

Translation from Latvian

INDEPENDENT AUDITORS' REPORT

To the Shareholders of JSC Latvijas Juras Medicinas Centrs

Report on the Financial Statements

We have audited the accompanying financial statements of JSC Latvijas Juras Medicinas Centrs set out on pages 8 to 22 of the accompanying annual report, which comprise the statement of financial position as of 31 December 2013 and the comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

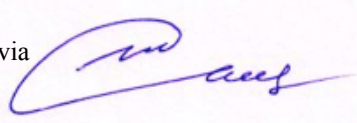
In our opinion, the financial statements give a true and fair view of the financial position of JSC Latvijas Juras Medicinas Centrs as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the requirements of the International Financial Reporting Standards adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We have read the management report for 2013 set out on pages 5 to 6 of the accompanying annual report and did not identify material inconsistencies between the financial information contained in the management report and that contained in the financial statements for 2013.

System audit Ltd.
Audit company licence No. 53

Irina Saksaganska
Certified auditor of Latvia
Certificate Nr. 41
Board Member



Rīga, Latvia

March 20, 2014.



LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC

FINANCIAL REPORT FOR THE YEAR 2013

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

Original financial report in LVL expressed in EUR. Exchange rate 0,702804 EUR/LVL.

Rīga 2014

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LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
INFORMATION ABOUT PARENT COMPANY

COMPANY NAME: LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC

LEGAL STATUS: Joint stock company

REGISTRATION: Registered in Latvian Register of Enterprises at 27.08.2004.
Registration Number: 40003306807

LEGAL ADDRESS: 23, Patversmes str., Riga, LV - 1005, Latvia

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

MAJOR SHAREHOLDERS: Ilze Birka 17.5%
Mārtiņš Birks 17.5%
Ilze Aizsilniece 11.4%
Guna Švarcberga 10.4%
Jānis Birks 8.7%
Adomas Navickas 6.4%

SUBSIDIARY COMPANY: "Juras medicīna" Ltd. - 100.00%
Registration Number: 40003171237
28 December 1993
5 Vecmilgravja str., Linija 28, Riga, LV 1015

REPORTING PERIOD: 1 January 2013 - 31 December 2013

AUDITORS NAME AND ADDRESS: System audit Ltd.
Licence No.53
Matisa str. 19-6
Riga, LV-1001
Latvia
Certified auditor in charge:
Irina Saksaganska
Certificate No.41

Council of the company

From April 28, 2010 till the financial statements signing day

Position	Name
Chairman of the Council	Martins Birks
Member of the Council	Viesturs Shilinsh
Member of the Council	Ineta Gadzjus
Member of the Council	Jevgenijs Kalejs
Member of the Council	Uldis Osis

Board of the company

From August 18, 2009 till the financial statements signing day

Position	Name
Chairman of the Board	Janis Birks
Member of the Board	Marta Aizsilniece
Member of the Board	Andris Vigants

Type of activity

JSC Latvian maritime medicine centre (LJMC) is a certified, high level and all available private medical authority that consists of: Sarkandaugava outpatient health care center Patversmes 23, Riga, Central Hospital Patversmes 23 Riga, Vecmīlgrāvis hospital and Ziemeļu diagnostic Center Vecmīlgrāvja 5. Līnija 26, Riga, Vecmīlgrāvis primary health care center Melīdas 10, Riga. In 2013 average number of LJMC employees is 355.

2013 LJMC is included in the LR Health inspection approved list of agencies providing medical tourism services i.e. LJMC services as a trusted partner, and it gives an idea about the Latvian healthcare system as a whole, because it includes only those medical institutions that are registered in the register of medical institutions for at least 3 years and over the last three years, the medical institution has been in control.

On March 2013 Joint-stock company Latvijas Jūras medicīnas centrs „Ziemeļu diagnostikas centrs” received a quality certificate ISO 9001:2008 in functional diagnostics and radiology from DVN Certification OY/AB, Finland. This certificate is valid till March 14, 2016. The work on the initiation of ISO quality standards in the other structural units continues.

LJMC have concluded cooperation agreements with all the health insurance companies.

LJMC shares are quoted on "NASDAQ OMX Riga" in the second list. Full information about the company is provided: www.ljmc.lv

Activity in the reporting year and future development

2013 LJMC completed an ambitious 3-year investment project of 1.6 million LVL. Investment project entailed two major sections: the Medical Center's old building complex renovation and redevelopment of the areas adjacent to the modern medical standards, and secondly, investment in new equipment, medical equipment, and to raise the competitiveness of the Baltic market, attracting medical patients from both the EU and the Baltic and offering high quality medical examinations. The investment project was launched with the support from ERAF.

Of the investment project tasks was to put together the LJMC family doctor practices, thus was created the modern family physician practice Center, located in the LJMC Riga Northern District at Vecmīlgrāvī. Since a new family doctor practices LJMC Center was created number of new customers increased by 25%.

One of the goals of Building renovation project was to create a new ambulatory health care centre in Sarkandaugava Patversmes 23, earlier provided inpatient health care services. Redirection of inpatient health care service to ambulatory health care service improves the future effectiveness, maximizes LJMC resources and provides better medical care to patients.

In May 2013 LJMC won a tender regarding the right to provide medical care with Paul Stradins Clinical University Hospital patients for 1 years.

As one of 2014 development directions LJMC focuses on attracting foreign patients. LJMC combines excellent doctors in Latvia and a knowledgeable medical staff, so the quality of the medical study is deep and competitive both in and out of Latvia. It resulted in increasing number of foreign patients, as well as including LJMC in the official medical tourism service provider register kept by the LR Health inspection. LJMC in 2013 mainly attracted medical tourists from EU. To attract more new foreign and local patients, LJMC in 2014 has set the investment objectives: implementation of innovative solutions in the medical service, staff training in patient care, continue state policy on the hospital redirection, providing investment in Vecmīlgrāvis hospital.

Financial performance

In 2013 the audited financial statement has been prepared in accordance with the European Union accepted International Financial Reporting Standards (IFRS), based on the principle of a continuing business. The report is prepared in Latvian lats and euro. Currency exchange rate EUR/LVL 0.702804.

2013 LJMC has worked according to the budget: revenue plan has been fulfilled for 98.8% and expenditure is met by 101.5%.

MANAGEMENT REPORT

LJMC financial indicators for the last 3 years:

	2013	2012	2011
Net sales (milj. EUR)	5,08	5,39	5,01
Investment in long-term asset (milj. EUR)	0,17	0,70	1,61
Assets at the end of the year (milj. EUR)	4,98	5,32	5,61
Loss after taxes (EUR)	-294,853	-76,745	-121,492
EBITDA (EUR)	366,621	625,733	472,924
Liquidity (CR)	3.60	2.98	2.01
Credit rate (DR)	0.18	0.18	0.20
Return on equity (ROE), %	-7,6%	-1,9%	-2,9%
Loss after taxes on share (EUR)	-0.37	-0.10	-0.16
LJMCshare market price at the end of the year(EUR)	2.13	2.70	1.78

The LJMC audited financial statements 2013 shows that LJMC loss before taxes was EUR 310,227. The loss was planned because the company sells intensive investment policy to focus on the company's competitiveness and profitability in the future. In 2014 LJMC planned investment is expected to amount to EUR 430 000.

Risk management

LJMC potential financial risk management sought to reduce the negative impact on the financial position of the company, the exercise of control and analysis package.

Exposed to the credit risk of financial assets consist mainly of cash, trade receivables and other debtors

Credit risk management carried out regular customer LJMC control procedures and measures for recovering of debts, thus ensuring timely identification and resolution of problems.

LJMC followed prudent liquidity risk management, ensuring appropriate resources are made available for settlement of obligations within the time limits laid down. LJMC does not use borrowed funds.

Important Events after the Balance Sheet Date

Along with LR accession to the European Economic and Monetary Union 01.01.2014. LJMC action will not be subject to the exchange rate of the euro at risk.

The contract has been concluded with a national health service of the country paid the provision of medical services, to the extent provided for in the 2014 budget.

Proposal of the Management Board to cover losses

The Management Board proposes LJMC 2013 loss to be covered by the previous year the accumulated profit.

Chairman of the Management Board
Jānis Birks

Member of the Management Board
Marta Aizsilniece

Member of the Management Board
Andris Vigants

Rīga, 2014. gada 20. marts

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Financial statements are prepared to the best of our knowledge, in accordance with International Financial Reporting Standards adopted by the European Union. These financial statements give a true and fair view of the financial position of the Company and of its financial performance for the period ended 31 December 2013 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The management Board is also responsible for operation of the Company in compliance with the legislation of the Republic of Latvia.

Chairman of the Board

Janis Birks

Member of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Riga, 20 March, 2014.

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013 AND 31 DECEMBER 2012

	December 31, 2013	December 31, 2012	Notes
ASSETS	EUR	EUR	
Long-term investments:			
Intangible assets:			
Concessions, patents, licenses, trademarks and similar rights	19,707	21,675	2
Total intangible assets	19,707	21,675	
Fixed assets			
Land and buildings	2,215,991	2,449,399	
Technological equipment and machines	829,713	1,112,950	
Other fixed assets and fixtures	65,650	54,285	
Fixed assets add-ons (EU funds)	-	-	
Advance payments for fixed assets	-	4,727	
Total fixed assets	3,111,354	3,621,361	2
Long-term financial assets			
Investment in affiliates	288,472	285,972	3
Investment in associates	141,624	141,624	4
Total financial assets:	430,096	427,596	
Total long-term investments:	3,561,157	4,070,632	
Current assets:			
Inventories			
Raw materials	84,688	97,285	5
Advance payments for goods	185	391	6
Total Inventories	84,873	97,676	
Debtors:			
Trade receivables	164,235	110,406	7
Other receivables	30,634	9,501	8
Deferred expenditure	3,681	3,960	9
Total debtors	198,550	123,867	
Cash funds	1,131,288	1,030,459	10
Total current assets	1,414,711	1,252,002	
TOTAL ASSETS	4,975,868	5,322,634	

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013 AND 31 DECEMBER 2012

	December 31, 2013	December 31, 2012	Notes
LIABILITIES	EUR	EUR	
Equity capital:			
Share capital	1,138,297	1,138,297	11
Long-term financial assets revaluation reserve	790,654	929,364	
Reserves:			
Reserves provided by the Articles of Association	45,522	45,522	
Retained earnings	1,888,343	2,020,007	
Total shareholders' equity	3,862,816	4,133,190	
Provisions for liabilities and charges:			
Provisions for vacations	107,711	69,176	
Deferred tax provisions	111,256	151,109	23
Total provisions	218,967	220,285	
Long-term Liabilities:			
Deferred income	501,577	549,127	12
Total Long-term Liabilities:	501,577	549,127	
Short-term Liabilities:			
Advance payments	5,783	18,270	13
Trade Payables	87,764	89,770	14
Deferred income	47,551	47,551	15
Taxes and social security payments	113,956	121,343	16
Other payables	137,454	143,098	17
Total Short-term Liabilities:	392,508	420,032	
Total liabilities	894,085	969,159	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	4,975,868	5,322,634	

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
COMPREHENSIVE INCOME STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

	2013, 12 month period EUR	2012, 12 month period EUR	Notes
Net sales	5,081,474	5,391,741	18
Cost of goods sold	(5,109,134)	(5,131,981)	19
Gross profit or loss	(27,660)	259,760	
Administrative expenses	(458,992)	(473,737)	20
Other operating income	177,738	149,830	21
Other operating expenses	(1,313)	(6,477)	22
Interest income and similar income	-	38	
Income from investments in subsidiaries and associates	-	11,022	23
Profit (loss) before taxes	(310,227)	(59,564)	
Corporate income tax	15,374	(17,181)	24
NET PROFIT OR LOSS	(294,853)	(76,745)	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(294,853)	(76,745)	
Number of shares	1,138,297	1,138,297	
Loss per Share (EPS)	-0.26	-0.07	
ROE	-7.6%	-1.9%	

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

	Share capital	Reserves provided by the Articles of Associatio n	Properties revaluation reserve	Undistribut ed profit	Total
	EUR	EUR	EUR	EUR	EUR
At 31 December 2011	1,138,297	45,522	1,068,068	1,933,570	4,185,457
Depreciation of revaluation surplus	-	-	(163,182)	163,182	-
Deferred tax on revaluation surplus	-	-	24,478	-	24,478
Total comprehensive income for the year	-	-	-	(76,745)	(76,745)
At 31 December 2012	1,138,297	45,522	929,364	2,020,007	4,133,190
Depreciation of revaluation surplus	-	-	(163,189)	163,189	-
Deferred tax on revaluation surplus	-	-	24,479	-	24,479
Total comprehensive income for the year	-	-	-	(294,853)	(294,853)
At 31 December 2013	1,138,297	45,522	790,654	1,888,343	3,862,816

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

	2013	2012	NOTES
	EUR	EUR	
Cash flows from operating activities			
Net income before tax	(310,227)	(59,564)	
Adjustments:			
a) depreciation of fixed assets	676,848	685,297	2
b) provisions	38,536	(50,492)	
c) loss (gain) on sale of fixed assets	(3,695)	582	21, 22
d) interest income	-	(38)	
e) Deferred income	(47,551)	-	19
2. Changes in operating current assets and liabilities	353,911	575,785	
Corrections			
a) receivables	(74,684)	111,851	
b) inventory	12,803	(2,150)	
c) current liabilities	(27,523)	(383,495)	
3. Gross operating cash flow	264,507	301,991	
4. Paid corporate income tax	-	(5,080)	17
5. Net cash used in operating activities	264,507	296,911	
II. Cash flow used in investment activities			
1. Purchase of shares of subsidiaries	(2,500)	-	
2. Purchase of fixed assets	(167,533)	(701,283)	2
3. Income from sale of fixed assets	6,355	531	
4. Received interest	-	38	20
5. Net cash from investment activities	(163,678)	(700,714)	
III. Cash flows used in financing activities			
1. Settlement of loans	-	223,889	
2. Net cash from financing activities	-	223,889	
IV. Net increase (decrease) in cash	100,829	(179,914)	
V. Cash at the beginning of the period	1,030,459	1,210,373	
VI. Cash at the end of the period	1,131,288	1,030,459	

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

1. GENERAL INFORMATION

“Latvijas Juras Medicinas Centrs” is a joint-stock company (the Company) incorporated in the Republic of Latvia on 27 August 1996.

The Company's main activity is health care services.

2. ACCOUNTING PRINCIPLES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the International financial reporting standards adopted by the European Union. Enclosed financial statements are prepared in the national currency of Latvia, the lats (LVL).

Foreign currency

Transactions denominated in foreign currencies are converted into Lats by the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted by the exchange rate of the Bank of Latvia as on the date of statements of financial position.

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

	December 31, 2013	December 31, 2012
EUR	0.702804	0.702804
USD	0.535	0.544

Gain or loss on conversion is posted to the statement of comprehensive income on the official exchange rate of the Bank of Latvia as of the statement of financial position date and recognized in the period when they incurred.

Exchange differences arising on the settlement of monetary items are recognized in the period in which they arise.

Cash and cash equivalents

Cash includes cash on hand and demand deposits with 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.

The statement on cash flows is prepared according to IAS 7.

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 statement of financial position 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 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.

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

Separate accounts are used for assets acquired by EU funding.

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. Buildings are revaluated as on 31.12.2011 based on the cadastral value as fair value. 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.

The increase (decrease) in the value of buildings and constructions is reflected in the Statement of comprehensive income under "Gains (losses) from revaluation of properties". Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss.

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.

Revenue recognition

Sales of goods are recognized when goods are delivered and title has passed.

Dividends

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

Deferred income

Government grants are accounted according to IAS 20. A government grant is recognised only when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received.

The grant is recognised as income in the statement of profit or loss and other comprehensive income the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Government grants related to assets, including non-monetary grants, are accounted for at fair value, presented as deferred income in the statement of financial position, which are recognised as income from the different exercises on a systematic and rational, over the life of the related assets.

Property revaluation surplus

The revaluation surplus is included in other comprehensive income and accrued amount is reflected 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 reflected in the Statement of other comprehensive income.

Risk Management

The Management Board is responsible for setting up risk management guidelines and risk monitoring.

The Company has identified the major risk factors and developed policies and mechanisms to control these factors. The major risks are defined as:

Market risk: a country's economic deterioration, changes in the public and the insurer health care and its financing policy, competition, changes in utility tariffs, etc. can significantly affect the demand for Groups services and its profitability.

Operational risk: The possibility of suffering losses caused by inadequate or failed internal pace of the medical treatment process, actions of staff or systems, or external events impact. Patient dissatisfaction with the quality of medical services, treatment process organization or staff attitudes in the long term can lead to a fall in income and even financial claims.

Credit Risk: The inability of insurance companies and patients to pay for the services in time and in full amount.

Liquidity risk: unable to meet the legally enforceable requirements without major damage and inability to cope with unplanned changes in Groups resources and / or market conditions related to the fact that it does not have sufficient liquid assets.

Risk control mechanisms include: appropriate risk policies, investment planning, cash flow planning, budgeting and control, liquidity control, the medical treatment process organization and control, sanitary compliance control, staff skill development, implementation of advanced technologies, employee involvement in risk assessment and control.

LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012

2. TOTAL FIXED ASSETS AND OTHER INTANGIBLE ASSETS

As on 31 December 2013 and 31 December 2012
fixed and intangible assets are composed as follows:

EUR	Intangible assets	Land	Buildings and structures and perennial plants	Machinery and equipment	Other fixed assets	Fixed assets add-ons (EU fonds)	Advance payments for fixed assets	Total
Historical cost								
At 31 December 2011	37,531	602,383	3,053,975	3,590,343	478,870	585,610	8,584	8,357,296
Additions	27,079	-	976,554	246,968	40,149	(585,610)	(3,857)	701,283
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	-	(44,603)	(18,772)	-	-	(63,375)
At 31 December 2012	64,610	602,383	4,030,529	3,792,708	500,247	-	4,727	8,995,204
Additions	11,347	-	27,279	87,115	46,519	-	(4,727)	167,533
Disposals or change in classification	(3,917)	-	(1,851)	(196,925)	(42,812)	-	-	(245,505)
At 31 December 2013	72,040	602,383	4,055,957	3,682,898	503,954	-	-	8,917,232
Accumulated depreciation								
At 31 December 2011	36,489	-	1,943,426	2,326,499	422,719	-	-	4,729,133
Charge for the year	6,446	-	76,905	397,862	40,902	-	-	522,115
Charge for the period for revaluated fixed assets	-	-	163,182	-	-	-	-	163,182
Disposals	-	-	-	(44,603)	(17,659)	-	-	(62,262)
At 31 December 2012	42,935	-	2,183,513	2,679,758	445,962	-	-	5,352,168
Charge for the year	13,315	-	97,494	370,311	32,535	-	-	513,655
Charge for the period for revaluated fixed assets	-	-	163,193	-	-	-	-	163,193
Disposals or change in classification	(3,917)	-	(1,851)	(196,884)	(40,193)	-	-	(242,845)
At 31 December 2013	52,333	-	2,442,349	2,853,185	438,304	-	-	5,786,171
Net book value								
At 31 December 2011	1,042	602,383	1,110,549	1,263,844	56,151	585,610	8,584	3,628,163
At 31 December 2012	21,675	602,383	1,847,016	1,112,950	54,285	-	4,727	3,643,036
At 31 December 2013	19,707	602,383	1,613,608	829,713	65,650	-	-	3,131,061

The balance value of the buildings excluding reevaluation adjustments as on 31-12-2013 is 402.054 EUR.

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3. INVESTMENT IN AFFILIATES

	2013	2012
	EUR	EUR
"Juras medicīna" Ltd. - 100.00%	288,472	285,972
Total	288,472	285,972

4. INVESTMENT IN ASSOCIATES

	2013	2012
	EUR	EUR
"Neirozu klinika" Ltd. - 45.32%	141,624	141,624
Total	141,624	141,624

5. RAW MATERIALS

	2013	2012
	EUR	EUR
Pharmaceutical	71,684	79,803
Medicine in departments	12,895	17,124
Other materials	109	358
Total	84,688	97,285

6. ADVANCE PAYMENTS FOR GOODS

	2013	2012
	EUR	EUR
Statoil Ltd.	185	391
Total	185	391

7. TRADE RECEIVABLES

	2013	2012
	EUR	EUR
Riga's health department	70,691	9,933
P.Stradiņa klīniskā universitātes slimnīca	24,996	24,865
Insurance BTA SE	10,444	29,320
Gjensidige Baltic	10,195	4,963
Compensa Life Vienna Insurance group	5,488	1,384
Ergo Latvija AAS	4,485	3,392
IF Latvija AAS	4,441	2,484
SEESAM Latvija	3,849	2,942
Skruvite GS	3,815	3,950
Balta AAS	2,331	680
Rīgas Psihiatrijas un Narkoloģijas centrs	1,750	-
Latvijas dzelzceļš AS	1,722	1,722
Latvijas Universtate	1,043	4,172
Akrona 12	905	4,812
Olla M Ltd.	885	1,652
Ministry of Interior – health and social department	868	1,207

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7. TRADE RECEIVABLES(continued..)

	2013	2012
	EUR	EUR
Balva AAS	795	1,030
Grinko Genadijs	711	1,423
Baltijas apdrošināšanas nams	660	1,614
Biogen Idec Ltd.	-	178
Other customers	22,121	12,633
Bad debt provisions	(7,960)	(3,950)
Total	164,235	110,406

8. OTHER RECEIVABLES

	2013	2012
	EUR	EUR
Short-term loan to Juras medicina Ltd. (annual interest 5.3%)	14,752	-
Taxes overpaid (note No.15)	5,111	5,111
VAT for unpaid invoices	4,032	2,906
Venden Ltd.	282	282
Advances to employees	58	128
Other receivables	6,399	1,074
Total	30,634	9,501

9. DEFERRED EXPENDITURE

	2013	2012
	EUR	EUR
Assurance	3,681	3,960
Total	3,681	3,960

10. CASH FUNDS

	2013	2012
	EUR	EUR
Cash in banks		
Swedbank LVL	913,854	812,857
Citadele bank LVL	64,405	25,697
Unibank Ridzenes branch LVL	46,999	33,759
Unibanka Ridzenes branch EUR	43,117	43,117
Swedbank Multi-currency Account	39,438	22,399
DNB Nord LVL	14,508	4,826
Swedbank Card	4,566	5,125
State cash LVL	16	73,558
Cash on hands	4,385	9,121
Total	1,131,288	1,030,459

11. SHARE CAPITAL

	2013		2012	
	Number of shares	Share %	Number of shares	Share %
Shareholders:				
Ilze Birka	199,202	17.50%	199,202	17.50%
Martins Birks	199,202	17.50%	199,202	17.50%
Ilze Aizsilniece	130,285	11.45%	130,285	11.45%
Guna Shvarcberga	117,980	10.36%	117,980	10.36%
Janis Birks	98,629	8.66%	96,731	8.50%
Adomas Navickas	72,317	6.35%	56,215	4.94%
Other shareholders (shares less than 5%)	320,682	28.17%	338,682	29.75%
Total	1,138,297	100.00%	1,138,297	100.00%
Share equity	1,138,297		1,138,297	

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12. DEFERRED INCOME

	2013	2012
	EUR	EUR
ERDF project reimbursement	501,577	549,127
Total	501,577	549,127

13. ADVANCE PAYMENTS

	2013	2012
	EUR	EUR
VEK advance payment (94)	4,169	4,169
Latvijas aptieka Ltd.	1,423	1,423
Nacionālais veselības centrs	-	12,475
Other advances for treatment of employees	191	203
Total	5,783	18,270

14. TRADE PAYABLES

	2013	2012
	EUR	EUR
MedilinkLtd.	14,930	-
Latvenergo Rigas elektrotīkls	10,397	11,192
Sistēmu Audits Ltd.	8,608	6,022
Latvijas Gaze	4,956	-
Zītari Ltd	2,639	3,637
Rigas Udens	1,104	978
Academic histologic laboratory	322	152
Tradintek Ltd.	-	54,386
Other suppliers	44,808	13,403
Total	87,764	89,770

15. DEFERRED INCOME

	2013	2012
	EUR	EUR
ERDF project reimbursement	47,551	47,551
Total	47,551	47,551

16. TAXES AND SOCIAL SECURITY PAYMENTS

	As of 31-12-12	Calculated	Paid	Returned	As of 31-12-13
	EUR	EUR	EUR	EUR	EUR
Value added tax	1,389	32,131	(31,885)	-	1,635
Social insurance	76,293	879,335	(883,272)	-	72,356
Personal income tax	43,295	479,515	(483,823)	-	38,987
Corporate income tax	(5,105)	-	-	-	(5,105)
Corporate vehicle transport tax	-	256	(256)	-	-
Unemployment duty	127	1,471	(1,481)	-	117
Natural resources tax	239	1,605	(983)	-	861
Real estate tax	(6)	5,263	(5,263)	-	(6)
Total, including	116,232	1,399,576	(1,406,963)	-	108,845
due to the budget	121,343				113,956
overpayment	(5,111)				(5,111)

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17. OTHER PAYABLES

	2013	2012
	EUR	EUR
Salaries	136,035	141,700
Trade union	174	913
Deposited salary	1,245	485
Total	<u>137,454</u>	<u>143,098</u>

18. NET SALES

	2013	2012
	EUR	EUR
Medical ambulant services	3,294,993	3,404,850
Medical hospital services	909,783	989,098
Insurance payments	321,414	301,448
VS ZDC ambulant services	278,847	228,966
Inpatient Care	153,772	280,575
Stomatology services	52,833	64,526
Family doctors	31,868	39,557
Residents training	20,859	37,110
Ms registra uzturesana	13,144	13,144
Other income	3,961	32,467
Total	<u>5,081,474</u>	<u>5,391,741</u>

19. COST OF GOODS SOLD

	2013	2012
	EUR	EUR
Salaries and wages	2,232,465	2,162,573
Fixed assets depreciation	676,843	685,298
Medical goods	636,675	677,331
Social tax	524,391	507,844
Public utilities	249,382	254,654
VAT - expenses	245,431	317,670
Repair expenses	153,499	194,499
Current assets write-off	61,077	84,796
Security expenses	40,014	33,867
Uzkrājumi atvaļinājumiem	38,536	(50,493)
Feeding expenses	31,639	38,349
Computer maintenance, repair	27,908	25,661
Household goods	26,007	30,945
Medical researches	38,583	25,441
Office expenses	11,315	9,446
Transport expense	9,182	9,508
Annual payment to the stock exchange	7,114	7,114
Advertising	6,511	17,850
ERP system maintainance	6,229	4,886
Insurance expenses	5,949	4,833
Real estate tax	5,263	5,263
Accruals for doubtful debts	4,010	(2,709)
Employees trainings	2,942	9,606
Unemployment duty	1,473	1,477
Allowances to employees	1,281	1,707
Gifts to employees	710	847
Rent of equipment	569	-
Received discounts	(8,580)	(14,644)
Other operating expenses	72,716	88,362
Total	<u>5,109,134</u>	<u>5,131,981</u>

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20. ADMINISTRATIVE EXPENSES

	2013	2012
	EUR	EUR
Salaries and wages	247,205	260,179
Social tax	58,213	61,183
Board remuneration	36,259	30,041
Board chairperson remuneration	30,977	31,117
Council members remuneration	19,123	19,123
Communication expenses	11,807	15,181
Audit expenses	7,114	7,114
Council chairperson remuneration	8,196	8,196
Board members social tax	7,499	6,285
Chairperson of the Board social tax	7,463	7,496
Office expenses	6,759	8,174
Bank expenses	5,849	5,646
Council members social tax	4,118	4,135
Administrative expenses	2,819	2,730
Legal services	1,975	1,976
Presentation expenses	1,615	2,927
Other administrative expenses	2,001	2,234
Total	<u>458,992</u>	<u>473,737</u>

21. OTHER OPERATING INCOME

	2013	2012
	EUR	EUR
Rent income	95,823	72,645
ERAF income: fixed assets depreciation	47,551	29,015
Hotel services – food	15,360	17,554
Utilities for tenants	6,076	14,139
Net gain from sale of fixed assets	3,695	-
Laundry income	1,005	1,225
Solarium income	512	679
Other income	7,716	14,573
Total	<u>177,738</u>	<u>149,830</u>

22. OTHER OPERATING EXPENSES

	2013	2012
	EUR	EUR
Penalties	30	511
Loss from fixed assets disposals	-	582
Other expenses	1,283	5,384
Total	<u>1,313</u>	<u>6,477</u>

23. INTEREST INCOME AND SIMILAR INCOME

	2013	2012
	EUR	EUR
Interest income	-	38
Ieņēmumi no līdzdalības koncerna meitas un asociēto sabiedrību kapitālos	-	11,022
Total	<u>-</u>	<u>11,060</u>

24. CORPORATE INCOME TAX

	2013	2012
	EUR	EUR
Calculated Corporate income tax	-	-
Deferred Corporate income tax	(15,374)	17,181
Total	<u>(15,374)</u>	<u>17,181</u>

24. CORPORATE INCOME TAX (CONTINUED ...)

	2013	2012
	EUR	EUR
Profit (loss) before tax	(441,413)	(84,752)
Theoretically calculated corporate income tax, rate 15%	(66,212)	(12,713)
Permanent differences	<u>7,574</u>	<u>7,574</u>
Calculated corporate income tax	<u>-</u>	<u>-</u>

Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(686,233)	(536,813)
Temporary difference of fixed assets revaluation	(163,184)	(539,759)
Accruals for vacations	<u>107,711</u>	<u>69,176</u>
Total temporary differences	<u>(741,706)</u>	<u>(1,007,396)</u>
Tax rate applied	<u>15%</u>	<u>15%</u>
Deferred tax liabilities	<u>111,256</u>	<u>151,109</u>
Recognized deferred tax liabilities	<u>111,256</u>	<u>151,109</u>

25 Transactions with related parties

In the Year 2013, there has been one transactions with the related party: loan for real estate tax payment (See Note 8).

26 Contingent liabilities

Management of the Company is not aware of any guarantees issued, court cases and other contingencies that could affect the Company's financial condition as on December 31, 2013.