



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

2007 CONSOLIDATED ANNUAL REPORT

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

(Translation of the Latvian original)

**AUDITED ORIGINAL OF CONSOLIDATED ANNUAL REPORT IN LVL EXPRESSED IN EUR.
EXCHANGE RATE 0,702804 EUR/LVL.**

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
INFORMATION ABOUT PARENT COMPANY**

COMPANY NAME: LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

LEGAL STATUS: STOCK COMPANY

REGISTRATION: No.40003306807
AUGUST 27, 1996
RIGA, LV - 1005, LATVIA

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

MAJOR SHAREHOLDERS: JANIS BIRKS 38,9%
ILZE AIZSILNIECE 10,1%
AGRIS SHVARCBERGS 10,4%
STATE SOCIAL INSURANCE AGENCY 5%

CEO: MARTA AIZSILNIECE

REPORTING PERIOD: 1 JANUARY 2007 - 31 DECEMBER 2007

Council of the Group

**Number of shares owned at
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

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

MANAGEMENT REPORT

In accordance with the paragraph 1 of Section 4 of the law "On Consolidated Annual Reports" the joint stock company is under an obligation to prepare the consolidated annual report.

The consolidated annual report contains information concerning the current situation and future development of parent company JSC "Latvijas Juras medicinas centrs" (hereinafter referred to as LJMC) and its subsidiary company SIA "Juras medicina" (hereinafter referred to as JM).

This audited consolidated annual report is prepared in accordance with International Financial Reporting Standards (IFRS) and is based on business continuation principle. The financial statements were drawn up in Latvian lats (LVL) and euros (EUR). The applied currency exchange rate is EUR/LVL 0.702804.

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

The profit before taxes of the parent company was 475 195 EUR.

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

The Group financial indexes

	2007	2006	2005
Net sales (mil. LVL)	5,24	3,98	3,85
Assets at the end of year (mil. LVL)	6,04	5,5	2,03
Profit after taxes (LVL)	226 847	222 494	174 775
EBITDA (LVL)	716 444	369 904	437 955
Profit after taxes on shareholders' equity (ROE) (%)	4,8%	4,9%	14,4%
Profit after taxes on share (LVL)	0,28	0,28	0,22
LJMC share market price at the end of the year (LVL)	2,80	1,85	1,80
LJMC dividends on share (LVL)	0,05	0,04	0,04

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 183,000. "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 30,000 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.

The share price at the 31.03.2008 was LVL 3,45.

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, 7 April, 2008.

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

Riga, 7 April, 2008.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

	2007	2006	Note
	EUR	EUR	
Net sales	7 459 845	5 666 836	14
Cost of goods sold	(6 622 913)	(5 101 639)	15
Gross profit or loss	836 932	565 197	
Administrative expenses	(561 087)	(415 823)	16
Other operating income	156 563	82 144	17
Other operating expenses	(24 949)	(9 289)	18
Gain from the change of fair value of investment property		14 745	
Income from investment in associates	2 245	35 798	19
Interest income and similar income	37 698	16 004	20
Interest expense and similar expense	-	(3 789)	21
Profit before taxes	447 402	284 988	
Corporate income tax	(124 757)	31 948	22
Minority interest	129	(356)	
NET PROFIT OR LOSS	322 774	316 580	
Number of shares	800 000	800 000	
Earnings per Share (EPS) (EUR)	0,40	0,40	

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 DECEMBER 2007 AND 31 DECEMBER 2006

	December 31, 2007	December 31, 2006	Note
ASSETS	EUR	EUR	
Current assets:			
Stocks			
Raw materials	91 058	85 556	4
Total stocks	91 058	85 556	
Debtors:			
Trade debtors	256 308	147 259	5
Other debtors	13 034	22 649	6
Accruals	19 744	10 650	7
Total debtors	289 085	180 558	
Cash funds	1 752 493	867 280	8
Total current assets	2 132 636	1 133 394	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	3 372	5 444	2
Goodwill	-	2 607	
Total intangible assets	3 372	8 051	
Fixed assets:			
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	
Total fixed assets:	6 088 786	6 315 328	2
Long-term financial assets:			
Investment assets	188 659	188 659	2
Participating interests in associated enterprises	178 595	176 349	3
Total financial assets:	367 253	365 008	
Total long-term investments:	6 459 411	6 688 387	
TOTAL ASSETS	8 592 047	7 821 781	

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 DECEMBER 2007 AND 31 DECEMBER 2006

	December 31, 2007	December 31, 2006	Note
LIABILITIES	EUR	EUR	
Liabilities:			
Liabilities:			
Received advance payments	530 023	124 178	10
Due to customers and suppliers	70 890	126 988	11
Taxes and social security payments	197 025	119 312	12
Other payables	228 370	149 625	13
Recognized deferred tax liabilities	656 125	689 818	22
Total liabilities	1 682 432	1 209 922	
Provisions for liabilities and charges:			
Provisions for vacations	180 982	206 785	
Total provisions	180 982	206 785	
Total liabilities	1 863 414	1 416 707	
Equity capital:			
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	4 155 208	4 418 397	
Retained earnings:			
a) brought forward from previous years	1 064 790	484 108	
b) current year profit or loss	322 774	316 580	
Total shareholders' equity	6 726 592	6 402 905	
Minority interest	2 040	2 170	
Total equity capital	6 728 633	6 405 075	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	8 592 047	7 821 781	

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 (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
At 31 December 2005	1 138 297	53 728	-	273 621	252 671	34 354	1 752 671
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)
At 31 December 2006	1 138 297	45 522	4 418 397	484 108	316 580	2 170	6 405 075
Previous years retained earnings	-	-	-	316 580	(316 580)	-	-
Dividends paid	-	-	-	(45 532)	-	-	(45 532)
Depriciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Deffered tax on revaluation surplus	-	-	46 445	-	-	-	46 445
Profit for the year	-	-	-	-	322 774	-	322 774
Minority interest changes	-	-	-	-	-	(129)	(129)
At 31 December 2007	1 138 297	45 522	4 155 208	1 064 790	322 774	2 040	6 728 633

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 YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

	2007	2006	Note
	EUR	EUR	
Cash flows used in operating activities			
Net income before tax	447 402	284 988	
Adjustments:			
a) depreciation of tangibles	572 006	237 548	2
b) depreciation of goodwill	2 607	-	
c) provisions	(25 802)	53 503	
d) loss (gain) on sale of tangibles	13 534	27 648	18
e) interest expenses	-	3 789	
f) gain (loss) from investments in associates	(2 245)	(35 798)	20
g) gain from the change of fair value of investment property	-	(14 745)	
2. Gain (loss) before changes in current assets and liabilities	1 007 501	556 933	
Changes in operating assets and liabilities:			
a) receivables.	(127 330)	102 795	
b) inventory.	(5 502)	(8 137)	
c) current liabilities.	447 542	(316 755)	
3. Gross operating cash flow	1 322 211	334 836	
4. Paid interest.	-	(3 789)	
5. Paid corporate income tax.	(34 540)	(62 993)	12
6. Net cash used in operating activities	1 287 671	268 053	
II. Cash flow used in investment activities			
1. Purchase of shares of associates	-	(36 016)	
2. Purchase of fixed assets	(357 398)	(312 357)	2
3. Selling of fixed assets	472	1 205	
4. Net cash from investment activities	(356 926)	(347 168)	
III. Cash flows used in financing activities			
1. Settlement of loans	-	(75 730)	
2. Paid dividends	(45 532)	(45 532)	
3. Net cash from financing activities	(45 532)	(121 261)	
IV. Net increase (decrease) in cash	885 213	(200 376)	
V. Cash at the beginning of the year	867 280	1 067 656	
VI. Cash at the end of the year	1 752 493	867 280	

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 YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006**

GENERAL INFORMATION

“Latvijas Juras Medicinas Centrs” is a joint-stock company (the Company) incorporated in the Republic of Latvia on 27 August 1996. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary - "Juras medicina" Ltd. (the Group).

The Company's main activity is health care services.

1. ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements have been prepared in accordance with the International Financial reporting Standards. Enclosed financial statements are reflected in the national currency of Latvia, the lats (LVL).

There is no difference in balance sheet dates of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the assets and liabilities recognized.

All significant intercompany transactions and balances among Group companies are eliminated on consolidation.

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

Foreign currency

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

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

	2007	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.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

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 YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

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 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
Historical cost									
At 31 December 2005	14 263	1 186 861	-	2 356 989	443 994	78 454	-	250 201	4 330 762
Additions	4 074	37 170	-	196 058	34 473	6 954	8 729	24 900	312 357
Transfers	-	5 115 073	188 659	-	-	-	-	-	5 303 732
Disposals	(302)	(367 841)	-	(83 796)	(25 636)	(34 651)	-	(24 900)	(537 126)
At 31 December 2006	18 035	5 971 264	188 659	2 469 250	452 832	50 757	8 729	250 201	9 409 726
Additions	1 374	-	-	292 271	63 753	-	-	-	357 398
Transfers	-	-	-	-	3 197	-	(3 197)	-	-
Disposals or change of classification	-	-	-	(83 110)	(23 465)	-	(5 532)	-	(112 107)
At 31 December 2007	19 409	5 971 264	188 659	2 678 411	496 318	50 757	-	250 201	9 655 018
Accumulated depreciation									
At 31 December 2005	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)
At 31 December 2006	12 591	469 717	-	2 035 533	369 059	13 395	-	-	2 900 295
Charge for the year	3 446	30 272	-	171 287	40 448	16 919	-	-	262 372
Charge for the year for revaluation of fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals or change of classification	-	-	-	(75 557)	(22 543)	-	-	-	(98 100)
At 31 December 2007	16 037	809 623	-	2 131 263	386 964	30 314	-	-	3 374 201
Net book value									
At 31 December 2005	5 895	556 233	-	382 802	85 096	53 429	-	250 201	1 333 656
At 31 December 2006	5 444	5 501 547	188 659	433 717	83 773	37 362	8 729	250 201	6 509 431
At 31 December 2007	3 372	5 161 641	188 659	547 148	109 353	20 442	-	250 201	6 280 817

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2007 EUR	Capital share (%)	Amount of investment 2006 EUR
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	178 595	45	176 349
Total participating interests in associated enterprises		178 595		176 349

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
Total	91 058	85 556

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

5 DUE FROM CUSTOMERS

	2007	2006
	EUR	EUR
VOVAA Rigas department	76 704	5 374
Riga slimokase AAS	50 172	43 006
Ergo Latvija AAS	26 017	4 424
BTA AAS	21 818	13 734
Accrued income	21 717	17 470
LMRIH	19 704	19 468
NBS militaras medicinas centrs	6 682	1 239
IF Latvija AAS	2 975	2 164
Riga I.hospital	2 392	-
Balva AAS	1 746	935
BALTIKUMS DZIVIBA AAS	249	363
Total	<u>256 308</u>	<u>147 259</u>

6 OTHER RECEIVABLES

	2007	2006
	EUR	EUR
Parex bank	3 566	-
Riga Latvian association	2 348	-
Taxes overpayment (note No.13)	2 312	19 876
LBM GROUP AS	1 423	-
VAT for unpaid invoices	726	1 164
Other debtors	2 659	1 609
Total	<u>13 034</u>	<u>22 649</u>

7 DIFFERED EXPENSES

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

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
Total	<u>1 752 493</u>	<u>867 280</u>

9 SHARE CAPITAL

	2007	2007	2006	2006
	Number of	Share %	Number of	Share %
	shares		shares	
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
Total	<u>800 000</u>	<u>100,0</u>	<u>800 000</u>	<u>100,0</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEARS ENDED 31 DECEMBER 2007 AND 31 DECEMBER 2006

10 DUE TO RECEIVED ADVANCE PAYMENTS

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

11 DUE TO SUPPLIERS AND CONTRACTORS

	2007	2006
	EUR	EUR
Veselības centrs-4	16 851	-
Amerilat MD	15 700	18 183
Latvijas Gaze	9 442	4 170
Other suppliers	7 668	6 685
Sistēmu Audits SIA	5 876	4 197
Latvenergo Rīgas elektrotīkls	5 354	4 671
Hemis SIA	2 689	-
VPVD national diagnostic center	2 123	2 063
Rīgas Stradiņu Universitāte	2 116	865
Rīgas Ūdens	1 814	1 154
Lattelekom	1 147	1 598
AB Medical Group Riga	110	10 447
Tradintek SIA	-	42 182
Siemens SIA	-	16 958
Valsts Patoloģijas centrs SIA	-	3 650
NMS SIA	-	10 165
Total	<u>70 890</u>	<u>126 988</u>

12 TAXES

	As of 31-12- 2006	Calculated	Paid	As of 30-06- 2007
Value added tax	2 454	23 412	(24 091)	1 776
Social insurance	69 210	1 045 158	(1 033 309)	81 058
Personal income tax	47 387	670 797	(662 897)	55 287
Corporate income tax	(18 803)	112 006	(34 540)	58 662
Corporate income tax-adjustment	-	(13)	-	(13)
Unemployment duty	158	2 154	(2 157)	155
Natural resources tax	102	164	(166)	100
Real estate tax	(1 073)	1 715	(2 954)	(2 312)
Total, including	<u>99 436</u>	<u>1 855 392</u>	<u>(1 760 115)</u>	<u>194 713</u>
due to the budget	119 312			197 025
overpayment	(19 876)			(2 312)

13 DUE TO OTHER COMPANIES

	2007	2006
	EUR	EUR
Salaries	175 023	140 089
Accured liabilities	50 853	4 197
Trade union	1 362	1 265
Deposited salary	1 131	1 130
Board remuneration	-	2 944
Total	<u>228 370</u>	<u>149 625</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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14 NET SALES

	2007	2006
	EUR	EUR
Medical hospital services	3 894 846	2 892 674
Medical ambulant services	2 439 676	1 725 500
Insurance payments	372 680	336 967
Services - minimum fixed part	291 401	216 422
VS ZDC ambulant services	207 433	263 472
Residents training	129 615	74 153
Stomatology services	52 998	46 450
Family doctors	42 807	26 847
Other income	28 389	84 352
Total	<u>7 459 845</u>	<u>5 666 836</u>

15 COST OF GOODS SOLD

	2007	2006
	EUR	EUR
Salaries and wages	2 886 738	2 214 654
Medical goods	961 323	836 952
Social tax	667 758	518 931
Fixed assets depreciation	571 987	237 480
Repair expenses	334 004	142 513
VAT - expenses	249 553	193 852
Rent of equipment	181 992	83 360
Public utilities	139 668	279 414
Medical researches	108 606	78 147
Current assets write-off	104 517	72 481
Feeding expenses	85 546	81 041
Household goods	78 604	80 004
Gifts to employees	37 375	29 949
Employees trainings	36 312	37 342
Office expenses	20 647	44 278
Transport expense	12 718	7 607
Allowances to employees	4 354	2 661
Advertising	3 678	5 028
Insurance expenses	2 994	2 318
Unemployment duty	2 150	2 130
Accruals for vacations	(24 315)	53 503
Received discounts	(30 703)	(23 327)
Saņemtās atlaides	187 408	121 320
Total	<u>6 622 913</u>	<u>5 101 639</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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16 ADMINISTRATIVE EXPENSES

	2007	2006
	EUR	EUR
Salaries and wages	307 525	253 577
Social tax	67 086	49 401
Board chairperson remuneration	40 461	27 545
Office expenses	12 587	7 304
Board remuneration	39 244	16 612
Other administrative expenses	29 350	6 154
Presentation expenses	5 481	14 045
Chairperson of the Board social tax	7 066	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	3 672	2 433
Council members social tax	3 127	1 423
Legal services	142	413
Total	<u>561 087</u>	<u>415 823</u>

17 OTHER OPERATING INCOME

	2007	2006
	EUR	EUR
Rent income	103 150	43 708
Feeding income	15 303	15 434
Received donations	14 634	-
Press goods	9 590	8 291
Solarium income	3 551	4 082
Laundry income	2 742	2 442
Other income	7 592	8 187
Total	<u>156 563</u>	<u>82 144</u>

18 OTHER OPERATING EXPENSES

	2007	2006
	EUR	EUR
Fixed assets disposals	13 534	3 893
Penalties	1 754	976
Currency exchange loss	4 031	4 176
Real estate tax	1 715	-
Other expenses	3 914	243
Total	<u>24 949</u>	<u>9 289</u>

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2007	2006
	EUR	EUR
Psihiskas Veselibas centrs "Dzintari"	2 245	35 798
Total	<u>2 245</u>	<u>35 798</u>

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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20 INTEREST INCOME AND SIMILAR INCOME

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

21 INTEREST EXPENSE AND SIMILAR EXPENSE

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

22 CORPORATE INCOME TAX

	2007 EUR	2006 EUR
Calculated Corporate income tax	112 006	41 359
Deferred Corporate income tax	12 752	(73 306)
Total	<u>124 757</u>	<u>(31 948)</u>

23 CORPORATE INCOME TAX (CONTINUED ...)

	2007 EUR	2006 EUR
Profit before tax	636 596	405 502
Theoretically calculated corporate income tax, rate 15%	95 489	60 825
Permanent differences	44 896	(1 390)
Calculated corporate income tax	<u>98 663</u>	<u>41 771</u>

Deffered tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(220 070)	(162 925)
Temporary difference of fixed assets revaluation	(4 334 874)	(4 644 508)
Accruals for vacations	180 776	205 091
Accrued liabilities	-	3 557
Total temporary differences	<u>(4 374 168)</u>	<u>(4 598 784)</u>
Tax rate applied	15%	15%
Deferred tax liabilities	<u>656 125</u>	<u>689 818</u>
Recognized deferred tax liabilities	<u>656 125</u>	<u>689 818</u>
