



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**

**CONSOLIDATED INTERIM REPORT FOR THE 3 MONTHS OF 2008**

**PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING  
STANDARDS**

**(Translation of the Latvian original)**

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
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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:** Registered in Latvian Register of Enterprises at 27.08.2004.  
Registration Number: 40003306807

**LEGAL ADDRESS:** 23, PATVERSMES STREET, RIGA, LV - 1005, LATVIA

**SHARES** 800 000 shares with face value 1,00 LVL, int. al.:  
798 800 public registered shares. ISIN code:LV0000100741  
1 200 registered shares listed in the register of the Board

**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 2008 - 31 MARCH 2008

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY  
COUNCIL AND BOARD OF THE GROUP**

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**Council of the Group**

**Number of shares owned at  
31.03.08**

**From November 22, 2006 till April 23, 2008**

<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	Vice-Chairman of the Council	-
Martins Birks	Member of the Council	-

**From April 23, 2008 till the consolidated financial statements signing day**

<u>Name</u>	<u>Position</u>	
Martins Birks	Chairman of the Council	-
Antons Vjaters	Member of the Council	-
Vladislavs Skrebelis	Member of the Council	-
Austris Adumans	Vice-Chairman of the Council	-
Viesturs Shilinsh	Member of the Council	3 038

**Board of the Group**

**From April 28, 2005 till the consolidated financial statements signing day**

<u>Name</u>	<u>Position</u>	
Marta Aizsiliece	Chairperson of the Board	1 066
Marika Baumgarte	Member of the Board	12 071
Andris Vigants	Member of the Board	-

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

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### **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 133 760 LVL.

The loss before taxes of subsidiary company was -08 673 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 2008 as required by the relevant regulation by the Cabinet of Ministers and stipulated in the agreement with HCISA.

The share price at the 03.01.08 was LVL 2,80; at 31.03.2008 - LVL 3,45; at 26.05.08 - LVL 4,00.

#### **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

Riga, 28 May, 2008.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**DECLARATION OF MANAGEMENT RESPONSIBILITY**

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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 March 2008 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

Riga, 28 May, 2008.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007**

	<b>2007, 3 month period LVL</b>	<b>2008, 12 month period LVL</b>	<b>Note</b>	<b>2007, 3 month period LVL</b>
Net sales	1 466 305	5 242 809	<b>14</b>	1 239 463
Cost of goods sold	(1 264 318)	(4 654 610)	<b>15</b>	(1 046 819)
<b>Gross profit or loss</b>	<b>201 987</b>	<b>588 199</b>		<b>192 644</b>
Administrative expenses	(108 584)	(394 334)	<b>16</b>	(89 629)
Other operating income	26 844	110 033	<b>17</b>	16 678
Other operating expenses	(3 056)	(17 534)	<b>18</b>	(88)
Gain from the change of fair value of investment property	-	-		-
Income from investment in associates	-	1 578	<b>19</b>	-
Interest income and similar income	7 895	26 494	<b>20</b>	2 486
Interest expense and similar expense	-	-	<b>21</b>	-
<b>Profit before taxes</b>	<b>125 086</b>	<b>314 436</b>		<b>122 091</b>
Corporate income tax	-	(87 680)	<b>22</b>	-
Minority interest	61	91		(19)
<b>NET PROFIT OR LOSS</b>	<b>125 147</b>	<b>226 847</b>		<b>122 072</b>
<b>Number of shares</b>	<b>800 000</b>	<b>800 000</b>		<b>800 000</b>
<b>Earnings per Share (EPS) (LVL)</b>	<b>0,16</b>	<b>0,28</b>		<b>0,15</b>

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF 31 MARCH 2008 AND 31 DECEMBER 2007**

	March 31, 2008	December 31, 2007	Note	March 31, 2007
<b>ASSETS</b>	<b>LVL</b>	<b>LVL</b>		<b>LVL</b>
<b>Current assets:</b>				
<b>Stocks</b>				
Raw materials	91 672	63 996	4	53 851
<b>Total stocks</b>	<b>91 672</b>	<b>63 996</b>		<b>53 851</b>
<b>Debtors:</b>				
Trade debtors	361 871	180 134	5	125 462
Other debtors	12 309	9 160	6	32 163
Accruals	1 682	13 876	7	943
<b>Total debtors</b>	<b>375 862</b>	<b>203 170</b>		<b>158 568</b>
<b>Cash funds</b>	<b>988 590</b>	<b>1 231 659</b>	<b>8</b>	<b>741 491</b>
<b>Total current assets</b>	<b>1 456 124</b>	<b>1 498 825</b>		<b>953 910</b>
<b>Long-term investments:</b>				
<b>Intangible assets:</b>				
Other intangible (fixed) assets	1 875	2 370	2	3 963
Goodwill	-	-		1 832
<b>Total intangible assets</b>	<b>1 875</b>	<b>2 370</b>		<b>5 795</b>
<b>Fixed assets:</b>				
Land and buildings	3 574 591	3 627 622		3 861 190
Technological equipment and machines	358 712	384 538		286 237
Other fixed assets and inventory	74 302	76 854		62 487
Long term investments in rented fixed assets	11 394	14 367		23 285
Unfinished building objects	175 842	175 842		175 842
Advance payments for fixed assets	-	-		3 888
<b>Total fixed assets:</b>	<b>4 194 841</b>	<b>4 279 223</b>	<b>2</b>	<b>4 412 929</b>
<b>Long-term financial assets:</b>				
Investment assets	132 590	132 590	2	132 590
Participating interests in associated enterprises	125 517	125 517	3	123 939
<b>Total financial assets:</b>	<b>258 107</b>	<b>258 107</b>		<b>256 529</b>
<b>Total long-term investments:</b>	<b>4 454 823</b>	<b>4 539 700</b>		<b>4 675 253</b>
<b>TOTAL ASSETS</b>	<b>5 910 947</b>	<b>6 038 525</b>		<b>5 629 163</b>

*The notes on pages 12-20 form an integral part of these financial statements.*



**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF 31 MARCH 2008 AND 31 DECEMBER 2007**

	March 31, 2008	December 31, 2007	Note	March 31, 2007
<b>LIABILITIES</b>	<b>LVL</b>	<b>LVL</b>		<b>LVL</b>
<b>Liabilities:</b>				
<b>Liabilities:</b>				
Received advance payments	30 012	372 502	<b>10</b>	5 737
Due to customers and suppliers	120 170	49 822	<b>11</b>	146 179
Taxes and social security payments	157 242	138 470	<b>12</b>	99 080
Other payables	161 205	160 499	<b>13</b>	124 428
Recognized deferred tax liabilities	452 967	461 127	<b>22</b>	484 807
<b>Total liabilities</b>	<b>921 596</b>	<b>1 182 420</b>		<b>860 231</b>
<b>Provisions for liabilities and charges:</b>				
Provisions for vacations	127 195	127 195		145 329
<b>Total provisions</b>	<b>127 195</b>	<b>127 195</b>		<b>145 329</b>
<b>Total liabilities</b>	<b>1 048 791</b>	<b>1 309 615</b>		<b>1 005 560</b>
<b>Equity capital:</b>				
Share equity	800 000	800 000	<b>9</b>	800 000
Reserves:				
c) reserves provided by the Articles of Association	31 993	31 993		31 993
d) fixed asset's revaluation reserve	2 865 894	2 920 297		3 105 267
Retained earnings:				
a) brought forward from previous years	1 029 498	748 339		562 692
b) current year profit or loss	133 307	226 847		122 072
<b>Total shareholders' equity</b>	<b>4 860 692</b>	<b>4 727 476</b>		<b>4 622 024</b>
<b>Minority interest</b>	<b>1 464</b>	<b>1 434</b>		<b>1 579</b>
<b>Total equity capital</b>	<b>4 862 156</b>	<b>4 728 910</b>		<b>4 623 603</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>5 910 947</b>	<b>6 038 525</b>		<b>5 629 163</b>
<b>Current Ratio</b>	<b>1,58</b>	<b>1,27</b>		<b>1,11</b>
<b>Debt Ratio</b>	<b>0,18</b>	<b>0,22</b>		<b>0,18</b>

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (LVL)**  
**FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007**

	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 2006</b>	<b>800 000</b>	<b>31 993</b>	<b>3 105 267</b>	<b>340 233</b>	<b>222 494</b>	<b>1 525</b>	<b>4 501 512</b>
Transfers to reserves	-	-	-	222 494	(222 494)	-	-
Dividends paid	-	-	-	(32 000)	-	-	(32 000)
Profit for the year	-	-	-	-	226 847	-	226 847
Depreciation of revaluation surplus	-	-	(217 612)	217 612	-	-	-
Minority interest changes	-	-	32 642	-	-	(91)	32 551
<b>At 31 December 2007</b>	<b>800 000</b>	<b>31 993</b>	<b>2 920 297</b>	<b>748 339</b>	<b>226 847</b>	<b>1 434</b>	<b>4 728 910</b>
Previous years retained earnings	-	-	-	226 847	(226 847)	-	-
Dividends paid	-	-	-	-	-	-	-
Depreciation of revaluation surplus	-	-	(54 403)	54 403	8 160	-	8 160
Deffered tax on revaluation surplus	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	125 147	-	125 147
Minority interest changes	-	-	-	(91)	-	30	(61)
<b>At 31 March 2008</b>	<b>800 000</b>	<b>31 993</b>	<b>2 865 894</b>	<b>1 029 498</b>	<b>133 307</b>	<b>1 464</b>	<b>4 862 156</b>

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007**

	<b>2007, 3 month period LVL</b>	<b>2008, 12 month period LVL</b>	<b>Note</b>	<b>2007, 3 month period</b>
<b>Cash flows used in operating activities</b>				
<b>Net income before tax</b>	<b>125 086</b>	<b>314 436</b>		<b>200 291</b>
Adjustments:				
a) depreciation of tangibles	105 528	402 008	<b>2</b>	166 950
b) depreciation of goodwill	-	1 832		
c) provisions	-	(18 134)		37 602
d) loss (gain) on sale of tangibles	160	9 512	<b>18</b>	19 431
e) interest expenses	-	-		2 663
f) gain (loss) from investments in associates	-	(1 578)	<b>20</b>	(25 159)
g) gain from the change of fair value of investment pproperty	-	-		(10 363)
<b>2. Gain (loss) before changes in current assets and liabilities</b>	<b>230 774</b>	<b>708 076</b>		<b>391 415</b>
Changes in operating assets and liabilities:				
a) receivables.	(172 692)	(89 488)		72 245
b) inventory.	(27 676)	(3 867)		(5 719)
c) current liabilities.	(251 628)	314 534		(222 617)
<b>3. Gross operating cash flow</b>	<b>(221 222)</b>	<b>929 255</b>		<b>235 324</b>
4. Paid interest.	-	-		(2 663)
5. Paid corporate income tax.	(1 036)	(24 275)	<b>12</b>	(44 272)
<b>6. Net cash used in operating activities</b>	<b>(222 258)</b>	<b>904 980</b>		<b>188 389</b>
<b>II. Cash flow used in investment activities</b>				
1. Purchase of shares of associates	-	-		(25 312)
2. Purchase of fixed assets	(20 811)	(251 181)	<b>2</b>	(219 526)
3. Selling of fixed assets	-	332		847
<b>4. Net cash from investment activities</b>	<b>(20 811)</b>	<b>(250 849)</b>		<b>(243 991)</b>
<b>III. Cash flows used in financing activities</b>				
1. Settlement of loans	-	-		(53 223)
2. Paid dividends	-	(32 000)		(32 000)
<b>3. Net cash from financing activities</b>	<b>-</b>	<b>(32 000)</b>		<b>(85 223)</b>
<b>IV. Net increase (decrease) in cash</b>	<b>(243 069)</b>	<b>622 131</b>		<b>(140 825)</b>
<b>V. Cash at the beginning of the period</b>	<b>1 231 659</b>	<b>609 528</b>		<b>750 353</b>
<b>VI. Cash at the end of the period</b>	<b>988 590</b>	<b>1 231 659</b>		<b>609 528</b>

*The notes on pages 12-20 form an integral part of these financial statements.*

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007**

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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:

	<b>March 31, 2008</b>	<b>December 31, 2007</b>
EUR	0,702804	0,702804
USD	0,445	0,484

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.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007**

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**Inventory**

Inventories are stated at the lower of cost or market, using FIFO method.

**Fixed assets**

Fixed assets excluding real estate 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 calculated based on the historical cost.

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.

Land and buildings (real estate) are accounted according to the revaluation model, recognized at the fair value determined from market-based evidence, appraised by professionally qualified valuers as of 31 December, 2006. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Depreciation is calculated based on the revalued amount. The depreciation charge for each period is recognised in the statement of income.

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
Revaluated part of the buildings	15 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

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.

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007**

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**Dividends**

Dividends are recognized as liabilities in the Group financial statements after the Group shareholders made a decision to pay.

**Property revaluation surplus**

The revaluation surplus is included in equity under the heading "Investment revaluation reserve". According to IASs 16, p.41, the revaluation surplus included in equity is transferred directly to retained earnings. The surplus transferred is 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 not 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 on revaluation surplus is charged or credited directly to equity in the same or a different period according to IAS 12 p.61.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED 31 MARCH 2008 AND 31 DECEMBER 2007

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

As of 31 March 2008 and 31 December 2007  
 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
<b>Historical cost</b>									
<b>At 31 December 2006</b>	12 675	4 196 628	132 590	1 735 399	318 252	35 672	6 135	175 842	6 613 193
Additions	966	-	-	205 409	44 806	-	-	-	251 181
Transfers	-	-	-	-	2 247	-	(2 247)	-	-
Disposals	-	-	-	(58 410)	(16 491)	-	(3 888)	-	(78 789)
<b>At 31 December 2007</b>	13 641	4 196 628	132 590	1 882 398	348 814	35 672	-	175 842	6 785 585
Additions	-	6 691	-	9 007	5 113	-	-	-	20 811
Transfers	-	-	-	-	-	-	-	-	-
Disposals or change of classification	-	-	-	(203)	(502)	-	-	-	(705)
<b>At 31 March 2008</b>	13 641	4 203 319	132 590	1 891 202	353 425	35 672	-	175 842	6 805 691
<b>Accumulated depreciation</b>									
<b>At 31 December 2006</b>	8 849	330 119	-	1 430 581	259 376	9 414	-	-	2 038 339
Charge for the year	2 422	21 275	-	120 381	28 427	11 891	-	-	184 396
Charge for the period for revaluationed fixed assets	-	217 612	-	-	-	-	-	-	217 612
Disposals	-	-	-	(53 102)	(15 843)	-	-	-	(68 945)
<b>At 31 December 2007</b>	11 271	569 006	-	1 497 860	271 960	21 305	-	-	2 371 402
Charge for the period	495	5 319	-	34 833	7 505	2 973	-	-	51 125
Charge for the period for revaluationed fixed assets	-	54 403	-	-	-	-	-	-	54 403
Disposals or change of classification	-	-	-	(203)	(342)	-	-	-	(545)
<b>At 31 March 2008</b>	11 766	628 728	-	1 532 490	279 123	24 278	-	-	2 476 385
<b>Net book value</b>									
<b>At 31 December 2006</b>	3 826	3 866 509	132 590	304 818	58 876	26 258	6 135	175 842	4 574 854
<b>At 31 December 2007</b>	2 370	3 627 622	132 590	384 538	76 854	14 367	-	175 842	4 414 183
<b>At 31 March 2008</b>	1 875	3 574 591	132 590	358 712	74 302	11 394	-	175 842	4 329 306

**3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES**

	Capital share (%)	Amount of investment 2008 LVL	Capital share (%)	Amount of investment 2007 LVL
<b>Participating interests in associated enterprises</b>				
Participation in "Neirozu klinika" Ltd.	45	125 517	45	125 517
<b>Total participating interests in associated enterprises</b>		<u>125 517</u>		<u>125 517</u>

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

**4 RAW MATERIALS**

	2008 LVL	2007 LVL
Pharmaceutical	48 868	54 009
Stock in warehouse	3 915	3 355
Inventory	3 251	2 212
Products	2 718	1 411
Furniture	693	693
Other materials	1 692	1 987
Advance payments to supplier of goods	30 535	329
<b>Total</b>	<u>91 672</u>	<u>63 996</u>

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**5 DUE FROM CUSTOMERS**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
VOVAA Rigas department	213 909	53 908
Riga slimokase AAS	27 572	35 261
Ergo Latvija AAS	30 168	18 285
BTA AAS	34 776	15 334
Accrued income	-	15 263
LMRIH	37	13 848
NBS militaras medicinas centrs	6 717	4 696
IF Latvija AAS	9 701	2 091
Riga 1.hospital	1 696	1 681
Balva AAS	2 224	1 227
BALTIKUMS DZIVIBA AAS	323	175
<b>Total</b>	<b><u>361 871</u></b>	<b><u>180 134</u></b>

**6 OTHER RECEIVABLES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Parex bank	-	2 506
Riga Latvian association	1 650	1 650
Taxes overpayment (note No.13)	1 625	1 625
LBM GROUP AS	-	1 000
VAT for unpaid invoices	366	510
Other debtors	8 668	1 869
<b>Total</b>	<b><u>12 309</u></b>	<b><u>9 160</u></b>

**7 DIFFERED EXPENSES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Assurance expense	1 682	2 306
Riga Stock Exchange, shares quotation		
Other expense		11 570
<b>Total</b>	<b><u>1 682</u></b>	<b><u>13 876</u></b>

**8 CASH**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Cash in banks	961 532	1 204 331
Deposit	22 250	24 200
Cash on hands	4 808	3 128
<b>Total</b>	<b><u>988 590</u></b>	<b><u>1 231 659</u></b>

**9 SHARE CAPITAL**

	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>Number of</b>	<b>Share %</b>	<b>Number of</b>	<b>Share %</b>
	<b>shares</b>		<b>shares</b>	
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><u>800 000</u></b>	<b><u>100,0</u></b>	<b><u>800 000</u></b>	<b><u>100,0</u></b>



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**10 DUE TO RECEIVED ADVANCE PAYMENTS**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
VOAVA advance payment for 2008		372 453
Other advances	30 012	49
<b>Total</b>	<b><u>30 012</u></b>	<b><u>372 502</u></b>

**11 DUE TO SUPPLIERS AND CONTRACTORS**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Veselības centrs-4	400	11 843
Amerilat MD	10 620	11 034
Latvijas Gaze	6 403	6 636
Other suppliers	47 468	5 389
Sistēmu Audits SIA	2 360	4 130
Latvenergo Rīgas elektrotīkls	1 613	3 763
Hemis SIA	-	1 890
VPVD national diagnostic center	492	1 492
Rīgas Stradiņu Universitāte	744	1 487
Rīgas Ūdens	1 318	1 275
Lattelekom	1 344	806
AB Medical Group Riga	250	77
Invitros SIA	9 658	-
B.Braun Medical SIA	14 945	-
Recipe Plus SIA	19 792	-
NMS SIA	2 763	-
<b>Total</b>	<b><u>120 170</u></b>	<b><u>49 822</u></b>

**12 TAXES**

	<b>As of 31-12- 2006</b>	<b>Calculated</b>	<b>Paid</b>	<b>As of 31-12- 2007</b>
Value added tax	1 248	3 624	(4 187)	684
Social insurance	56 968	208 428	(192 809)	72 589
Personal income tax	38 856	124 813	(120 007)	43 661
Corporate income tax	41 228	-	(1 036)	40 192
Corporate income tax-adjustment	(9)	-	-	(9)
Unemployment duty	109	374	(358)	125
Natural resources tax	70	-	(70)	-
Real estate tax	(1 625)	-	-	(1 625)
<b>Total, including</b>	<b><u>136 845</u></b>	<b><u>337 239</u></b>	<b><u>(318 467)</u></b>	<b><u>155 617</u></b>
due to the budget	138 470			157 242
overpayment	(1 625)			(1 625)

**13 DUE TO OTHER COMPANIES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Salaries	150 681	123 007
Accured liabilities	8 599	35 740
Trade union	1 158	957
Deposited salary	767	795
Board remuneration	-	-
<b>Total</b>	<b><u>161 205</u></b>	<b><u>160 499</u></b>

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**14 NET SALES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Medical hospital services	738 845	2 737 313
Medical ambulant services	494 047	1 714 614
Insurance payments	88 383	261 921
Services - minimum fixed part	54 217	204 798
VS ZDC ambulant services	43 871	145 785
Residents training	27 264	91 094
Stomatology services	9 962	37 247
Family doctors	8 146	30 085
Other income	1 570	19 952
<b>Total</b>	<b><u>1 466 305</u></b>	<b><u>5 242 809</u></b>

**15 COST OF GOODS SOLD**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	569 474	2 028 811
Medical goods	191 823	675 622
Social tax	133 341	469 303
Fixed assets depreciation	105 528	401 995
Repair expenses	31 345	234 739
VAT - expenses	42 961	175 387
Rent of equipment	32 957	127 905
Public utilities	41 670	98 159
Medical researches	12 057	76 329
Current assets write-off	24 326	73 455
Feeding expenses	16 417	60 122
Household goods	15 836	55 243
Gifts to employees	630	26 267
Employees trainings	3 263	25 520
Office expenses	3 305	14 511
Transport expense	2 080	8 938
Allowances to employees	870	3 060
Advertising	824	2 585
Insurance expenses	1 021	2 104
Unemployment duty	375	1 511
Accruals for vacations	-	(17 089)
Received discounts	(3 239)	(21 578)
Saņemtās atlaides	37 454	131 711
<b>Total</b>	<b><u>1 264 318</u></b>	<b><u>4 654 610</u></b>

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**16 ADMINISTRATIVE EXPENSES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Salaries and wages	62 300	216 130
Social tax	14 353	47 148
Board chairperson remuneration	8 507	28 436
Office expenses	2 960	8 846
Board remuneration	4 553	27 581
Other administrative expenses	5 717	20 627
Presentation expenses	1 098	3 852
Chairperson of the Board social tax	1 711	4 966
Board members social tax	1 277	6 644
Council chairperson remuneration	1 050	8 899
Audit expenses	-	5 700
Council members remuneration	3 150	9 512
Bank expenses	294	1 114
Chairperson of the Council social tax	234	2 581
Council members social tax	820	2 198
Legal services	560	100
<b>Total</b>	<b><u>108 584</u></b>	<b><u>394 334</u></b>

**17 OTHER OPERATING INCOME**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Rent income	20 408	72 494
Feeding income	2 529	10 755
Received donations	-	10 285
Press goods	1 775	6 740
Solarium income	1 038	2 496
Laundry income	437	1 927
Other income	657	5 336
<b>Total</b>	<b><u>26 844</u></b>	<b><u>110 033</u></b>

**18 OTHER OPERATING EXPENSES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Fixed assets disposals	160	9 512
Penalties	1	1 233
Currency exchange loss	2 144	2 833
Real estate tax	367	1 205
Other expenses	384	2 751
<b>Total</b>	<b><u>3 056</u></b>	<b><u>17 534</u></b>

**19 INCOME FROM INVESTMENT IN ASSOCIATES**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Psihiskas Veselibas centrs "Dzintari"	-	1 578
<b>Total</b>	<b><u>-</u></b>	<b><u>1 578</u></b>

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**20 INTEREST INCOME AND SIMILAR INCOME**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Interest income	7 895	26 494
<b>Total</b>	<b><u>7 895</u></b>	<b><u>26 494</u></b>

**21 INTEREST EXPENSE AND SIMILAR EXPENSE**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Loan interest expenses (VOAVAA)	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

**22 CORPORATE INCOME TAX**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Calculated Corporate income tax	-	78 718
Deferred Corporate income tax	-	8 962
<b>Total</b>	<b><u>-</u></b>	<b><u>87 680</u></b>

**23 CORPORATE INCOME TAX (CONTINUED ...)**

	<b>2008</b>	<b>2007</b>
	<b>LVL</b>	<b>LVL</b>
Profit before tax	125 086	314 436
Theoretically calculated corporate income tax, rate 15%	18 763	47 165
Permanent differences	31 553	31 553
<b>Calculated corporate income tax</b>	<b><u>50 316</u></b>	<b><u>78 718</u></b>

**Deffered tax**

Temporary difference between financial statement depreciation and depreciation for tax purposes	(154 666)	(154 666)
Temporary difference of fixed assets revaluation	(2 992 164)	(3 046 567)
Accruals for vacations	127 050	127 050
Accrued liabilities	-	-
<b>Total temporary differences</b>	<b><u>(3 019 780)</u></b>	<b><u>(3 074 183)</u></b>
Tax rate applied	15%	15%
<b>Deferred tax liabilities</b>	<b><u>452 967</u></b>	<b><u>461 127</u></b>
<b>Recognized deferred tax liabilities</b>	<b><u>452 967</u></b>	<b><u>461 127</u></b>

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