



LATVIJAS JURAS MEDICINAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 3 MONTHS OF 2014

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

INFORMATION ABOUT PARENT COMPANY	3
COUNCIL AND BORD OF THE GROUP	4
MANAGEMENT REPORT	5 – 6
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	7
CONSOLIDATED FINANCIAL STATEMENTS	8 – 12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8 – 9
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13 – 22

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

COMPANY NAME: LATVIJA JURAS MEDICINAS 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 street, Riga, LV-1005, Latvia

SHARES 800 000 public registered shares with face value 1 LVL
ISIN code: LV0000100741

MAJOR SHAREHOLDERS: Ilze Birka 17.50%
Martins Birks 17.50%
Ilze Aizsilniece 11.45%
Guna Svarcberga 10.36%
Janis Birks 8.66%
Adomas Navickas 6.35%

REPORTING PERIOD: January 1, 2014 - March 31, 2014

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

**LATVIJAS JURAS MEDICINAS CENTRS JSC
COUNCIL AND BORD OF THE GROUP**

Council of the Group

Number of shares
owned at
31.03.2014

From April 28, 2010 till the consolidated financial statements signing day

Position	Name	
Chairman of the Council	Martins Birks	140 000
Member of the Council	Viesturs Silins	3 038
Member of the Council	Ineta Gadzjus	-
Member of the Council	Jevgenijs Kalejs	5 283
Member of the Council	Uldis Osis	-

Board of the group

From August 18, 2009 till April 30, 2014

Position	Name	
Chairman of the Board	Janis Birks	69 317
Member of the Board	Marta Aizsilniece	1 624
Member of the Board	Andris Vigants	700

From May 1, 2014 till the consolidates financial statements signing day

Position	Name	
Chairman of the Board	Janis Birks	81 338
Member of the Board	Vita Svarcberga	2 885
Member of the Board	Juris Imaks	-

MANAGEMENT REPORT

Type of activity

JSC Latvijas Juras medicinas centrs (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 2014 average number of LJMC employees is 360.

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 JSC Latvijas Juras medicinas 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 reference year and future development

2013 LJMC completed an ambitious 3-year investment project of 2.3 million EUR. 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%.

Building renovation project is one of the goals was to create a new ambulatory health care center in Sarkandaugava Patversmes 23, earlier provided inpatient health care services. Redirection of inpatient health care service to ambulatory health care service improve the future effectiveness, maximize LJMC resources and provide better medical care to patients.

In April 2014 LJMC won a tender regarding the right to provide medical care with PSKUS patients for 1 years.

LJMC as one of 2014 development directions has raised foreign patients association. LJMC combines excellent doctors in Latvia and a knowledgeable medical staff, so the quality of the medical study is tall and competitive outside Latvian. It shows the increasing number of foreign patients, as well as the fact that the LJMC has included official medical tourism service provider register kept by the LR Health inspection. LJMC in 2014 continue attract medical tourists from the EU. To attract more new foreign and local patients, LJMC in 2014 has detected investment objectives: implementation of innovative solutions in the medical service, staff training in patient care, continue national policies on the hospital redirection, providing investment in Vecmīlgrāvis hospital.

Financial performance

This 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 euro. Currency exchange rate till 31.12.2013. - EUR/LVL 0.702804.

First quarter of 2014 LJMC has worked according to the budget: revenue plan has been fulfilled for 104.07% and expenditure is met by 100.32%.

The LJMC profit of first quarter before taxes is EUR 74 426. In 2014 LJMC planned investment is expected to amount to EUR 430 000. In first quarter of 2014 LJMC has purchased assets for EUR 60 000.

MANAGEMENT REPORT

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.

Chairman of the Management Board

Jānis Birks

Member of the Management Board

Vita Švarcberga

Member of the Management Board

Juris Imaks

LATVIJAS JURAS MEDICINAS CENTRS JSC
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Consolidated 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 Group and of its financial performance for the period ended 31 March 2014 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 Group 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

Vita Svarcberga

Member of the Board

Juris Imaks

Riga, 30 May, 2014

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014 AND 31 DECEMBER 2013

	March 31, 2014	December 31, 2013	March 31, 2013	Notes
ASSETS	EUR	EUR	EUR	
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	18 293	19 707	28 284	
Total intangible assets	18 293	19 707	28 284	2
Fixed assets:				
Land and buildings	2 205 384	2 268 288	2 436 611	
Technological equipment and machines	809 933	829 711	1 031 588	
Other fixed assets and fixtures	59 824	65 255	53 393	
Unfinished building	156 571	156 571	156 571	
Advance payments for fixed assets	-	-	-	
Total fixed assets	3 231 712	3 319 825	3 678 163	2
Long-term financial assets:				
Investment in associates	183 676	183 676	192 532	3
Total financial assets	183 676	183 676	192 532	
Total long-term investments	3 433 681	3 523 208	3 898 979	
Current assets:				
Inventories:				
Raw materials	86 238	84 873	79 477	4
Total Inventories	86 238	84 873	79 477	
Debtors:				
Trade receivables	274 865	164 235	256 863	5
Other receivables	46 533	15 882	12 282	6
Deferred expenditure	2 159	3 681	2 193	7
Total debtors	323 557	183 798	271 337	
Cash funds	1 203 860	1 132 437	828 507	8
Total current assets	1 613 655	1 401 108	1 179 322	
TOTAL ASSETS	5 047 336	4 924 316	5 078 301	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014 AND 31 DECEMBER 2013

	March 31, 2014	December 31, 2013	March 31, 2013	Notes
LIABILITIES	EUR	EUR	EUR	
Equity capital:				
Share capital	1 138 297	1 138 297	1 138 297	9
Reserves:				
c) reserves provided by the Articles of Association	45 522	45 522	45 522	
d) fixed asset's revaluation reserve	755 976	790 653	894 688	23
Retained earnings:				
Undistributed profit	1 951 762	1 836 539	1 822 177	
Total shareholders' equity	3 891 557	3 811 011	3 900 684	
Non-controlling interests	-	-	1 774	
Total equity capital	3 891 557	3 811 011	3 902 458	
Provisions for liabilities and charges:				
Provisions for vacations	107 896	107 896	69 253	
Deffered tax provisions	105 109	111 229	144 979	22
Total provisions	213 005	219 125	214 232	
Non-current liabilities:				
Deffered income	501 577	501 577	596 678	10
Total non-current liabilities	501 577	501 577	596 678	
Current liabilities:				
Advance payments	5 783	5 783	5 783	11
Trade Payables	130 742	87 764	94 639	12
Deffered income	47 551	47 551	-	10
Taxes and social security payments	113 323	113 987	129 278	13
Other payables	143 798	137 518	135 233	14
Total current liabilities	441 197	392 603	364 932	
Total liabilities	942 774	894 180	961 611	
TOTAL LIABILITIES	5 047 336	4 924 316	5 078 301	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

	March 31, 2014	December 31, 2013	March 31, 2013	Notes
	EUR	EUR	EUR	
Net sales	1 419 937	5 081 473	1 252 016	15
Cost of goods sold	(1 269 327)	(5 121 927)	(1 373 848)	16
Gross profit or loss	150 610	(40 454)	(121 832)	
Administrative expenses	(117 350)	(460 668)	(118 558)	17
Other operating income	40 219	177 445	42 101	18
Other operating expenses	(20)	(2 180)	(13 096)	19
Income from investment in associate	967	(8 856)	-	20
Interest income and similar income	-	-	3	21
Profit (loss) before taxes	74 426	(334 713)	(211 382)	
Corporate income tax	-	15 390	-	22
NET PROFIT OR LOSS	74 426	(319 323)	(211 382)	
Other comprehensive income for the year, net of tax	-	(1 865)	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	74 426	(321 188)	(211 382)	
Profit attribute to:				
Owners of LJMC	74 426	(321 188)	(211 291)	
Non-controlling interest	-	-	(91)	
	74 426	(321 188)	(211 382)	
Total comprehensive income attributable to Owners of LJMC	-	-	-	
EBITDA	223 668	355 655	(33 425)	
Number of shares	800 000	800 000	800 000	
Earning per share (EPS)	0.09	(0.40)	(0.26)	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

	Share capital	Reserves provided by the Articles of Association	Properties revaluation reserve	Undistributed profit	Non-controlling interest	Total
	EUR	EUR	EUR	EUR	EUR	EUR
At 31 December 2012	1 138 297	45 522	929 363	1 992 673	1 865	4 107 720
Depreciation of revaluation surplus	-	-	(163 189)	163 189	-	-
Deffered tax on revaluation surplus	-	-	24 479	-	-	24 479
Total comprehensive income for the year	-	-	-	(319 323)	(1 865)	(321 188)
At 31 December 2013	1 138 297	45 522	790 653	1 836 539	-	3 811 011
Depreciation of revaluation surplus	-	-	(40 797)	40 797	-	-
Deffered tax on revaluation surplus	-	-	6 120	-	-	6 120
Total comprehensive income for the year	-	-	-	74 426	-	74 426
At 31 March 2014	1 138 297	45 522	755 976	1 951 762	-	3 891 557

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

	March 31, 2014	December 31, 2013	March 31, 2013	Notes
	EUR	EUR	EUR	
I Cash flows from operating activities				
1. Net income before tax	74 426	(334 713)	(211 382)	
Adjustments:				
a) depreciation of fixed assets	145 778	663 534	174 925	2
b) depreciation of intengibles	3 464	13 315	3 031	2
c) loss (gain) on sale of fixed assets	-	(3 695)	4	18,19
d) provisions	27 159	38 644	-	
e) ERAF income recognized in profit or loss	(33 419)	(47 551)	-	18
f) net loss on acquisition of a subsidiary shares	446	635	-	
g) interest income	-	-	(3)	20
h) (gain) / loss from investments in associates	-967	8 856	-	
2. Changes in operating current assets and liabilities	216 887	339 025	(33 425)	
Corrections:				
a) receivables	(139 759)	(59 931)	(147 471)	
b) inventory	(1 365)	12 803	18 199	
c) current liabilities	52 666	(27 415)	(7 521)	
3. Gross operating cash flow	128 429	264 482	(170 218)	
4. Paid interest	-	-	-	
4. Paid corporate income tax	-	-	-	
5. Net cash used in operating activities	128 429	264 482	(170 218)	
II Cash flow used in investment activities				
1. Net cash outflow on acquisition of a subsidiary	(1 757)	(2 500)	-	
2. Purchase of fixed assets	(59 715)	(167 532)	(32 910)	2
3. Income from sale of fixed assets	4 466	6 355	-	
4. Received dividends form the associate	-	-	-	
5. Received interest	-	-	3	20
6. Net cash from investment activities	(57 006)	(163 677)	(32 907)	
III Cash flows used in financing activities				
-	-	-	-	
7. Net cash from financing activities	-	-	-	
IV Net increase (decrease) in cash	71 423	100 805	(203 125)	
V Cash at the beginning of the period	1 132 437	1 031 632	1 031 632	
VI Cash at the end of the period	1 203 860	1 132 437	828 507	8

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

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 Group'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 adopted by the European Union. Enclosed financial statements are prepared in euro (EUR).

There is no difference in the dates of the Statements of financial position of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the net assets.

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

The net assets' portion attributed to the parent company are offset with the investment and have been eliminated. The retained earnings portion attributed to the parent company are 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 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

EUR 0,702804

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

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.

Separate accounts are used for assets acquired by EU funding.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

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
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.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

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.

Reclassification

Real estate tax was reclassified in Statement of profit or loss from Other operating expenses to Cost of goods sold.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

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

As on 31 March 2014 and 31 December 2013

fixed assets are composed follows:

EUR	Intangible assets	Land and buildings	Technological equipment and machines	Other fixed assets and fixtures	Fixed assets add-ons	Advance payments for fixed assets	Unfinished buildings	Total
Historical cost								
At 31 December 2012	64 610	4 685 210	3 792 707	501 438	-	4 727	156 571	9 205 263
Additions	11 347	27 279	87 114	46 519	-	(4 727)	-	167 532
Transfers	-	-	-	-	-	-	-	-
Disposals	(3 917)	(1 851)	(196 925)	(42 811)	-	-	-	(245 504)
At 31 December 2013	72 040	4 710 638	3 682 896	505 146	-	-	156 571	9 127 291
Additions	2 050	-	55 934	1 731	-	-	-	59 715
Transfers	-	-	(116 719)	(638)	-	-	-	(117 357)
At 31 March 2014	74 090	4 710 638	3 622 111	506 239	-	-	156 571	9 069 649
Accumulated depreciation								
At 31 December 2012	42 935	2 183 514	2 679 758	447 549	-	-	-	5 353 756
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	(3 917)	(1 851)	(196 884)	(40 193)	-	-	-	(242 845)
At 31 December 2013	52 333	2 442 350	2 853 185	439 891	-	-	-	5 787 759
Charge for the year	3 464	22 106	75 712	7 162	-	-	-	108 444
Charge for the period for revaluated fixed assets	-	40 798	-	-	-	-	-	40 798
Disposals or change in classification	-	-	(116 719)	(638)	-	-	-	(117 357)
At 31 March 2014	55 796	2 505 254	2 812 178	446 415	-	-	-	5 819 643
Net book value								
At 31 December 2012	21 675	2 501 696	1 112 949	53 889	-	4 727	156 571	3 851 507
At 31 December 2013	19 707	2 268 288	829 711	65 255	-	-	156 571	3 339 532
At 31 March 2014	18 293	2 205 384	809 933	59 824	-	-	156 571	3 250 005

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

3. INVESTMENT IN ASSOCIATES

	2014		2013	
	EUR		EUR	
	Capital share (%)	Amount of investment	Capital share (%)	Amount of investment
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45.32	183 676	45.32	183 676
Total participating interests in associated enterprises		183 676		183 676

4. RAW MATERIALS

	2014		2013
	EUR		EUR
Pharmaceutical	85 655		84 579
Advance payments to supplier of goods	457		185
Other materials	126		110
Total	86 238		84 873

5. TRADE RECEIVABLES

	2014		2013
	EUR		EUR
Riga's health department	178 400		70 691
P.Stradiņa klīniskā universitātes slimnīca	23 483		24 996
Insurance BTA SE	8 873		10 444
Gjensidege Baltic	2 398		10 195
Compensa Life Vienna Insurance group	5 432		5 488
Ergo Latvija AAS	6 445		4 485
IF Latvija AAS	4 297		4 441
SEESAM Latvija	3 406		3 849
Balta AAS	3 999		2 331
Latvian railway JSC	1 722		1 722
University of Latvia	1 112		1 043
Olla M SIA	828		885
Ministry of Interior – health and social department	117		868
Balva AAS	30		795
Baltijas apdrošināšanas nams	3 072		660
Biogen Idec Ltd.	-		178
Other customers	39 150		29 123
Bad debt provisions	(7 899)		(7 960)
Total	274 865		164 235

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

6. OTHER RECEIVABLES

	2014	2013
	EUR	EUR
Taxes overpaid (note No.12)	5 118	5 111
VAT for unpaid invoices	-	-
Other receivables	41 415	10 771
Total	46 533	15 882

7. DEFERRED EXPENDITURE

	2014	2013
	EUR	EUR
Assurance	2 159	3 681
Total	2 159	3 681

8. CASH FUNDS

	2014	2013
Cash in bank	1 185 290	1 128 052
Cash in hands	18 571	4 385
Total	1 203 860	1 132 437

9. SHARE CAPITAL

	2014		2013	
	Number of		Number of	
Shareholders:	shares	Share %	shares	Share %
Ilze Birka	140 000	17.50%	140 000	17.50%
Martins Birks	140 000	17.50%	140 000	17.50%
Ilze Aizsilniece	91 565	11.45%	91 565	11.45%
Guna Svarcberga	82 917	10.36%	82 917	10.36%
Janis Birks	69 317	8.66%	69 317	8.66%
Adomas Navickas	50 825	6.35%	50 825	6.35%
Other shareholders (shares less than 5%)	225 376	28.17%	225 376	28.17%
Total	800 000	100.00%	800 000	100.00%
Share equity	1 138 297		1 138 297	

10. DEFERRED INCOME

	2014	2013
	EUR	EUR
ERAF project reimbursement:		
Short-term part	47 551	47 551
Long-term part	501 577	501 577
Total	549 128	549 128

11. ADVANCE PAYMENTS

	2014	2013
	EUR	EUR
Riga's health department	4 169	4 169
Other advances	1 614	1 614
Total	5 783	5 783

12. TRADE PAYABLES

	2014	2013
	EUR	EUR
Medilink SIA	18 553	14 930
Latvenergo Rigas elektrotikls	-	10 397
SIA Sistemu audits	-	8 608
Latvijas Gaze	-	4 956
Zitari SIA	62	2 639
SIA Rigas udens	2 269	1 104
Academic histologic laboratory	376	322
Tradintek SIA	905	-
Other suppliers	108 577	44 810
Total	130 742	87 764

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

13. TAXES AND SOCIAL SECURITY PAUMENTS

	<i>As of</i> 31.12.2013	<i>Calculated</i>	<i>Paid</i>	<i>Returned</i>	<i>As of</i> 31.03.2014.
	EUR	EUR	EUR	EUR	EUR
Value added tax	1 635	8 453	(8 699)	-	1 389
Social insurance	72 377	203 232	(203 611)	-	71 998
Personal income tax	39 001	111 560	(110 741)	-	39 820
Corporate income tax	(5 105)	-	-	-	(5 105)
Unemployment duty	114	357	(355)	-	116
Natural resources tax	860	-	(868)	1	(7)
Corporate transport tax	-	-	-	-	-
Real estate tax	(6)	5 313	(5 313)	-	(6)
Total, including	108 876	328 915	(329 587)	1	108 205
due to the budget	113 987				113 323
overpayment	(5 111)				(5 118)

14. OTHER PAYABLES

	2014 EUR	2013 EUR
Salaries	142 500	136 098
Trade union	814	761
Deposited salary	484	659
Total	143 798	137 518

15. NET SALE

	2014 EUR	2013 EUR
Medical ambulant services	961 758	3 294 993
Medical hospital services	239 941	909 783
Insurance payments	98 744	321 414
VS ZDC ambulant services	69 817	278 847
Inpatient Care	41 569	153 771
Stomatology services	1 853	52 833
Family doctors	-	31 868
Residents training	3 336	20 859
Services - minimum fixed part	2 874	13 144
Other income	45	3 961
Total	1 419 937	5 081 473

16. COST OF GOODS SOLD

	2014 EUR	2013 EUR
Salaries and wages	524 823	2 232 465
Fixed assets depreciation	149 242	676 843
Medical goods	204 745	636 675
Social tax	120 572	524 391
Public utilities	71 581	249 382
VAT - expenses	74 241	245 431
Repair expenses	28 307	153 499
Fixed assets depreciation	17 347	61 077
Security expenses	5 404	40 014
Medical researches	11 371	38 583
Provisions for vacations	-	38 536
Feeding expenses	5 776	31 639
Computer maintenance, repair	7 051	27 908
Household goods	12 624	26 007
Real estate tax	5 313	18 048

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

16. COST OF GOODS SOLD (continued)

	2014	2013
	EUR	EUR
Advertising	10 529	6 511
Office expenses	3 315	11 315
Utilities	-	7 114
Insurance expenses	1 487	5 949
Transport expense	3 424	9 182
ERP system maintainance	3 272	6 229
Employees trainings	2 588	2 942
Allowances to employees	534	1 281
Unemployment duty	357	1 481
Gifts to employees	75	710
Accruals for doubtful debts	-	4 010
Rent of equipment	2 470	569
Received discounts	-	(8 580)
Other operating expenses	2 879	72 718
Total	<u>1 269 327</u>	<u>5 121 927</u>

	2014	2013
Average number of employees	360	355

17. ADMINISTRATIVE EXPENSES

	2014	2013
	EUR	EUR
Salaries and wages	55 533	247 957
Social tax	12 671	58 392
Board remuneration	11 222	36 716
Board chairperson remuneration	14 689	30 977
Council members remuneration	4 781	19 123
Communication expenses	2 819	11 807
Council chairperson remuneration	2 049	8 196
Board members social tax	2 268	7 610
Chairperson of the Board social tax	3 465	7 463
Audit expenses	888	7 114
Office expenses	2 538	6 759
Bank expenses	2 314	6 010
Council members social tax	1 005	4 118
Chairperson of the Council social tax	495	2 001
Legal services	-	1 975
Presentation expenses	110	1 615
Other administrative expenses	503	2 834
Total	<u>117 350</u>	<u>460 668</u>

18. OTHER OPERATING INCOME

	2014	2013
	EUR	EUR
Rent income	26 948	95 823
ERAF income: fixed assets depreciation	-	47 551
Hotel services – food	4 728	15 360
Utilities for tenants	2 174	6 076
Net gain from sale of fixed assets	-	3 695
Laundry income	374	1 005
Solarium income	670	512
Other income	5 325	7 423
Total	<u>40 219</u>	<u>177 445</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

19. OTHER OPERATING EXPENSES

	2014	2013
	EUR	EUR
Penalties	-	232
Loss from fixed assets disposals	-	-
Other expenses	20	1 948
Total	20	2 180

20. INCOME FROM INVESTMENT IN ASSOCIATE

	2014	2013
	EUR	EUR
Neurology clinic Ltd.	967	-8 856
Total	967	-8 856

21. INTEREST INCOME AND SIMILAR INCOME

	2014	2013
	EUR	EUR
Interest income	-	-
Total	-	-

22. CORPORATE INCOME TAX

	2014	2013
	EUR	EUR
Calculated Corporate income tax	-	-
Deferred Corporate income tax	-	15 390
Total	-	15 390

22. CORPORATE INCOME TAX (continued)

	2014	2013
	EUR	EUR
Profit (loss) before tax	74 426	(334 713)
Loss from subsidiary	78 821	14 994
Income from the evaluation of the associate company	-	(8 856)
Theoretically calculated corporate income tax, rate 15%	22 987	(49 286)
Permanent differences	-	11 827
Calculated corporate income tax	22 987	-

Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(686 233)	(686 233)
Temporary difference of fixed assets revaluation	(122 388)	(163 185)
Accruals for vacations	107 896	107 896
Total temporary differences	(700 725)	(741 522)
Tax rate applied	15%	15%
Deferred tax liabilities	(105 109)	(111 229)
Recognized deferred tax liabilities	105 109	111 229

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

Movement and components of deferred tax

Deferred tax liabilities (asset) at the beginning of the financial year	111 229	151 097
Deferred tax charged to the income statement	(10 816)	(15 390)
Changes in deferred tax recognised in properties revaluation reserves	<u>(17 204)</u>	<u>(24 479)</u>
Deferred tax liabilities (asset) at the end of the financial year	<u>83 209</u>	<u>111 229</u>

23. PROPERTIES REVALUATION RESERVE

	2014	2013
	EUR	EUR
Balance at beginning of the year	790 653	929 363
Decrease arising on revaluation of properties	(40 797)	(163 189)
Deferred tax assets arising on revaluation	<u>17 204</u>	<u>24 479</u>
Balance at end of the year	<u>767 060</u>	<u>790 653</u>