



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**INDEPENDENT AUDITOR'S REPORT AND
COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2006**

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

TABLE OF CONTENTS

	PAGE
INFORMATION ABOUT PARENT COMPANY	3
COUNCIL AND BOARD OF THE GROUP	4
MANAGEMENT REPORT	5 - 6
DECLARATION OF MANAGEMENT RESPONSIBILITY	7
FINANCIAL STATEMENTS	8 - 12
CONSOLIDATED STATEMENT OF INCOME	8
CONSOLIDATED BALANCE SHEET	9 - 10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13 - 20
INDEPENDENT AUDITORS' REPORT	21

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 2006 - 31 DECEMBER 2006

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

COUNCIL AND BOARD OF THE GROUP

Council of the Group

From June 6, 2003 till the May 31, 2006

Number of shares owned

31.12.06

<u>Name</u>	<u>Position</u>
Agris Shvarcbergs	Chairman of the Council
Antons Vjaters	Member of the Council
Vladislavs Skrebelis	Member of the Council
Austris Adumans	Member of the Council
Janis Aboltins	Member of the Council

From May 31, 2006 till the November 22, 2006

<u>Name</u>	<u>Position</u>	
Agris Shvarcbergs	Chairman of the Council	
Antons Vjaters	Member of the Council	
Vladislavs Skrebelis	Member of the Council	
Austris Adumans	Member of the Council	
Janis Aboltins	Member of the Council	died 31.07.06

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

<u>Name</u>	<u>Position</u>	
Agris Shvarcbergs	Chairman of the Council	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

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 current financial condition of the Group of companies and its development

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

The profit before taxes of the parent company was 138 626 LVL.

The profit before taxes of subsidiary company was 36 828 LVL.

The Group financial indexes

	2006	2005	2004
Net sales (mil. LVL)	3,98	3,85	3,39
Assets at the end of year (mil. LVL)	5,50	2,03	1,67
Profit after taxes (LVL)	222 494	174 775	56 498
Profit after taxes on share (LVL)	0,28	0,22	0,07
LJMC share market price at the end of the year (LVL)	1,85	1,80	1,20
LJMC dividends on share (LVL)	0,04	0,04	0,02

Important events that affected results of the Group's activities in reporting period

Since February 2006 the magnetic resonance imaging services was started. Total joint investments in the year 2005 and 2006 for this type of activity together with cooperation partners constitute almost 0,5 million EUR (LJMC takes on lease the equipment from SIA "Amerilat". The lease payments in the year 2006 were 69 132 LVL. The owner of SIA "Amerilat" is Chairman of the Council of LJMC A. Shwarzbergs.) In the year 2006 are made investments in the new medical equipment: Siemens mammography, Getinge sterilization equipment, electro surgery equipment, insufflators and other. This enabled additional medical services and higher quality of existing service. Total 160 000 LVL was invested in equipment and facilities. The project draft for a new surgery clinic was developed. 29 000 LVL were invested in training of the health care professionals. 102 000 LVL were spent in renovation of the premises which resulted in providing better environment for patients and better work places for personal.

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

The LJMC owned real estate (land 15 235 m² and hospital buildings with 6 283 m² premises on Patversmes street 23; land 3 464 m² and hospital building with 2 467 m² premises on Vecmigravja 5. street 26; land 3 504 m² and building of polyclinics with 2 012 m² premises on Melidas street 10) was reevaluated according market situation by real estate company "Latio". The value of the real estate was estimated 3 589 443 LVL more than its former balance value. By this amount was increased fixed asset's revaluation reserve in LJMC equity capital. The possible liabilities of income tax in this case when these real estate are sold at the new price, are also disclosed in the balance sheet as "Deferred liabilities".

The owned building of JM was estimated by SIA "Euroexpert" as investment asset since, almost all premises are leased. The difference between estimated value and book value was 10 363 LVL which increased the profit of the JM.

MANAGEMENT REPORT

In the year 2006 LJMC has increased its shareholding in the capital of SIA "Juras medicina" from 86,80% to 99,3% by purchase of shares from other shareholders: LAS "Rinuži" - 64 640 shares for 13574,40 LVL; The member of Council of LJMC, A. Vjaters - 745 shares for 156,45 LVL; Riga City Council 15 394 shares for 3 232,74 LVL; Chairperson of the Board of LJMC, M. Aizsilniece 29 793 shares for Ls 6 256,53; SIA "LLS Baltic Container Service" 9 964 shares for 2 092,44 LVL; The price of all these shares were equal to their book value 0,21 LVL. Other shareholder Baltic Marine Fishing Company JSC also increased its part in JM share capital.

Important Events after the Balance Sheet Date

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

Future Development of the Group

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

Risk Management

The company has good 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

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 year ended 31 December 2006 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

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005**

LVL	2006	2005	Note
Net sales	3 982 675	3 847 301	15
Cost of goods sold	(3 585 452)	(3 440 772)	16
Gross profit or loss	397 223	406 529	
Administrative expenses	(292 242)	(248 899)	17
Other operating income	57 731	76 701	18
Other operating expenses	(6 528)	(14 703)	19
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	11 248	7 036	21
Interest expense and similar expense	(2 663)	(6 308)	22
Profit before taxes	200 291	220 356	
Corporate income tax	22 453	(41 800)	23
Minority interest	(250)	(978)	
NET PROFIT OR LOSS	222 494	177 578	
Number of shares	800 000	800 000	
One share profit LVL	0,28	0,22	

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

	December 31, 2006	December 31, 2005	Note
ASSETS	LVL	LVL	
Current assets:			
Stocks			
Raw materials	60 129	54 410	4
Total stocks	60 129	54 410	
Debtors:			
Trade debtors	103 494	181 366	5
Other debtors	15 918	1 922	6
Accruals	7 485	7 272	7
Total debtors	126 897	190 560	
Cash funds	609 528	750 353	8
Total current assets	796 554	995 323	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	3 826	4 143	2
Goodwill	1 832	-	
Total intangible assets	5 658	4 143	
Fixed assets:			
Land and buildings	3 866 509	390 923	
Technological equipment and machines	304 818	269 035	
Other fixed assets and inventory	58 876	59 806	
Long term investments in rented fixed assets	26 258	37 550	
Unfinished building objects	175 842	175 842	
Advance payments for fixed assets	6 135	-	
Total fixed assets:	4 438 438	933 156	2
Long-term financial assets:			
Investment assets	132 590	-	
Participating interests in associated enterprises	123 939	98 780	3
Total financial assets:	256 529	98 780	
Total long-term investments:	4 700 625	1 036 079	
TOTAL ASSETS	5 497 179	2 031 402	

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

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

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED BALANCE SHEET

AS OF 31 DECEMBER 2006 AND 31 DECEMBER 2005

	December 31, 2006	December 31, 2005	Note
LIABILITIES	LVL	LVL	
Liabilities:			
Liabilities:			
Other loans	-	53 223	10
Received advance payments	87 273	393 295	11
Due to customers and suppliers	89 248	42 459	12
Taxes and social security payments	83 853	72 337	13
Other payables	105 157	82 047	14
Deferred tax liability	484 807	46 700	23
Total liabilities	850 338	690 061	
Provisions for liabilities and charges:			
Provisions for vacations	145 329	109 557	
Total provisions	145 329	109 557	
Total liabilities	995 667	799 618	
Equity capital:			
Share equity	800 000	800 000	9
Reserves:			
c) reserves provided by the Articles of Association	31 993	37 760	
d) fixed asset's revaluation reserve	3 105 267	-	
Retained earnings:			
a) brought forward from previous years	340 233	192 302	
b) current year profit or loss	222 494	177 578	
Total shareholders' equity	4 499 987	1 207 640	
Minority interest	1 525	24 144	
Total equity capital	4 501 512	1 231 784	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	5 497 179	2 031 402	

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

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

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (LVL)
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005**

	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 2004	800 000	37 760	-	175 195	56 498	51 704	1 121 157
Transfers to reserves	-	-	-	56 498	(56 498)	-	-
Dividends paid	-	-	-	(16 000)	-	-	(16 000)
Profit for the year	-	-	-	-	177 578	-	177 578
Consolidated accumulated loss	-	-	-	(23 391)	-	-	(23 391)
Minority interest changes	-	-	-	-	-	(27 560)	(27 560)
At 31 December 2005	800 000	37 760	-	192 302	177 578	24 144	1 231 784
Previous years retained earnings	-	-	-	177 578	(177 578)	-	-
Dividends paid	-	-	-	(32 000)	-	-	(32 000)
Profit for the year	-	-	-	-	222 494	-	222 494
Transfers to reserves	-	(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

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 31 DECEMBER 2005**

	2006	2005	Note
	LVL	LVL	
Cash flows used in operating activities			
Net income before tax	200 291	220 356	
Adjustments:			
a) depreciation of tangibles	166 950	211 291	2
b) provisions for vacations	37 602	18 734	
c) loss (gain) on sale of tangibles	19 431	2 629	
d) interest expenses	2 663	6 308	
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	391 415	459 318	
Changes in operating assets and liabilities:			
a) receivables.	72 245	(91 094)	
b) inventory.	(5 719)	4 110	
c) current liabilities.	(222 617)	305 295	
3. Gross operating cash flow	235 324	677 629	
4. Paid interest.	(2 663)	(6 308)	
5. Paid corporate income tax.	(44 272)	(45 271)	
7. Net cash used in operating activities	188 389	626 050	
II. Cash flow used in investment activities			
1. Purchase of shares of associates	(25 312)	(32 919)	
2. Purchase of fixed assets	(219 526)	(195 403)	2
3. Selling of fixed assets	847	11 914	
4. Net cash from investment activities	(243 991)	(216 408)	
III. Cash flows used in financing activities			
1. Settlement of loans	(53 223)	(65 691)	
2. Paid dividends	(32 000)	(16 000)	
3. Net cash from financing activities	(85 223)	(81 691)	
IV. Net increase (decrease) in cash	(140 825)	327 951	
V. Cash at the beginning of the year	750 353	422 402	
VI. Cash at the end of the year	609 528	750 353	

The accompanying notes are an integral part of these financial statements

The financial statements were approved by:

_____	Marta Aizsilniece	Chairperson of the Board
_____	Andris Vigants	Member of the Board
_____	Marika Baumgarte	Member of the Board

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

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, 2006	December 31, 2005
EUR	0.702804	0.702804
USD	0,536	0,593

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.

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.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

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 2006 AND 31 DECEMBER 2005

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

As of 31 December 2006 and 31 December 2005
fixed assets are composed as follows: (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 2004	7 225	772 574	-	1 571 473	325 874	24 353	1 565	187 508	2 890 572
Additions	2 799	61 557	-	93 278	18 650	30 785	-	(11 666)	195 403
Transfers	-	-	-	-	(3 290)	-	-	-	(3 290)
Disposals	-	-	-	(8 250)	(29 193)	-	(1 565)	-	(39 008)
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	-	-	-	-	-	-	-	-	-
Revaluation	-	3 594 894	132 590	-	-	-	-	-	3 727 484
Disposals or change of classification	(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
Accumulated depreciation									
At 31 December 2004	3 111	407 483	-	1 262 560	238 652	9 471	-	-	1 921 277
Charge for the year	2 770	35 725	-	132 616	32 063	8 117	-	-	211 291
Disposals	-	-	-	(7 710)	(18 480)	-	-	-	(26 190)
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 or change of classification	(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
Net book value									
At 31 December 2004	4 114	365 091	-	308 913	87 222	14 882	1 565	187 508	969 295
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

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2006 LVL	Capital share (%)	Amount of investment 2005 LVL
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	123 939	45	98 780
Total participating interests in associated enterprises		123 939		98 780

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

4 RAW MATERIALS

	2006 LVL	2005 LVL
Pharmaceutical	50 655	42 664
Stock in warehouse	2 967	4 432
Inventory	2 576	2 516
Products	1 712	1 266
Furniture	782	1 001
Other materials	1 083	925
Advance payments to supplier of goods	354	1 606
Total	60 129	54 410

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

5 DUE FROM CUSTOMERS

	2006 LVL	2005 LVL
Riga slimokase AAS	30 225	53 373
LF Holdings	13 682	4 508
Balta AAS	12 443	10 437
Hospital patients treatment	12 278	16 911
BTA AAS	9 652	6 230
VOVAA Rigas department	3 777	72 812
Ergo Latvija slimokase	3 109	1 822
SEESAM Life Latvija	3 007	1 707
NBS militaras medicinas centrs	871	1 832
Balva AAS	657	1 088
BALTIKUMS DZIVIBA AAS	255	1 014
Med.prof.izglitiba centrs	-	6 443
Other customers	13 538	3 189
Total	103 494	181 366

6 OTHER RECEIVABLES

	2006 LVL	2005 LVL
Taxes overpayment (note No.13)	13 969	513
VAT for unpaid invoices	818	820
VAT advance payment	-	242
Other debtors	1 131	347
Total	15 918	1 922

7 DIFFERED EXPENSES

	2006 LVL	2005 LVL
Riga Stock Exchange, shares quotation	5 000	5 000
Assurance expense	841	1 972
Other expense	1 644	300
Total	7 485	7 272

8 CASH

	2006 LVL	2005 LVL
Cash in banks	577 973	717 559
Deposit	26 800	28 701
Cash on hands	4 755	4 093
Total	609 528	750 353

9 SHARE CAPITAL

	2006 Number of shares	2006 Share %	2005 Number of shares	2005 Share %
Shareholders:				
Janis Birks	309 909	38,7	302 109	37,8
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarcbergs	80 917	10,1	44 147	5,5
Peteris Augustovs	-	0,0	41 412	5,2
State social insurance agency	40 000	5,0	40 000	5,0
Other shareholders (shares less than 5%)	288 408	36,1	291 566	36,4
Total	800 000	100,0	800 000	100,0

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

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

10 OTHER LOANS

	2006	2005
	LVL	LVL
VOVAA diagnostics equipment - short-term part	-	53 223
Total	-	53 223

11 DUE TO RECEIVED ADVANCE PAYMENTS

	2006	2005
	LVL	LVL
VOAVA advance payment for 2006	84 268	389 453
Other advances	3 005	3 842
Total	87 273	393 295

12 DUE TO SUPPLIERS AND CONTRACTORS

	2006	2005
	LVL	LVL
Invitros SIA	-	162
Latvenergo Rigas rajons	-	1 922
Tradintek SIA	29 646	17 010
Amerilat MD	12 779	-
Siemens SIA	11 918	-
AB Medical Group Riga	7 342	-
NMS SIA	7 144	-
Latvenergo Rīgas elektrotikls	3 283	1 554
Sistēmu Audits SIA	2 950	1 180
Latvijas Gaze	2 931	4 361
Valsts Patologijas centrs SIA	2 565	5 063
Lattelekom	1 123	1 061
NMS Diagnostika	919	-
Nacion.medic.serviss-laboratory	866	799
Rigas Ūdens	811	1 530
S.A.V. SIA	719	-
Hospital Gaiļezers BO	719	470
Rīgas Stradiņu Universitāte	608	-
Other suppliers	2 925	7 347
Total	89 248	42 459

13 TAXES

	As of 31-12-2005	Calculated	Paid	As of 31-12-2006
Value added tax	942	14 706	(13 923)	1 725
Social insurance	42 514	560 658	(554 531)	48 641
Personal income tax	26 696	367 638	(361 030)	33 304
Corporate income tax	1 990	29 067	(44 272)	(13 215)
Corporate income tax	12	73	(85)	-
Unemployment duty	183	1 547	(1 619)	111
Natural resources tax	(18)	117	(27)	72
Real estate tax	(495)	405	(664)	(754)
Total, incl.	71 824	974 211	(976 151)	69 884
due to the budget	72 337			83 853
overpayment	(513)			(13 969)

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

14 DUE TO OTHER COMPANIES

	2006	2005
	LVL	LVL
Salaries	98 455	78 446
Accured liabilities	2 950	-
Board remuneration	2 069	1 934
Trade union	889	717
Deposited salary	794	642
Council remuneration	-	308
Total	105 157	82 047

15 NET SALES

	2006	2005
	LVL	LVL
Medical hospital services	2 032 983	1 697 282
Medical ambulant services	1 212 688	991 250
Services - minimum fixed part	152 102	691 981
Insurance payments	236 822	245 334
VS ZDC ambulant services	185 169	110 113
Stomatology services	32 645	42 260
Residents training	52 115	29 050
Family doctors	18 868	9 262
Other income	59 283	30 769
Total	3 982 675	3 847 301

16 COST OF GOODS SOLD

	2006	2005
	LVL	LVL
Bad debt write-off	-	855
Boiling maintenance expenses	-	3 327
Salaries and wages	1 556 468	1 233 259
Medical goods	588 213	1 027 156
Social tax	364 707	266 388
Other operating expenses	274 218	174 285
Public utilities	196 373	141 506
Fixed assets depreciation	147 601	200 305
Repair expenses	100 159	97 808
Feeding expenses	56 956	57 890
Household goods	56 227	55 937
Medical researches	54 922	53 463
Current assets write-off	50 940	35 607
Accruals for vacations	37 602	18 734
Office expenses	31 119	17 688
Employees trainings	26 244	18 443
Gifts to employees	21 048	17 879
Rent fixed assets depreciation	16 178	8 118
Transport expense	5 346	8 464
Advertising	3 534	2 813
Tangible assets amortization	3 123	2 770
Allowances to employees	1 870	2 336
Insurance expenses	1 629	2 896
Unemployment duty	1 497	2 221
Received discounts	(16 394)	(14 918)
Other expenses	5 872	5 542
Total	3 585 452	3 440 772

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

17 ADMINISTRATIVE EXPENSES

	2006	2005
	LVL	LVL
Salaries and wages	178 215	127 911
Social tax	34 719	29 677
Board chairperson remuneration	19 359	24 597
Office expenses	5 133	20 266
Board remuneration	11 675	14 306
Other administrative expenses	4 325	6 572
Presentation expenses	9 871	5 264
Chairperson of the Board social tax	3 858	5 163
Board members social tax	4 026	3 446
Council chairperson remuneration	7 100	3 000
Audit expenses	5 880	3 800
Council members remuneration	4 150	2 400
Bank expenses	931	1 184
Chairperson of the Council social tax	1 710	723
Council members social tax	1 000	553
Legal services	290	37
Total	292 242	248 899

18 OTHER OPERATING INCOME

	2006	2005
	LVL	LVL
Currency exchange gain	-	3 716
Rent income	30 718	23 850
Feeding income	10 847	9 236
Press goods	5 827	4 692
Solarium income	2 869	2 617
Laundry income	1 716	1 794
Gain on sale of fixed assets	847	11 914
Other income	4 907	18 882
Total	57 731	76 701

19 OTHER OPERATING EXPENSES

	2006	2005
	LVL	LVL
Currency exchange loss	2 935	-
Fixed assets disposals	2 736	14 543
Penalties	686	160
Other expenses	171	-
Total	6 528	14 703

20 INCOME FROM INVESTMENT IN ASSOCIATES

	2006	2005
	LVL	LVL
Psihiskas Veselibas centrs "Dzintari"	25 159	-
Total	25 159	-

21 INTEREST INCOME AND SIMILAR INCOME

	2006	2005
	LVL	LVL
Interest income	11 248	7 036
Total	11 248	7 036

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

22 INTEREST EXPENSE AND SIMILAR EXPENSE

	2006	2005
	LVL	LVL
Loan interest expenses (VOAVAA)	2 663	6 269
Leasing interest payments	-	39
Total	<u>2 663</u>	<u>6 308</u>

23 CORPORATE INCOME TAX

	2006	2005
	LVL	LVL
Calculated Corporate income tax	29 067	41 800
Deferred Corporate income tax	(7 601)	-
Corrections for the year 2004	(41 365)	-
Corrections for the year 2005	<u>(2 554)</u>	<u>-</u>
Total	<u>(22 453)</u>	<u>41 800</u>

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

	2006	2005
	LVL	LVL
Liabilities of deferred tax:		
From the temporary differences between the value of fixed assets in balance sheet and the same value used for calculation of corporate income tax	17 176	62 860
From changes of book value as a result of revaluation of fixed assets	489 627	-
Assets of deferred tax:		
Accumulated liabilities	<u>(21 996)</u>	<u>(16 160)</u>
Deferred tax liability	<u>484 807</u>	<u>46 700</u>
