EMC Instytut Medyczny SA

A CONSOLIDATED FINANCIAL STATEMENT OF
Group EMC Instytut Medyczny SA

for a financial year

as at 31st December of 2013

Wrocław, 11th March 2014

Contents

in PLN thousand

A CONSOLIDATED INCOME STATEMENT
as at 31st of December 2013

AN INCOME STATEMENT (a comparable method)		As at	
	Notes	31/12/2013	31/12/2012
Revenues from sales	14.1	**172 556**	**157 517**
Net revenues from sales of products		169 909	155 244
Net revenues from sales of goods and materials		2 647	2 273
Operating expenses		**169 075**	**153 767**
Amortisation and depreciation		9 121	7 609
Consumption of materials and energy		21 804	19 762
External services		62 779	57 695
Taxes and charges		2 178	2 190
Payroll	14.6	58 762	53 672
Social insurance and other benefits	14.6	10 240	9 247
Other costs by type		2 187	1 788
Value of sold goods and materials		2 004	1 804
Profit on sales		**3 481**	**3 750**
The other operating revenues	14.2	1 799	980
The other operating expenses	14.3	1 633	891
Profit on operating activities		**3 647**	**3 839**
Financial revenues	14.4	175	443
Financial expenses	14.5	3 082	3 734
Profit (loss) on business activities		**740**	**548**
Gross profit / loss		**740**	**548**
Income tax	15	**569**	**33**
Net profit, including:		**171**	**515**
parent undertaking's shareholders	17	**159**	**408**
non-controlling shareholders		**12**	**107**
The average number of shares		8 438 212	8 115 946
Profit / loss for stockholders of a dominant unit per one share [in PLN]		**0,0188**	**0,0503**
- dilluted from the profit for the stockholders of a dominant unit [in PLN]		0,0188	0,0503

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The President of Management Board	The Vice-President of Management Board	The Member of Management Board	The Member of Management Board
Piotr Gerber	*Krystyna Wider-Poloch*	*Józef Tomasz Juros*	*Zdzisław Andrzej Cepiel*

in PLN thousand

A CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
as at 31st December 2013

Other comprehensive income	As at	
	31/12/2013	31/12/2012
Net profit (loss)	**171**	**515**
Other comprehensive income		
Items being reclassified to the profit/loss in next financial periods:	36	-175
Exchange currency differences due to revaluation of foreign entities	36	-175
Other net comprehensive income being reclassified to the profit/loss in next financial periods	**36**	**-175**
Items not being reclassified to the profit/loss in next financial periods:	-159	
Actuarial profits/losses due to the programmes of particular benefits	-159	
Income tax concerning other comprehensive income	30	
Other net comprehensive income not being reclassified to the profit/loss in next financial periods	**-129**	**0**
Other net comprehensive income	**-93**	**-175**
Comprehensive income for the period	**78**	**340**
Comprehensive income for:		
Shareholders of a dominant undertaking	**66**	**233**
Non-controlling shareholders	**12**	**107**
Total comprehensive income	**78**	**340**

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in PLN thousand

A CONSOLIDATED FINANCIAL STATEMENT
as at 31st December 2013

Assets	Note	As at	
		31/12/2013	31/12/2012
Fixed assets		**151 707**	**113 989**
Intangible assets	19	4 177	3 708
Tangible fixed assets	20	132 561	108 008
The other financial assets (long-term)	22	11 691	
Assets due to deferred tax	15.3	3 276	2 270
Long-term prepayments		2	3
Current assets		**79 690**	**28 257**
Stocks	28	1 981	1 223
Receivables due to deliveries and services	29	16 814	13 910
The other receivables	29	403	210
Receivables due to income tax	29	12	76
Prepayments	32	795	1 314
Cash and its equivalent	30	59 685	11 524
Total assets		**231 397**	**142 246**

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in PLN thousand

Liabilities	Note	As at	
		31/12/2013	31/12/2012
Equity (fund)		**134 880**	**64 189**
Initial capital (fund)	31	48 078	33 309
Supplementary capital (fund)	32	81 325	25 204
Reserve capital	32	-4 635	-4 635
Exchange currency differences due to revaluation of foreign entities	32	192	156
Retained earnings	32.2	9 920	10 155
Capital of non-controlling shareholders	32	**4 141**	**3 099**
Total equity		**139 021**	**67 288**
Long-term liabilities		**43 471**	**31 474**
Reserve due to deferred income tax	15.3	1 127	1 191
Reserves for pensions and similar benefits	34	2 493	956
The other reserves	34	1 648	1 311
Credits and loans	33	16 940	18 259
Due to issuance of debt securities	33	6 860	6 805
Due to leasing	21	1 636	2 399
The other liabilities	35.1	7 545	85
Long-term prepayments	35.3	5 222	468
Short-term liabilities		**48 905**	**43 484**
Reserves for liabilities due to employee benefits	34	285	
The other short-term reserves	34	879	66
Credits and loans	33	21 537	19 166
Due to deliveries and services	35.2	13 205	13 794
Due to issuance of debt securities	33	168	232
Due to leasing	21	1 679	1 388
Due to income tax	35.2	185	198
Other liabilities	35.2	8 072	6 974
Short-term prepayments	35.3	2 895	1 666
Total liabilities		**231 397**	**142 246**

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in PLN thousand

A CONSOLIDATED CASH FLOW STATEMENT
as at 31st December 2013

ITEMS	Note	31/12/2013	31/12/2012
Cash flows from operating activities			
Net profit (loss)		**740**	**548**
Total adjustments		**9 451**	**13 945**
Amortization and depreciation		9 121	7 609
Foreign exchange gains (losses)		-4	-7
Interest and profit sharing (dividends)		2 580	3 748
Profit (loss) from investment activity		30	80
Changes in reserves	36	582	194
Changes in stock	36	-273	102
Changes in receivables	36	356	-480
Changes in short-term liabilities, except for loans and credits	36	-4 416	3 322
Changes in prepayments and accruals	36	2 396	-281
Other adjustments – commissions on credits and bonds	36	114	353
Income tax paid	36	-1 035	-695
Net cash flows from operating activities		**10 191**	**14 493**
Cash flows from investment activities			
Inflows			**0**
Outflows		**28 673**	**5 636**
Purchase of intangible assets and tangible fixed assets		16 795	5 636
Purchase of financial assets in the related parties adjusted to cash gained	36	774	
Purchase of financial assets in the other parties	22	10 729	
Other investment outflows		375	
Net cash flows from investment activities		**-28 673**	**-5 636**
Cash flows from financial activities			
Inflows		**78 809**	**29 034**
Net inflows from issuance of shares and other capital instruments and from surcharge to capital		60 996	8 603
Credits and loans		17 813	13 626
Issue of debt securities			6 805
Outflows		**12 170**	**32 795**
Dividends and other payments for the owners		18	
Spłaty kredytów		7 602	22 555
Repayment of debt securities			4 500
Obligations payment due to the contracts of financial leasing		1 638	1 791
Interest		2 912	3 949
Commissions on credits			
Net cash flows from financial activities		**66 639**	**-3 761**
Total net cash flows		**48 157**	**5 096**
Balance sheet change in cash, including:		**48 161**	**5 103**
change in cash due to exchange differences		**-4**	**-7**
Cash at the beginning of the period	30	**11 524**	**6 421**
Cash at the end of the period	30	**59 681**	**11 517**

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in PLN thousand

A CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Item	Initial capital	Supplementary capital	Changes in currency translation differences form conversion (of a foreign unit)	Reserve capital	Retained earnings	Total capital of shareholders of a dominant unit	Capital for shareholders not making control	Total equity
As at 01/01/2013	**33 309**	**25 204**	**156**	**(4 635)**	**10 155**	**64 189**	**3 099**	**67 288**
Results for the year					159	**159**	12	**171**
Other comprehensive income, including:			36		(129)	**(93)**		(93)
Exchange rate differences from revaluating a foreign unit			36			**36**		**36**
Actuarial profits/losses concerning the programmes of particular benefits					(129)	**(129)**		**(129)**
Total income for the period			**36**		**30**	**66**	12	**78**
Capital transactions with the shareholders not making control					(265)	**(265)**	(110)	**(375)**
Changes of capital for shares not making control connected with acquiring the company							1 158	**1 158**
Increasing capital in the Company	14 769	57 231				**72 000**		**72 000**
Costs of obtaining the capital		(1 110)				**(1 110)**		**(1 110)**
Dividend payment							(18)	**(18)**
As at 31/12/2013	**48 078**	**81 325**	**192**	**(4 635)**	**9 920**	**134 880**	**4 141**	**139 021**

Item	Initial capital	Supplementary capital	Changes in currency translation differences form conversion (of a foreign unit)	Reserve capital	Retained earnings	Total capital of shareholders of a dominant unit	Capital for shareholders not making control	Total equity
As at 01/01/2012	**28 550**	**21 360**	**331**	**(4 635)**	**9 673**	**55 279**	**3 077**	**58 356**
Results for the year					408	**408**	107	**515**
Other comprehensive income			(175)			**(175)**		**(175)**
Total income for the period			**(175)**		**408**	**233**	**107**	**340**
Capital transactions with minority shareholders					74	74	(74)	0
Inflow of G series stocks issue	4 759	3 844				8 603		8 603
Dividend payment							(11)	(11)
As at 31/12/2012	**33 309**	**25 204**	**156**	**(4 635)**	**10 155**	**64 189**	**3 099**	**67 288**

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PRINCIPLES (POLICY) OF ACCOUNTANCY AND ADDITIONAL EXPLANATORY NOTES

1. General information

A Capital Group EMC Instytut Medyczny ('Group') consists of EMC Instytut Medyczny SA ('a parent undertaking', 'Company') and its subsidiaries undertakings (see Note no. 5).

According to a Company's statute the subject of a basic activity is as follows:

- activity in the scope of human health care,
- the research and development work in the field of medicine and pharmacy,
- out -of - school forms of education not elsewhere classified,
- financial leasing and financial agency services,
- real property services.

A consolidated financial statement of the Group includes a year ended as at 31st December of 2013 and comparable data for a year ended as at 31st December of 2012.

A dominant undertaking is entered the National Court Register under number KRS 0000222636 in the District Court for Wrocław Fabryczna, 6th Commercial Division of the National Court Register.

A statistical number REGON 933040945 was conferred.

The time of parent undertaking and entities included in Capital Group existence is indefinite.

The Issuer is a dominant undertaking and compiles consolidated financial statements.

2. The assumption of continuing a business activity

A given financial statement of EMC Instytut Medyczny S.A. was compiled working on the assumption that the Company will continue its business activity in the predictable future, at least 12 months after a balance day (31 December 2013).

The Board of Management of a dominant unit does not claim facts and circumstances showing threats for the possibility of an activity continuation in the period at least 12 months after a balance day as the result from intended or obligatory abandonment or from important activity limitation.

A financial result of the Group ended as at 31st December of 2013 shows a net profit in the amount of PLN 171 thousand. Current assets exceed short-term liabilities by PLN 30.785 thousand. Increasing capital of a dominant unit by PLN 72.000 thousand has significantly influenced a current financial situation.

In credit contracts signed by the Issuer with the banks BGŻ and DnB Nord there are mentioned financial ratios. If they are not met, the conditions of the contracts may change or even the contract may be terminated. As at 31st December of 2013 the Issuer and the subsidiary undertaking Powiatowe Centrum Zdrowia Sp. z o.o. exceeded two pointed by BGŻ borderline values of financial ratios, consequently a long-term liability in the amount of PLN 14.040 thousand resulting from the investment credit contracts was presented in the part of short-term liabilities in a financial statement – it was described in a note no. 33 of a given consolidated financial statement. Credits were not renounced although financial conditions were not fulfilled as at 31st December of 2013. On the basis of talking and corresponding with the bank BGŻ the Board of Management does not expect the credits to be renounced

Financial plans due to a year 2014 and forecast of future cash flows made by the Board of Management do not reveal the threat of losing liquidity in the period of 12 months after a balance day assuming that financial results planned by the Issuer will be realized in the period of next 12 months after a balance day.

(in PLN thousand)

A significant increase of capital influences the decrease of potential risks of not fulfilling financial plans what results in the fact that a financial statement has been conducted with assumption of continuing a business activity by the Issuer in the period of at least 12 months after a balance day (after 31st December of 2013).

3. Periods concerning statements presented

Financial statements and comparable data are presented for the following periods: from 01/01/2013 to 31/12/2013 and from 01/01/2012 to 31/12/2012.

4. A parent undertaking's governing bodies

The Staff of the Board of Management as at 31 December 2013 and as at the day of conducting a financial statement is as follows:

- Piotr Gerber — the President of the Board of Management
- Krystyna Wider-Poloch — the Vice-President of the Board of Management
- Józef Tomasz Juros — the Member of the Board of Management
- Zdzisław Andrzej Cepiel — the Member of the Board of Management

In a year 2013 the changes in the Board of Management did not take place, however, significant changes in the Supervisory Board occurred.

On 18th April 2013 Mr Jacek Łopatniuk resigned to fulfill the function of the member of the Supervisory Board of EMC Instytut Medyczny SA. (a current report no. 33/2013 as at 18th April 2013).

During the meeting of the General Meeting on 20th August 2013 the following persons were recalled from the Supervisory Board bodies:

Hanna Marzena Gerber	Chairman of the Supervisory Board
Aleksandra Żmudzińska	Vice - Chairman of the Supervisory Board
Danuta Smoleń	Member of the Supervisory Board
Marek Michalski	Member of the Supervisory Board
Witold Paweł Kalbarczyk	Member of the Supervisory Board
Marcin Szuba	Member of the Supervisory Board

Simultanously during the meeting on 20th August of 2013 the new bodies of the Supervisory Board were established (a current report no. 84/2013):

Hanna Marzena Gerber	Chairman of the Supervisory Board
Vaclav Jirku	Vice - Chairman of the Supervisory Board
Eduard Maták	Member of the Supervisory Board
Waldemar Krzysztof Kmiecik	Member of the Supervisory Board
Michał Wnorowski	Member of the Supervisory Board
Artur Smolarek	Member of the Supervisory Board

As at 31st December of 2013 and as at the day of compiling a financial statement the structure of the Supervisory Board has not been changed.

(in PLN thousand)

5. Capital Group EMC Instytut Medyczny

Subsidiaries undertakings as at 31st December 2013 are as follows:

Company	Register seat	The date of purchasing shares	The number of shares	% share in the capital	% share in the number of votes at a General Meeting of Shareholders
Lubmed Sp. z o.o.	Lubin	January 2005	4.214	100,00%	100,00%
Mikulicz Sp. z o.o.	Świebodzice	July 2006	8.824	94,27%	94,27%
EMC Health Care Limited	Irlandia	April 2007	300.300	100,00%	100,00%
EMC Silesia Sp. z o.o.	Katowice	November 2008	11.129	80,63%	80,63%
PCZ Kowary Sp. z o.o.	Kowary	January 2009	16.322	96,17%	96,17%
Zespół Przychodni Formica Sp. z o.o.*	Wrocław	December 2009	1.000	100,00%	100,00 %
Silesia Med Serwis Sp. z o.o.	Katowice	March 2010	100	100,00 %	100,00 %
„EMC Piaseczno" Sp. z o.o.	Piaseczno	November 2010	6.301	100,00%	100,00%
„Zdrowie" Sp. z o.o.**	Kwidzyn	July 2013	34.538	87,49%	87,49%

* On 30th April 2013 the associate's (owing 7,87% shares in share capital of the Company) shares were remitted. As a result, EMC Instytut Medyczny possesses 100 % shares in share capital of ZP Formica Sp.z o.o.

** On 31st May of 2013 the Issuer signed an initial contract of purchasing and using shares in a company "Zdrowie" Sp. z o.o. with a Kwidzyński poviat, Kwidzyn city, PEC sp. z o.o. in Kwidzyn, and PWiK sp. z o.o. As a result of the agreement, the Issuer will be using for 5 years 87,4867% of shares of "Zdrowie" Sp. z o.o. owned by the Sellers. After this period, until 1st June of 2018, a final contract of purchasing shares will be signed. As a result, the Issuer will possess the shares used before. On 29th May of 2013 the Issuer paid the advance that shall be included in the selling price in the amount of PLN 1200 thousand for each Seller proportionally to the number of shares. The information about the agreement was included in a current report no. 53/2013 on 31st May of 2013. On 26th July of 2013 the district court Gdańsk-Północ in Gdańsk issued a decision changing the contract of "Zdrowie" Sp. z o.o. and the Issuer has been in control of a company since that day.

(in PLN thousand)

Subsidiaries undertakings as at 31st December 2012 were as follows:

Company	Register seat	The date of purchasing shares	The number of shares	% share in the capital	% share in the number of votes at a General Meeting of Shareholders
Lubmed Sp. z o.o.	Lubin	January 2005	4.214	100,00%	100,00%
Mikulicz Sp. z o.o.	Świebodzice	July 2006	8.824	94,27%	94,27%
EMC Health Care Limited	Irlandia	April 2007	300.300	100,00%	100,00%
EMC Silesia Sp. z o.o.	Katowice	November 2008	11.129	80,63%**	80,63%
PCZ Kowary Sp. z o.o.	Kowary	January 2009	16.322	96,17%*	96,17%
Zespół Przychodni Formica Sp. z o.o.	Wrocław	December 2009	1.000	90,91%	90,91 %
Silesia Med Serwis Sp. z o.o.	Katowice	March 2010	100	100,00 %	100,00 %
„EMC Piaseczno" Sp. z o.o.	Piaseczno	November 2010	6.301	100,00%	100,00%

* On 24th January of 2012 the registration of increaing capital about PLN 1.507 thousand of the company PCZ in Kowary was made. As a result, a number of possessed shares increased to the amount of 16.322 and the contribution in company's capital amounted 96,17 %.

** Increasing share capital in EMC Silesia Sp.z o.o. was described in a note 24.

All subsidiaries undertakings are consolidated using a full method.

5.1 Initial settling the purchase of a company „Zdrowie" Sp. z o.o.

The Group EMC initially identified net assets of the acquired company "Zdrowie" Sp. z o.o. and included them in the values set temporarily at at the day of acquiring. The initial settlement of acquiring is presented in the table.

	Fair value
Other intangible assets	545
Lands	1 341
Buildings, premises, civil and water engineering structures	9 444
Technical equipment and machines	1 184
Vehicles	33
Other tangible fixed assets	3 331
Tangible fixed assets under construction	104
Long-term investments – real properties	973
Assets due to deferred income tax	724
Other prepayments	13
Materials	485
Receivables due to deliveries and services	3 035
Other receivables	354
Cash in hand and at bank	115

(in PLN thousand)

Other cash	358
Short-term prepayments	91
Reserve due to deferred income tax	140
Reserve due to retirement benefits and similar ones	1 484
Other reserves	747
Credits and loans	1 532
Other financial liabilities	88
Other liabilities	2 091
Liabilities due to deliveries and services	2 406
Liabilities due to z tax, customs, insurance and other liabilities	549
Liabilities due to payroll	116
Special funds	317
Other accruals	3 405
Net assets acquired	**9 255**
Payment in cash	1 247
Liability due to the promised amount of shares payment	6 800
Liability due to shares usage	713
Evaluation of liabilities by means of the method of discounted cash flows	(478)
Total remuneration due to purchasing	**8 282**
Not-controlling shares evaluated proportionally to the share in net assets	1 158
Fair value of purchased net assets	**9 255**
Goodwill after acquiring	**185**

The fair value of net assets of the company 'Zdrowie' Sp. z o.o. amounted to PLN 9.255 thousand as the day of taking control, in which the value of net assets for the Group amounted to PLN 8.097 thousand
After initial evaluation of acquired net assets the goodwill was settled in the amount of PLN 185 thousand.

Items to which fair value adjustments concerned	**Method**
Other intangible assets	Establishing fair value by expert's evaluation
Buildings, premises, civil and water engineering structures	Establishing fair value by expert's evaluation
Technical equipment and machines	Establishing fair value by expert's evaluation
Vehicles	Establishing fair value by expert's evaluation
Other tangible fixed assets	Establishing fair value by expert's evaluation
Assets and reserves for deferred income tax	Adjusting calculation
Reserves for employee benefits	Calculating reserves acc. to the policy of the Group
The other reserves	Recognizing reserves for patients' claims acc. to the policy of the Group

(in PLN thousand)

5.2 The influence of taking control under the company 'Zdrowie' Sp. z o.o. on a financial result of the Group

According to financial data prepared by a new company in the Group 'Zdrowie' Sp. z o.o. for consolidating goals of the Group EMC IM (for the period from the day of taking control: 31st July 2013 to 31st December 2013), the company 'Zdrowie' Sp. z o.o. revealed loss profit in the amount of PLN 1.075 thousand.

Financial data in details concerning the company 'Zdrowie' Sp. z o.o. and their influence on the Group's results for a year 2013 are presented in the table below:

AN INCOME STATEMENT (a comparable method)	Group EMC IM without "Zdrowie" Sp. z o.o. 01/01/2013-31/12/2013	Company "Zdrowie" Sp. z o.o. for the period of making control by EMC IM SA 01/08/2013 – 31/12/2013	Group EMC IM with "Zdrowie" Sp. z o.o. 01/01/2013-31/12/2013
Revenues from sales	**160 203**	**12 353**	**172 556**
Net revenues from sales of products	157 556	12 353	169 909
Net revenues from sales of goods and materials	2 647	0	2 647
Operating expenses	**155 486**	**13 589**	**169 075**
Amortisation and depreciation	7 954	1 167	9 121
Consumption of materials and energy	20 061	1 743	21 804
External services	58 699	4 080	62 779
Taxes and charges	2 099	79	2 178
Payroll	53 589	5 173	58 762
Social insurance and other benefits	9 094	1 146	10 240
Other costs by type	1 986	201	2 187
Value of sold goods and materials	2 004	0	2 004
Profit on sales	**4 717**	**-1 236**	**3 481**
Other operating revenues	1 370	429	1 799
Other operating expenses	1 244	389	1 633
Profit on operating activities	**4 843**	**-1 196**	**3 647**
Financial revenues	162	13	175
Financial expenses	2 918	164	3 082
Profit (loss) on business activities	**2 087**	**-1 347**	**740**
Gross profit / loss	**2 087**	**-1 347**	**740**
Income tax	**841**	**-272**	**569**
Net profit	**1 246**	**-1 075**	**171**

5.3 A preliminary contract of acquiring shares in the Regionalne Centrum Zdrowia Sp. z o.o.

On 23rd December of 2013 the Issuer (the Buyer) signed with a Lubiński Poviat (the Seller) a preliminary contract of selling 100% shares in the Regionalne Centrum Zdrowia Sp. z o.o with its register seat in Lubin. The price of selling 51.730 hares in the company RCZ was established at the

level PLN 30.003 thousand. The information was included in a current report no. 117/2013 on 23rd December of 2013. By 31st December of 2013 the Issuer had increased the expenditures on acquiring shares in the amount of PLN 10.729 thousand that include the first installment that shall be included in the selling price and deposit.
As at 31st December of 2013 the Issuer was not making control under RCZ Sp. z o.o. Signing a final contract of selling shares was described in a note no. 45 of the given financial statement.

6. Declarations of the Board of Management

The Board of Management of a dominant unit:

- Piotr Gerber – the President of the Board of Management
- Krystyna Wider-Poloch – the Vice-President of the Board of Management
- Józef Tomasz Juros – the Member of the Board of Management
- Zdzisław Andrzej Cepiel – the Member of the Board of Management

declares that the entity authorized to audit financial statements and analysing a consolidated financial statement was selected in accordance with regulations in force. The Board also declares that a mentioned entity and auditors auditing this statement were appropriate to express an unbiased and independent opinion on the statement in accordance with regulations in force and professional norms.

Additionally, it declares that according to their the best knowledge a consolidated financial statement and comparable data were conducted pursuant to accountancy principles and that the statement correctly, reliably and transparently presents both a material and financial standing and the financial result of the Company. The Members of the Management Board declare also that the statement includes a real expression of the Issuer's development and achievements, including the description of basic threats and risks.

A consolidated financial statement was approved by the Board of Management on 11th March of 2014.

7. Important values based on professional judgments and estimates

7.1 Professional judgment

In the process of using accountancy principles (politics) professional judgment apart from accounting estimates is the most important.

Values received in this way do frequently not cover with real results. Among assumptions and estimates, the most important ones in evaluating assets and liabilities are as follows:

Estimates concerning the amount of write-offs due to the surplus of medical services

The Board of Management estimates the amount of the surplus of medical services qualified as revenues on the basis of own assessment. The surplus means medical services conducted above the value of contracts signed with NHF. In an income statement the write offs are presented as the element of net revenues from products sale (revenues from products sale minus write-offs due to the surplus of medical services).

The table presents write-offs on the surplus of medical services generated in a year 2013 (as at 31st December 2013):

(in PLN thousand)

The Company	The surplus of medical services	Write-off	Net in revenues
EMC Instytut Medyczny S.A.	175	101	74
EMC Piaseczno Sp. z o.o.	261	81	180
Lubmed Sp. z o. o.	99	85	14
Mikulicz Sp. z o. o.	504	261	243
PCZ Kowary Sp. z o. o.	226	162	64
EMC Silesia Sp. z o. o.	14	14	
ZP Formica Sp. z o.o.	15		15
Silesia Med Serwis Sp. z o.o.			
Zdrowie Sp. z o.o.	31	31	
Total	**1 325**	**735**	**590**

The Board of Management using the rule of caution made the write-off on total surplus for a given period.

Additionally, taking into consideration the politics of regulating receivables due to the surplus of medical services of previous years used by Mazowiecki Department of NHF, the Board of Management made a decision about realizing the surplus in the amount of PLN 531 thousand generated in a year 2012. Total surplus for a year 2012 'EMC Piaseczno' Sp. z o.o. amounted to PLN 1.062 thousand and were covered by the write-off. The Board of Management made the decision about dissolving the write-off in the amount of 50% of the surplus.

Estimates concerning financial forecast

The Board of Management estimates forecast assumption in order to compile tests for losing goodwill of the Company on the basis of own assessment.

Classifying leasing agreements

The Group classifies leasing as operational or financial on the basis of the price, the scope in which risks and advantages concern two sides of the agreement. The assessment is based on economical content of each transaction.

7.2 Estimates' uncertainty

Basic assumptions concerning the future and other crucial sources of uncertainty occurring as at a balance sheet day, with that significant risk of meaningful adjustment of balance values of assets and liabilities in next financial year, were described below.

The loss of assets value

The Group makes tests of fixed assets value if there are premises for losing value of any element of non-financial fixed assets. Regarding goodwill the assessment is made every year. It needs the estimation of usable value of the unit working out cash to which fixed assets belong to. The estimation of usable value means setting future cash flows generated by the unit working out cash and needs to set a discount rate for counting current value of these cash flows. The assumptions made were presented in a note. no. 24.

Reserves for retirement benefits and similar ones

Estimating the amount of reserves for retirement benefits and similar ones is conducted in accordance with actuarial methodology. Establishing the amounts of these reserves is based on assumptions due to both macro-economic conditions and employees' turnover, death risk, etc.

The assets' element due to a deferred tax

The company recognizes the assets' element due to a deferred tax assuming that in the future an income profit enabling its using will be gained. Worsening tax results in the future could cause that this assumption could be unjustified.

Amortisation rates

The amount of amortisation write-offs is established on a basis of a predicted period of economic usefulness of fixed asset's elements and intangible assets. Every year the company verifies assumed periods of economic usefulness on a basis of fixed assets' technical state and current estimation.

8. The basis of compiling a consolidated financial statement

A consolidated financial statement was compiled on the basis of financial statements of a parent undertaking and subsidiaries undertakings and set in the way that Capital Group constitutes a unit.

A given consolidated financial statement is based on the principle of a historic cost.

A given consolidated financial statement is presented in PLN. All amounts presented in the financial statements are presented in these statements in PLN thousand, unless it was indicated otherwise.

A given consolidated financial statement was compiled assuming the continuation of business activity by companies of the Group in predictable future. The description of threats due to business activity continuation and remedial measures made were presented by the Board of Management of a dominant unit in a note no. 2 about principles (politics) of accountancy and additional explanatory notes.

8.1 Conformity statement

A given consolidated financial statement of EMC Instytut Medyczny S.A. was compiled in accordance with the requirements specified in the International Financial Reporting Standards (IFRS) in the version approved by the European Union. As at 31/12/2013 taking into consideration the process of implementing standards of IFRS in UE and the activities of the Group, there are differences between new standards of IFRS and standards approved by UE in the scope of accountancy politics used by the Group. The Group used the possibility (in a case of using IFRS approved by UE) of using IFRS 10, IFRS 11, IFRS 12, changed IAS 27, and IAS 28 from annual periods beginning on 1st January 2014.

IFRS include standards and interpretation approved by International Accountancy Standards Board ('IASB") and International Financial Reporting Interpretation Committee ('IFRIC').

The Group runs its accounting records in accordance with accountancy politics (principles) determined by an Accounting Act (Journal of Laws [Dz.U.] of 2002, no.76, item 694 as amended) of 29 Sep. 1994 (Polish standards of accountancy). A consolidated financial statement includes adjustments not included in accounting records of Group's entities implementing in order to make financial statements of these entities consistent with IFRS.

8.2 Functional currency and currency of financial statements

A functional currency of a dominant unit and of the most of companies described in a given financial statement and a currency of a given consolidated financial statement is PLN. A functional currency of EMC Health Care Ltd is EUR.

9. Changes of accountancy principles used

Accountancy principles (politics) used for compiling a given consolidated financial statement are consistent with principles used while compiling a consolidated financial statement for a year ended on 31st December of 2012 excluded the usage of the following changes of standards and new interpretation being compulsory for annual periods with the beginning on 1st January of 2013:

- IAS 19 *Employee benefits* (changes 2011) – using for annual periods beginning on 1st January 2013 or later.

Changes introduced to IAS 19 in the scope of particular benefits' programmes concern, amongst others: eliminating 'corridor methods', implementing the requirement of immediately including changes in assets/liabilities of the programme and immediately including costs of previous employment, including profits/actuarial losses in other comprehensive income, and widening the scope of revealing.
The changes introduce also the issues in the scope of short-term and long-term employee benefits.
The Group used retrospective IAS 19 *Employee benefits* (changes 2011) in accordance with interim provisions included in the standard.
Using the changes influenced neither a financial situation nor comprehensive income of the Group.
Simultaneously, the Group made the actualization of accountancy policy in the field of employee benefits (a note no. 13.20 of the introduction to the consolidated financial statement).

- Changes to IAS 1 *Presenting financial statements: Presenting the items of other comprehensive income* – using for annual periods beginning on 1st July 2013 or later.

The changes concern grouping the items of other comprehensive income. The items of other comprehensive income being in the future reclassified into the profit or the loss are presented separately from the items that will not be reclassified into the profit or the loss.

The Group used retrospective changes in presenting other comprehensive income in the presented financial statement of the Group. Using the changes influenced neither a financial situation nor comprehensive income of the Group.

- IAS 1 *Explaining the requirement of comparable data* (change)

The changes explain the difference between voluntary additional comparable data and minimum requirements concerning comparable data. The Group is obliged to present comparable data in additional explanatory notes if it voluntarily provides comparable data for an additional comparable period in comparison with a minimum one comparable period. Changes state that a consolidated financial statement at the beginning of a comparable period (as at 1st January of 2012 due to the Group) presented in terms of retrospective transformation or reclassification of the item in a consolidated financial statement is not obliged to be supported by comparable data in additional explanatory notes. As a result, the Group did not present comparable data in additional explanatory notes as at 1st January of 2012. The change concerns only the presentation and does not influence the financial situation and results of the Group.

- Changes to IAS 12 *Income tax: Tax realizing assets* - using for annual periods beginning on 1st January 2012 or later – in UE used at least for annual periods beginning on 1st January 2013 or later.

Using the changes influenced neither a financial situation, comprehensive income of the Group nor the scope of information presented in a financial statement of the Group.

- IFRS 13 *Evaluating fair value* – using for annual periods beginning on 1st January 2013 or later.

IFRS 13 implements one set of principles concerning the way of setting the fair value of financial and not-financial assets and liabilities if such evaluation is required or allowed by IFRS. IFRS 13 do not change it if the Group is obliged to make the evaluation according to fair value. The regulations of IFRS 13 have the usage both in the beginning evaluation and later.

IFRS 13 require new disclosure in the area of evaluation techniques (methods) and input information/data for setting fair value and the impact of particular input information on evaluation according to fair value.

IFRS 13 define fair value as the input price. As a result of directions in IFRS 13, the Group assessed once again its policy concerning the measure of fair value, especially concerning input data such as the risk of not fulfilling liabilities with fair value evaluation. Using IFRS 13 does not significantly influence the results of fair value measure of the Group. Additional disclosure is included in particular notes concerning assets and liabilities whose fair value was defined.

- Changes to IFRS 7 *Financial instruments: revealing information: Compensating financial assets and liabilities* - using for annual periods beginning on 1st January 2013 or later.

Changes implement additional quantitative and qualitative disclosure concerning transfers of financial assets if:

- financial assets are eliminated on the whole from a financial statement, however, a unit obtains the commitment in these assets (i.e. options or guarantees concerning assets transferred),
- financial assets are not eliminated on the whole from a financial statement.

Using the changes influenced neither a financial situation nor financial results of the Group.

- Changed resulting from IFRS review (published in May 2012) - using for annual periods beginning on 1st January 2013 or later concerning IAS 16 and IAS 32 - using the changes influenced neither a financial situation, financial results of the Group nor the scope of information presented in a financial statement of the Group.
- Changes to IAS 1 *Using first time International Standards of Financial Accountancy: significant hiperinflation and eliminating stable dates for units using IFRS first time* - using for annual periods beginning on 1st January 2012 or later – in UE used at least for annual periods beginning on 1st January 2013 or later and Changes to IFRS 1 *Using International Using first time International Standards of Financial Accountancy: Government loans* – using for annual periods beginning on 1st January 2013 or later.

Changes to IFRS 1 did not concern the Group.

- NIFRS 20 Costs of eliminating the surplus in a production stage in an opencast mine using for annual periods beginning on 1st January 2013 or later.

The interpretation is not relevant for the Group.

The Group did not decide to earlier use another standard, interpretation or change that was published, but did not come into force, excluding:

Disclosure concerning recoverable value for not-financial assets – Changes to IAS 36 The loss of assets value

The changes eliminated not intentional consequences of IFRS 13 concerning the disclosure required according to IAS 36. Additionally, the changes need to reveal recoverable value for assets or units working out cash for which the loss of value was recognized or reversed in a given period. . The changes are used for annual periods beginning on 1st January of 2014 or later with the possibility of earlier usage provided that IFRS 13 was used. The company has used the change since 1st January of 2013.

10. New standards and interpretation that were published but did not come into force

The following standards and interpretation were prepared by the Council of International Accountancy Standards or International Financial Reporting Interpretation Committee but they did not come into force:

- The first stage of IFRS 9 *Financial instruments: Classification and evaluation* including later amendments – coming into force has been postponed by the Council of International Accountancy Standards without pointing the planned term of approving,
- IFRS 10 *Consolidated financial statements* – for annual periods beginning on 1 January 2013 or later – in UE using at least for annual periods beginning from 1st January of 2014 or later. The Company has decided to use IFRS for annual periods beginning from 1st January of 2014,
- IFRS 11 *Common undertakings* – for annual periods beginning on 1 January 2013 or later – in UE using at least for annual periods beginning from 1st January of 2014 or later. The Company has decided to use IFRS for annual periods beginning from 1st January of 2014,
- IFRS 12 *Leaking information about shares in other entities* – for annual periods beginning on 1 January 2013 or later – in UE using at least for annual periods beginning from 1st January of 2014 or later. The Company has decided to use IFRS for annual periods beginning from 1st January of 2014,
- IFRS 10, IFRS 11 and IFRS 12 *Interim provisions* – for annual periods beginning on 1 January 2013 or later – in UE using for annual periods beginning from 1st January of 2014 or later,
- IAS 27 *A unitary financial statement* – for annual periods beginning on 1 January 2013 or later – in UE using at least for annual periods beginning from 1st January of 2014 or later. The Company has decided to use IFRS for annual periods beginning from 1st January of 2014,
- IAS 28 *Investments in affiliates and common activities* - for annual periods beginning on 1 January 2013 or later – in UE using at least for annual periods beginning from 1st January of 2014 or later. The Company has decided to use IFRS for annual periods beginning from 1st January of 2014,
- Changes due to IAS 32 *Financial instruments: presentation: Compensating financial assets and financial liabilities* - for annual periods beginning on 1 January 2014 or later,
- Changes due to IFRS 10, IFRS 12 and IAS 27 *Investment units* (published on 31st October of 2012) – for annual periods beginning on 1 January 2014 or later,
- NIFRS 21 *Public charges* – using for annual periods beginning on 1 January 2014 or later - by a day of approving a given financial statement not approved by UE,
- Changes due to IAS 36 *Disclosure concerning the recoverable value of not-financial assets* (published on 29th May of 2013) - using for annual periods beginning on 1 January 2014 or later,
- Chanhes due to IAS 39 *Renewing derivative instruments and continuing guarantees accountancy* (published on 27th June of 2013) – using for annual periods beginning on 1 January 2014 or later,
- Changes due to IAS 19 *Programmes of particular benefits: Employees' benefits* (published on 21st November of 2013)- using for annual periods beginning on 1 January 2013 or later - by a day of approving a given financial statement not approved by UE,
- *Changes resulting from the review of IFRS 2010-2012* – some changes are used for annual periods beginning on 1st January 2014 or later, and some changes are used prospectively for transactions on 1st July of 2014 or later - by a day of approving a given financial statement not approved by UE,
- *Changes resulting from the review of IFRS 2011-2013* – using for annual periods beginning on 1 January 2014 or later – by a day of approving a given financial statement not approved by UE,
- *Changes resulting from IFRS 14 Regulating prepayments* – using for annual periods beginning on 1st January 2016 or later – by a day of approving a given financial statement not approved by UE.

The Board of Management does not predict that implementation of mentioned standards and interpretation will influence significantly accountancy principles (politics) used by the Group.

11. The adjustment of errors

The Group did not make the adjustment of errors in a year 2013.

12. Change of estimates

In a given period there were not significant changes concerning areas and methods of assumptions made.

13. Important accountancy principles

13.1 Consolidation principles

A given consolidated financial statement includes a financial statement of EMC Instytut Medyczny SA and financial statements of its subsidiaries undertakings compiled as at 31st December of 2012. Financial statements of subsidiaries undertakings after considering adjustments leading to conformity with IFRS reported for the same reporting period as for a dominant unit and they use coherent accountancy principles on the basis of homogeneous accountancy principles used for transactions and economic actions with a similar character. The adjustments are included in order to eliminate any divergences in used accountancy principles.

All important balances and transactions between units of the Group, of which: non-realized profits resulting from transactions within the Group were eliminated. Non-realized losses are eliminated. They are not eliminated when they prove a value loss.

Subsidiaries undertakings have been taken to consolidation since the day of making control under them by the Group. They are not consolidated after the day of stopping control. Making control by a dominant unit takes place in the situation when the Group directly or indirectly possesses (by its undertakings) more than a half of votes in a given company unless it is possible to prove that such possession does not constitute making control. Making control is also in the situation when the Group is able to direct financial and operating politics of a given unit.

Changes in an ownership set of a dominant unit that do not result in losing control under undertakings are included as capital transactions. In such cases in order to reflect changes in relative contribution in undertakings the Group makes an adjustment of balance value of controlling and non-controlling shares. All differences between the amount of non-controlling shares adjustment and equitable value of paid or received amount are given to equity and are attributed to owners of a dominant unit.

13.2 Investment in associated units

Investments in associated parties are included by means of the method of property rights. A dominant unit directly or by subsidiary undertakings influences significantly associated parties. The associated parties are neither its subsidiary undertakings nor common undertakings. Financial statements of associated units are the basis of the evaluation of possessed by a dominant unit shares by means of the method of property rights.

Investments in associated parties are revealed in a balance sheet due to the purchase price increased by further changes of a dominant unit's share in net assets of these units, decreased by potential write-offs due to the value loss. The share in profits or losses of associated parties is reflected in a consolidated profit or loss. The adjustment of balance value may be also necessary regarding the changes of share proportion in an associated party resulting from the changes in other comprehensive income of such a party. The share of the Group in these changes is included in other comprehensive income of the Group.

The assessment of the investment in associated units regarding value loss takes place when there are premises pointing that the value loss occurred or the write-off due to value loss made in previous years is not necessary.

13.3 Contribution in common undertakings in a financial period

In a given financial period the Group did not take part in common undertakings.

13.4 Evaluation for fair value

The Group evaluates financial instruments such as the instruments available for sale and derivative instruments in the fair value for each balance day.

Fair value is understood as the price that would be obtained from selling the element of assets or paid so as to transfer the liability in a transaction conducted with normal conditions of selling the assets' element amongst the members of the market on the day of evaluating with current market conditions. The evaluation of fair value is based on the assumption that the sale transaction of assets' element or the transaction of transferring the liability is conducted:

- on the main market for a particular assets' element or the liability,
- in a case of a lack of the main market, on the most useful market for a particular assets' element or the liability.

Both the main market and the most useful market must be available for the Group.

The fair value of assets' element or the liability is measured assuming that market participants act on their best business interest setting the price of assets' element or the liability.

The evaluation of the fair value of not-financial assets takes into consideration the ability of the market participant to create economic advantages by the best using the assets' element or the selling to another market participant that would ensure the best usage of the assets' element.

The Group uses the techniques of evaluation that are appropriate for circumstances and with satisfactory data for evaluating fair value with maximum usage of suitable observable input data and minimum usage of not observable input data.

All assets and liabilities that are evaluated for the fair value or their fair value is revealed in a financial statement are classified in the hierarchy of fair value in the way described below on the basis of the lowest level of input data that is important for evaluating for fair value treated as the whole:

- Level 1 – Noted (not adjusted) market prices on active market for the same assets or liabilities,
- Level 2 – Techniques of evaluation for which the lowest level of input data important for evaluating for fair value as the whole is directly or indirectly observable,
- Level 3 - Techniques of evaluation for which the lowest level of input data important for evaluating for fair value as the whole is not observable.

According to each balance date, in a case of assets and liabilities occurring on particular balance dates in a financial statement, the Group assesses whether transfers between hierarchy levels occurred by repeated classification assessment to particular levels following the importance of input data from the lowest level that is significant for evaluation for fair value treated as the whole.
Using IFRS 13 influenced neither a financial situation, financial results of the Group nor the scope of information presented in a financial statement of the Group..

13.5 Revaluation of items in a foreign currency

Transactions expressed in a foreign currency are evaluated according to the exchange rate as at the day of a transaction.

(in PLN thousand)

As at a balance day assets and liabilities expressed in a foreign currency are evaluated using the average exchange rate of the National Bank of Poland as at the balance day. Exchange differences are included in the item ‘financial revenues (expenses)’ or are capitalized in the value of assets in the cases determined by the principles (politics) of accountancy. Non-cash assets and liabilities are included according to historical cost expressed in a foreign currency are presented due to a historical exchange rate as at the day of a transaction. Non-cash assets and liabilities are included according to fair value expressed in a foreign currency are evaluated due to the exchange rate as at the day of revaluating for fair value

The following exchange rate was assumed for financial evaluation needs:

	31/12/2013	**31/12/2012**
EUR	4,1472	4,0882

A functional exchange rate of a foreign undertaking is EURO. As at the balance day assets and liabilities of undertaking are evaluated for an exchange rate of Group’s presentation due to the exchange rate as at the balance day and its income statements are evaluated pursuant to the arithmetic average exchange rate of average rates as at the day finishing every month of a given financial year. Exchange differences arising from the evaluation are included in another comprehensive income and accumulated in a separate item of equity. In the situation of disposing a foreign unit deferred exchange differences accumulated in equity concerning a given foreign unit are included in the income statement.

The average exchange rates at the day finishing every month of a given financial year are presented in the table:

2013		**2012**	
Date	**The average exchange rates per day**	**Date**	**The average exchange rates per day**
31-01-2013	4,1870	31-01-2012	4,2270
28-02-2013	4,1570	29-02-2012	4,1365
29-03-2013	4,1774	30-03-2012	4,1616
30-04-2013	4,1429	30-04-2012	4,1721
31-05-2013	4,2902	31-05-2012	4,3889
28-06-2013	4,3292	29-06-2012	4,2613
31-07-2013	4,2427	31-07-2012	4,1086
30-08-2013	4,2654	31-08-2012	4,1838
30-09-2013	4,2163	28-09-2012	4,1138
31-10-2013	4,1766	31-10-2012	4,1350
29-11-2013	4,1998	30-11-2012	4,1064
31-12-2013	**4,1472**	**31-12-2012**	**4,0882**
The average exchange rate per year	**4,2110**	**The average exchange rate per year**	**4,1736**

13.6 Tangible fixed assets

Tangible fixed assets are valued accordingly to the acquisition prices decreased by the accumulated amortization write-offs and possible impairment losses. The initial value of fixed assets includes the

price of purchasing increased by all expenses directly connected with the purchase and the adjustment of a property element to the state of possibility of using. The cost of exchanging parts of machines and equipment in the moment of appearing the cost if criteria of recognition are fulfilled is also the element of expenses. As for the transaction of not paid purchase of tangible fixed assets the Group settles the purchase accordingly to IAS 20.
If a donation concerns the assets' element, its fair value is included in the account of revenues of future periods and then by annual write-offs is included in the profit or the loss in the estimated period of using.
Expenses borne after the day of giving fixed assets for using such costs of maintenance and repairing charge a profit or a loss at the moment of bearing these costs.

Fixed assets at the moment of purchasing are divided into parts being important items for which it is possible to assign an individual period of economic usefulness. The costs of repairs are also the part of fixed assets.

The asset is amortized according to a line method during the period of economic usefulness.

The approved amortisation rates are as follows:

Type	**Rate**
Buildings and structures	2,5 %
Machines and fittings	4-30 %
Means of transport	20 %
Computers	33 %
Investment in foreign fixed assets	10 %

A final value, a period of using and the method of fixed assets amortization are verified every year and corrected (if it is necessary) due to the effect from the beginning of a current year.

A given item of tangible fixed assets can be removed from the balance sheet after selling or in the case when none financial advantages of further using such an element of fixed assets are not expected. All profits or losses resulting from removing a given element of a balance sheet (calculated as the difference between potential net sales inflows and a balance value of a given item) are included in profits or losses of the period in which the removal was made.

Investments begun concerns fixed assets being within building or assembly and they are presented due to purchase prices or production costs decreased by potential write-offs due to value loss. Fixed assets under construction are not amortized until finishing building and transferring the fixed asset for using.

13.7 Investment real estates

Investments in real estate are valued according to the acquisition prices or manufacturing costs decreased by the accumulated amortization and write-offs due to possible impairment losses of value.

Investment real estates are deleted from a balance sheet in a case of their selling or in the case of constant withdrawing a given investment real estate from using when none of future advantages of its sale are not expected. All profits or losses resulting from deleting an investment real estate from a balance sheet are included in profit or loss in a given period in which the extraction was made.

Transferring assets to investment real estates is made only when the change of way of their using is confirmed by finishing the usage of an assets' element (by the owner) or by signing a contract of operating leasing. If an assets' element is used by the owner (the Group becomes an investment real estate) the Group uses principles described in a part Tangible fixed assets until the day of changing a way of using this real estate.

13.8 Intangible assets

Intangible assets given in a separate transaction or used (if they meet criteria of recognizing expenses of development work) are valued in the beginning in the purchase price or production costs. The purchase price of intangible assets purchased in the transaction of combining units is equal their fair value as at a combining day. After the beginning, intangible assets are presented in the purchase price or the production cost decreased by amortization and write-offs due to value loss. Expenditures due to intangible assets produced in the own range, excluded activated expenditures on developing work, are not activated and are included in costs of the period in which they are made.

The Group determines whether the period of using intangible assets is defined or non-defined. Intangible assets with a defined period of using are amortized in the period of using tested in accordance with value loss when there are premises pointing a loss of their value. The period and an amortization method of intangible assets with a defined period of using are verified at least at the end of each financial year. The changes in an expected period of using or an expected way of consuming financial advantages of a given element of assets are included as the change of the period or the method of amortization and treated as the changes of approximate values. An amortization write-off of intangible assets' elements with a defined period of using are included in a profit or in a loss of the category that is connected with a function of a given intangible assets' element.

Intangible assets with non-defined period of using and intangible assets that are not used are tested due to value loss every year regarding particular assets or at the level of the unit creating cash.

Periods of using are verified every year and if it is necessary, they are corrected due to the effect from the beginning of a current year.

Costs of research and development work

Costs of research and development work are included in a profit or loss at the moment of incurring the cost. Expenditures due to research and development work done within a given undertaking are transferred for the next period if it can be regarded that they will be gained in the future. After the beginning a model of historic cost is used. It requires including assets' elements due to purchase prices/manufacture cists decreased by accumulated amortization and accumulated write-offs due to value loss. Capitalized expenditures are amortized in a predicted period of gaining revenues from sale from a given undertaking.

The summary of principles used in reference to intangible assets of the Group is presented below:

	Patents and licence	Relationships with customers	Software
Periods of using	For patents and licence used on a basis of a contract signed with a defined period this period is assumed including an additional period for that usage may be prolonged.	30 years	2 years
Amortization method used	Amortized in a period of contracting	30 years (line method)	2 years (line method)
Internally produced or purchased	Purchased	Manufactured internally	Purchased
Test due to value loss	Annual assessment due to premises confirming value loss	Annual assessment due to premises confirming value loss	Annual assessment due to premises confirming value loss

Profits or losses resulting from eliminating intangible assets from a balance sheet are evaluated due to the difference between inputs of net sales and a balance value of a given assets' element and they are included in a profit or in a loss at the moment of their removal from a balance sheet.

13.8.1 Goodwill

A company value due to merging a unit is in the beginning included in accordance with purchase prices as the amount of surplus:

- of a sum of:

(i) transferred payment,
(ii) the amount of all non-controlling contribution in a merged unit and
(iii) in a case of joining units realized with the stages of fair value as at the day of merging the contribution in capital of the merged unit belonging previously to the merging unit,

- over a net amount established as at a day of merging values possible to identify merged assets and merged obligations.

After the beginning, a company value is presented due to a purchase price decreased by all cumulated write-offs due to a value loss. The test according to a value loss is conducted once a year and more frequent when premises for the earlier test occur. A value company is not amortized.

As at merging a value company is allocated in each unit making cash that can use merging synergy. Every unit or a group of units to which a company value was attributed:

- is at the lowest level in the Group – at this level a value company is monitored for internal managerial needs and
- is not bigger than one operating section determined in accordance with ISFR 8 Operating sections.

A write-off due to a value loss is determined by appraising receivable value of the unit making cash in whom a given value company was allocated. In a case when a receivable value of a unit making cash is lower than a balance value a write-off due to a value loss is included. In a case when a value company constitutes a part of the unit making cash and a part of activities is sold in the scope of the unit, a value company connected with the activity sold is included in its balance value in the circumstances of setting sales profits or losses. In such circumstances, a company value sold is established on a basis of a relative value of a sold activity and a value of the other part of the unit working out cash.

13.9 Leasing

The Group as an entity using leasing:

Financial leasing contracts that transfer to the Group the whole risk and advantages of leasing are included in a financial statement as at the day of beginning leasing in accordance with a lower value from the following: a fair value of a fixed asset constituting a subject of leasing or a current value of minimal leasing fees. Leasing fees are distributed between financial expenses and decreasing a liabilities balance due to leasing in a way enabling to obtain a stable interest rate due to the rest of the liability obliged to be paid. Financial costs are included in a profit or in a loss unless capitalization requirements are fulfilled.

Fixed assets used due to financial leasing contracts are amortized in a shorter period from the following: an appraised period of using the fixed asset or a period of leasing.

Leasing agreements with the whole risk and advantages of leasing are included in operating leasing contracts. Leasing charges due to operating leasing and later leasing rates are included as operating costs in a profit or in a loss (a line method) in a period of leasing.

Conditional leasing charges are included as the cost in a period in which they become accrued.

13.10 Loss of non-financial fixed assets' value

As at every balance day, the Group assesses if there are any premises pointing that a loss of value of any non-financial fixed assets might have occurred. The Group assesses a receivable value of a given element of assets or of a unit making cash to which a given element of assets belongs to if it is necessary to conduct an annual test checking whether a loss of value occurred or in a case when there are any premises pointing that a loss of value of any non-financial fixed assets might have occurred.

A receivable value of an element of assets or a unit making cash corresponds to a fair value decreased by costs of leading the element of assets or a unit making cash or its usable value to the sale (it depends on a higher value). A receivable value is set for particular assets if a given element of assets independently generates financial inputs that in the most of cases are independent on inputs generated by other assets or groups of assets. If a balance value of assets' element is higher than its receivable value a loss of value occurs and write-off for an established receivable value is made.

In the process of assessing a usable value predicted cash flows are discounted to their current value using before taking into consideration the results from taxing a discount rate reflecting current market assessment of money value in time and risk typical to a given assets' element. Write-offs due to a loss of assets' elements value used in an activity continued are included in such categories of costs that correspond to a function of assets' element in which a loss of value was claimed.

As at each balance day the Groups assesses if there are premises pointing the fact that a write-off due to a loss of value that was included in previous periods regarding a given element of assets is unnecessary or it should be decreased. If such premises occur, the Group assesses a receivable value of this element of assets. A write-off included previously due to a loss of value is turned when appraised values used for establishing a receivable value of a given assets' element have changed since the last write-off was included. In such a case, a balance value of an assets' element is increased to its receivable value. An increased amount cannot exceed a balance value of assets' element that would be established (after taking into consideration amortization) if in previous years, a write-off due to a loss of value in accordance with an assets' element had not been included. Turning a write-off due to a loss of assets' element value is immediately included as revenue. After turning a write-off in next periods a write-off concerning a given assets' element is corrected in a way that allows to make continual write-offs of its verified balance value decreased by a final value in the remaining part of period of using.

13.11 Expenses of external financing

External financing expenses are capitalized as the part of the cost of producing fixed assets, investment fixed property and intangible assets. The elements of external financing expenses are as follows: interest counted using interest rate effective method, financial obligations due to financial leasing contracts and current exchange differences made by external financing to the amount corresponding to the interest costs adjustment.

13.12 Financial assets

Financial assets are divided into the following categories:

- Financial assets kept to the demanded term,
- Financial assets evaluated in a fair value by a financial result,
- Loans and the payments due,
- Financial assets available for sale.

Financial assets kept to the maturity date are noted on an active market of financial assets non-being derivative instruments with defined or possible to define payments and defined demanded term that the Group intends and is able to keep in possession, other than:

- determined in the beginning as evaluated in a fair value by a financial result,
- determined as available for sale,
- fulfilling the criteria of loans and the payments due.

Financial assets kept to the demanded term are evaluated according to an amortized cost using the effective interest rate method. Financial assets kept to the demanded term are classified as long-term assets if their demanded term of paying exceeds 12 months from a balance day.

The element of financial assets evaluated in a fair value by a financial result is the element meeting one from the following conditions:

a) is classified as the element allotted to the turnover. Financial assets' elements are classified to the turnover if:
   - purchased so as to sell them in a short-long time,
   - they are the part of portfolio of particular financial instruments managed together and it is probable that they will be profitable in a short-term time,
   - they are derivative instruments excluded derivative instruments being the elements of protection accountancy and financial guarantee contracts,

b) was classified to this category in accordance with ISA 39.

Financial assets evaluated in a fair value by a financial result are evaluated in a fair value considering their market value as at a balance day without taking into consideration sale transactions. Changes in value of these financial instruments are included in income statement as financial revenues or costs. If a contract includes one or more derivative instruments, the whole contract can be classified in the category of financial assets evaluating in a fair value by a financial result. It does not concern the cases when an included derivative instrument does not significantly influence cash flows from the contract. It does not also concern the cases if it is obvious without analysing that if a similar hybrid instrument was considered, separating an included derivative instrument would be forbidden. Financial assets can be in the beginning classified into categories evaluated in a fair value by a financial result if the following criteria are fulfilled: (i) such classification eliminates or significantly decreases incoherence in the scope of including or evaluating (financial non-adjustment); or (ii) assets are the part of a group of financial assets that are manager and assessed on a basif of a fair value in accordance with a substantiated strategy of managing risk; or (iii) financial assets include included derivative instruments that should be separately included. As at 31st December 2013, none financial assets were classified to categories evaluated in a fair value by a financial result (as at 31st December 2012 such a classification was not also made).

Loans and payments due mean financial assets not included in financial derivative instruments and that have determined or possible to determine payments unless the demanded term of paying exceeds 12 months from a balance day. Loans granted and payments due with the demanded term of paying exceeding 12 months from a balance day is included in fixed assets.

Financial assets available for sale mean financial assets not being derivative instruments, which were classified as available for sale or not belonging to none mentioned three categories of assets. Financial assets available for sale are included due to a fair value increased by transaction costs that can be directly attributed to purchase or issue of financial assets' element. In a case of a lack of Stock Exchange quotations on an active market and of a lack of possibility of reliable defining their fair value using alternative methods, financial assets available for sale are evaluated in a purchase price corrected by a write-off due to a loss of value. A positive and negative difference between a fair value of assets available for sale (if there is a market price established in another reliable way) and their purchase price after decreasing by deferred tax is included in other comprehensive income. Decreasing the value of assets available for sale caused by a loss of value is included as a financial cost.

Purchasing and selling financial assets are recognized as at a day of making a transaction. In the beginning financial assets' element is evaluated in a fair value increased by (in a case of an element of assets not classified as evaluated in a fair value by a financial result) transaction costs that can be directly attributed to purchasing.

Financial assets' element is removed from a balance sheet if the Group losses control under contractual rights of a given financial instrument. They are removed in a case of selling an instrument or when all cash flows attributed to a given instrument are transferred to an independent third side.

13.13 Loss of financial assets' value

As at each balance day, the Group assesses whether there are objective premises for losing value of a financial assets' or financial assets group's element.

13.13.1 Assets included according to the amortized cost

If there are objective premises that the loss due to the value loss of loans granted and payments due evaluated according to the amortized cost, the amount of a write-off due to the loss of value is equal the difference between a balance value of financial assets' element and a current value of future cash flows (excluded future losses due to not exacting payments due that has not been incurred yet) discounted with using a primal (established in the beginning) effective interest rate. A balance value of assets' element is directly decreased by using adjustment write-offs statement. The amount of a loss is included either in a profit or in a loss.

In the beginning, the Group assesses whether there are objective premises of losing the value of particular financial assets that individually are not meaningful. If after analyzing it is said that there are not objective premises of losing a value of an individually assessed financial assets' element (if it is meaningful or not) the Group includes this element in the group of financial assets with similar characteristics of credit risk and assesses the value loss. Assets individually assessed due to the loss of value and assets for which a write-off due to the loss of value was included or it was regarded that a current write-off would not change are not taken into consideration while total assessment of the group of assets according the loss of value.

If during the next period a write-off due to the loss of value decreased and this decrease can be objectively connected with the event after including the write-off, previously included write-off turns. Later turning of a write-off due to the loss of value is included in a profit or in a loss in the range in which as at a day of turning a balance value of an assets' element does not exceed its amortized cost.

13.13.2 Financial assets revealed due to the cost

If there are objective premises that the loss of value of not Stock Exchange quoted capital instrument that is not presented due to a fair value as its fair value cannot be reliably established the loss of a derivate instrument that is connected and has to be accounted by a delivery such a not quoted capital instrument, the amount of a write-off due to the loss of value is set as the difference between a balance value of financial assets' element and a current value of appraised future cash flows discounted by means of current market margin for similar financial assets.

13.13.3 Financial assets available for sale

If there are objective premises that the value loss of financial assets' element available for sale, the amount constituting the difference between the purchase price of the assets' element (decreased by all capital and amortization repayments) and its current fair value decreased by all write-offs due to the loss of value of this element previously included in a profit or in a loss, is out posted from equity and classified to a profit or to a loss. It is forbidden to include in a profit or in a loss turning a write-off due to the loss of value of capital instruments classified as available for sale. If next period a fair value of a debt instrument increases and this increase can be objectively joined with the event occurring after including a write-off due to the loss of value in a profit or in a loss, the amount of a turning write-off is included in a profit or in a loss.

13.14 Inventories

Inventories are evaluated in accordance with lower of one of the following values: purchase price/production cost or net sale price possible to obtain.

Costs of supplying each inventory's element for its current place and state – both regarding a present and previous year – are included in a following way:

Materials	• in a purchase price set by a method 'first in first out'
Goods	• in a purchase price set by a method 'first in first out'

A net sale price possible to obtain is an appraised price of sale conducted during a typical business activity decreased by finishing costs and appraised costs necessary to realize the sale.

13.15 Receivables due to deliveries and services and the other receivables

Receivables due to deliveries and services are included and presented due to the amounts primarily invoiced with taking into consideration a write-off for doubtful receivables. A write-off for receivables is assessed when a full amount is not likely to realize.

In a case when the impact of money value in time is important, a value of receivables is determined by discounting predicted future cash flows to a current value with using a discounted rate reflecting current market assessments of money value in time. If a discounting method is used, receivables' increase due to time is included as financial revenues.

Advance payments are presented in accordance with the character of assets – fixed assets or current assets. Advance payments as non-cash assets are not discounted.

Budget receivables are presented in the scope of the other non-financial assets excluded receivables due to legal persons' income tax that constitute a separate item in a balance sheet.

13.16 Cash and equivalent to cash

Cash and short-term deposits presented in a balance sheet include cash in a bank and in cash at hand and short-term deposits with a primary demanded term of paying not exceeding 3 months.

A balance of cash and its equivalents presented in a consolidated cash flow statement includes cash and its equivalents.

13.17 Charged interest of bank credits, loans and debt securities

In the beginning, all bank credits, loans and debt securities are included due to a fair value decreased by expenses connected with obtaining a credit or a loan.

After the beginning including, charged interest of credits, loans and debt securities are evaluated due to the amortized cost by using the method of an effective interest rate.

Setting the amortized cost the costs connected with receiving a credit or a loan and a discount or bonuses due to the liability are taken into consideration.

Revenues and costs are included in a profit or in a loss at the moment of removing the liability from a balance sheet and as a result from accounting by an effective interest rate method.

13.18 Liabilities due to deliveries and services and the other liabilities

Short-term liabilities due to deliveries and services are presented in the amount requiring the payment.

Financial liabilities evaluated in a fair value by a financial result include financial liabilities allotted to the turnover and financial liabilities primarily classified to categories evaluated to a fair value by a financial result. Financial liabilities are classified as allotted to the turnover if they were purchased due to sale goals in a near future. Derivative instruments included outsourced included instruments are also classified to the turnover if they are not regarded as effective protective instruments. Financial liabilities can be while primary including classified to categories evaluated in a fair value by a financial result if the following criteria are fulfilled: (i) such classification eliminates or significantly decreases incoherence when both evaluation and the principles of recognizing losses or profits are subject to other regulations; or (ii) liabilities are the part of a group of financial liabilities that are managed and assessed on a basis of a fair value in accordance with a substantiated strategy of managing risk; or (iii) financial liabilities include included derivative instruments that should be separately included. As at

31st December 2013 and 31st December 2012, none financial liabilities were classified to categories evaluated in a fair value by a financial result.

Financial liabilities are evaluated in a fair value by a financial result taking into consideration their market value as at a balance day without taking into consideration costs of sale transactions. Changes in a fair value of these instruments are included in a profit or in a loss as financial expenses or revenues.

Other financial liabilities, not being financial instruments evaluated in a fair value by a financial result, are evaluated due to the amortized cost using an effective interest rate method.

The Group excludes a financial liability from its balance sheet when the liability has ended (when the obligation determined in a contract was fulfilled, amortized, or finished). Replacing a current debt instrument by an instrument with different conditions (conducted between the same units) is included by the Group as finishing a primary financial liability and including a new financial liability. Similar modification of conditions of the contract concerning an existing financial liability is included by the Group as finishing a primary liability and including a new financial liability. Differences of balance values due to turning are included in a profit or in a loss.

The other non-financial liabilities include especially liabilities according to the tax office due to VAT, income tax, liabilities towards the Social Insurance Institution as well as liabilities due to received advance payments that will be accounted by delivery of goods, services or fixed assets. The other non-financial liabilities are included in the amount demanding the payment.

13.19 Reserves

Reserves are created when the Group is obliged legally or customarily due to past events and when it is probable that fulfilling the obligation will cause the necessity of financial advantages output and it is possible to reliably assess the amount of the obligation. If the Group expects that costs with reserves will be returned for instance due to an insurance contract the return is included as a separate assets' element but only in a situation when the return will certainly occur. Costs concerning a given reserve are presented in an income statement after decreasing by any returns.

In a case when the impact of a money value in time is high, the amount of reserve is determined by discounting predicted future cash flows to a current value using a discounting rate reflecting current marker assessments of a money value in time and possible risk connected with a given liability. If a method concerning discounting was used, reserves increase due to time is included as financial costs.

13.20 Retirement gratuities and anniversary rewards

According to companies' payroll systems employees of the Groups' companies has the right to anniversary rewards and retirement gratuities. Anniversary rewards are paid after working over a defined number of years. Retirement gratuities are paid only once at the moment of retiring. The amount of retirement gratuities and anniversary rewards depends on work experience and average payroll of the employee. The Group creates a reserve for future liabilities due to retirement gratuities and anniversary rewards so as to assign costs to periods to which they concern. According to IAS 19 anniversary rewards are other long-term employee benefits, however, retirement gratuities are programmes of particular benefits after employment. A current value of these liabilities as at every balance day is counted by an actuarial method. Liabilities counted are equal to discounted payments that in the future will be made with taking into consideration job rotation and that concern the period to a balance day. Demographic information and information about turnover is based on historical data. Profits and losses of actuarial counting are included in other comprehensive income and they are not reclassified to the profit or the loss. The costs of current and future employment are included in the profit or in the loss.

13.21 Revenues

Revenues are included in the amount enabling the probability that the Group will obtain financial advantages connected with a given transaction and when the amount revenues can be evaluated in a reliable way. Revenues are recognized in a fair value of received or accrued payment after decreasing by VAT and discounts. Due to including revenues, the following criteria are also compulsory.

13.21.1 Sale of goods and products

Revenues are included if meaningful risk and advantages resulting from a property right to goods and products were transferred to the customer and if the amount of revenues can be evaluated in a reliable way.

13.21.2 Rendering services

Revenues due to rendering services are included at the moment of making the service due to the price resulting from the contract/agreement.

In a case of the surplus of services the value of the surplus is included in revenues with the rates determined in the list of NHF's products.

Due to doubtful receivables write-offs are created decreasing the value of revenues calculated.

13.21.3 Interest

Revenues due to interest are included successively in the process of calculating (with taking into consideration a method of effective interest rate constituting a rate discounting future cash inputs in an appraised period of financial instruments existence) in comparison with a net balance value of a given financial assets' element.

13.21.4 Dividends

Dividends are included at the moment of setting dividends rights of shareholders or stockholders.

13.21.5 Revenues due to lease

Revenues due to the lease of investment fixed property are included by a line method in a period of leasing according to open contracts.

13.21.6 Governmental subsidies

If there is justified certainty that a subsidy will be received and all conditions connected with it will be met, government subsidies are included according to their fair value.

If a subsidy concerns a given cost item, it is included as revenue comparably to costs that the subsidy shall compensate. If a subsidy concerns the element of assets, its fair value is included in the account 'future periods revenues' and next by equal annual write-offs it is included in a profit or in a loss during an estimated period of using connected with the element of assets.

13.22 Taxes

13.22.1 Current tax

Liabilities and receivables due to a current tax for a current period and previous periods are evaluated in the amount of predicted payment for tax organizations (being returned from tax organizations) with using tax rates and regulations that legally or in real were compulsory as at a balance day.

13.22.2 Deferred tax

According to financial reporting, deferred taxi s counted by a method of balance liabilities in comparison with temporary differences occurring as at a balance day between a tax value of assets and liabilities and their balance value presented in a financial statement.

The reserve for deferred taxi s included regarding all positive temporary differences:

- excluded the situation when the reserve for deferred tax appears as a result of beginning including a company value or beginning including assets' or liabilities element during the transaction not constituting the combination of units and at the moment of making the transaction not influencing either a gross financial result or income for taxing or tax loss, and

- according to positive temporary differences resulting from investment in undertakings or associate units and contribution in mutual activities – excluded the situation when the terms of turning temporary differences are under investor's control and when it is probable that in the nearest future temporary differences will not turn.

Assets due to deferred tax are included regarding all negative temporary differences, not used tax deduction, and not used tax losses transferred for future years in such an amount that it is probable that income for taxing will be achieved (it allows to use mentioned differences, assets, and losses):

- excluded the situation when assets due to deferred tax concerning negative temporary differences appear as a result of beginning including assets' or liabilities' element during the transaction not constituting the combination of units and at the moment of making the transaction not influencing either a gross financial result or income for taxing or tax loss, and
- according to negative temporary differences resulting from investment in undertakings or associate units and contribution in mutual activities assets' element due to deferred tax is included in a balance sheet in such an amount that it is probable that in the nearest future mentioned differences will turn and income for taxing will be achieved what allows to deduct negative temporary differences.

A balance value of assets' element due to deferred taxi s verified as at every balance day and is decreased by the amount that it is not probable to attain income for taxing enough for partial or total realizing assets' element due to deferred income tax. Not including assets' element due to deferred income tax is assessed again as at each balance day and is included to the amount reflecting the probability to achieve income for taxing in the future (such income will allow to regain the assets' element).

Assets due to deferred income tax and reserves for deferred tax are evaluated with using tax rates that according to forecasting will be obliged in a period when assets' element is realized or the reserve is ended (the basis is tax rate and regulations compulsory as at a balance day or that tax rates and regulations which obligation in the future is certain as at a balance day).

Income tax concerning items included apart from a profit or a loss is included apart from a profit or a loss in other comprehensive income (items included in other comprehensive income) or directly in equity (items included in equity).

The Group compensates assets due to deferred income tax with reserves due to deferred income tax only in the situation when possesses a legal title for conducting compensation of receivables and liabilities possible to enforce and when deferred income tax is connected with the same payer and the same tax organisation.

13.22.3 Value added tax

Revenues, costs, assets and liabilities are included after decreasing by VAT, excluded:

- the situation when VAT paid during the purchase of assets or services is not possible to regain from tax organisations; thus, it is included as the part of a purchase price of assets' element or as the part of a cost item,
- receivables and liabilities that are presented with taking into consideration the amount of VAT.

A net amount of VAT possible to regain or accrued for paying for tax organizations is included in a financial statement as the part of the other not financial receivables or the other not financial liabilities.

(in PLN thousand)

13.23 Net profit per share

Net profit per share for each period is counted by dividing net profit for a given period by weight average number of shares in a given financial year.

The Group does not present diluted profit/loss per share since there are not diluting potential ordinary shares.

13.24 Operating segments

The activity of the Capital Group EMC Instytut Medyczny S.A. is uniform due to sold services (the sale of healthcare services). Nevertheless, it is distinguished by the form of rendering services. In accordance with this criterion two operational segments were distinguished – hospital care and outpatient healthcare, which are continuously controlled by the management of the Group. Additionally, in accordance with a meaningful increase of turnover in an open chemist's in Kamień Pomorski and with the development of activities in the scope of clinic rests, the Issuer made a decision about distinguishing additional accounting segments – an open chemist's and clinic tests that by that moment had been presented in an item 'Not assigned'.

The Group analyses the results of particular hospitals and outpatient clinics at the level of details which allows to aggregate them to mentioned segments. The analysis is focused on information prepared in accordance with the resolution of accountancy so the Group presents the segments in such a form.

Transaction prices used during transactions between operating segments are established using market principles what is a similar way of conducting transactions with non-related companies.

As at 01/01/2013 - 31/12/2013	Hospital care	Outpatient healthcare	An open chemist's	Clinic tests	Not assigned	Activity totally	Consolidation adjustments	TOTAL
Revenues of the segment, including:	**144 454**	**27 778**	**2 645**	**784**	**482**	**176 143**	**-3 587**	**172 556**
Sale for external customers	142 260	27 286	2 645	784	438	173 413		173 413
Sale between segments	2 194	492			44	2 730	-3 587	-857
Total costs of the segment, including:	**136 033**	**25 741**	**2 406**	**570**	**8 116**	**172 866**	**-3 791**	**169 075**
Amortization and depreciation	7 762	1 060	30	5	606	9 463	-342	9 121
Operating profit	**8 836**	**1 795**	**235**	**210**	**-7 657**	**3 419**	**228**	**3 647**
EBITDA	16 598	2 855	265	215	-7 051	12 882	-114	12 768
Revenues / net financial expenses	-1 805	-39			-400	-2 244	-663	-2 907
Approval / encumbrance due to income tax	213	213			37	463	106	569
Profit/ Loss	**6 818**	**1 543**	**235**	**210**	**-8 094**	**712**	**-541**	**171**
The segment's assets	**137 152**	**9 727**	**102**	**19**	**148 618**	**295 618**	**-64 221**	**231 397**

(in PLN thousand)

The segment's liabilities	**72 222**	**8 454**			**214 942**	**295 618**	**-64 221**	**231 397**

As at 01/01/2012 - 31/12/2012	Hospital care	Outpatient healthcare	An open chemist's	Clinic tests	Not assigned	Activity totally	Consolidation adjustments	TOTAL
Revenues of the segment, including:	**131 351**	**26 744**	**2 270**	**685**	**439**	**161 489**	**-3 972**	**157 517**
Sale for external customers	128 020	26 039	2 270	685	343	157 357	160	157 517
Sale between segments	3 331	705			96	4 132	-4 132	0
Total costs of the segment, including:	**123 259**	**24 833**	**2 182**	**284**	**7 342**	**157 900**	**-4 133**	**153 767**
Amortization and depreciation	6 379	1 053	25	3	500	7 960	-351	7 609
Operating profit	**8 297**	**2 050**	**57**	**401**	**-7 312**	**3 493**	**346**	**3 839**
EBITDA	14 676	3 103	82	404	-6 812	11 453	-5	11 448
Revenues / net financial expenses	-2 559	11			-414	-2 962	-329	-3 291
Approval / encumbrance due to income tax	-414	203			234	23	10	33
Profit/ Loss	**6 152**	**1 858**	**57**	**401**	**-7 960**	**508**	**7**	**515**
The segment's assets	**112 289**	**10 344**	**132**	**13**	**75 551**	**198 329**	**-56 083**	**142 246**
The segment's liabilities	**48 761**	**9 031**			**140 537**	**198 329**	**-56 083**	**142 246**

'Assets not assigned' include a sum of company's value, assets due to deferred income tax of subsidiaries undertakings and the amount of total assets of the company EMC Instytut Medyczny, excluding fixed assets used for medical activities – assigned to hospital care, out-patient care, an open pharmacy, and clinic tests.

'Liabilities not assigned' include a sum of liabilities due to credits and loans, reserves due to a deferred income tax, liabilities due to taxes and total liabilities of the company EMC Instytut Medyczny.

Items of 'income statement not assigned' means the items that cannot be directly assigned to presented segments and revenues and expenses realised in the area of activities of the Board of Management in the company EMC.
Items 'not assigned' are managed at the level of the Group.

As segments' data are prepared in accordance with the Accountancy Act, the item 'Consolidating adjustments' includes:
- excluding mutual settlements and other consolidating adjustments
- adjustment of the companies of the Group to ISFR, including:
a) goodwill as a result of joining entities EuroMediCare Instytut Medyczny Sp. z o.o. and EuroMediCare Serwis Sp. z o.o that were under common control, yet a controlling unit did not possess 100% of shares in both entities. According to the Accountancy Act, the joining was settled with the purchase method and it resulted in goodwill. According to IFRS, transactions were settled with the method of joining shares,
b) capitalization of costs of totally financing in the amount of fixed assets under construction due to

(in PLN thousand)

IAS 23 that in accordance with the Accountancy Act burden a financial result,
c) netting assets and liabilities due to deferred income tax,
d) netting company's social benefit funds.

14. Revenues and costs

14.1 Revenues from sale

Item	As at			
	31/12/2013		31/12/2012	
NHF	141 228	81,85%	128 025	81,28%
Commercial clients	23 454	13,59%	23 463	14,90%
Insurance agencies	4 334	2,51%	3 193	2,03%
The other revenues	3 540	2,05%	2 836	1,80%
Total	**172 556**	**100%**	**157 517**	**100%**

14.2 The other operating revenues

The other operating revenues	As at	
	31/12/2013	31/12/2012
Fixed assets sales income	5	1
Grants	244	21
Finished reserves	299	9
Donations, refunds	256	210
Adjustments for revaluation write-offs	4	50
Stock-taking surplus	14	9
Overdue liabilities	1	54
Received compensation, penalties return	169	233
Refunding of Health Ministry, labour office and others	468	189
PFRON refunding		22
Fixed assets received free of charge	106	114
Overpayment refund (Social Insurance Institution)	14	
Annual adjustment of VAT	51	
PIT return	6	
Surplus of brokerage fees received	36	
Redeeming the tax on real properties	36	
Others	90	68
Total	**1 799**	**980**

(in PLN thousand)

14.3 The other operating costs

The other operating costs	As at	
	31/12/2013	31/12/2012
Actualizing receivebles value	305	
Other operating costs, of which:	1 328	891
Reserves for jubilee awards	587	218
Reserves for liabilities	463	84
Damages, penalties	88	75
Written-off receivables	7	300
Written-off medicine past its sell-by date	1	7
Donations	9	9
Costs of liquidating fixed assets	54	80
Stock-taking shortage	14	10
Others	105	108
Total	**1 633**	**891**

14.4 Financial revenues

Financial revenues	As at	
	31/12/2013	31/12/2012
Excess between positive exchange rates differences and negative ones		75
Interest	172	368
Other	3	
Total	**175**	**443**

14.5 Financial costs

Financial costs	As at	
	31/12/2013	31/12/2012
Interest on credits, loans	1 840	2 470
Other interest	200	198
Commissions on credits	46	132
Costs of issuing bonds		12
Costs of Stock Exchange service	116	128
Excess of negative foreign exchange gains and losses over positive	17	
Interest on bonds	480	466
Interest on leasing	260	318
Discount of credits and bonds	111	
Other financial costs	12	10
Total	**3 082**	**3 734**

(in PLN thousand)

14.6 Costs of employee benefits

Costs of employee benefits	As at	
	31/12/2013	**31/12/2012**
Payroll	58 196	53 067
Costs of social insurance	9 497	8 664
Costs of retirement pension	566	605
The other costs of employee benefits	743	583
Total costs of employee benefits	**69 002**	**62 919**

15. Income tax

15.1 Tax charge

Main elements of tax charge as at 31/12/2013 and 31/12/2012 are as follows:

	As at	
	31/12/2013	**31/12/2012**
Including in a profit or in a loss		
Current income tax		
Current burden due to income tax	958	681
Adjustments due to current income tax from previous years	64	–
Deferred income tax		
Due to developing and turning temporary changes	-453	-648
Tax burden revealed in a consolidatet profit or loss	569	33

15.2 Agreeing an effective interest rate

Agreeing income tax due to a gross financial result before taxing due to a statutory interest rate with income tax counted due to an effective tax rate of the Group as at 31st December of 2013 and 31st December of 2012 is as follows:

	As at	
	31/12/2013	**31/12/2012**
Gross profit (loss) before taxing from a continuing activity	740	548
Gross profit (loss) before taxing	740	548
Tax due to a statutory tax rate compulsory in Poland and amounting 19%	141	104
Dissolved assets from previous years	68	
Dissolved reserves from previous years	-27	
CIT adjustments from previous years	64	
Not included assets due to deferred income tax		-250
Reserves from previous years	108	
Not included tax losses		-62

(in PLN thousand)

Costs not being tax costs of receiving revenues	204	336
Revenues not being the base of taxing with income tax	-55	-157
Others	66	62
Tax due to an effective tax rate amounting 77% (as at 31/12/2012: 6%)	569	33
Income tax (burden) revealed in an income statement	569	33

15.3 Deferred income tax

Diferred income tax results from the following items:

Item	Assets due to deferred income tax	A balance sheet		An income statement		Comprehensive income statement	
		31/12/2013	31/12/2012	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
1.	Writte-offs for the surplus of services	522	632	116	-263		
2.	Unpaid Social Insurance Institution benefits	282	292	24	-38		
3.	Contribution evaluation	806	806				
4.	Interest on current liabilities	5	6	1	-2		
5.	Reserves for retirement benefits and similar	897	433	-152	-42	-30	
6.	Interest on bonds	31	44	13	-17		
7.	Interest on loans	10	16	6	15		
8.	Receivables amortization write-offs	16	18	2	14		
9.	Tax losses	595	947	352	-547		
10.	Lawsuits	313	250	-63	-250		
11.	Overdue liabilities	602		-456			
12.	Tangible fixed assets received free of charge	283	77	-206			
13.	Write-off for company's social benefit fund covered by cash contribution	34		22			
14.	Reserves for liabilities	101		-9			
15.	The surplus of balance amortization over tax amortization	85		-85			
16.	Rent for leasing the real property received in advance	123		8			
17.	Others	13	91	78	-54		
	Total gross assets	**4 718**	**3 612**	**-349**	**-1 184**	**-30**	**0**
	Total net assets	**3 276**	**2 270**	**1 093**	**158**	**-30**	**0**

Item	Assets due to deferred income tax	A balance sheet		An income statement		Comprehensive income statement	
		31/12/2013	31/12/2012	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012	01/01/2013 - 31/12/2013	01/01/2012 - 31/12/2012
1.	Interest on loans	19	22	-3	6		
2.	Surplus of tax amortisation over balance amortisation	1 374	1 418	-108	-71		
3	Receivables due to the surplus of medical services	588	558	-46	558		
4.	Credits evaluation	30	40	-10	4		

(in PLN thousand)

5.	The value of relationships with patient	426	441	-15	-15		
6.	Bonds evaluation	27	37	-10	37		
7.	Costs of external financing	105		105			
8.	Others		17	-17	17		
	Total gross reserves	**2 569**	**2 533**	**-104**	**536**	**0**	**0**
	Total net reserves	**1 127**	**1 191**	**-1 546**	**-806**	**0**	**0**
	Deferred tax in an income statement			**-453**	**-648**	**-30**	**0**

Assets and reserves due to deferred income tax are netted at the level of companies of the Group

Assets and reserves for deferred income tax changes increased a financial result of the Group by PLN 453 thousand.
Assets and reserves changes not influencing a financial result are as follows: assets in the amount of PLN 727 thousand and reserves in the amount of PLN 140 thousand resulting from purchasing a subsidiary undertaking 'Zdrowie' Sp. z o.o.

16. Social property and the liabilities of company's social benefit fund

The resolution about company's social benefit fund as at 4th March of 1994 with following changes requires from a company with a number of employees – 20 or more to create and run company's social benefit fund. The Group creates such a fund and makes periodic write-offs in the amount of a basic write-off. The goal of a fund is to finance a social activity, loans granted for employees and other social costs.

The compensated assets of a fund with its liabilities due to a fund as these assets do not constitute separate Group's assets. Thus, a net balance as at 31st December 2013 amounts PLN 0 thousand (as at 31st December 2012 - PLN 0 thousand).

17. Profit per one share

Net profit per share for each period is counted by dividing net profit for a given period by weight average number of shares in a given financial year.

Diluted profit per share is the same as basic profit as there are not diluting potential registered stocks.

Data concerning profit and shares that contributed to count basic and diluted earnings per one share are presented below:

	As at	
Profit (loss) per one share:	**31/12/2013**	**31/12/2012**
Net profit/loss for dominant unit's stockholders	159	408
Weight average number of shares	8 438 212	8 115 946
Profit / loss per one share in PLN	0,0188	0,0503
- diluted from the profit for dominant unit's stockholders in PLN	0,0188	0,0503

In the period between a balance day and a day of compiling a given financial statement there were no other transactions concerning ordinary shares and potential ordinary shares.

(in PLN thousand)

Calculating the average number of shares as at 31st of December 2013 the issuance of 3.692.310 H series bearer shares was taken into account– it was decided by the Extraordinary Meeting of Shareholders of EMC Instytut Medyczny SA on 19th December of 2013 (it is revealed in the point 31.1). As at the day of publishing a financial statement increasing capital by issuing H series shares has not been registered in the National Court Register, however, according to IAS 33 H series shares have been added to the average number shares from the day in which the payment has become due. The following shares were revealed: 19h December of 2013 for 2.743.940 shares contemplated by CareUp B.V (the day of signing a final contract of contemplating H shares), 24h December of 2013 for 948.370 shares contemplated by PZU FIZ AN BIS 2 (the day of signing a final contract of contemplating H shares).

18. Dividends paid and dividends proposed to be paid

Dividends from shares for a year 2013 were not paid.

A subsidiary undertaking ZP Formica Sp. z o.o. paid the dividend including the dividend for shareholders not taking control: for a year 2012 in the amount of PLN 18 thousand.

19. Intangible assets

As at 31st December of 2013

Item	Description	Goodwill	Acquired concessions, patents, licence and other		Total intangible assets
			Total	Including software	
I	Gross value of intangible assets at the beginning of the period	1 151	3 939	1 393	5 090
1.	Increases of which as a result of:	185	574	718	759
a)	acquisitions		27	27	27
b)	acquisition of a subsidiary undertaking (a note no. 5.1.)	185	545	545	730
c)	reclassification			145	
d)	other - adjustments		2	1	2
2.	Decreases				
II.	Gross value of intangible assets at the end of the period	1 336	4 513	2 111	5 849
III.	Accumulated amortization (depreciation) at the beginning of the period		1 382	1 107	1 382
1.	Amortization for the period on account of:		290	324	290
a)	Current amortization - increase		288	208	288
b)	Reclassification / adjustments		2	116	2
c)	Amortization – decrease - liquidation				
IV.	Accumulated amortization (depreciation) at the end of the period		1 672	1 431	1 672
V.	Write-offs due to constant loss of value at the beginning of the period				
1.	Increase				
2.	Decrease				
VI.	Write-offs due to constant loss of value at the end of the period				
VII.	**Net value of intangible assets at the end of the period**	**1 336**	**2 841**	**680**	**4 177**

(in PLN thousand)

As at 31st December of 2012

Item	Description	Goodwill	Acquired concessions, patents, licence and other		Total intangible assets
			Total	Including software	
I	Gross value of intangible assets at the beginning of the period	1 151	3 876	1 332	5 027
1.	Increases of which as a result of:		63	61	63
a)	acquisitions		63	61	63
b)	others				
2.	Decreases				
II.	Gross value of intangible assets at the end of the period	1 151	3 939	1 393	5 090
III.	Accumulated amortization (depreciation) at the beginning of the period		1 139	970	1 139
1.	Amortization for the period on account of:		243	137	243
a)	Current amortization - increase		243	137	243
b)	Amortization – decrease - liquidation				
IV.	Accumulated amortization (depreciation) at the end of the period		1 382	1 107	1 382
V.	Write-offs due to constant loss of value at the beginning of the period				
1.	Increase				
2.	Decrease				
VI.	Write-offs due to constant loss of value at the end of the period				
VII.	**Net value of intangible assets at the end of the period**	**1 151**	**2 557**	**286**	**3 708**

In the item ‘Acquired concessions, patents, licence and other’ the Group presents the value of relationships with patients in the amount of PLN gross 2.400 thousand as a result of settling the acquisition ZP Formica Sp. z o.o. The value of relationships is annually the subject to amortization write-offs. Net value of relationships with patients amounted PLN 2.160 thousand as at 31/12/2013 and PLN 2.240 thousand as at 31/12/2012.

The write-off of tests made due to the loss of goodwill was presented in a note no. 24.

20. Tangible fixed assets

As at 31/12/2013

Item	Description	land (including perpetual usufruct of land)	buildings, premises and public buildings	plant and machinery	means of transportation	other fixed assets	fixed assets under construction	advances on fixed assets under construction	total fixed assets
I.	gross value of fixed assets at the beginning of the period	7 406	86 203	7 400	1 363	29 065	9 794		141 231
1.	increases as a result of	1 561	13 688	2 117	179	7 200	13 941	49	38 735
a)	acquisition	220	251	392	146	3 821	13 837	49	18 716
b)	acquisition of a subsidiary undertaking (a note no. 5.1)	1 341	9 444	1 184	33	3 331	104		15 437
c)	transfers		3 881	532					4 413

(in PLN thousand)

d)	reclassification		112						112
e)	others			9		48			57
2.	decreases due to		22	99	10	200	5 313		5 644
a)	sale and liquidation			88	1	173	769		1 031
b)	transfers						4 413		4 413
c)	reclassification						112		112
d)	others		22	11	9	27	19		88
II.	gross value at the end of the period	8 967	99 869	9 418	1 532	36 065	18 422	49	174 322
III.	accumulated amortization (depreciation) at the beginning of the period		10 110	3 819	1 102	18 127			33 158
1.	amortization for the period on account of:		2 992	1 034	161	4 350			8 537
a)	current depreciation - increase		3 015	1 100	171	4 536			8 822
b)	depreciation - decrease - liquidation			56	1	156			213
c)	adjustments		-23	-10	-9	-30			-72
IV.	accumulated amortization (depreciation at the end of the period)		13 102	4 853	1 263	22 477			41 695
V.	Write-offs due to constant loss of value at the beginning of the period		65						65
1.	increase		1						1
2.	decrease								
VI.	Write-offs due to constant loss of value at the end of the period		66						66
VII.	**Net value of fixed assets at the end of the period**	**8 967**	**86 701**	**4 565**	**269**	**13 588**	**18 422**	**49**	**132 561**

As at 31st December of 2012

Item	Description	land (including perpetual usufruct of land)	buildings, premises and public buildings	plant and machinery	means of transportation	other fixed assets	fixed assets under construction	advances on fixed assets under construction	total fixed assets
I.	gross value of fixed assets at the beginning of the period	7 406	78 211	6 823	1 356	26 617	13 676	14	134 103
1.	increases as a result of		8 016	659	7	2 878	5 139	54	16 753
a)	acquisition		78	326	7	2 808	5 086	54	8 359
b)	transfers		7 938	332		70	53		8 393
c)	others			1					1
2.	decrease as a result of		24	82		430	9 021	68	9 625
a)	sale and liquidation		5	82		430	478		995
b)	transfers						8 339	54	8 393
c)	others		19				204	14	237
II.	gross value at the end of the period	7 406	86 203	7 400	1 363	29 065	9 794		141 231

(in PLN thousand)

III.	accumulated amortization (depreciation) at the beginning of the period		7 517	3 002	882	14 838			26 239
1.	amortization for the period on account of:		2 593	817	220	3 289			6 919
a)	current depreciation - increase		2 593	896	214	3 663			7 366
b)	depreciation - decrease - liquidation			79		374			453
c)	adjustments				6				6
IV.	accumulated amortization (depreciation at the end of the period)		10 110	3 819	1 102	18 127			33 158
V.	Write-offs due to constant loss of value at the beginning of the period								
1.	increase		65						65
2.	decrease								
VI.	Write-offs due to constant loss of value at the end of the period		65						65
VII.	**Net value of fixed assets at the end of the period**	**7 406**	**76 028**	**3 581**	**261**	**10 938**	**9 794**	**0**	**108 008**

As at 31/12/2013 fixed assets in the net amount of PLN 4.493 thousand were used on the basis of financial leasing contracts (as at 31/12/2012: PLN 4.577 thousand).

Costs of servicing liabilities for financing fixed assets under construction included in the cost of manufacturing (purchase price) in a current year amounted to PLN 364 thousand (in 2012: PLN 405 thousand).

The information about fixed assets with established mortgage is presented in a note no. 33.

Moreover, as at 31/12/2013 and as at 31/12/2012 the Group used fixed assets on the basis of lease and rent contracts.

21. Leasing

21.1 Liabilities due to operating leasing – the Group as leasing recipient

As at 31/12/2013 and 31/12/2012 the Group did not possess liabilities due to operating leasing.

21.2 Liabilities due to financial leasing contracts and lease contracts with the purchase option

As at 31st December 2013 and as at 31st December 2012 future minimal leasing fees due to these contracts and current value of minimal net leasing fees are presented below:

	31/12/2013	31/12/2012

	Minimal fees	Current value of fees	Minimal fees	Current value of fees
Up to 1 year	1 877	1 679	1 670	1 388
From 1 to 5 years	1 746	1 636	2 633	2 399
Above 5 years				
Total minimal leasing fees	3 623	3 315	4 303	3 787
Minus financial costs	308	-	516	-
Current value of minimal leasing fees including:	3 315	3 315	3 787	3 787
Short-term		1 679		1 388
Long-term		1 636		2 399

The value of new financial leasing contracts signed in a year 2013 amounted to PLN 1.166 thousand including the purchase of medical fittings and equipment.

22. The other long-term financial assets

As at 31st December of 2013

Item	Description	Investment real properties	Shares and advances for shares	Total
I.	**Gross value at the beginning of the period**			
1.	Increase due to	973	10 729	11 702
a)	Acquisition		10 729*	10 729
b)	Acquisition of a subsidiary undertaking (a note 5.1)	973		973
2.	Decrease			
II.	**Gross value at the end of the period**	**973**	**10 729**	**11 702**
III.	Amortisation at the beginning of the period			
1.	Amortisation for the period	11		11
a)	Current amortization - increase	11		11
IV.	Amortization for the end of the period	11		11
VII.	**Net value at the end of the period**	**962**	**10 729**	**11 691**

Investment real properties are evaluated according to the purchase price or manufacturing cost with taking into consideration the transaction costs what was described in the point 13.7.

*In a year 2013 the Issuer incurred expenses in the amount of PLN 10.729 thousand for acquiring shares in a company RCZ Sp. z o.o. (revealing in a note no. 5.3).

As at 31st December of 2012 the Group did not possess the other long-term financial assets.

23. Investments in associated units evaluated by the method of property rights

As at 31/12/2013 and 31/12/2012 the Group did not make investments in associated units evaluated by the method of property rights.

(in PLN thousand)

24. Joining units and purchasing non-controlling shares

A balance value of goodwill was created as a result of acquiring the following parties:

Company	As at	
	3112/2013	**31/12/2012**
Lubmed Sp. z o.o.	94	94
Mikulicz Sp. z o.o.	37	37
ZP Formica Sp. z o.o.	935	935
Silesia Med Serwis Sp. z o.o.	85	85
„Zdrowie" Sp. z o.o.	185	
Total	**1 336**	**1 151**

As a result of taking control in a year 2013 under the company 'Zdrowie' Sp. z o.o. (it is revealed in a note no. 5), goodwill in the amount of PLN 185 thousand was created.

As at 31/12/2012 the changes of goodwill did not occur.

Goodwill developed as a result of purchasing shares in subsidiary undertakings was allocated to five centers working out cash.

As at the day of acquiring, acquired goodwill is allocated to each center working out cash that may use joining synergy. Each center or the set of centers to which goodwill was assigned means the lowest level in the Group on which goodwill is monitoring for internal management needs and it is not higher than one operating segment defined in accordance with IFRS 8 – Operating segments.

As at 31/12/2013 the Group made the test due to the loss of value of each center working out cash.

Receivable value was determined on the basis of the calculation of usable value with a discount method. The calculations of usable value were made on the basis of analyzing forecasted cash flows based on the assumptions of budget for the next year and on the 5-years business plan approved by centers working out cash. Due to the test, a discount rate (weight average capital cost WACC) in the amount of 10% before taxing and a growth rate in the residua period at the level 1,3% - 2,5% were assumed. The assumptions are compatible with basic strategic goals of the Group.

Usable value is sensitive to the level of gross margin changes, the level of a growth rate in a residual period, and a discount rate. In a case of estimating the usable value of centers working out cash, management is convinced that any rationally possible change of a key assumption determined earlier will not cause that a balance value of a given center significantly exceed its receivable value.

On the basis of results received, the Group regarded that in the context of tested goodwill the loss of value did not occur. Consequently, the Group did not include a write-off revaluating elements' value.

In a year 2013 the shares of Piotr Gerber were automatically redeemed in a subsidiary undertaking ZP Formica Sp. z o.o. from the profit without the necessity of decreasing share capital. It was settled as the transaction with non-controlling shareholders and resulted in decreasing shares by PLN 110 thousand and decreasing kept profits of the Group by PLN 265 thousand.

In 2012 a dominant unit increased capital in a subsidiary Silesia Sp. z o.o. – the amount of PLN 5.100 thousand what was settled as a capital transaction with non-controlling shareholders and resulted in decreasing non-controlling shares by the amount of PLN 74 thousand.

25. Contribution in common undertaking

The Group does not possess contribution in common undertakings.

26. Financial assets available for sale

The Group does not possess financial assets available for sale.

27. Employees' benefits

27.1 Employees activities programmes

The Group does not realize employees' activities programmes.

27.2 Retirement benefits and other benefits after the period of employment

According to companies' payroll systems employees of the Groups' companies has the right to anniversary rewards and retirement gratuities. Anniversary rewards are paid after working over a defined number of years. Retirement gratuities are paid only once at the moment of retiring. The amount of retirement gratuities and anniversary rewards depends on work experience and average payroll of the employee. Consequently, the Group on the basis a memorial base based on acceptable by independent auditors counting resulting from personnel data and own estimates creates a reserve for a current value current liabilities due to retirement gratuities.

The reserve amounts and the arrangement due to the changes in a current year were presented in the table in the point 34.1.

The main assumptions as at a balance day for counting a liability amount are as follows:

	31/12/2013	31/12/2012
Discount rate (%)	5	8
The ratio of employees' fluctuation (%)	8	8
Predicted rate of payroll increase (%)	3	3

Sensitivity analysis

Retirement reserves

Change of the approved discount rate by 1 per cent point	Increase / decrease by per cent points	Influence on total costs of current employment and interest	Influence on the liability due to particular benefits
As at 31/12/2013			
in PLN thousand	+1%	-61	-61
	-1%	66	66
As at 31/12/2012			
in PLN thousand	+1%	-38	-38
	-1%	38	38

Change of the rotation rate by 1 per cent point	Increase / decrease by per cent points	Influence on total costs of current employment and interest	Influence on the liability due to particular benefits
As at 31/12/2013			
in PLN thousand	+1%	-68	-68
	-1%	75	75
As at 31/12/2012			
in PLN thousand	+1%	-41	-41

	-1%	38	38

Change of payroll growth rate by 1 per cent point	Increase / decrease by per cent points	Influence on total costs of current employment and interest	Influence on the liability due to particular benefits
As at 31/12/2013			
in PLN thousand	+1%	68	68
	-1%	-61	-61
As at 31/12/2012			
in PLN thousand	+1%	41	41
	-1%	-37	-37

Reserves for jubilee awards

Change of the approved discount rate by 1 per cent point	Increase / decrease by per cent points	Influence on total costs of current employment and interest	Influence on the liability due to particular benefits
As at 31/12/2013			
in PLN thousand	+1%	-88	-88
	-1%	98	98
As at 31/12/2012			
in PLN thousand	+1%	-15	-15
	-1%	17	17

Change of the rotation rate by 1 per cent point	Increase / decrease by per cent points	Influence on total costs of current employment and interest	Influence on the liability due to particular benefits
As at 31/12/2013			
in PLN thousand	+1%	-102	-102
	-1%	112	112
As at 31/12/2012			
in PLN thousand	+1%	0	0
	-1%	0	0

Change of payroll growth rate by 1 per cent point	Increase / decrease by per cent points	Influence on total costs of current employment and interest	Influence on the liability due to particular benefits
As at 31/12/2013			
in PLN thousand	+1%	99	99
	-1%	-91	-91
As at 31/12/2012			
in PLN thousand	+1%	17	17
	-1%	-15	-15

The amount of costs due to retirement benefits (costs of current employment) was revealed in anote no. 14.6 of a given financial statement.

28.Inventories

(in PLN thousand)

Inventories	As at	
	31/12/2013	31/12/2012
Materials	1 817	1 067
Goods	164	156
Total	**1 981**	**1 223**

As at 31st December 2013 and as at 31st December 2012 the Group did not create write-offs actualizing inventories value.

As at 31st December 2013 and as at 31st December 2012 the Group did not make a reverse of write-offs actualizing inventories value.

None of categories constituted securities of credits and loans as at 31st December 2013, as at 31st December 2012. As at 31st December 2013 and as at 31st December 2012 there were not inventories evaluated in a net sale price.

29. Receivables due to deliveries and services and the other receivables

Short-term receivables	As at	
	31/12/2013	31/12/2012
relative to deliveries and services	19 989	17 476
relative to taxes, grants, customs, social insurance including:	183	194
- due to VAT	80	
- due to CIT	12	76
- due to ZUS (Scial Insurance Institution)	17	8
- other	74	110
Other	235	99
Total short-term receivables-gross	**20 407**	**17 769**
Impairment write-offs on receivables	**3 178**	**3 573**
Total short-term receivables-net	**17 229**	**14 196**

Receivables due to deliveries and services are not bearing and have on average 21 days maturity date.

About 80 % Group's revenues are realized in the scope of contracts with NHF – a certain and punctual payer. The other commercial sale the Group realizes in the non-cash form in the scope of contracts with insurance companies and in cash form in the scope of servicing individual customers.

It is the reason why there is no additional credit risk (in the Board of Management view) above the level determined by an impairment write-off on non-collectible receivables suitable for trade receivables resulting from generating the surplus of services – what is connected with the specificity of the Group activities.

(in PLN thousand)

As for the risk probability of not paid receivables, as at 31st December of 2013 a write-off due to receivables was developed in the amount of PLN 3.178 thousand (as at 31st December of 2013 PLN 3. 573 thousand). The amount of PLN 3.178 thousand includes the adjustment of a write-off in the amount of PLN 531 thousand described in a note no. 7.1.

Changes of an impairment write-off on receivables were as follows:

As at 31/12/2013

Item	Write-offs due to receivables acc. to deliveries and services	Due to deliveries and services	Due to the surplus of services	Others	Total
I.	Value of the write-off at the beginning of the period	209	3 357	7	3 573
1.	Increase due to	400	984		1 384
a)	Creation	308	969		1 277
b)	Acquiring a subsidiary undertaking (a note no. 5.1)	92	15		107
2.	Decrease due to	160	1 614	4	1 778
a)	Usage	137	590		727
b)	Solving the write-off	20	1 024	4	1 048
c)	Others	3			3
II.	**Value of the write-off at the end of the period**	**448**	**2 727**	**3**	**3 178**

As at 31/12/2012

Item	Write-offs due to receivables acc. to deliveries and services	Due to deliveries and services	Due to the surplus of services	Others	Total
I.	Value of the write-off at the beginning of the period	270	1 914	13	2 197
1.	Increase due to	24	2 056		2 080
a)	Creation	24	2 056		2 080
2.	Decrease due to	85	613	6	704
a)	Usage		453		453
b)	Solving the write-off	85	160	6	251
II.	**Value of the write-off at the end of the period**	**209**	**3 357**	**7**	**3 573**

The table below presents the analysis of receivables due to deliveries and services that as at 31st December 2013, as at 31t December 2012 were overdue, however, they were not regarded as non-collectible and they were not embraced by a write-off.

As at	Total	Non-overdue	Overdue but collectible				
			<30 days	<30 days	<30 days	<30 days	<30 days
31/12/2013	16 814	15 746	799	160	89	14	6
31/12/2012	13 910	13 246	350	59	5	213	37

(in PLN thousand)

30. Cash and its equivalent

Cash in a bank is bearing due to changeable interest rates whose amount depends on an interest rate of one-day bank deposits. Short-term deposits are made in different periods (i.e. one day, one month) dependently on current demand of the Group on cash and they are bearing due to interest rates established for them. Fair value of cash and its equivalent as at 31st December of 2013 amounts PLN 59.685 thousand (as at 31st December of 2012: PLN 11.524 thousand).

As at 31st December of 2013 the Group disposed not used granted credit cash in the amount of PLN 7.608 thousand (as at 31st December of 2012: PLN 11.418 thousand).

A balance of cash and its equivalents revealed in a consolidated cash flow statement consisted of the following items:

Cash and its equivalent	As at	
	31/12/2013	31/12/2012
Cash in hand	130	132
Cash in bank accounts	23 236	4 253
Deposits	36 292	7 139
Transit cash	27	
Total cash and its equivalent	**59 685**	**11 524**
Change of cash state due to exchange rates differences	-4	-7
Total cash and its equivalent revealed in a consolidated cash flow statement	**59 681**	**11 517**

31. Initial capital

31.1 Initial capital

Shares series	Type	The number of shares As at	
		31/12/2013	31/12/2012
A	registered/ preference	1 500 038	1 500 038
B	bearer	2 500 062	2 500 062
C	bearer	1 500 000	1 500 000
D	bearer	400 000	400 000
E	bearer	737 512	737 512
F	bearer	500 000	500 000
G	bearer	1 189 602	1 189 602
H	bearer	3 692 310	
TOTAL		**12 019 524**	**8 327 214**

On 19th December of 2013 the Extraordinary Meeting of Shareholders of EMC Instytut Medyczny SA made the decision about increasing initial capital of the Company by issuing H series 3.692.310 bearer shares with nominal value PLN 4 each excluding pre-emptive rights of current shareholders.

(in PLN thousand)

The content of the resolutions adopted at the Extraordinary Meeting of Shareholders on 19th December of 2013 was presented in a current report no. 111/2013 on 19th December of 2013.
The aim of the issuance is to obtain financial resources that the Company will allocate for realizing investments in developing EMC by extension and new acquisitions.
According to the resolution of the Management Board no. 18/2013 on 19th December of 2013 H series stocks were offered as the private subscription for shareholders from CareUp B.V and PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 2 managed and represented by Towarzystwo Funduszy Inwestycyjnych PZU Spółka Akcyjna. The issuing price of H series stocks was established as PLN 19,5 each.
According to the resolution of the Management Board, stocks were allocated I accordance with allocation principles determined in preeliminary contracts in the following way:

1. CareUp B.V.LTd., launched and running according to the Dutch law, with its register seat in Amsterdam will take up H series 2.743.940 stocks,
2. PZU FIZ AN BIS 2 with its register seat in Warsaw, the fund represented and managed by TFI PZU SA with its register seat in Warsaw, will take up H series 948.370 stocks.

On 19h December of 2013 a final contract of contemplating H shares with CareUp B.V was signed (the information is included in a current report no. 113/2013).
On 24h December of 2013 a final contract of contemplating H shares with PZU FIZ AN BIS 2 was signed (the information is included in a current report no. 118/2013.

Series H shares were paid only by cash contribution.

As at the day of publishing a financial statement increasing capital by issuing H series shares has not been registered in the National Court Register.

31.1.1 Nominal value of shares

All issued shares have nominal value amounting PLN 4 and they were totally paid.

31.1.2 Shareholders rights

A series shares are preference – one share means two votes at Shareholders Meeting. All shares are preference in the same way due to dividends and return on equity.

31.1.3 Conversion of bonds into shares

In a year ended on 31st December of 2013 conversion of bonds into shares was not made.

31.1.4 Shareholders with significant contribution

As at 31/12/2013

Shareholder	A number of shares series A, B, C, D, E, F, G, H	% share in share capital	A number of votes on a General Meeting	% share in a total number of votes on a General Meeting
Soporto Invest B.V.	1 215 779	10,12%	2 013 522	14,89%
CareUp B.V. (CareUp B.V. with Soporto Invest B.V.)	7 224 671 (8 440 450)	60,10% (70,22%)	7 926 966 (9 940 488)	58,64% (73,53%)
PZU Group	3 435 638	28,58%	3 435 638	25,41%

As at 31/12/2012

Shareholder	A number of shares series A, B, C, D, E, F, G	% share in share capital	A number of votes on a General Meeting	% share in a total number of votes on a General Meeting

Netskill Ltd.	1 982 828	23,81%	2 685 123	27,32%
Piotr Gerber (Piotr Gerber with Netskill Ltd.)	975 717 (2 958 545)	11,72% (35,53%)	1 683 458 (4 368 581)	17,13% (44,45%)
PZU Group	847 423	10,18%	847 423	8,62%
Altus TFI SA	601 302	7,22%	601 302	6,12%
Investors TFI SA	543 762	6,53%	543 762	5,53%

32. Supplementary capital

Supplementary capital in the amount of PLN 81.325 thousand was created from the surplus of issuance value over nominal value that was decreased by costs of shares issuance included as decreasing supplementary capital.

Shares series	Surplus of issuance value over nominal value	Costs of issuance	Net result on supplementary capital
series A-C	5 400	1 421	3 979
series D	4 200	272	3 928
series E	6 637	1 000	5 637
series F	10 500	2 684	7 816
series G	4 592	748	3 844
series H	57 231	1 110*	56 121
Total	**88 560**	**7 235**	**81 325**

*As at 31st December of 2013 the costs of issuing H series stocks in the amount of PLN 806 thousand were included in short-term prepayments (of costs). The costs of issuing H series stocks increased to PLN 1.110 thousand during a year 2013. The amount decreased supplementary capital as a result of H series stocks issuance.

32.1 The other capital

	Characteristic		Total
As at 01/01/2013			**-4 479**
Reserve capital	*Joining entities under mutual control of Piotr Gerber*	-4 635	
Exchange currency differences due to revaluation of foreign entities		156	
As at 31/12/2013			**-4 443**
Reserve capital	*Joining entities under mutual control of Piotr Gerber*	-4 635	
Exchange currency differences due to revaluation of foreign entities		192	
As at 01/01/2012			**-4 304**
Reserve capital	*Joining entities under mutual control of Piotr Gerber*	-4 635	
Exchange currency differences due to revaluation of foreign entities		331	

(in PLN thousand)

As at 31/12/2012			**-4 479**
Reserve capital	*Joining entities under mutual control of Piotr Gerber*	-4 635	
Exchange currency differences due to revaluation of foreign entities		156	

32.2 Retained earnings and limitation of dividend payment

Retained earnings include also amounts that are not the subject of distribution what means that they cannot be paid in the form of dividends.

Statutory financial statements of subsidiaries undertakings are prepared in accordance with Polish accountancy standards. A dividend can be paid on the basis of a financial result established in a unitary annual financial statement prepared for statutory goals.

According to the requirements of the Code of Commercial Companies, a dominant unit is obliged to create supplementary capital for covering a loss. At least 8% of profit for a given financial year revealed in a unitary financial statement of a dominant unit is transferred to supplementary capital until this capital achieves at least one third of initial capital of a dominant unit. General Meeting of Shareholders decides about using supplementary capital and reserve capital. Nevertheless, a part of supplementary capital in the amount of one third of initial capital can be used only for covering the loss reveals in a unitary financial statement of a dominant unit and it cannot be divided into other goals.

As at 31st December of 2013 there are not limitations concerning dividend payment.

32.3 Non-controlling shares

	As at	
	31/12/2013	**31/12/2012**
At the beginning of the period	3 099	3 077
Share in a result of subsidiaries undertakings	12	107
Dividend payment	-18	-11
Transactions with non-controlling shareholders	-110	-74
Taking control under a company ‘Zdrowie’ Sp. z o.o.	1 158	
At the end of the periof	**4 141**	**3 099**

In a year 2013 the shares of Piotr Gerber were automatically redeemed in a subsidiary undertaking ZP Formica Sp. z o.o. from the profit without the necessity of decreasing share capital. It was settled as the transaction with non-controlling shareholders and resulted in decreasing shares by PLN 110 thousand. Taking control under a company ‘Zdrowie’ Sp.z o.o. a dominant unit obtained 87,49% shares in the capital of the company ‘Zdrowie’ Sp.z o.o. As at the day of acquiring the amount of non-controlling shares amounted PLN 1.158 thousand.

In 2012 a dominant unit increased capital in a subsidiary Silesia Sp. z o.o. – the amount of PLN 5.100 thousand what was settled as a capital transaction with non-controlling shareholders and resulted in decreasing non-controlling shares by the amount of PLN 74 thousand.

(in PLN thousand)

33. Interest - bearing bank credits, loans, and bonds

Items	As at 31/12/2013				
	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years
Credits and loans	38 468	21 528	4 037	2 950	9 953
Loans from related parties	9	9			
Due to bonds issuance	7 028	168		6 860	
Total	**45 505**	**21 705**	**4 037**	**9 810**	**9 953**

Items	As at 31/12/2012				
	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years
Credits and loans	36 763	19 166	3 744	3 053	10 800
Loans from related parties	662		662		
Due to bonds issuance	7 037	232		6 805	
Total	**44 462**	**19 398**	**4 406**	**9 858**	**10 800**

As at 31st December 2013

Bank	Credit/loan/bonds amount acc. to the contract	Credit/loan /bonds amount still to be repaid	Interest rate conditions	Repayment date	Securities
Bank Pekao SA	5 722	1 677	WIBOR 1M +2,2 %	31/10/2016	mortgage to the amount of PLN 5.722 thousand, bail mortgage to the amount of PLN 2.804 thousand – a hospital in Ząbkowice, assignment of rights from contracts with NFZ - a hospital in Ząbkowice, assignment of rights from the contract of insurance, a blank promissory note with a promissory note declaration, authorization for disposing cash in a current account
Bank Pekao SA	3 500	2 866	WIBOR 1M +2,5 %	23/01/2014	bail mortgage to the amount of PLN 5.200 thousand (real estate in Kowary at 14c Jeleniogórska Street), assignment of rights from insurance policy of the real estate, assignment of claims from contracts due to rendering services for NHF – a hospital in Ząbkowice Śląskie, a blank promissory note of Issuer's issue with a promissory note declaration, authorization for disposing cash in a current account, declaration about submitting to enforcement

(in PLN thousand)

DnB Nord	19 202	15 950	WIBOR 3M + 1,7 %	31/07/2026	registered pledge to the amount of PLN 30.000 thousand due to Cadolto modules, authorization for disposing cash in a current account, taking on a debt of EMC Piaseczno Sp. z o.o., assignment of claims from contracts due to rendering services for NHF or another unit from EMC Group in the amount of not lower than PLN 40.000 thousand; subordinating liabilities due to Piotr Gerber; assignment of claims from the insurance contract; declaration about submitting to enforcement
BGŻ SA	913	761	WIBOR 3M + 2,5 %	19/04/2017	real estate mortgage to the amount of PLN 1.369 thousand (real estate in Kowary at Jeleniogórska street and in Wrocław at Pilczycka street); assignment of rights from insurance policy of the real estate; authorization for disposing cash in a current account; a blank promissory note
BGŻ SA	2 000	0	WIBOR 1M + 2,5 %	30/12/2014	real estate mortgage to the amount of PLN 24.000 thousand (real estate in Pilczycka Street, Wroclaw) with assignment of rights from insurance policy of the real estate; registered pledge on the claim from contracts between PCZ Kowary Sp.z o.o and NHF; authorization for disposing cash in a current account; a blank promissory note of Issuer's issue with a promissory note declaration
BGŻ SA	13 448	11 176	WIBOR 3M + 2,5 %	30/07/2019	real estate mortgage to the amount of PLN 24.000 thousand (real estate in Pilczycka Street, Wroclaw) with assignment of rights from insurance policy of the real estate; registered pledge on the claim from contracts between PCZ Kowary Sp.z o.o and NHF; authorization for disposing cash in a current account; a blank promissory note of Issuer's issue with a promissory note declaration
Bank Pekao SA	660	254	WIBOR 1M + 3%	31/05/2014	bail mortgage to the amount of PLN 1.300 thousand (real estate – 35 Armia Krajowa street, 82 Gwarków street) with assignment of rights from insurance policy of the real estate, a blank promissory note, assignment of claims from contracts due to rendering services for NHF, declaration about submitting to enforcement, authorization for disposing cash in a current account
BGŻ SA*	9 000	4 432	WIBOR 3M + 2,5%	31/12/2020	total bail mortgage to the amount of PLN 13.500 thousand (real estate: 15, 15a Sanatoryjna street with hospital buildings) with assignments of rights from insurance policy of the real estate being the credit security; registered pledge on receivables from contracts due to benefits between PCZ and NHF; a blank promissory note with a promissory note declaration
PBS Kwidzyn	1 200	80	WIBOR 3M +1,5%	15/12/2014	Powiat Kwidzyński quarantee
PBS Kwidzyn	403	403	WIBOR 1M +2,49%	30/10/2019	Kwidzyński City and Poviat quarantee, a blank promissory note with a promissory note declaration, declaration about submitting to enforcement under the art. 97 of the Bank Law, the power of attorney due to disposing cash in a current account shall be irrecoverable

(in PLN thousand)

Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej	869	869	WIBOR 3M +0,5%	20/12/2021	a blank promissory note bearing a clause 'no protest' (with a promissory note declaration) for securing the repayment of loan, interest due to rate, and interest due as for the contract and counting in the same amount what tax arrears
Spółdzielcza Grupa Bankowa SA – the agent of issuance (bonds)	7 000	7 028	Wibor 6M + 3,5%	13/08/2017	bail mortgage to the amount of PLN 10.500 thousand (real estate in Świebodzice - the owner is a subsidiary undertaking Mikulicz Sp.z o.o with its register seat in Świebodzice)
Piotr Gerber	2 905	9	7,41%	31/01/2014	-
Total credits, loans, and bonds	**66 822**	**45 505**			

*as at 31/12/2013 the credit was partially used

As at 31/12/2012

Bank	Credit/loan/bonds amount acc. to the contract	Credit/loan/bonds amount still to be repaid	Interest rate conditions	Repayment date	Securities
Bank Pekao SA	5 722	2 269	WIBOR 1M +2,2 %	31/10/2016	mortgage to the amount of PLN 5.722 thousand, bail mortgage to the amount of PLN 2.804 thousand (1st entry) – a hospital in Ząbkowice, assignment of rights from contracts due to rendering services for NHF a hospital in Ząbkowice, assignment of rights from the contract of insurance,), a blank promissory note of Issuer's issue with a promissory note declaration, authorization for disposing cash in a current account of the Issuer
Bank Pekao SA	3 500	3 445	WIBOR 1M +2,5 %	23/01/2013	bail mortgage to the amount of PLN 5.200 thousand (real estate in Kowary at Jeleniogórska Street 14c) with assignment of rights from insurance policy of the real estate, assignment of claims from contracts due to rendering services for NHF (for St. Antoni hospital in Ząbkowice Śląskie), a blank promissory note of Issuer's issue with a promissory note declaration, authorization for disposing cash in a current account of the Issuer (leading by the bank), declaration about submitting to enforcement

(in PLN thousand)

DnB Nord	19 202	17 200	WIBOR 3M + 1,7 %	31/07/2026	registered pledge to the amount of PLN 30.000 thousand due to Cadolto modules, authorization for disposing cash in a current account of the Issuer, taking on a debt of EMC Piaseczno Sp. z o.o., assignment of claims from contracts due to rendering services for NHF or another unit from EMC Group in the amount of not less than PLN 40.000 thousand; subordinating liabilities due to Piotr Gerber; assignment of claims from the insurance contract; declaration about submitting to enforcement
BGŻ SA	2 000	268	WIBOR 1M + 2,5 %	30/10/2013	real estate mortgage to the amount of PLN 24.000 thousand (real estate in Pilczycka Street, Wroclaw) with assignment of rights from insurance policy of the real estate; registered pledge on the claim from contracts between PCZ Kowary Sp.z o.o and NHF; authorization for disposing cash in a current account of the Issuer; a blank promissory note of Issuer's issue with a promissory note declaration
BGŻ SA	13 448	13 251	WIBOR 3M + 2,5 %	30/07/2019	real estate mortgage to the amount of PLN 24.000 thousand (real estate in Pilczycka Street, Wroclaw) with assignment of rights from insurance policy of the real estate; registered pledge on the claim from contracts between PCZ Kowary Sp.z o.o and NHF; authorization for disposing cash in a current account of the Issuer; a blank promissory note of Issuer's issue with a promissory note declaration
Spółdzielcza Grupa Bankowa SA – agent emisji (obligacje)	7 000	7 037	WIBOR 6M + 3,5%	13/08/2017	bail mortgage to the amount of PLN 10.500 thousand (real estate in Świebodzice - the owner is a subsidiary undetaking Mikulicz Sp.z o.o with its register seat in Świebodzice)
Bank Pekao SA	1 300	201	WIBOR 1M + 2%	26/11/2013	bail mortgage to the amount of PLN 1.300 thousand (real estate – 35 Armia Krajowa street, 85 Gwarków street), total bail mortgage to the amount of PLN 715 thousand (real estates mentioned above, due to interest), assignment of rights from real estate insurance against fire and another misfortune (outpatient clinics: 1 and 3)
Bank Pekao SA	760	129	WIBOR 1M + 3%	31/05/2013	bail mortgage to the amount of PLN 1.300 thousand (real estate – 35 Armia Krajowa street, 85 Gwarków street) with the assignments of rights, a blank promissory note, assignment of rights from contracts due to rendering services for NHF, declaration about submitting to enforcement, authorization for disposing cash in a current account of the Issuer

(in PLN thousand)

BGŻ SA*	9 000	0	WIBOR 3M + 2,5%	31/12/2019	total bail mortgage to the amount of PLN 13.500 thousand (real estate: 15, 15a Sanatoryjna street with hospital buildings) with assignments of rights; registered pledge on receivables from contracts due to benefits between PCZ and, a blank promissory note of Issuer's issue with a promissory note declaration
Piotr Gerber	2 905	662	7,41%	31/01/2014	-
Total credits, loans, and bonds	**64 837**	**44 462**			

*as at 31/12/2013 the credit was not used

On 22 January of 2013 the Issuer signed the annex due to a credit contract with the bank PKO S.A. with its register seat in Warsaw (a current report no.7/2013). The contract concerned giving the revolving credit in a current account. On the basis of the annex the maturity date was prolonged as at 23 January 2014. Other important conditions of the credit contract did not change.The information about signing the annex was presented in a current report no. 7/2013 on 22nd January of 2013.

On 12th February of 2013 the annex to a credit contract with the bank DnB NORD Polska Spółka Akcyjna with its register seat in Warsaw was signed. The Issuer informed about the contract in a current report no. 90/2011 on 3th August of 2011. The contract concerned the investment credit in the amount of PLN 20.000 thousand. On the basis of the annex one of credit guarantees changed – decreasing the Issuer's liabilities towards the President of the Management Board (Piotr Gerber) to the amount of PLN 600 thousand. The other important conditions of the credit contract did not change. The information about the annex was included in a current report no. 19/2013 on 12th February of 2013.

On 10th April of 2013 a subsidiary undertaking 'Powiatowe Centrum Zdrowia Sp.z o.o.' in Kowary signed a contract with the Bank Gospodarki Żywnościowej SA with its register seat in Warsaw activating an investment credit in a company PCZ Sp.z o.o. Kowary. The credit in the amount of PLN 9000 thousand with a maturity date on 31st December of 2019 will be allocated in financing investment expenditures in a hospital in Kowary. The interest rate of the credit is WIBOR 3M+ 2,5 percentage points. The information about the contract was included in a current report no. 30/2013 on 11th April of 2013.

On 31st December of 2013 a subsidiary undertaking 'Powiatowe Centrum Zdrowia Sp.z o.o.' in Kowary signed an annex to the credit contract with the Bank Gospodarki Żywnościowej SA with its register seat in Warsaw. On the basis of the annex the term of using the credit was prolonged (up to 31st December of 2014). The other important conditions of the credit contract did not change. The information about the annex was included in a current report no. 120/2013 on 31st December of 2013.

On 19th April of 2013 the Issuer signed an investment contract in the amount of PLN 912,5 thousand with the Bank Gospodarki Żywnościowej SA with its register seat in Warsaw. The credit was allocated in the purchase of real estate in Kowary that will be used in the scope of conducting a Health-Care Institution after modernization. The interest rate is WIBOR 3M+2,5 percentage points. The maturity date is 19th April of 2017. The information about the contract was included in a current report no. 36/2013 on 19th April of 2013.

On 29th October 2013 the Issuer signed the annex to the contract of a current credit in a current account with the Bank Gospodarki Żywnościowej SA with its register seat in Warsaw. On the basis of the annex the term of credit repayment was changed, and it was prolonged (2 months) for 30th December of 2013 due to technical reasons. The other conditions of a credit contract were not changed. The information about the annex was included in a current report no. 100/2013 on 30th October of 2013.

(in PLN thousand)

On 24th December of 2013 the Issuer signed the annex to the current credit contract in a current account with the Bank Gospodarki Żywnościowej SA with its register seat in Warsaw. On the basis of the annex the term of credit repayment was changed, and it was prolonged for 30th December of 2013. The other conditions of a credit contract were not changed. The information about the annex was included in a current report no. 119/2013 on 28th December of 2013.

As at 31st December of 2013 the Group did not slightly fulfill the part of financial conditions (ratios) included in the following credit contracts:

Bank	Type of a credit	The amount of credit/ loan acc. to a contract	The amount of credit to be paid as at 30th June 2013	Interest rate conditions	Maturity date
BGŻ SA	An investment credit	9 000	4 432	WIBOR 3M + 2,5 %	31/12/2020
BGŻ SA	An investment credit	913	761	WIBOR 3M + 2,5 %	19/04/2017
BGŻ SA	An investment credit	13 448	11 176	WIBOR 3M + 2,5 %	30/07/2019

As for not fulfilling contractual conditions and in accordance with the article 69 of IAS 1 the Company assigned a long-term part of the investment credit in the amount of PLN 14.040 thousand to short-term liabilities.

Loans

On 25th September of 2013 the Issuer signed a loan contract with CareUp B.V. with its register seat in Amsterdam. The contract regulates rights and obligation of the parties in case of taking a loan and it enables the Issuer to be granted in the amount of not bigger than PLN 17.000 thousand. The interest rate of the loan was set in the amount of the sum of WIBOR-1M rate from the last but one of a workday before the beginning of a calendar month in which the loan was granted. The margin was set as stable in the amount of three points. The date of loan payment should be not later than on 31st December of 2015. The information was presented in a current report no. 94/2013.

On the basis of the loan contract the Issuer on 25th September of 2013 requested for loan in the amount of PLN 5.600 thousand. The transfer of money was on 27th September of 2013. On 9th December of 2013 the Issuer asked for the loan in the amount of PLN 5.100 thousand. The transfer of money was on 12th December of 2013. The goal of the loans constituted investment purposes and current improvement of the Group’s liquidity.

On 20th December of 2013 the annex to the loan contract between the Issuer and CareUp B.V. with its register seat in Amsterdam. The information was included in a current report no. 115/2013 on 20th December of 2013. Due to the annex, the intention of the loan contract parties is the fact that before the maturity date the claim due to the loans granted by CareUp B.V. will be changed to the share capital of the Issuer.

(in PLN thousand)

On 20th December of 2013 the compensate contract between the Issuer and CareUp B.V. with its register seat in Amsterdam. The information about the contract was included in a current report no. 115/2013 on 20th December of 2013. On the basis of the contract the Issuer's liabilities towards CareUp B.V. due to the loan with interest (totally PLN 10.780 thousand) were deducted from the claim of the Group against CareUp B.V. due to taking up H series stocks by CareUp B.V.

34. Reserves

34.1 Change of the reserve state

As at 31/12/2013

Item		Description	Retirement benefits and similar ones	For patients' claims	For other future liabilities	Total
		Long-term				
I.		Reserve value at the beginning of the period	956	1 311		2 267
	1.	increase due to	1 673	337		2 010
	a)	acquiring a subsidiary undertaking (a note no. 5.1)	1 114			1 114
	b)	creation	451	337		788
	c)	adjusting a discount rate	108			108
	2.	decrease due to	136			136
	a)	finishing an unnecessary reserve	115			115
	b)	reclassification	72			72
	c)	adjusting a discount rate	-51			-51
II.		**Reserve value at the end of the period**	2 493	1 648		4 141
		Short-term				
I.		Reserve value at the beginning of the period			66	66
	1.	increase due to	523	675	204	1 402
	a)	acquiring a subsidiary undertaking	162	623	124	909
	b)	creation	289	52	80	421
	c)	reclasification	72			72
	2.	decrease due to	238		66	304
	a)	usage	6		33	39
	b)	finishing an unnecessary reserve	232		33	265
II.		**Reserve value at the end of the period**	285	675	204	1 164

(in PLN thousand)

As at 31/12/2012

Item	Description	Retirement benefits and similar ones	For patients' claims	For other future liabilities	Total
	Long-term				
I.	Reserve value at the beginning of the period	859	0	0	859
1.	increase due to	172	1 311		1 483
a)	creation	172			172
b)	reclassifications		1 311		1 311
2.	decrease due to	75			75
a)	usage	12			12
b)	finishing an unnecessary reserve	63			63
c)	reclassifications				0
II.	**Reserve value at the end of the period**	956	1 311	0	2 267
	Short-term				
I.	Reserve value at the beginning of the period		1 175	105	1 280
1.	increase due to		139	195	334
a)	creation		139	192	331
b)	reclassifications			3	3
2.	decrease due to		1 314	234	1 548
a)	usage			6	6
b)	finishing an unnecessary reserve			184	184
c)	reclassifications		1 314	44	1 358
II.	**Reserve value at the end of the period**	0	0	66	66

35. Liabilities due to deliveries and services, other liabilities and prepayments and accruals

35.1 The other liabilities (long-term)

Long-term liabilities	As at	
	31/12/2013	31/12/2012
- settlement with NHF (concerning 'Zdrowie' Sp. z o.o.)	699	
- settlement with PFRON (concerning PCZ Kowary Sp. z o.o.)		85
- liability due to a final payment amount for shares in a company 'Zdrowie' Sp. z o.o.	6 800	
- evaluation of the liability due to a final payment for shares in a company 'Zdrowie' Sp. z o.o.	-415	
- liability due to using shares in a company 'Zdrowie' Sp. z o.o.	516	

(in PLN thousand)

- evaluation of the liability due to using shares in a company 'Zdrowie' Sp. z o.o.	-55	
Total	**7 545**	**85**

35.2 Liabilities due to deliveries and services and other liabilities (short-term)

Short-term liabilities	As at	
	31/12/2013	31/12/2012
due to deliveries and services	13 205	13 794
liabilities due to CIT	185	198
other liabilities including:	8 072	6 974
- due to VAT	10	230
- due to ZUS	2 943	2 907
- due to PIT	869	733
- due to PFRON	129	206
- tax due to real estates	5	1
due to renumeration	2 875	2 801
- liability due to subsidy return from the Marshal Office in Gdańsk	267	
- settlement with NHF	689	
- liability due to leasing shares in a company 'Zdrowie' Sp. z o.o	148	
- others	137	96
Total	**21 462**	**20 966**

Principles and payment conditions of mentioned financial liabilities:
Liabilities due to deliveries and services are not interest bearing and they are usually settled in terms of 21 days.
Other liabilities are not interest bearing.

35.3 Prepayments revealed in liabilities

Prepayments and passive prepayments	As at	
	31/12/2013	31/12/2012
Long-term prepayments, including:	**5 222**	**468**
Donations for buying fixed assets	3 500	424
Settling tangible fixed assets received free of charge	1 165	
The others	557	44
Short-term prepayments, including:	**2 895**	**1 666**
Donations for buying fixed assets	559	42
Settling tangible fixed assets received free of charge	220	0

(in PLN thousand)

Reserves for not used holiday	1 952	1 624
Others	164	
Total	**8 117**	**2 134**

36. Reasons for differences between balance changes of some items and changes resulting from a cash flow statement

	Description	As at 31/12/2013	As at 31/12/2012
Receivables	**A balance change of short-term and long-term receivables**	**-3 033**	**-480**
	Taking control under a company 'Zdrowie' Sp. z o.o.	3 389	
	A change of receivables change in a cash flow statement	**356**	**-480**
Liabilities	**A balance change of operating liabilities excluding loans and credits**	**7 497**	**3 548**
	Liabilities due to financial leasing	472	-358
	Taking control under a company 'Zdrowie' Sp. z o.o.	-12 569	
	A change of investment liabilities	184	132
	A change of operating liabilities in a cash flow statement	**-4 416**	**3 322**
Inventories	**A balance change of inventories**	**-758**	**102**
	Taking control under a company 'Zdrowie' Sp. z o.o.	485	
	A balance change of inventories state in a cash flow statement	**-273**	**102**
Reserves	**A balance change of reserves**	**2 972**	**194**
	Taking control under a company 'Zdrowie' Sp. z o.o.	-2 231	
	Eliminating the change of reserves state included in comprehensive income	- 159	
	Reserves for not used holiday – the result of previous years		
	A balance change of reserves state in a cash flow statement	**582**	**194**
Prepayments	**A balance change of prepayments**	**6 503**	**-281**
	Taking control under a company 'Zdrowie' Sp. z o.o..	-3 301	
	Costs of obtaining capital incurred in previous years	-806	
	A change of prepayments in a cash flow statement	**2 396**	**-281**
Other adjustments	Commisions on credits paid	59	
	Elimination of evaluating bonds	55	
	Other adjustments in a cash flow statement	**114**	
Podatek dochodowy zapłacony	**A balance change of liabilities due to income tax**	**-13**	**-14**
	Income tax for a given year	-1 022	-681

(in PLN thousand)

	Income tax paid in a cash flow statement	**-1 035**	**-695**
Expenditures on acquiring financial assets in related parties	The amount paid for shares in a company 'Zdrowie' Sp. z o.o.	1 247	
	Cash in a company 'Zdrowie' Sp. z o.o. as at the day of taking control	-473	
	Expenditures on acquiring financial assets in related parties	**774**	

37. Investment liabilities

The Issuer was obliged to incur investment expenditures resulting from the following investment contracts:

1) The contract of buying shares of Jelenia Góra Poviat in PCZ Kowary Sp. z o.o. on 5th December of 2008. Total liability resulting from the contract amounted to PLN 18.500,00. The maturity date was in December of 2012. On 17th December of 2012 the annex 1 due to the contract of selling shares of Jelenia Góra Poviat in PCZ Kowary Sp. z o.o. was signed. The annex prolongs the investment period in which EMC Instytut Medyczny SA is obliged to realize guarantee investments until the end of a year 2013. Additionally, according to contract shalls the period may be prolonged by further 12 months.
As at 31/12/2013 the Issuer increased the capital in a company PCZ Kowary Sp. z o.o. by PLN 8.000 thousand; PLN 9.000 thousand was guaranteed with external financing. External financing enables to successive modernization of a hospital that is the element of investment liabilities. As at the day of compiling a given financial statement, the credit usage is in the amount of PLN 4.432 thousand.

2) The contract with Katowice City on 8th January of 2009 – the Issuer was obliged to build (on the land belonging to a subsidiary undertaking EMC Silesia Sp. z o.o.) a new hospital ward with a rehabilitation-training part and equipment in the objects.

Initially estimated investment value amounted to PLN 10.648,00 thousand. The date of realizing will have been 12 months since the first entry in a construction log with the possibility of prolonging by further 6 months. As at 31/12/2013 the Issuer's investment value (made so as to realize the investment of increasing equity of EMC Silesia Sp.z o.o.) in the form of contribution in kind or cash amounts PLN 11.130 thousand. In August of 2013 the hospital building was begun. Completing investment is planned for the third quarter of 2014.

3) On 31st May of 2013 the Issuer signed an initial contract of purchasing and using shares in a company "Zdrowie" Sp. z o.o. with a Kwidzyński poviat, Kwidzyn city, PEC sp. z o.o. in Kwidzyn, and PWiK sp. z o.o. As a result of the agreement, the Issuer will be using for 5 years 87,4867% of shares of "Zdrowie" Sp. z o.o. owned by the Sellers. After this period, until 1st June of 2018, a final contract of purchasing shares will be signed. As a result, the Issuer will possess the shares used before. On 29th May of 2013 the Issuer paid the advance that shall be included in the selling price in the amount of PLN 2000 thousand for each Seller proportionally to the number of shares.

As at the day of compiling a given financial statement the Board of Management does not perceive the threat of not realizing mentioned liabilities.

38. Conditional liabilities

The Group does not possess any guarantees granted for entities beyond the Group.

(in PLN thousand)

38.1 Lawsuits

The following important law suits are pending:
- before a court of appeal in Wroclaw against a subsidiary undertaking Mikulicz Sp. z o.o. as the statement of patient's claim for compensation due to malpractice. In a current proceeding the evidence of the expert opinion is not useful for a Company. The event has occurred before acquiring the company by the Issuer.
- before a provincial court in Gdańsk against a subsidiary „Zdrowie" Sp. z o.o. as the statement of parents' claim for compensation due to malpractice. In a current proceeding the evidence of the expert opinion is useful for a Company. The event has occurred before acquiring the company by the Issuer.
- before a provincial court in Gdańsk against a subsidiary „Zdrowie" Sp. z o.o. as the statement of parents' claim for compensation due to malpractice. In a current proceeding the evidence of the expert opinion is not useful for a Company. The event has occurred before acquiring the company by the Issuer.

The reserves for potential claims due to the events having been mentioned were created. The reserves are included in the item 'long-term reserves for patients' claims' as it was presented in a note no. 34.1.

38.2 Tax settlements

Nowadays there is not tax control in the Group.

Tax settlements and other areas of activities being under regulation (i.e. custom or foreign currency matters) can be the subject of control by administrative bodies that are entitled to give penalties. Contemporary rules contain also ambiguity that causes differences in opinions about legal interpretation of tax regulations both between national bodies and between national bodies and enterprises. Established additional amounts of liabilities as a result of control must be paid with interest. It causes that tax risk in Poland is higher than in countries with a developed tax system.

Tax settlements can be under control in the period of 5 years. As a result, amounts revealed in a financial statement can be changed later after final establishment of their amounts (by tax audit agencies). As a result of control current tax settlements of the Group can be increased by additional tax liabilities. As at 31 December 2011 there were not premises for creating reserves for recognized and countable tax risk.

39. Information about related entities

As at 31/12/2013

The side of transactions	Purchase of services	The amount of a transaction in a period	The balance as at 31/12/2013
Start Management Piotr Gerber Matylda Gerber Spółka Cywilna	Leasing the real estate of an outpatient clinic at Pilczycka street in Wrocław	659	
Start Management Piotr Gerber Matylda Gerber Spółka Cywilna	Reinvoice-fees due media	51	
Total Start Management Piotr Gerber Matylda Gerber s.c.		**710**	**0**
Dentistry study, dr. n. med. Hanna Gerber	**Dentistry services**	**1**	**0**
CareUp B.V.	**Loan**	**12 300**	**0**

(in PLN thousand)

	Total	**13 011**	**0**

As at 31/12/2012

The side of transactions	Purchase of services	The amount of a transaction in a period	The balance as at 31/12/2012
Start Management Piotr Gerber Matylda Gerber Spółka Cywilna	Leasing the real estate of an outpatient clinic at Pilczycka street in Wrocław	659	
Start Management Piotr Gerber Matylda Gerber Spółka Cywilna	Reinvoice-fees due media	42	
Total Start Management Piotr Gerber Matylda Gerber s.c.		**701**	**0**
Dentistry study, dr. n. med. Hanna Gerber	**Dentistry services**	**6**	**2**
Piotr Gerber	**Loan**		**662**
	Total	**707**	**664**

39.1 A dominant unit of the Group

In accordance with the changes of shareholding in a year 2013, a dominant unit of the Group as at 31st December of 2013 was CareUp B.V. that with its subsidiary undertaking Soporto Invest B.V. It was the owner of 70,22% Issuer's stocks (with taking into account H series). CareUp B.V. belongs to the group Svet Zdravia Holdings Limited for which a dominant unit is Penta Investments Group Limited.

39.2 An undertaking with significant impact on the Group

As at 31/12/2013 the PZU Group was the owner of 28,58% Issuer's shares (with taking into account H series).

39.3 Conditions of transactions with related entities

Transactions with related undertakings were made under market conditions.

39.4 Other transactions with contribution of members of the Management Board

In a year 2013 the shares of Piotr Gerber (possessing 7,87% shares in share capital) were automatically redeemed in a subsidiary undertaking ZP Formica Sp. z o.o. from the profit in the amount of PLN 375 thousand.

Moreover, in a year 2013 the Issuer finally paid the loan granted by Piotr Gerber in the amount of PLN 662 thousand.

39.5 Salaries of top management of the Group

39.5.1 Salaries paid or receivable to members of the Board of Management and to members of the Supervisory Board

Salaries of the members of managing and supervising bodies due to management and other functions in the companies were as follows:

(in PLN thousand)

Salaries in a dominant unit	As at 31/12/2013	As at 31/12/2012
Board of Management	1 366	1 266
Supervisory Board	76	27
Scientific Staff	72	72
Total salaries	**1 514**	**1 365**
Salaries in subsidiaries undertakings	**1 591**	**1 557**
Total	**3 105**	**2 922**

Salaries of the members of the Management Board in a dominant unit:

Name and surname	31/12/2013	31/12/2012
The President of Management Board – Piotr Gerber	420	395
The Vice-President of Management Board – Krystyna Wider – Poloch	368	357
The Member of Management Board – Józef Tomasz Juros	307	300
The Member of Management Board – Zdzisław Andrzej Cepiel*	271	214
Total compensation	**1 366**	**1 266**

* in the Management Board of EMC Instytut Medyczny SA since 01st June of 2012

The salaries of the members of the Management Board of subsidiary undertakings

Name and surname		31/12/2013	31/12/2012
Krystyna Wider – Poloch	The President of Management Board Mikulicz Sp.z o.o.	24	24
Józef Tomasz Juros	The President of Management Board EMC Silesia Sp.z o.o.	36	36
Józef Tomasz Juros	The President of Management Board EMC Piaseczno Sp.z o.o.	24	24
Total compensation		**84**	**84**

The salaries of the members of the Supervisory Board of EMC Instytut Medyczny SA

Name and surname	31/12/2013	31/12/2012
Hanna Gerber	15	3
Aleksandra Żmudzińska	9	6
Danuta Smoleń	9	6
Jacek Łopatniuk	5	6
Marek Michalski	3	
Witold Paweł Kalbarczyk	6	3
Marcin Szuba	3	3

(in PLN thousand)

Vaclav Jirku	6	
Waldemar Krzysztof Kmiecik	6	
Eduard Maták	3	
Michał Wnorowski	7	
Artur Smolarek	4	
Total compensation	**76**	**27**

Additionally, in 2013 Hanna Gerber due to the function of the President of Scientific Staff of the Group EMC SA received compensation in the amount of PLN 72 thousand (per year).

40 Information about remuneration of an independent statutory auditor or the entity entitled to audit financial statements

Company	An entity entitled to audit financial statements	A type of report	The date of signing a contract in 2011 and 2012	Compensation	
				2012	2013
EMC IM SA	Ernst & Young Audit Sp. z o.o.	Annual unitary and consolidated	3rd August 2012	85	
		A review of a unitary semi-annual statement		45	
	Ernst & Young Audyt Polska Sp. z o.o. Sp. k. (earlierj: Ernst & Young Audit Sp. z o.o.),	Annual unitary and consolidated	12th July 2013		85
		A review of a unitary semi-annual statement			45
			Total	**130**	**130**
EMC Piaseczno Sp. z o.o.	Ernst & Young Audit Sp. z o.o.	Annual unitary	19th October	24	
	Ernst & Young Audyt Polska Sp. z o.o. Sp. k. (earlier: Ernst & Young Audit Sp. z o.o.),	Annual unitary	30th September 2013		24
			Total	**24**	**24**
PCZ Kowary Sp. z o.o	Ernst & Young Audit Sp. z o.o.	Annual unitary	2nd October 2012	15	
	Ernst & Young Audyt Polska Sp. z o.o. Sp. k. (wcześniej: Ernst & Young Audit Sp. z o.o.),	Annual unitary	30th September 2013		15
			Total	**15**	**15**
„Zdrowie" Sp. z o.o.	Ernst & Young Audyt Polska Sp. z o.o. Sp. k. (wcześniej: Ernst & Young Audit Sp. z o.o.),	Annual unitary	21st October 2013		29
			Total		**29**

EMC Silesia Sp. z o.o.	Ernst & Young Audyt Polska Sp. z o.o. Sp. k. (wcześniej: Ernst & Young Audit Sp. z o.o.),	Annual unitary	30th September 2013	12
			Total	**12**

The amounts are net, invoices are increased by VAT.

41. Goals and principles of managing financial risk

The main financial instruments include bank credits, bonds, financial leasing contracts, cash, and short-term deposits. The main goal of these financial instruments is to obtain cash for activities of the Group. The Group possesses also other financial instruments such as receivables and liabilities due to deliveries and serviced that are created directly in the process of running activities.

The rule used by the Group presently and during the whole period including financial statements is not to make turnover of financial instruments.

The main types of risk resulting from financial instruments of the Group include: interest rate risk, liquidity risk, currency risk, and credit risk. The Board of Management verifies and discusses the rules of managing each type of risks.

Interest rate risk

Exposure of the Company to market risk caused by changes of interest rates concerns mainly short-term and long-term credits and corporate bonds, next it concerns the liabilities resulting from financial leasing contracts.

The Company does not protect interest rates by means of derivative financial instruments.

	Increase / decrease by % points	Impact on a gross financial result
As at 31/12/2013		
PLN thousand	+1%	-329
	-1%	329
As at 31/12/2012		
PLN thousand	+1%	-383
	-1%	383

41.1 Currency risk

The Company is exposed to currency risk due to transactions made. The risk is created as a result of making a sale or purchase transaction by an operating unit in currencies different than currency of evaluation. In a given period transactions in foreign currencies were incidental and they did not constitute important value in activities of the Company.

41.2 Risk of goods' prices

According to the specificity of activities (mainly rendering medical services) the Group is not exposed to the risk of goods' prices.

41.3 Credit risk

(in PLN thousand)

The Group makes transactions only with reputable companies with good creditworthiness. All customers that desire use trade credits are verified. Moreover, exposure to the risk of non-collectible receivables is slight owing to constant current monitoring of the receivables state. The main contractor-NHF is a certain and solvent payer.

In reference to other financial assets of the Group such as cash and its equivalent credit risk of the Group is created as a result of impossibility of paying by the other side of a contract and maximum exposure to this risk is equivalent to balance value of these instruments.

41.4 Liquidity risk

The Group monitors the risk of a lack of funds by means of periodic planning liquidity. This tool takes into consideration the maturity dates of both investments and financial assets (i.e. book entries of receivables, book entries of the other financial assets) and forecasted cash flows from an operating activity.

The goal of the Group is to keep balance between continuity and flexibility of financing by using different sources of financing like credits in a current account, bank credits, bonds, financial leasing contracts. The table below presents financial liabilities of the Group as at 31st December of 2013 and 31st December of 2012 due to maturity dates on the basis of contractual non-discounted payments.

31/12/2012	For a task	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Interest bearing credits, loans, and leasing	17 990	1 422	3 523	13 775	11 733	48 443
Liabilities due to deliveries and services	4 737	8 317	151			13 205
Bonds		219	216	8 305		8 740
The other liabilities		3 442	674	7 545		11 661
	22 727	13 400	4 564	29 625	11 733	82 049

As at 31st December of 2013 the Group did not slightly fulfill the part of financial conditions (ratios) included in the credit contracts with the bank BGŻ. As for not fulfilling contractual conditions and in accordance with the article 69 of IAS 1 the Company assigned a long-term part of the investment credit in the amount of PLN 14.040 thousand to short-term liabilities.

31/12/2012	For a task	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Interest bearing credits, loans, and leasing		2 495	6 099	27 250	16 673	52 517
Liabilities due to deliveries and services	4 929	8 859	2	4		13 794
Bonds		303	300	9 421		10 024
The other liabilities		2 896				2 896
	4 929	14 553	6 401	36 675	16 673	79 231

As at 31st December of 2013 the Issuer exceeded two pointed by BGŻ borderline values of financial ratios, consequently a liability in the amount of PLN 11.151 thousand resulting from the investment credit contracts (due in installments until 30th July of 2019) was presented in the part of short-term liabilities in a financial statement as at 31st December of 2013.

(in PLN thousand)

42. Financial instruments

42.1 Fair value of particular classes of financial instruments

The table below presents the comparison of balance value and fair value of all financial instruments of the Group in the dimension of particular classes and categories of assets and liabilities.

	Balance value		Fair value	
	31/12/2013	**31/12/2012**	**31/12/2013**	**31/12/2012**
Financial assets:	**76 731**	**25 526**	**76 731**	**25 526**
The other financial assets:	**76 731**	**25 526**	**76 731**	**25 526**
Long-term:		0		0
Short-term:	76 731	25 526	76 731	25 526
Receivables due to deliveries and services	16 814	13 910	16 814	13 910
The other receivables	232	92	232	92
Cash	59 685	11 524	59 685	11 524
Financial liabilities	**73 686**	**65 024**	**73 686**	**65 024**
Interest bearing credits, loans, and bonds, including:	**45 505**	**44 462**	**45 505**	**44 462**
Long-term interest bearing due to a changeable rate	23 800	24 402	23 800	24 402
Long-term interest bearing due to a stable rate		662		662
In a current account	3 120	3 842	3 120	3 842
Short term:	18 585	15 556	18 585	15 556
The other long-term liabilities including	**9 181**	**2 484**	**9 181**	**2 484**
Liabilities due to financial leasing	1 636	2 399	1 636	2 399
The others	7 545	85	7 545	85
The other long-term liabilities including	**19 000**	**18 078**	**19 000**	**18 078**
Liabilities due to financial leasing	1 679	1 388	1 679	1 388
Liabilities due to deliveries and services	13 205	13 794	13 205	13 794
The others	4 116	2 896	4 116	2 896

42.2 The items of revenues, costs, profits and losses included in an income statement in the dimension of financial instruments categories

(in PLN thousand)

As at 31/12/2013

	Revenues / (costs) due to interest	Profits/ (losses) due to exchange rates differences	Finishing /(creating) revaluation write-offs	Profits/ (losses) due to evaluation	The others	Total
Financial assets:	**172**	**(17)**	**(288)**			**(133)**
The other financial assets:	**172**	**(17)**	**(288)**			**(133)**
Long-term:						
Short-term:	172	(17)	(288)			**(133)**
Receivables due to deliveries and services		(14)	(288)			**(302)**
The other receivables						
Cash	172	(3)				**(169)**
Financial liabilities	**(2 838)**			**(111)**		**(2 949)**
Interest bearing credits, loans, and bonds, including:	**(2 366)**			**(111)**		**(2 477)**
Long-term interest bearing due to a changeable rate	(2 220)			(111)		(2 331)
Long-term interest bearing due to a stable rate	(121)					(121)
In a current account	(25)					(25)
The other long-term liabilities including	**(472)**					**(472)**
Liabilities due to financial leasing	(260)					(260)
Liabilities due to deliveries and services	(99)					(99)
The others	(113)					(113)

As at 31/12/2012

	Revenues / (costs) due to interest	Profits/ (losses) due to exchange rates difference s	Finishing /(creating) revaluation write-offs	Profits/ (losses) due to evaluation	The others	Total
Financial assets:	**368**	**75**	**(1 846)**	**0**	**0**	**(1 403)**
The other financial assets:	**368**	**75**	**(1 846)**			**(1 403)**
Long-term:						
Short-term:	368	75	(1 846)			**(1 403)**
Receivables due to deliveries and services		72	(1 846)			**(1 774)**
The other receivables						
Cash	368	3				**371**
Financial liabilities	**(3 606)**	**0**	**0**	**0**	**0**	**(3 606)**
Interest bearing credits, loans, and bonds, including:	**(3 080)**					**(3 080)**
Long-term interest bearing due to a changeable rate	(2 982)					(2 982)

(in PLN thousand)

Long-term interest bearing due to a stable rate	(57)					(57)
In a current account	(41)					(41)
The other long-term liabilities including	**(526)**	**0**	**0**	**0**	**0**	**(526)**
Liabilities due to financial leasing	(318)					(318)
Liabilities due to deliveries and services						
The others	(208)					(208)

42.3 Interest rate risk
As at 31/12/2013

Fixed interest	<1 year	1-3 years	3-5 years	>5 years	Total
Loans from related entities	96	230	230	323	879
	96	230	230	323	879

Variable interest	<1 rok	1-3 lata	3-5 lat	>5 lat	Ogółem
Credits in a current account	3 120				3 120
Investment credits	18 321	3 807	2 720	9 630	34 478
Bonds	168		6 860		7 028
Liabilities due to financial leasing	1 679	1 636			3 315
	23 288	5 443	9 580	9 630	47 941

As at 31/12/2012

Fixed interest	<1 year	1-3 years	3-5 years	>5 years	Total
Loans from related entities	0	662	0	0	662
	0	662	0	0	662

Variable interest	<1 year	1-3 years	3-5 years	>5 years	Total
Credits in a current account	3 842	0	0	0	3 842
Investment credits	15 324	3 744	3 053	10 800	32 921
Bonds	232	0	6 805	0	7 037
Liabilities due to financial leasing	1 388	2 103	296	0	3 787
	20 786	5 847	10 154	10 800	47 587

The Group regards that interest amounts due to cash on bank accounts constitute not important value. Consequently, cash assets on bank accounts are not subject to significant interest rate risk.

43. Managing capital

(in PLN thousand)

The main goal of managing capital is to keep good credit rating and safe capital rates that could support an operating activity of the Group and could increase value for shareholders.

The Group manages a capital structure and makes changes in the structure as a result of changes of economic conditions. In order to keep or correct a capital structure, the Group can change dividends payment for shareholders, return capital for shareholders or issue new shares. As at 31st December of 2013 and as at 31st December of 2011 none changes in goals, principles and processes in this area were not implemented.

The Group monitors a capital state using a leverage ratio that is counted as net debt divided into capital sum increased by net debt. Net debt includes interest bearing credits and loans, liabilities due to deliveries and services and other liabilities decreased by cash and cash equivalent. Capital includes alternative privilege stocks, equity receivable for shareholders of a dominant unit decreased by reserve capital due to not realized net profits.

	31/12/2013	**31/12/2012**
Interest-bearing credits and loans	38 477	37 425
Liabilities due to deliveries and services and the other liabilities	39 350	31 875
Minus cash and its equivalent	-59 685	-11 524
Net debt	18 142	57 776
Equity	139 021	67 288
Reserve capital due to not realized net profits		0
Total equity	139 021	67 288
Capital and net debt	157 163	125 064
Leverage rate	0,12	0,46

Company	**2013**			**2012**		
	White-collar workers	**Blue-collar workers**	**Total**	**White-collar workers**	**Blue-collar workers**	**Total**
EMC Instytut Medyczny S.A.	428	95	523	429	89	518
Lubmed Sp. Z o.o.	59	7	66	55	7	62
Mikulicz Sp. Z o.o.	127	40	167	128	39	167
EMC Health Care Limited	7	1	8	10	1	11
EMC Silesia Sp. z o.o.	45	14	59	46	14	60
PCZ Kowary Sp. z o.o.	132	54	186	132	57	189
ZP Formica Sp. z o.o.	28	1	29	27	1	28
Silesia Med Serwis Sp. z o.o.	0	0	0	0	0	0
EMC Piaseczno Sp. z o.o.	97	18	115	107	21	128
TOTAL	**923**	**230**	**1 153**	**934**	**229**	**1 163**

44. Employment structure

45. The events that occurred after a balance day

On 21st January of 2014 the annex due to a credit contract with a bank Polska Kasa Opieki S.A with its register seat in Warsaw was signed. The contract concerned giving the revolving credit in a current account. On the basis of the annex the maturity date was prolonged as at 23 February 2014. The other important conditions of the credit contract did not change The Issuer informed about the annex in a current report no. 9/2014 on 22nd January 2014.

On 17th February of 2014 the annex due to a credit contract with a bank Polska Kasa Opieki S.A with its register seat in Warsaw was signed. The contract concerned giving the revolving credit in a current account. On the basis of the annex the maturity date was prolonged as at 23 February 2015. The other important conditions of the credit contract did not change The Issuer informed about the annex in a current report no. 30/2014 on 17th January 2014.

On 11th February of 2014 the promised contract of selling 100% shares in a Regional Health Centre with its register seat in Lubin was concluded. The information was included in a current report no. 24/2014 on 11th February of 2014.
The Issuer informed about the preliminary contract of selling the shares of the Regional Health Centre in a current report no. 117/2013 on 23rd December of 2013 (it was revealed in a note no. 5). Concluding the promised contract was determined by obtaining a positive decision of the President of the Office of Competition and Consumer Protection about making concentration in the form of assuming control (by the Issuer) under the Regional Health Centre with its register seat in Lubin. On 6th February of 2014 the company got the decision of the President of the Office of Competition and Consumer Protection after conducting anti-monopoly proceedings instituted at the request of the Issuer. The President agreed to make concentration in the form of assuming control (by the Issuer) under the Regional Health Centre with its register seat in Lubin. On 11th February of 2014 the Issuer assumed the control under the Regional Health Centre.

As for the resolution of the General Meeting, on 10th January of 2014 the share capital was increased in a subsidiary undertaking EMC Piaseczno sp. z o.o. with its register seat in Piaseczno. Share capital was increased by PLN 3.499 thousand by creating 3.499 shares with the nominal value PLN 1 thousand. All shares of share capital were taken up by a sole associate - EMC Instytut Medyczny SA. The information about increasing share capital in a subsidiary undertaking was presented in a current report no. 7/2014 on 10th January of 2014.

After a balance day up to the day of compiling a financial statement (11th March 2014) other events that should be included in a financial statement (apart from those presented above) did not occur.

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The President of Management Board	The Vice-President of Management Board	The Member of Management Board	The Member of Management Board
Piotr Gerber	*Krystyna Wider-Poloch*	*Józef Tomasz Juros*	*Zdzisław Andrzej Cepiel*

Wrocław, 11th March of 2014