



LATVIJAS JŪRAS MEDICĪNAS CENTRS JSC

CONSOLIDATED INTERIM REPORT FOR THE 6 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 - June 30, 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

30.06.2014

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.

The 2014th 6 month LJMC has worked according to the budget: revenue plan has been fulfilled for 104,32% and expenditure is met by 97,75%.

The 2014th 6 month LJMC profit before taxes is EUR 31 354. In 2014 LJMC planned investment is expected to amount to EUR 430 000.

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 30 June 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, 29 August, 2014

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2014 AND 31 DECEMBER 2013

	June 30, 2014	December 31, 2013	June 30, 2013	Notes
ASSETS	EUR	EUR	EUR	
Long-term investments:				
Intangible assets:				
Other intangible (fixed) assets	14 752	19 707	26 629	2
Total intangible assets	14 752	19 707	26 629	
Fixed assets:				
Land and buildings	2 142 481	2 268 288	2 371 526	
Technological equipment and machines	737 697	829 711	964 842	
Other fixed assets and fixtures	52 591	65 255	72 016	
Unfinished building	156 571	156 571	156 571	
Advance payments for fixed assets	3 530	-	-	
Total fixed assets	3 092 870	3 319 825	3 564 955	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	3 291 298	3 523 208	3 784 116	
Current assets:				
Inventories:				
Raw materials	93 086	84 873	92 091	4
Total Inventories	93 086	84 873	92 091	
Debitors:				
Trade receivables	191 584	164 235	103 384	5
Other receivables	44 271	15 882	42 404	6
Deffered expenditure	1 730	3 681	915	7
Total debtors	237 585	183 798	146 703	
Cash funds	1 372 196	1 132 437	859 487	8
Total current assets	1 702 867	1 401 108	1 098 282	
TOTAL ASSETS	4 994 164	4 924 316	4 882 398	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2014 AND 31 DECEMBER 2013

	June 30, 2014	December 31, 2013	June 30, 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	721 299	790 653	860 012	23
Retained earnings:				
Undistributed profit	1 949 387	1 836 539	1 620 655	
Total shareholders' equity	3 854 505	3 811 011	3 664 486	
Non-controlling interests	-	-		
Total equity capital	3 854 505	3 811 011	3 664 486	
Provisions for liabilities and charges:				
Provisions for vacations	107 896	107 896	69 253	
Deffered tax provisions	98 989	111 229	138 859	22
Total provisions	206 885	219 125	208 112	
Non-current liabilities:				
Deffered income	501 577	501 577	572 904	10
Total non-current liabilities	501 577	501 577	572 904	
Current liabilities:				
Advance payments	5 782	5 783	10 782	11
Trade Payables	89 565	87 764	87 925	12
Deffered income	23 776	47 551	-	10
Taxes and social security payments	156 633	113 987	178 107	13
Other payables	155 439	137 518	160 082	14
Total current liabilities	431 195	392 603	436 896	
Total liabilities	932 772	894 180	1 009 800	
TOTAL LIABILITIES	4 994 164	4 924 316	4 882 398	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

	June 30, 2014	December 31, 2013	June 30, 2013	Notes
	EUR	EUR	EUR	
Net sales	2 768 385	5 081 473	2 497 278	15
Cost of goods sold	(2 606 233)	(5 121 929)	(2 778 872)	16
Gross profit or loss	162 152	(40 456)	(281 593)	
Administrative expenses	(233 498)	(460 667)	(239 486)	17
Other operating income	101 503	177 445	81 568	18
Other operating expenses	(45)	(2 180)	(13 981)	19
Income from investment in associate	967	(8 856)	-	20
Interest income and similar income	175	-	28	21
Profit (loss) before taxes	31 254	(334 713)	(453 465)	
Corporate income tax	-	15 390		22
NET PROFIT OR LOSS	31 254	(319 323)	(453 465)	
Other comprehensive income for the year, net of tax	-	(1 865)	-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	31 254	(321 188)	(453 465)	
Profit attribute to:				
Owners of LJMC	31 254	(321 188)	(453 465)	
Non-controlling interest	-	-		
Total comprehensive income attributable to Owners of LJMC	31 254	(321 188)	(453 465)	
EBITDA	331 907	355 655	(100 941)	
Number of shares	800 000	800 000	800 000	
Earning per share (EPS)	0.04	(0.40)	(0.57)	

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 JUNE 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	1 992 674	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	-	-	-	(319 324)	(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	-	-	(81 594)	81 594	-	-
Deffered tax on revaluation surplus	-	-	12 240	-	-	12 240
Total comprehensive income for the year	-	-	-	31 254	-	31 254
At 30 June 2014	1 138 297	45 522	721 299	1 949 387	-	3 854 505

LATVIJAS JURAS MEDICINAS CENTRS JSC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

	June 30, 2014	December 31, 2013	June 30, 2013	Notes
	EUR	EUR	EUR	
I Cash flows from operating activities				
1. Net income before tax	31 254	(334 713)	(453 465)	
Adjustments:				
a) depreciation of fixed assets	293 650	663 534	346 133	2
b) depreciation of intangibles	7 006	13 315	6 393	2
c) loss (gain) on sale of fixed assets	-	(3 695)	2 618	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	-	-	(28)	20
h) (gain) / loss from investments in associates	(967)	8 856	-	19
2. Changes in operating current assets and liabilities	325 129	339 025	(98 349)	
Corrections:				
a) receivables	(53 787)	(59 931)	(22 837)	
b) inventory	(8 213)	12 803	5 585	
c) current liabilities	42 491	(27 415)	38 691	
3. Gross operating cash flow	305 620	264 482	(76 910)	
4. Paid corporate income tax	-	-	-	12
5. Net cash used in operating activities	305 620	264 482	(76 910)	
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	(68 745)	(167 532)	(95 263)	2
3. Income from sale of fixed assets	4 466	6 355	-	
4. Received dividends from the associate	-	-	-	
5. Received interest	175	-	28	20
6. Net cash from investment activities	(65 861)	(163 677)	(95 234)	
III Cash flows used in financing activities				
-	-	-	-	
7. Net cash from financing activities	-	-	-	
IV Net increase (decrease) in cash	239 759	100 805	(172 145)	
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	1 372 196	1 132 437	859 487	

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 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 the national currency of Latvia, the lats (LVL).

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:

	June 30, 2014	December 31, 2013
EUR	0.702804	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.

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

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
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 PERIODS ENDED 30 JUNE 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 30 JUNE 2014 AND 31 DECEMBER 2013

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

As on 30 June 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	-	61 434	1 731	-	3 530	-	68 745
Transfers	-	-	(116 719)	(5 155)	-	-	-	(121 874)
At 30 June 2014	74 090	4 710 638	3 627 611	501 722	-	3 530	156 571	9 074 162
Accumulated depreciation								
At 31 December 2012	42 934	2 183 514	2 679 758	447 549	-	-	-	5 353 755
Charge for the year	13 315	-	370 311	32 535	-	-	-	416 161
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	52 332	2 344 856	2 853 185	439 891	-	-	-	5 690 264
Charge for the year	7 006	44 211	153 448	14 395	-	-	-	219 060
Charge for the period for revaluated fixed assets	-	81 596	-	-	-	-	-	81 596
Disposals or change in classification	-	-	(116 719)	(5 155)	-	-	-	(121 874)
At 30 June 2014	59 338	2 470 663	2 889 914	449 131	-	-	-	5 869 046
Net book value								
At 31 December 2012	21 676	2 501 696	1 112 949	53 889	-	4 727	156 571	3 851 508
At 31 December 2013	19 708	2 268 288	829 711	65 255	-	-	156 571	3 437 027
At 30 June 2014	14 752	2 142 481	737 697	52 591	-	3 530	156 571	3 205 116

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

3. INVESTMENT IN ASSOCIATES

	2014		2013	
	EUR		EUR	
	Kapitāla daļa (%)	Ieguldījumu summa	Kapitāla daļa (%)	Ieguldījumu summa
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45.32	183 676	45.32	183 676
Total participating interests in associated enterprises		<u>183 676</u>		<u>183 676</u>

4. RAW MATERIALS

	2014		2013
	EUR		EUR
Pharmaceutical	92 526		84 579
Advance payments to supplier of goods	459		185
Other materials	101		110
Total	<u>93 086</u>		<u>84 874</u>

5. TRADE RECEIVABLES

	2014		2013
	EUR		EUR
Riga's health department	80 358		70 691
P.Stradiņa klīniskā universitātes slimnīca	22 800		24 996
Insurance BTA SE	18 601		10 444
Gjensidege Baltic	8 104		10 195
Compensa Life Vienna Insurance group	6 590		5 488
Ergo Latvija AAS	13 564		4 485
IF Latvija AAS	2 721		4 441
SEESAM Latvija	4 217		3 849
Balta AAS	2 988		2 331
Latvian railway JSC	1 722		1 722
University of Latvia	1 112		1 043
Olla M SIA	817		885
Ministry of Interior – health and social department	1 344		868
Balva AAS	30		795
Baltijas apdrošināšanas nams	1 193		660
Biogen Idec Ltd.	148		178
Other customers	33 144		29 123
Bad debt provisions	(7 869)		(7 960)
Total	<u>191 584</u>		<u>164 234</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

6. OTHER RECEIVABLES

	2014	2013
	EUR	EUR
Taxes overpaid (note No.12)	6	5 111
VAT for unpaid invoices	-	-
Other receivables	44 265	10 771
Total	44 271	15 882

7. DEFFERED EXPENDITURE

	2014	2013
	EUR	EUR
Assurance	1 730	3 681
Total	1 730	3 681

8. CASH FUNDS

	2014	2013
Cash in bank	1 365 812	1 128 052
Cash in hands	6 384	4 385
Total	1 372 196	1 132 437

9. SHARE CAPITAL

	2014		2013	
Shareholders:	Akciju skaits	Kapitāla daļa %	Akciju skaits	Kapitāla daļa %
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. DEFFERED INCOME

	2014	2013
	EUR	EUR
ERAF project reimbursement:		
Short-term part	23 776	47 551
Long-term part	501 577	501 577
Total	525 353	549 128

11. ADVANCE PAYMENTS

	2014	2013
	EUR	EUR
Riga's health department	4 169	4 169
Other advances	1 613	1 614
Total	5 782	5 783

12. TRADE PAYABLES

	2014	2013
	EUR	EUR
Medilink SIA	1 070	14 930
Latvenergo Rigas elektrotikls	-	10 397
SIA Sistemu audits	-	8 608
Latvijas Gaze	-	4 956
Zitari SIA	639	2 639
SIA Rigas udens	1 388	1 104
Academic histologic laboratory	315	322
Tradintek SIA	4 959	-
Other suppliers	81 194	44 810
Total	89 565	87 766

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 30 JUNE 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> 30.06.2014.
	EUR	EUR	EUR	EUR	EUR
Value added tax	1 635	16 330	(16 776)	-	1 189
Social insurance	72 377	449 101	(418 507)	(5 105)	97 866
Personal income tax	39 001	248 254	(230 651)	-	56 604
Corporate income tax	(5 105)	-	-	5 105	-
Unemployment duty	114	709	(706)	-	117
Natural resources tax	858	1 734	(1 735)	-	857
Corporate transport tax	-	-	-	-	-
Real estate tax	(6)	2 632	(2 632)	-	(6)
Total, including	108 874	718 760	(671 007)	-	156 627
due to the budget	113 985				156 633
overpayment	(5 111)				(6)

14. OTHER PAYABLES

	2014 EUR	2013 EUR
Salaries	153 774	136 098
Trade union	1 181	761
Deposited salary	484	659
Total	155 439	137 518

15. NET SALE

	2014 EUR	2013 EUR
Medical ambulant services	1 887 605	3 294 993
Medical hospital services	460 647	909 783
Insurance payments	202 700	321 414
VS ZDC ambulant services	134 909	278 847
Inpatient Care	64 658	153 771
Stomatology services	4 435	52 833
Family doctors	-	31 868
Residents training	6 673	20 859
Services - minimum fixed part	6 706	13 144
Other income	52	3 961
Total	2 768 385	5 081 473

16. COST OF GOODS SOLD

	2014 EUR	2013 EUR
Salaries and wages	1 179 396	2 232 465
Fixed assets depreciation	300 653	676 843
Medical goods	367 556	636 675
Social tax	270 640	524 391
Public utilities	121 164	249 382
VAT - expenses	124 336	245 431
Repair expenses	71 504	153 499
Fixed assets depreciation	32 217	61 077
Security expenses	10 188	40 014
Medical researches	21 084	38 583
Provisions for vacations	-	38 536
Feeding expenses	14 325	31 639
Computer maintenance, repair	11 226	27 908
Household goods	18 830	26 007
Real estate tax	6 629	18 048

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

16. COST OF GOODS SOLD (continued)

	2014	2013
	EUR	EUR
Advertising	15 242	6 511
Office expenses	7 606	11 315
Utilities	2 152	7 114
Insurance expenses	2 820	5 949
Transport expense	6 209	9 182
ERP system maintenance	6 544	6 229
Employees trainings	3 046	2 942
Allowances to employees	168	1 281
Unemployment duty	709	1 481
Gifts to employees	634	710
Accruals for doubtful debts	(90)	4 010
Rent of equipment	4 369	569
Received discounts	-	(8 580)
Other operating expenses	7 076	72 718
Total	<u>2 606 233</u>	<u>5 121 929</u>

	2014	2013
Average number of employees	360	355

17. ADMINISTRATIVE EXPENSES

	2014	2013
	EUR	EUR
Salaries and wages	119 980	247 957
Social tax	27 732	58 392
Board remuneration	21 652	36 716
Board chairperson remuneration	20 011	30 977
Council members remuneration	9 562	19 123
Communication expenses	5 968	11 807
Council chairperson remuneration	4 098	8 196
Board members social tax	4 709	7 610
Chairperson of the Board social tax	4 720	7 463
Audit expenses	1 130	7 114
Office expenses	4 539	6 759
Bank expenses	4 354	6 010
Council members social tax	2 010	4 118
Legal services	-	2 001
Chairperson of the Council social tax	987	1 975
Presentation expenses	717	1 615
Other administrative expenses	1 329	2 834
Total	<u>233 498</u>	<u>460 667</u>

18. OTHER OPERATING INCOME

	2014	2013
	EUR	EUR
Rent income	52 756	95 823
ERAF income: fixed assets depreciation	23 775	47 551
Hotel services – food	8 174	15 360
Utilities for tenants	4 140	6 076
Net gain from sale of fixed assets	-	3 695
Laundry income	784	1 005
Solarium income	1 459	512
Other income	10 415	7 423
Total	<u>101 503</u>	<u>177 445</u>

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

19. OTHER OPERATING EXPENSES

	2014	2013
	EUR	EUR
Penalties	-	232
Loss from fixed assets disposals	-	-
Other expenses	45	1 948
Total	45	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	175	-
Total	175	-

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	31 254	(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%	16 511	(49 286)
Permanent differences	-	11 827
Calculated corporate income tax	16 511	-

Deferred tax

Temporary difference between financial statement	(686 233)	(686 233)
Temporary difference of fixed assets revaluation	(81 591)	(163 185)
Accruals for vacations	107 896	107 896
Total temporary differences	(659 928)	(741 522)
Tax rate applied	15%	15%
Deferred tax liabilities	(98 989)	(111 229)
Recognized deferred tax liabilities	98 989	111 229

LATVIJAS JURAS MEDICINAS CENTRS JSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

Movement and components of deferred tax

Deferred tax liabilities (asset) at the beginning of the financial year	111 228	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>83 208</u>	<u>111 228</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>