Disposals or change of classification				(75 557)	(22 543)				(98 100)
<b>At 31 December 2007</b>	<b>16 037</b>	<b>809 623</b>	-	<b>2 131 263</b>	<b>386 964</b>	<b>30 314</b>	-	-	<b>3 374 201</b>
<b>Net book value</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>250 201</b>	<b>1 333 656</b>
<b>At 31 December 2006</b>	<b>5 444</b>	<b>5 501 547</b>	<b>188 659</b>	<b>433 717</b>	<b>83 773</b>	<b>37 362</b>	<b>8 729</b>	<b>250 201</b>	<b>6 509 431</b>
<b>At 31 December 2007</b>	<b>3 372</b>	<b>5 161 641</b>	<b>188 659</b>	<b>547 148</b>	<b>109 353</b>	<b>20 442</b>	-	<b>250 201</b>	<b>6 280 817</b>

## 3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2007 EUR	Capital share (%)	Amount of investment 2006 EUR
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	176 349	45	176 349
<b>Total participating interests in associated enterprises</b>		<b>176 349</b>		<b>176 349</b>

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

## 4 RAW MATERIALS

	2007 EUR	2006 EUR
Pharmaceutical	76 848	72 076
Stock in warehouse	4 774	4 222
Inventory	3 147	3 665
Products	2 008	2 436
Furniture	986	1 113
Other materials	2 827	1 541
Advance payments to supplier of goods	468	504
<b>Total</b>	<b>91 058</b>	<b>85 556</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## 5 DUE FROM CUSTOMERS

	2007	2006
	EUR	EUR
Riga slimokase AAS	50 172	43 006
LF Holdings	19 704	19 468
Balta AAS	9 370	17 705
Hospital patients treatment	21 717	17 470
BTA AAS	21 818	13 734
VOVAA Rigas department	76 704	5 374
Ergo Latvija slimokase	26 017	4 424
SEESAM Life Latvija	4 260	4 279
NBS militaras medicinas centrs	6 682	1 239
Balva AAS	1 746	935
BALTIKUMS DZIVIBA AAS	249	363
Med.prof.izglitiba centrs		
Other customers	17 868	19 263
<b>Total</b>	<b>256 308</b>	<b>147 259</b>

## 6 OTHER RECEIVABLES

	2007	2006
	EUR	EUR
Taxes overpayment (note No.13)	2 312	19 876
VAT for unpaid invoices	700	1 164
VAT advance payment	-	
Other debtors	13 930	1 609
<b>Total</b>	<b>16 942</b>	<b>22 649</b>

## 7 DIFFERED EXPENSES

	2007	2006
	EUR	EUR
Riga Stock Exchange, shares quotation		7 114
Assurance expense	3 281	1 197
Other expense	16 463	2 339
<b>Total</b>	<b>19 744</b>	<b>10 650</b>

## 8 CASH

	2007	2006
	EUR	EUR
Cash in banks	1 713 609	822 381
Deposit	34 433	38 133
Cash on hands	4 451	6 766
<b>Total</b>	<b>1 752 493</b>	<b>867 280</b>

## 9 SHARE CAPITAL

	2007	2007	2006	2006
	Number of shares	Share %	Number of shares	Share %
Shareholders:				
Janis Birks	311 583	38,9	309 509	38,7
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarcbergs	82 917	10,4	80 917	10,1
State social insurance agency	40 000	5,0	40 000	5,0
Other shareholders (shares less than 5%)	284 734	35,6	288 808	36,1
<b>Total</b>	<b>800 000</b>	<b>100,0</b>	<b>800 000</b>	<b>100,0</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006**10 OTHER LOANS**

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

**11 DUE TO RECEIVED ADVANCE PAYMENTS**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
VOAVA advance payment for 2008	529 953	119 903
Other advances	70	4 276
<b>Total</b>	<u>530 023</u>	<u>124 178</u>

**12 DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
Invitros SIA	-	-
Tamro SIA	-	-
Tradintek SIA	-	42 182
Amerilat MD	-	18 183
Siemens SIA	-	16 958
AB Medical Group Riga	-	10 447
NMS SIA	-	10 165
Latvenergo Rīgas elektrotīkls	5 354	4 671
Sistēmu Audits SIA	5 876	4 197
Latvijas Gaze	8 873	4 170
Valsts Patoloģijas centrs SIA	-	3 650
Lattelekom	1 147	1 598
NMS Diagnostika	-	1 308
Nacion.medic.serviss-laboratory	600	1 232
Rīgas Ūdens	1 814	1 154
S.A.V. SIA	-	1 023
Hospital Gaiļezers BO	-	1 023
Rīgas Stradiņu Universitāte	2 116	865
Other suppliers	45 111	4 162
<b>Total</b>	<u>70 892</u>	<u>126 988</u>

**13 TAXES**

	<b>As of 31-12-2006</b>	<b>Calculated</b>	<b>Paid</b>	<b>As of 30-06-2007</b>
Value added tax	2 454	42 262	(43 523)	1 194
Social insurance	69 210	1 048 305	(1 033 309)	84 648
Personal income tax	47 387	670 796	(662 896)	55 287
Corporate income tax	(22 486)	111 641	(26 924)	62 232
Corporate income tax	-	-	(3 682)	-
Unemployment duty	158	2 176	(2 157)	176
Natural resources tax	102	164	(166)	100
Real estate tax	(1 073)	1 680	(608)	-
<b>Total, incl.</b>	<u>95 754</u>	<u>1 877 024</u>	<u>(1 773 265)</u>	<u>203 637</u>
due to the budget	119 312			203 637
overpayment	(23 558)			-



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## 14 DUE TO OTHER COMPANIES

	2007	2006
	EUR	EUR
Salaries	175 023	140 089
Accured liabilities	50 853	4 197
Board remuneration	-	2 944
Trade union	1 362	1 265
Deposited salary	1 130	1 130
Council remuneration	-	-
<b>Total</b>	<b><u>228 368</u></b>	<b><u>149 625</u></b>

## 15 NET SALES

	2007	2006
	EUR	EUR
Medical hospital services	3 895 598	2 892 674
Medical ambulant services	2 437 550	1 725 500
Services - minimum fixed part	291 401	216 422
Insurance payments	372 680	336 967
VS ZDC ambulant services	209 297	263 472
Stomatology services	52 464	46 450
Residents training	129 615	74 153
Family doctors	42 807	26 847
Other income	80 532	84 352
<b>Total</b>	<b><u>7 511 945</u></b>	<b><u>5 666 836</u></b>

## 16 COST OF GOODS SOLD

	2007	2006
	EUR	EUR
fixed assets	309 634	-
Boiling maintenance expenses	7 386	-
Salaries and wages	2 862 423	2 214 654
Medical goods	961 322	836 952
Social tax	671 366	518 931
Other operating expenses	617 127	390 177
Public utilities	157 192	279 414
Fixed assets depreciation	241 988	210 017
Repair expenses	334 002	142 513
Feeding expenses	85 546	81 041
Household goods	78 604	80 004
Medical researches	108 606	78 147
Current assets write-off	104 517	72 481
Accruals for vacations	(24 315)	53 503
Office expenses	41 310	44 278
Employees trainings	39 332	37 342
Gifts to employees	37 375	29 949
Rent fixed assets depreciation	16 919	23 019
Transport expense	13 624	7 607
Advertising	3 678	5 028
Tangible assets amortization	3 446	4 444
Allowances to employees	4 354	2 661
Insurance expenses	2 994	2 318
Unemployment duty	2 150	2 130
Received discounts	(30 703)	(23 327)
Other expenses	9 673	8 355
<b>Total</b>	<b><u>6 659 549</u></b>	<b><u>5 101 639</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

**17 ADMINISTRATIVE EXPENSES**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and wages	307 525	253 577
Social tax	67 060	49 401
Board chairperson remuneration	40 461	27 545
Office expenses	10 912	7 304
Board remuneration	39 244	16 612
Other administrative expenses	5 995	6 154
Presentation expenses	5 945	14 045
Chairperson of the Board social tax	7 688	5 489
Board members social tax	9 454	5 728
Council chairperson remuneration	12 662	10 102
Audit expenses	8 110	8 366
Council members remuneration	13 534	5 905
Bank expenses	1 585	1 325
Chairperson of the Council social tax	3 051	2 433
Council members social tax	3 127	1 423
Legal services	142	413
<b>Total</b>	<b><u>536 495</u></b>	<b><u>415 823</u></b>

**18 OTHER OPERATING INCOME**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
Currency exchange gain	1 919	-
Rent income	64 065	43 708
Feeding income	15 303	15 434
Press goods	9 590	8 291
Solarium income	3 551	4 082
Laundry income	2 742	2 442
Gain on sale of fixed assets	398	1 205
Other income	5 659	6 982
<b>Total</b>	<b><u>103 228</u></b>	<b><u>82 144</u></b>

**19 OTHER OPERATING EXPENSES**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
Currency exchange loss	4 031	4 176
Fixed assets disposals	8 402	3 893
Penalties	1 742	976
Other expenses	561	243
<b>Total</b>	<b><u>14 735</u></b>	<b><u>9 289</u></b>

**20 INCOME FROM INVESTMENT IN ASSOCIATES**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
Psihiskas Veselibas centrs "Dzintari"	-	35 798
<b>Total</b>	<b><u>-</u></b>	<b><u>35 798</u></b>

**21 INTEREST INCOME AND SIMILAR INCOME**

	<b>2007</b>	<b>2006</b>
	<b>EUR</b>	<b>EUR</b>
Interest income	37 698	16 004
<b>Total</b>	<b><u>37 698</u></b>	<b><u>16 004</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

## 22 INTEREST EXPENSE AND SIMILAR EXPENSE

	2007	2006
	EUR	EUR
Loan interest expenses (VOAVAA)	-	3 789
Leasing interest payments	-	-
<b>Total</b>	<u>-</u>	<u>3 789</u>

## 23 CORPORATE INCOME TAX

	2007	2006
	EUR	EUR
Calculated Corporate income tax	111 641	41 359
Deferred Corporate income tax	(33 694)	(10 815)
Corrections for the year 2004	-	(58 857)
Corrections for the year 2005	-	(3 634)
<b>Total</b>	<u>77 948</u>	<u>(31 948)</u>

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

	2007	2006
	EUR	EUR
Liabilities of deferred tax:		
value of fixed assets in balance sheet and the same value used for calculation of corporate income tax	-	24 439
From changes of book value as a result of revaluation of fixed assets	689 030	696 676
Assets of deferred tax:		
Accumulated liabilities	<u>(32 905)</u>	<u>(31 297)</u>
<b>Deferred tax liability</b>	<b>656 125</b>	<b>689 818</b>

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