

LIMITED LIABILITY PARTNERSHIP
"GAL Audit"

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AUDIT REPORT No. 05
(AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR)

To the management of JSC "National Center of Neurosurgery"

Opinion

We conducted an audit of the attached financial statements of JSC "National Center for Neurosurgery" (hereinafter the Company), which consists of a statement of financial position as of December 31, 2017, a profit and loss account and other comprehensive income, a statement of cash flows and a statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements in all material aspects provide a true and reliable view of the financial position of the Company as of December 31, 2017, as well as its financial results and cash flows for the year ended on that date in accordance with International Financial Reporting Standards.

Grounds for expressing opinions

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities in accordance with these standards are described further in the section "Auditor's responsibility for the audit of financial statements" of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the Council for International Ethical Standards for Accountants (Codex) and the ethical requirements applicable to our audit of financial statements in the Republic of Kazakhstan. We have fulfilled other ethical duties established by these requirements and the Code.

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

Responsibility of management and persons responsible for corporate governance for financial reporting.

The management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for the internal control system that management considers necessary for the preparation of financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue to operate continuously, to disclose, as appropriate, information relating to business continuity and for reporting on the basis of the assumption of business continuity, unless the

management intends to liquidate the Company, terminate its activities or when it lacks any real alternative, except for the liquidation or termination of activities.

Persons responsible for corporate governance are responsible for overseeing the preparation of the Company's financial statements.

Auditor's responsibility for the audit of financial statements

Our goal is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and in the issuance of an auditor's report that contains our opinion. Reasonable confidence is a high degree of certainty, but it is not a guarantee that an audit conducted in accordance with the ISA always reveals significant distortions if they exist. Distortions can be the result of unfair acts or mistakes and are considered significant if one can reasonably assume that individually or as a whole they affect the economic decisions of users made on the basis of financial statements.

As part of the audit conducted in accordance with the ISA, we apply professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- we determine and assess the risks of material misstatement of financial statements due to fraud or error; we develop and conduct audit procedures in response to these risks; we obtain audit evidence sufficient and appropriate to express our opinion. The risk of not detecting a material misstatement as a result of unfair acts is higher than the risk of not detecting a significant distortion as a result of an error, since unfair acts may include collusion, fraud, intentional omission, misrepresentation or circumvention of the current internal control system;

- we obtain an understanding of the internal control system that is relevant to the audit in order to develop audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;

- We assess the proper nature of the accounting policies applied and the reasonableness of accounting estimates and the corresponding disclosure of information prepared by management;

- we draw a conclusion on the legitimacy of the management's use of the assumption of business continuity, and on the basis of the obtained audit evidence-the conclusion that there is significant uncertainty in connection with events or conditions that may raise significant doubts about the Company's ability to continue its business. If we conclude that there is significant uncertainty, we must draw attention in our auditor's report to the relevant disclosures in the financial statements or, in case of improper disclosure, modify our opinion. Our conclusions are based on the audit evidence received before the date of our auditor's report. However, future events or conditions may lead to the Company losing the ability to continue its business continuously;

- we assess the presentation of the financial statements as a whole, its structure and content, including disclosure of information, as well as whether the financial statements present the underlying operations and events in a manner that ensures their reliable representation.

We carry out informational interaction with persons responsible for corporate governance, including, among other things, information on the planned scope and timing of the audit, as well as on significant comments on the audit results, including significant deficiencies in the internal control system, if we identify those in the audit process.

We also provide those responsible for corporate governance with a statement that we have complied with all relevant ethical requirements for independence and have informed these individuals of all relationships and other issues that can reasonably be considered influencing the independence of the auditor and, where necessary, appropriate precautions.

**Auditor of LLP "GAL Audit"
Qualification certificate
of the auditor No. No.0000265 dated 01.07.2018.**



G.V. Nekrylova

**April 28, 2018
Astana, Kabanbay batyr street, 8, room 505**

Financial statements

for the period ended December 31, 2017

Name of the legal entity: Joint Stock Company "National Center for Neurosurgery"

Location of the legal entity: Republic of Kazakhstan, 010000, Astana city, Esil district, Turan avenue, 34/1

Astana city, 2018

MANAGEMENT'S CONFIRMATION OF RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2017

The following statement, which should be read in conjunction with the independent auditors' responsibilities contained in the independent auditors' report, was made with a view to distinguishing the responsibilities of independent auditors and management with respect to the financial statements of Joint Stock Company National Center for Neurosurgery (hereinafter - the Company).

The Company's management is responsible for the preparation of the financial statements that reliably reflect in all material aspects the financial position of the Company as of December 31, 2017. As well as the financial results of its operations, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible:

- for the selection of appropriate accounting principles and their consistent application;
- for the application of reasonable estimates and calculations;
- for compliance with IFRS or disclosure of all material departures from IFRS in the notes to the financial statements; and
- for the preparation of financial statements on the assumption that the Company will continue to operate in the foreseeable future, except in cases where such an assumption is not lawful.

The Company's management is also responsible:

- for the development, implementation and maintenance of an effective and reliable system of internal control in all divisions of the Company;
- for maintaining the accounting system, which allows at any time to prepare with sufficient accuracy information on the financial position of the Company and ensure that the financial statements comply with the requirements of IFRS;
- for the maintenance of accounting records in accordance with legislation and accounting standards of the Republic of Kazakhstan;
- for taking measures within its competence to protect the Company's assets; and
- for identifying and preventing fraud and other abuses.

These financial statements for the period ended December 31, 2017 were approved and approved for issue by the Company's management on April 28, 2018.

Signed on behalf of the Company's Management:



Chairman of the Board Akshulakov S.K.
April 28, 2018.
Astana city



Chief accountant Yermaganbetova A.A.
April 28, 2018.

Financial director Kairlenov K.A.
April 28, 2018.
Astana city





Report on the financial position of JSC "National Center for Neurosurgery" as of December 31, 2017

Item	Note	As of the end of the reporting period, 31.12.2017.	As of the beginning of the reporting period 31.12.2016.
Long-term assets			
Fixed assets	6.1	6 194 148	5 936 413
Intangible assets	6.2	11 938	19 954
Advances paid	6.3	1 524 985	1 524 985
Other financial assets	6.4	41 580	41 580
Long-term finance lease receivables	6.5	5 458	5 957
Total long-term assets		7 778 109	7 528 888
Current assets			
Inventories	6.6	436 053	327 573
Accounts receivable	6.7	266 772	70 856
Prepayment for Corporate Income Tax		-	-
Prepayment for other taxes	6.8	11 015	-
Cash and cash equivalents	6.9	4 293 384	4 949 234
Other current assets	6.10	4 980	11 997
Total current assets		5 012 204	5 359 660
Total assets		12 790 313	12 888 548
Capital and liabilities			
Authorized capital	6.11	9 223 040	9 223 040
Additional paid-up capital	6.12	385 734	385 734
Reserve capital	6.13	23 525	23 525
Undistributed profits	6.14	414 842	407 921
Total capital		10 047 141	10 040 220
Long-term liabilities			
Long-term accounts payable		-	-
State subsidies	6.15	2 454 763	2 506 724
Total long-term liabilities		2 454 763	2 506 724
Current responsibilities			
State subsidies	6.16	51 961	51 961
Accounts payable	6.17	40 817	24 303
Indebtedness to employees	6.18	40 848	66 277
Advances received			
Other current liabilities	6.19	154 783	199 063
Total current liabilities		288 409	341 604
Total capital and liabilities		12 790 313	12 888 548

Chairman of the Board

Chief Financial Officer

Chief Accountant



Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova
A.A.



Profit and loss statement and other total revenue of JSC "National Center for Neurosurgery" for the year ending December 31, 2017

Name of indicators	For the accounting period 2017	For the previous period 2016
Revenue from the provision of services	4 769 345	4 867 092
Cost of services	(4 650 076)	(4 658 237)
Gross profit (loss)	119 269	208 855
General and administrative expenses	(342 834)	(371 926)
Income from government subsidies	51 961	50 150
Other income	47 695	274 218
Other costs	(6 406)	(219 672)
Loss from operating activities	(130 315)	(58 375)
Foreign exchange expense/income, net	(8 667)	(61 373)
Financial income	146 249	120 440
Impairment loss of fixed assets		
Gain/loss from asset retirement		
Other gains and losses		
Profit before taxation	7 267	692
Corporate Income Tax Expenses		
Profit for the reporting year for the year	7 267	692
Other comprehensive income for the year		
Total comprehensive income for the year	7 267	692

Chairman of the Board

Chief Financial Officer

Chief Accountant



Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova
A.A.



Cash flow statement of JSC "National Center for Neurosurgery" (direct method) for the year ending December 31, 2017

Name of indicators	For the accounting period 2017	For the previous period 2016
I. Cash flows from operating activities		
1. Cash inflow, total	6 025 881	6 013 594
including:		
receipts from services rendered	3 651 390	3 834 311
Advances received from buyers, customers	916 505	1 018 947
Remuneration received	151 249	125 961
Miscellaneous income	1 306 737	1 034 375
2. Cash outflow, total	(5 995 510)	(5 488 907)
including:		
payments to suppliers for goods and services	(2 523 002)	(2 405 869)
advances to suppliers of goods and services	(43 136)	(67 563)
payroll payments	(1 501 768)	(1 441 006)
remuneration		
payments under insurance contracts		
income tax and other payments to the budget	(541 693)	(443 580)
other payments	(1 385 911)	(1 130 889)
3. Net cash from operating activities	30 371	524 687
II. Cash flow from investing activities		
1. Cash inflow, total	-	2 103 557
including:		
closing of bank deposits		1 896 912
proceeds from the sale of apartments under finance leases		206 645
acquisition of fixed assets and intangible assets		
sale of equity instruments of other organizations (other than subsidiaries) and interests in joint ventures		
sale of debt instruments of other organizations		
compensation for loss of control over subsidiaries		
sale of other financial assets		
futures and forward contracts, options and swaps		
dividends received		
remuneration received		
miscellaneous income		
2. Cash outflow, total	(685 875)	(1 920 035)
including:		
acquisition of fixed assets and intangible assets	(685 875)	(1 920 035)
acquisition of intangible assets		
acquisition of other long-term assets		
acquisition of equity instruments of other organizations (except for subsidiaries) and equity interests in joint ventures		
acquisition of debt instruments of other organizations		
acquisition of control over subsidiaries		
acquisition of other financial assets		
provision of loans		
futures and forward contracts, options and swaps		
investments in associates and subsidiaries		
other payments		



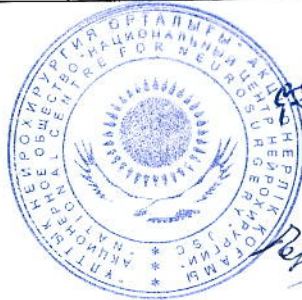
Report on changes in the capital for JSC "National Center for Neurosurgery" for 2017

content	authorized capital	additional paid-up capital	reserve capital	undistributed income (uncovered loss)	total capital
Balance as of December 31, 2016	9 223 040	385 734	23 525	407 921	10 040 220
Changes in Accounting Policies and Errors					-
Restated balance					-
Total revenue for the year					-
Dividends					-
Investment outflows					-
Income (loss) that is not recognized in the income statement					-
Tax Effect					-
Total revenue for the year				7 267	7 267
Dividends				(346)	(346)
Payment of shares (constituent contributions)	-				-
Additional paid-up capital	-				-
Share premium					-
Balance as of 31.12.2017	9 223 040	385 734	23 525	414 842	10 047 141

Chairman of the Board

Chief Financial Officer

Chief Accountant



Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova
A.A.



NOTES
to the financial statements of JSC "National Center for Neurosurgery"
for the period ended December 31, 2017

1. The legal status of JSC "National Center for Neurosurgery"

Joint Stock Company "National Center for Neurosurgery" was established as the Republican State Enterprise "Republican Scientific Center for Neurosurgery" in accordance with the Decree of the Government of the Republic of Kazakhstan No. 268 dated March 19, 2008. On December 9, 2008 the Company was reorganized, by transforming it into a joint stock company "Republican Scientific Center for Neurosurgery" with 100% state participation in the authorized capital.

Based on the decision of the Board of Directors No. 9 of November 20, 2013, the JSC "Republican Scientific Center of Neurosurgery" was renamed into JSC "National Center for Neurosurgery". The sole shareholder of the Company was JSC "National Medical Holding".

JSC "National Medical Holding" in accordance with Government Decision No. 162 of March 31, 2016, by letter No. 04-1853 of December 12, 2016, transferred a stake in JSC "National Center for Neurosurgery" to the SI "State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan". The transfer is registered in JSC "Information and accounting center" by order No. 2855204 of December 12, 2016.

State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan On January 25, 2017, the state shareholding of JSC "National Center for Neurosurgery" was transferred to the Ministry of Health and Social Development of the Republic of Kazakhstan by the act of transferring ownership and use rights.

The Company in its activity is guided by the Constitution of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan and the Charter of the Company.

The Company is a legal entity, has its own seal, an independent balance sheet, bank accounts and a letterhead. To achieve its objectives, the Company is authorized to conclude transactions, acquire property and personal non-property rights, bear contractual and other obligations, be a plaintiff and a defendant in court in accordance with the Charter and legislation of the Republic of Kazakhstan.

By a decision of the sole shareholder of August 3, 2017, No. 581, a new version of the Company's Charter was approved.

The Charter defines the name, location, legal status, objectives, functions and basic principles of activity, the procedure for the formation and competence of the bodies of the Company.

The purpose of the Society is the use of modern methods of diagnosis and treatment of patients with neurosurgical and related diseases aimed at reducing disability and mortality in the Republic of Kazakhstan, as well as the introduction and dissemination of modern technologies in the field of medical science and education.

The main activities of the Company are the provision of specialized medical care for neurosurgical diseases, as well as the conduct of scientific research and the introduction of modern medical technologies in the field of neurosurgery and their transfer to the healthcare system of the Republic of Kazakhstan.

The Company has the right to independently conduct foreign economic activity in the manner established by the legislation of the Republic of Kazakhstan.

In the event that a special permit (license, certificate) is required to carry out an activity, the Company carries out this type of activity only after obtaining the appropriate permit (license, certificate).

The Company's management bodies are:

- supreme body is the Sole Shareholder;
- management body is the Board of Directors;
- executive body is the Management Board;
- control body is the Internal Audit Service.

2. Organization of accounting and formation of accounting policy



Accounting and financial reporting of the Company is carried out in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, accounting policy.

The accounting policy of the Company is the specific principles, principles, regulations, rules and practices adopted by the Company for accounting and the preparation of separate financial statements, including the preparation of comparative information for previous reporting periods in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements.

The accounting policy was applied consistently to all submitted years, unless otherwise specified.

3. Financial statements, elements of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The conceptual basis for the preparation and presentation of financial statements defines two fundamental principles: method of accrual and business continuity. These principles represent a conceptual basis, the foundation for the development and evaluation of accounting principles for financial reporting.

The financial statements are a structured representation of the financial position and financial results of the Company. The purpose of the financial statements is to provide information about the financial position, financial results and cash flows of the Company, which will be useful to a wide range of users when making economic decisions. The financial statements also show the results of the management of resources entrusted to the management of the enterprise.

The Company forms and conducts analysis of financial statements, the complete set of which includes:

- 1) Statement of financial position (balance sheet);
- 2) Profit and loss account and other comprehensive income;
- 3) Statement of cash flows;
- 4) Statement of changes in equity;
- 5) Notes to the financial statements.

Elements of financial statements are assets, equity, liabilities, income and expenses.

Assets are resources controlled by the organization as a result of past events, from which the organization expects to receive economic benefits in the future. Assets of the enterprise are presented in the form of intangible assets, fixed assets, receivables, cash, inventory.

Obligation is the duty of the person (debtor) to perform in favor of another person (creditor) a certain action, such as: to transfer property, to perform work, to pay money, etc., and the creditor has the right to demand from the debtor the performance of his duties.

Own capital is the assets of the Company after deducting its liabilities.

Income and expenses are elements directly related to the measurement of financial indicators.

The balance sheet reflects the financial position of the Company and provides information on assets, liabilities and equity. Based on the nature of economic transactions, assets and liabilities in the balance sheet are divided into short-term (negotiable) and long-term (non-current).

An asset is classified as a current asset if:

- it is expected to be sold or used within 12 months from the reporting date;
- the asset is held principally for sale;
- the asset is cash or cash equivalents that have no restrictions on use.

All other assets must be classified as long-term.

An obligation is classified as current (short-term) if:

- the obligation is repayable within 12 months after the reporting date;
- the obligation is held principally for the purpose of sale.

The profit and loss statement and comprehensive income characterize the financial results of the Company for the reporting period. The Company applies a functional method of cost analysis means the classification of expenses in accordance with their function as an integral part of the finished goods sold (goods, works, services), implementation costs and administrative activities.



report presents an analysis of income and expenses using a classification based on the nature of income and expenditure.

The statement of cash flows provides information on the receipt and disposition of money during the reporting period, the operational, investment and financial performance of the Company for the reporting period. The statement of cash flows is presented using a direct method of calculation.

The statement of changes in equity reflects information about the structural and quantitative changes that have occurred in the reporting period in the Company's own capital. These changes represent the total profit and loss as a result of the Company's activities during the period.

The financial statements of the Company are presented in Kazakhstani tenge, the functional currency of the Company, with the unit of measurement thousand KZT. Tenge is the currency of the main economic environment in which the Company operates.

When preparing the financial statements, transactions in currencies other than the functional currency of the Company, KZT, are accounted for at the market exchange rate at the date of the transactions.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the balance sheet date.

As official exchange rates in the Republic of Kazakhstan, weighted average exchange rates established by the National Bank are used. The following exchange rates have been applied in the preparation of financial statements:

Rates of exchange from 31.12.2016 to 31.12.2017:

Date	National Bank			KASE		
	USD	RUB	EUR	USD	RUB	EUR
31.12.2017	332,33	5.77	398.23	332.33		
31.12.2016	333.29	5.43	352.42	333.29		

The financial year of the Company is a calendar year (from January 1 to December 31).

4. Principles of preparation and presentation of financial statements

4.1 Principle of accrual

The financial statements of the Company (with the exception of the cash flow statement) are compiled in accordance with the accrual principle, which is ensured by the recognition of the results of business operations, as well as events that are not the result of the economic activities of the enterprise, but which affect their financial position upon the fact of their commission, irrespective of time of payment. Transactions and events are reflected in the accounting records and are included in the financial statements of the periods to which they relate. The Company's financial statements, compiled on the accrual basis, inform users not only about past transactions related to the payment and receipt of money, but also about the obligation to pay money in the future, about the resources representing the money that will be received in the future.

4. Principles of preparation and presentation of financial statements

4.2 The principle of continuous operation

The financial statements of the Company are prepared on the condition that the entity operates and will act in the foreseeable future. Thus, it is assumed that the Company is not going to and does not need to eliminate or significantly reduce the scale of its activities. The accompanying financial statements do not contain any adjustments necessary if the Company could not continue its operations on the basis of the principle of continuity.



At the same time, the Company's ability to sell its assets, as well as its activities in the future, may be subject to significant influence of current and future economic and political conditions in Kazakhstan.

Management believes that the Company is able to realize assets and settle liabilities in the normal course of business, as future cash flows from operating activities will be sufficient to meet liabilities.

The accompanying financial statements do not contain any adjustments if the Company could not continue its operations on the basis of assuming continuity of business.

4. Principles of preparation and presentation of financial statements

4.3 The principle of prudence (conservatism)

The principle of prudence presupposes a certain degree of caution in the process of forming judgments necessary for calculations made in conditions of uncertainty, which makes it possible to avoid overstating assets or revenues, and underreporting obligations or expenses. Observance of the principle of prudence prevents the emergence of hidden reserves and excessive stocks, deliberate understatement of assets or revenues, or deliberate overstating of the obligation, or costs. Neglect of this principle will lead to the fact that financial reporting will cease to be neutral and, therefore, will lose its reliability.

4. Principles of preparation and presentation of financial statements

4.4 Materiality and aggregation

In the financial statements of the Company, each significant class of similar articles is presented separately. The society represents articles that differ in character or function separately, except when they are not essential.

4. Principles of preparation and presentation of financial statements

4.5 Offsetting

Assets and liabilities, as well as income and expenses, are reflected in the Company's financial statements separately.

5. Recognition of elements of financial statements

5.1 Asset recognition

An asset is recognized in the balance sheet of the Company when it is probable that future economic benefits will flow, and the asset has a value or an estimate that can be measured reliably.

An asset is not recognized in the balance sheet when costs incurred that do not result in an inflow of economic benefits to the organization in the future were incurred. In this case, the costs incurred lead to the recognition of expenses in the income statement. To ensure the recognition of an asset, it is not enough to make assumptions about the likelihood of future economic benefits coming to the enterprise.

5. Recognition of elements of financial statements

5.2 Recognition of obligations

An obligation is recognized in the balance sheet of the Company if it is probable that an outflow of resources containing economic benefits will arise as a result of the discharge of the obligation and the amount of this repayment can be reliably determined.

5. Recognition of elements of financial statements

5.3 Income recognition



Revenues are recognized in the Company's income statement if there is an increase in future economic benefits associated with an increase in the asset or a decrease in liabilities that can be measured reliably. This means that the recognition of revenues occurs simultaneously with the recognition of an increase in assets or a decrease in liabilities.

5. Recognition of elements of financial statements

5.4 Recognition of expenses

Expenses are recognized in the statement of comprehensive income of the Company if there is a decrease in future economic benefits related to a decrease in the asset or an increase in liabilities that can be measured reliably. This means that the recognition of costs occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets.

5. Recognition of elements of financial statements

5.5 Assessment of elements of financial statements

Elements of the financial statements are recognized and recorded in the balance sheet and in the statement of comprehensive income at historical cost. Assets are recorded by the amount of money paid for them and their equivalents, or at the fair value proposed at the time of their acquisition. Liabilities are recorded based on the amount of funds received in exchange for a debt obligation.

6. Notes

6.1 Fixed assets

Article of the balance sheet "Fixed Assets" includes:

Fixed assets	Buildings and constructions	Medical equipment	Cars and equipment	Means of transport	Other fixed assets	Construction in progress	Total
Initial cost							
January 1, 2016	3 702 990	3 722 176	381 367	43 670	820 533	776 819	9 447 555
Income		218 454	49 028		41 358	107 531	416 371
Transfer to other assets	(237 509)						(237 509)
Disposals		(29 797)					(29 797)
December 31, 2016	3 465 481	3 910 833	430 395	43 670	861 891	884 350	9 596 620
Income		690 149	15 797		4 760		710 706
Transfer to other assets	7 498				(1 631)		5 867
Disposals		(6 241)	(536)	(3 600)	(6 095)		(16 472)
December 31, 2017	3 472 979	4 594 741	445 656	40 070	858 925	884 350	10 296 721
Accumulated depreciation and impairment							
January 1, 2016	(552 792)	(1 621 035)	(250 285)	(36 595)	(733 056)		(3 193 763)
Depreciation for the year	(95 578)	(332 716)	(46 302)	(3 201)	(30 381)		(508 178)
Return from reserve							-
Transfer to other assets	20 509						20 509
Depreciation of disposals		21 225					21 225
December 31, 2016	(627 861)	(1 932 526)	(296 587)	(39 796)	(763 437)	-	(3 660 207)
Depreciation for the year	(95 302)	(292 069)	(51 387)	(1 379)	(23 038)		(463 175)
Depreciation of disposals		5 247	514	3 149	5 842		14 952
Return from reserve							-
Allowance for impairment 2016		72 185					72 185



December 31, 2017	(723 163)	(2 147 163)	(347 460)	(38 026)	(780 633)	-	(4 036 445)
Book value							
December 31, 2016	2 837 620	1 978 307	133 808	3 874	98 454	884 350	5 936 413
December 31, 2017	2 749 816	2 447 578	98 196	2 044	78 292	884 350	6 260 276
Provision for impairment at 31 December 2017		(66 128)					(66 128)
Carrying amount, including provision for impairment							
December 31, 2016	2 837 620	1 978 307	133 808	3 874	98 454	884 350	5 936 413
December 31, 2017	2 749 816	2 381 450	98 196	2 044	78 292	884 350	6 194 148

At initial recognition, fixed assets are measured at cost or historical cost.

Recognition of an item of fixed assets is discontinued after it is disposed of or if future economic benefits from its use or disposal are no longer expected. Any income or expense arising from the derecognition of an asset (calculated as the difference between net proceeds from disposal and the residual value of the asset) is included in profit or loss in the reporting period in which the asset was derecognised.

In order to bring the original value of fixed assets in line with the current prices for a certain date, the objects are revalued. As a result of the revaluation, fixed assets are accounted for at their current value.

Amortization is the value of depreciation in the form of a systematic distribution of the depreciable value of an asset over its useful life. To calculate depreciation, a straightforward straight-line method is used.

The book value is the initial cost of fixed assets, less the amount of accumulated depreciation, for which the asset is recorded in accounting and reporting.

The useful life of items of fixed assets is reviewed as necessary and if the expectations for the use of the item of fixed assets differ from previous estimates, depreciation for the current month and all subsequent months is adjusted accordingly.

For fixed assets with a zero book value in 2017, the estimated useful life and depreciation method were not assessed.

At each balance sheet date, the Company conducts an audit of the availability of indicators of impairment of the carrying amount of its fixed assets.

The determination of the existence of indicators of impairment of an asset is based on a number of factors, such as: change in the operational potential of assets as a result of changes in the demand for services provided by assets; technological obsolescence or physical damage to assets; deviation of actual cash flows received from operating activities from those originally planned; future availability of financing of operational needs and acquisition of assets from the Shareholder and other changes in conditions that indicate the existence of impairment.

If such indicators exist, the recoverable amount of the asset is estimated and compared with the carrying amount of the asset. In the event that the carrying amount exceeds the recoverable amount of the asset, an impairment is recognized. The recoverable amount is the higher of the two values: fair value less costs to sell and value in use. In assessing the value of use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that management believes reflects current market assessments of the time value of money and the risks inherent in the assets.

A change in the estimated recoverable amount can lead to impairment or its reversal in future periods.

Incomplete construction includes the costs associated with the reconstruction of the roof of the building of the National Center for Neurosurgery on a plot of 3.5717 hectares. Resolution of the Akimat of the city of Astana for permission to reconstruct the roof of the building of December 18, 2014 No.120-2117.

6. Notes

6.2 Intangible assets

Movement of intangible assets for the reporting period is presented in the table:



Indicators	Other intangible assets	Total
Carrying amount as of December 31, 2016	19 954	19 954
Income	197	197
Depreciation costs	(8 213)	(8 213)
Carrying amount as of December 31, 2017	11 938	11 938
Provision for fixed assets as of December 31, 2017		-
Carrying amount at 31 December 2017, net of provision for impairment	11 938	11 938

Intangible assets include non-monetary assets that do not have physical substance, intended for use over a long period of time (more than one year) in the production or sale of goods (works, services) for administrative purposes that can be determined.

Intangible assets at the time of recognition are measured at cost, which includes the amount of actual costs incurred to acquire them and other costs associated with bringing the asset into the ready-for-use state.

Intangible assets after recognition are recorded at historical cost less depreciation. Amortization is calculated over the useful life by the method of uniform straight-line cancellation. Depreciation charges are recognized for each reporting period as an expense.

6. Notes

6.3 Advances paid

The balance sheet item "Advances paid" includes:

Advances	December 31, 2017	December 31, 2016	change
Other long-term financial investments	1 524 985	1 524 985	-
Total for "Advances paid"	1 524 985	1 524 985	-

In execution of Protocol Decision No. 5 of February 16, 2016, contract No. 253-NZ of May 25, 2016 with "Diagnostics Central Asia" LLP for the supply of medical equipment was concluded: "Radiotherapy complex for stereotactic radiosurgery of neoplasms and functional brain lesions." Under the terms of the contract, an advance payment of 70% was paid: 1 246 000 thousand tenge. The delivery time of the goods, taking into account the additional agreement No. 264-NZ of 19.10.2017, within 180 calendar days from the date of filing the application by the customer. Under the purchase agreement No. 522-NZ of October 18, 2016, Medicus Eurasia LLP has paid an advance of 30% of the value of the contract in the amount of KZT 278,985 thousand. Under the terms of the contract, delivery of the goods is carried out within 120 calendar days from the date of the application by the customer.

6. Notes

6.4 Other financial assets

As at 31 December 2017, other financial assets comprise:

Investments	December 31, 2017	December 31, 2016	change
Other long-term financial investments	41 580	41 580	-
Total for "Other financial assets"	41 580	41 580	-

Investments include the acquisition of shares of JSC "Astanaenergosservis", including:



- Under the Agreement on the Admission of Property into the Authorized Capital No. 48/12-4-AES/94 of December 29, 2012, 258 ordinary shares were transferred at a price of KZT45,000 per share for a total of KZT11,610 thousand;
- under the Agreement on the admission of property in the authorized capital No. 10-4-AES dated June 17, 2013, 666 pieces of common shares were transferred at a price of KZT45,000 per share for a total of KZT29,970 thousand.

6. Notes

6.5 Long-term finance lease receivables

As of December 31, 2017, other long-term finance lease receivables comprise:

Investments	December 31, 2017	December 31, 2016	change
Other long-term financial investments	5 458	5 957	(499)
Total for "Long-term finance lease receivables"	5 458	5 957	(499)

6. Notes

6.6 Inventories

As at 31 December 2017, inventories include:

Inventory	December 31, 2017	December 31, 2016	change
Medical consumables	221 887	149 044	72 843
Surgical stocks	51 191	68 947	(17 756)
Medicines	48 605	38 204	10 401
Household goods	29 695	15 525	14 170
Spare parts	13 412	10 584	2 828
Chemical reagents	34 660	10 576	24 084
Solid inventory, utensils	8 532	8 379	153
Apartments for Sale	-	7 498	(7 498)
Soft inventory	9 145	6 969	2 176
Materials for laboratories	3 724	6 504	(2 780)
Fuel	2 980	2 499	481
Materials for Computer Engineering	1 825	2 429	(604)
Stationery	13 073	1 785	11 288
Other	2 724	4 072	(1 348)
Minus: Provision for obsolete and illiquid inventories	(5 400)	(5 442)	42
Total for item "Inventories"	436 053	327 573	108 480

Inventories include the costs of providing services for which the Company has not yet recognized the related revenue. Inventories are recorded at the lower of the two values: actual cost and net realizable value.

6. Notes

6.7 Accounts Receivable

According to the balance sheet "Accounts receivable" of the Company as of December 31, 2017, the amount of indebtedness is reflected:

Debt	December 31, 2017	December 31, 2016	change
Accounts receivable from related parties (SI Department of the Committee for Payment of Medical Services)	250 663	49 722	200 941



Receivables from third parties	16 435	21 134	(4 699)
Minus: Provision for doubtful debts	(326)		(326)
Total for "Accounts receivable"	266 772	70 856	195 916

Following the principle of netting, accounts receivable, short-term trade and other payables are reflected in the Company's financial statements separately.

Under the accounts receivable of the Company are understood obligations of buyers or other business counteragents before the Company. Accounts receivable are recognized only when the income associated with it is recognized (the transfer of ownership under the terms of the contract). Accounts receivable are measured at cost, by deducting adjustments for doubtful debts, discounts and returns of goods sold. Accounts receivable refer to accumulated items of assets, that is, they are assets for which there is a right of claim for financial resources not yet received. This earned, but not received income for shipped goods, performed work and services provided.

Accounts receivable in the balance sheet are reflected in the amount of the invoice issued minus the provision for doubtful claims and include the amount of the value added tax.

A provision for doubtful accounts receivable is created when there is objective evidence that the Company will not be able to return all amounts receivable under the original terms of the receivable.

If short-term trade and other receivables written off earlier are paid in subsequent periods, it will be recognized as income in the period when such payment occurred.

Accounts receivable are non-interest bearing and are repayable within 30-90 days. As of December 31, 2017, accounts receivable are not impaired and the period for the recovery of receivables does not exceed the contractual maturities.

6. Notes

6.8 Overpayments for other taxes

Item of the balance sheet "Overpayment for other taxes" includes:

Taxes	December 31, 2017	December 31, 2016	change
Individual income tax	3 943		3 943
Social tax	3 471		3 471
Corporate income tax	3 601		3 601
Total for "Prepayments on other taxes"	11 015	-	11 015

Other taxes and other compulsory payments to the budget include the amount of excess of taxes paid and other mandatory payments to the budget over the accrued ones, which in the subsequent tax periods will be credited against the upcoming obligations on the calculated taxes and other mandatory payments to the budget.

6. Notes

6.9 Cash and cash equivalents

Article of the balance sheet "Cash and cash equivalents" as of December 31, 2017 includes:

Cash	December 31, 2017	December 31, 2016	change
Cash on current bank accounts in US dollars	3 350 359	3 313 033	37 326
Cash on current bank accounts in tenge	940 901	1 634 971	(694 070)
Cash on hand	2 124	1 230	894
Total for cash and cash equivalents	4 293 384	4 949 234	(655 850)

As of December 31, 2017, the amount of the balance sheet item "Cash and cash equivalents" KZT 4,293,384 thousand, including cash in foreign currency:



Cash	USD
A dollar account with Tsesna Bank JSC	3 317
Dollar account in JSC Halyk Bank of Kazakhstan	6 764
Total cash in foreign currency	10 081

As of December 31, 2017, the Company does not have funds restricted in use. On the dollar account, 78.0% or 3,350,359 thousand tenge of funds are placed from the total amount of money placed on the current bank accounts of the Company.

6. Notes

6.10 Other current assets

The balance sheet item "Other current assets" includes:

Assets	December 31, 2017	December 31, 2016	change
Short-term reward for receiving		5 607	(5 607)
Short-term Advances paid	2 690	4 427	(1 737)
Short-term expenses of future periods	2 290	1 963	327
Total for "Other current assets"	4 980	11 997	(7 017)

Short-term Advances paid are the transfer of funds to suppliers (contractors) for the forthcoming delivery of goods (work performed, services rendered), as well as for payment of products, services received from customers in partial readiness during the reporting period, and other short-term Advances paid .

Expenses of future periods include expenses incurred in this reporting period, but related to future reporting periods, when these costs may result in economic benefits (income). Expenses of future reporting periods include those costs incurred that are no longer possible in future periods to be returned: payments for voluntary and compulsory insurance of property and employees.

Expenses of future periods are written off evenly during the reporting period to which they relate, in accordance with the calculations made. The duration of such a period is determined at the time when future expenses are taken to accounting. If production and sale do not take place in the future, the expenses incurred are not capitalized, but are written off to the expenses of the period in which they were incurred.

6. Notes

6.11 Authorized capital

Article of the balance sheet "Authorized capital" as of December 31, 2017 includes the share capital:

Capital	December 31, 2017	December 31, 2016	change
Authorized capital	9 223 040	9 223 040	-
Total for the item "Authorized capital"	9 223 040	9 223 040	-

As of December 31, 2017, the number of announced and placed shares was:

Shares	December 31, 2017	December 31, 2016	change
Ordinary shares, units	9 223 040	9 223 040	-
Total	9 223 040	9 223 040	-

6. Notes

6.12 Additional paid-up capital



Article of the balance sheet "Additional paid-up capital" includes:

Capital	December 31, 2017	December 31, 2016	change
Contribution by the Ministry of Health of the Republic of Kazakhstan in the form of fixed assets	385 734	385 734	-
Total for "Additional paid-up capital"	385 734	385 734	-

Fixed assets, intangible assets and inventories received as an additional contribution to equity are recognized as additional paid-in capital and are carried at fair value at initial recognition. Such assets are recognized in the Company's financial statements from the moment the Company transfers to the Company the benefits and risks associated with the use of such assets. In the future, when shares are issued against the transferred assets, the nominal value of the issued shares is transferred from the additional paid-up capital to the authorized capital.

According to the balance sheet item "Additional paid-up capital", the value of social cultural and domestic utility objects not included in the authorized capital of the Company is reflected (clause 5 of the Regulation on the transformation of state-owned enterprises into open type joint-stock companies, approved by the Cabinet of Ministers of the Republic of Kazakhstan dated 23.04.1993 No. 328).

6. Notes

6.13 Reserve capital

The amount of the balance sheet item "Reserve" as of December 31, 2017 includes the amount of reserves formed in accordance with the constituent documents:

Capital	December 31, 2017	December 31, 2016	change
Other reserves	23 525	23 525	-
Total for "Reserve capital"	23 525	23 525	-

6. Notes

6.14 Undistributed profit

The amount of the balance sheet item "Undistributed profit" as of December 31, 2017 is 414 842 thousand tenge, including:

content	undistributed income (uncovered loss)		
	past periods	the reporting year	Total
Balance as of December 31, 2016	407 921	-	407 921
Payment of dividends for 2016		(346)	(346)
Total revenue for the year		7 267	7 267
Balance as of 31.12.2017	407 921	6 921	414 842

Undistributed profit is formed by the cumulative result from the beginning of the Company's activity.

Annually the Resolution of the Sole Shareholder of the Company approves the financial statements and distributes the net income received based on the results of the activity, including:

base	period	net income	distribution			Total
			covering of losses	dividend payment	at the disposal of the Company	
Decision of the Board of Directors of JSC NMH of 26.05.2015. No. 3	2014	59 104	59 104		-	



Decision of the Board of Directors of JSC NMH dated 06.05.2016. No.6	2015	674 615	132 463	134 923	407 229	674 615
The order of the Ministry of Health of the RK dated 17.07.2017. No.520	2016	692		346	346	692
Total		734 411	191 567	135 269	407 575	734 411

6. Notes

6.15 State subsidies

The balance sheet item "State subsidies" as of December 31, 2017 includes:

Subsidies	December 31, 2017	December 31, 2016	change
Balance as of January 1	2 506 724	1 525 061	981 663
Received during the year	-	1 083 774	(1 083 774)
Reflected in profit and loss		(50 150)	50 150
Short-term part	(51 961)	(51 961)	-
Total for "State subsidies"	2 454 763	2 506 724	(51 961)

State subsidies are recognized if there is reasonable assurance that they will be received and that all the attendant conditions will be met. If a subsidy is issued to finance certain costs, it should be recognized as income in the same periods as the corresponding costs that it must compensate, on a systematic basis. If a subsidy is issued to finance an asset, it is recognized as deferred income and is recorded in the statement of comprehensive income on an annual basis in equal shares over the estimated useful life of the asset.

In cases where the Company receives subsidies in a non-monetary form, the asset and subsidies are recorded in gross amounts at nominal value and reported in the financial statement of comprehensive income on an annual basis in equal installments over the estimated useful life of the asset. If loans or similar subsidies are provided by the government or related organizations at an interest rate below the current market rate, the effect of such a favorable interest rate is considered an additional government subsidy.

State subsidies were received by the Company for the purchase of medical equipment under a financing agreement: No.108/4-2012/78 of 02.11.2012, No. 081-2013/47 of 21.06.2013, No. 254-2014/147 of 12/12/2014, No. 269-2014/157 of 25.12.2014, No. 346-2016/139 of 26.09.2016. and repair the roof of the building. The Company does not have any unperformed conditions or contingent liabilities in connection with these subsidies. During 2017, the Company recognized the amortization of income in the amount of KZT 51 961 thousand.

6. Notes

6.16 State subsidies (current part)

The current part of the balance sheet item "State subsidies" includes the amount of depreciation of income within the amount of depreciation of the respective acquired fixed assets:

subsidies	December 31, 2017	December 31, 2016	change
Short-term deferred income	51 961	51 961	-
Total for "State subsidies"	51 961	51 961	-

6. Notes

6.17 Accounts payable

The balance sheet item "Accounts payable" as of December 31, 2017 includes:



Debt	December 31, 2017	December 31, 2016	change
Accounts payable to suppliers and contractors	40 817	24 303	586
Total for "Accounts payable"	40 817	24 303	16 514

Accounts payable are recognized if there is a basis for the Company to assume obligations to the supplier of goods (works, services) under the concluded contracts, presented invoices or certificates of work performed.

Following the principle of netting, accounts payable are reflected in the Company's financial statements separately.

6. Notes

6.18 Indebtedness to employees

Indebtedness to employees as of December 31, 2017 include:

debt	December 31, 2017	December 31, 2016	change
Reserve for unused vacation	38 252	44 671	(6 419)
Arrears in payment	2 340	19 303	(16 963)
Liabilities for pension contributions	256	2 303	(2 047)
Total for "Indebtedness to employees"	40 848	66 277	(25 429)

Short-term provisions for leave to employees are recognized if the Company has a current liability (legal or constructive) arising from a past event, if there is a significant probability that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of such an obligation can be made.

The Company at each reporting date revises the reserve and, if necessary, adjusts to reflect the best estimate. When the revision reveals that the repayment of obligations no longer requires the expenditure of economic resources, the reserve is restored by recognizing this amount as income.

6. Notes

6.19 Other current liabilities

As of December 31, 2017, other current liabilities include:

Liabilities	December 31, 2017	December 31, 2016	change
Other accounts payable	123 809	162 475	(38 666)
Advances received	2 030	3 126	(1 096)
Other	28 944	33 462	(4 518)
Total for "Other current liabilities"	154 783	199 063	(44 280)

6. Notes

6.20 Income

Income is the gross revenue of economic benefits for the period arising in the ordinary course of the Company's operations, the result of which is the increase in equity.

Income includes income from the provision of services, sale of finished goods (goods, works) and other income arising in the ordinary course of the Company.

Income from the provision of services is recognized in the accounting period in which the services were provided, based on the degree of completion of a particular operation, estimated



proportion to the proportion of actually provided services in the total volume of services to be provided under the contract.

Income is shown net of VAT and discounts.

The amount of income is determined by the fair value of the consideration received or receivable. If it is not possible to reliably estimate the fair value of goods received on a barter transaction, then revenue is measured at the fair value of the goods or services sold.

The structure of income included in the statement of income and comprehensive income for the reporting period is presented in the table:

item	for the period 2017	Specific weight,%	for the period 2016	Specific weight,%
Guaranteed volume of free medical care, unique technologies	4 082 940	81,4	4 252 996	80,1
Paid medical services	505 705	10,1	466 323	8,8
Total medical services	4 588 645	91,5	4 719 319	88,8
Services in research and development	57 647	1,1	67 594	1,3
Government order	31 603	0,6	30 567	0,6
Science	29 630	0,6	27 117	0,5
Paid stroke, science	24 685	0,5	-	-
Paid educational services	37 135	0,7	22 496	0,4
Total services for educational activities	180 700	3,6	147 774	2,8
Total for "Revenue from the provision of services"	4 769 345	95,1	4 867 092	91,6
Income from assets retirement	2 177	0,0	210 153	4,0
Income from gratuitously received assets	3 614	0,1	8 621	0,2
Other income	41 904	0,8	55 444	1,0
Total for "Other income"	47 695	1,0	274 218	5,2
Income on remuneration	171 503	3,4	-	-
Remuneration Expenses	(25 747)	(0,5)	-	-
Income from financial lease	493	0,0	-	-
Financial income	-	-	120 440	2,3
Total for "Finance income"	146 249	2,9	120 440	2,3
Income from government subsidies	51 961	1,0	50 150	0,9
Total revenues from sales of products and services	5 015 250	100	5 311 900	100

According to the accrual method, income is recognized in the period in which they arise, when it is probable that the Company will receive future benefits that can be measured reliably.

Income is recognized if there is an increase in future economic benefits associated with an increase in assets or a reduction in liabilities that can be measured reliably.

This means that the recognition of income occurs simultaneously with the recognition of an increase in assets or a reduction in liabilities (for example, a net increase in assets in the sale of goods or services, or a reduction in obligations in the event of a refusal to pay a debt).

6. Notes

6.21 Expenditures

Expenditure is the reduction of economic benefits during the reporting period in the form of outflows or depletion of assets, or increases in liabilities that have led to a decrease in capital.

Expenditures include the expenses necessary to obtain income from sales (expenses included in the cost price), general and administrative expenses, selling expenses, financial and other expenses (losses) arising in the normal course of business of the Company.

Expences included in the cost price - the costs associated with the provision of services, the manufacture of products, the production of goods, as well as costs, the implementation of which is associated with the performance of work.



General and administrative expenses - expenses related to general management, general and administrative expenses.

Expenses for sales - costs associated with the sale of services, products, works and goods.

Other expenses (losses) are other items that fall under the definition of expenses and may or may not arise in the course of the Company's core business.

The structure of expenses in the context of accounting items included in the income statement and total income of the Company is presented in the table:

item	for the period 2017	Specific weight, %	for the period 2016	Specific weight, %
Cost of services rendered	4 650 076	92,9	4 658 237	87,7
General and administrative expenses	342 834	6,8	371 926	7,0
Other expenses, including:	6 406	0,1	219 672	4,1
Expenses on asset retirement	1 721	0,0	210 153	4,0
Other costs	4 685	0,1	9 519	0,2
Foreign exchange gain/income	8 667	0,2	61 373	1,2
Total expenses	5 007 983	100	5 311 208	100

Expenses are recognized in the accounting records subject to the following conditions:

- the amount of expenditure can be reliably determined;
- if there is a decrease in future economic benefits associated with a decrease in the asset or an increase in liabilities.

This means that the recognition of expense occurs in the reporting period in which an increase in liabilities or a decrease in an asset is recognized.

The decoding of expenses included in the cost of services rendered is presented in the table:

item of expenditure	for the accounting period 2017		for the previous period 2016	
	amount	specific weight, %	amount	specific weight, %
Salary and related taxes	1 621 753	34,88	1 587 447	34,1
Surgical stocks	1 152 904	24,79	1 275 418	27,4
Depreciation and amortization	465 202	10,00	516 157	11,1
Medical consumables	593 029	12,75	419 044	9,0
Medicines	141 239	3,04	122 365	2,6
Maintenance and repair	121 499	2,61	111 884	2,4
Utilities	90 880	1,95	100 979	2,2
Reserve for unused vacation	106 686	2,29	85 198	1,8
Food (catering)	66 563	1,43	55 848	1,2
Fuel	2 732	0,06	2 767	0,1
Taxes other than income tax	3 886	0,08	1 217	0,0
Other	283 703	6,10	379 913	8,2
Total for "Cost of services rendered"	4 650 076	100	4 658 237	100

The breakdown of general and administrative expenses in terms of cost items is presented in the table:

item of expenditure	for the accounting period 2017		for the previous period 2016	
	amount	specific weight, %	amount	specific weight, %
Salary and related taxes	284 776	83,06	318 228	85,56
Reserve for unused vacation	19 746	5,76	18 525	4,98
Expenses for maintenance	9 525	2,78	7 577	2,04
Bank services	5 898	1,72	5 164	1,37
Consulting services	1 986	0,57	2 880	0,78



Travel expenses	300	0,08	1 178	0,32
Training costs	493	0,14	780	0,20
Communication services	730	0,21	742	0,20
Stationery	675	0,2	437	0,12
Taxes other than income tax	5 906	1,72	18	0,0
Depreciation and amortization	129	0,04	67	0,20
Other	12 670	3,7	16 330	4,22
Total for general and administrative expenses	342 834	100	371 926	100

6. Notes

6.22 Related Party Transactions

In accordance with the established accounting principles, the parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making its financial or operational decisions. When assessing the possible existence of a relationship with each related party, attention is paid to the substance of the relationship, and not only to their legal design.

Related parties may conclude such transactions that cannot be concluded between unrelated parties, and transactions between related parties may not be carried out on the same terms and conditions and in amounts as transactions between unrelated parties.

Connectedness of the parties The company is defined:

side	nature of relationships	nature of operations performed
RSI Department of the Committee for Payment of Medical Services of the MHSP RK	Related party through Shareholder	Realization of services

The nature of the relatedness of the parties for the reporting period is presented in the table:

side	Sales of related parties	Purchases from related parties	Indebtedness of related parties	Payables to related parties
RSI Department of the Committee for Payment of Medical Services of the MHSP RK	3 734 336		250 663	
Total	3 736 336		250 663	

6. Notes

6.23 Commitments and contingent liabilities

A. Taxation

The existing tax legislation allows for various interpretations and undergoes frequent changes. Interpretation by tax authorities of tax legislation in respect of transactions and activities of companies may not coincide with the interpretation of this legislation by the Company's management. As a consequence, tax authorities can challenge the correctness of the application of tax legislation, and the Company may be assessed additional taxes, penalties and fines.

B. Environmental issues

At present, the environmental legislation and the position of the state bodies of the Republic of Kazakhstan on enforcing it are toughened in Kazakhstan. Penalties for violating the legislation of the Republic of Kazakhstan in the field of environmental protection can be quite severe. The Company assesses its obligations related to compensation for damage caused to the environment. The liabilities are immediately reflected in the financial statements.



C. Insurance issues

The insurance market in the Republic of Kazakhstan is at the development stage, and many forms of insurance protection common in other regions of the world are not yet available as a whole. The Company does not have full coverage for its activities, insurance in the event of a shutdown of the provision of services or insurance of liability to third parties in respect of damage to property or the environment arising from accidents at the Company's facilities or related to its activities. Until the Company has sufficient insurance coverage, there is a risk that the loss or destruction of certain assets may have a material adverse effect on the Company's business and financial position. The Company's management believes that it is not required to create additional reserves, other than those accrued and recognized in these financial statements.

D. Litigation

During the year, the Company was not involved in a number of court proceedings (as a plaintiff) arising in the course of the normal course of business. In the management's opinion, there are no ongoing legal proceedings or unresolved legal claims that could have a material adverse effect on the Company's results of operations or financial position and that would not have been assessed or disclosed in these financial statements.

Conclusion

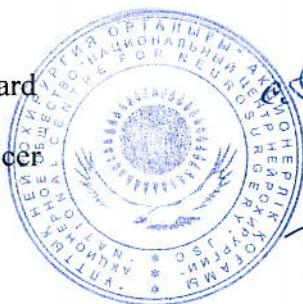
The Company refers to the organization of public interest and places financial statements in the depository of financial statements.

The financial statements for publication have been prepared according to the forms approved by Order No. 404 of the Minister of Finance of the Republic of Kazakhstan on June 28, 2017, and is presented below.

Chairman of the Board

Chief Financial Officer

Chief Accountant



Handwritten signatures in blue ink, including one that appears to be 'S.K.' and another that appears to be 'K.A.'.

Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova A.A.



Annex 2
to the order of the Minister of Finance
of the Republic of Kazakhstan
of June 28, 2017 No. 404

Form

Balance sheet for the accounting period 2017

Index: No. 1 - B (balance sheet)

Periodicity: yearly

Submitted by : organizations of public interest based on the results of the fiscal year

Submitted to: to the depository of financial statements in electronic format through software

Deadline for submission: annually not later than August 31 of the year following the reporting year.

Note: an explanation for completing the report is given in the annex to the form intended for the collection of administrative data "Balance Sheet".

Name of company: Joint Stock Company "National Center for Neurosurgery"

as of December 31, 2017

thousand tenge

Assets	Line code	As of the end of the reporting period	As of the beginning of the reporting period
I. Short-term assets:			
Cash and cash equivalents	010	4 293 384	4 949 234
Available-for-sale financial assets	011		
Derivative financial instruments	012		
Financial assets at fair value through profit or loss	013		
Financial assets held to maturity	014		
Other short-term financial assets	015		
Short-term trade and other receivables	016	266 772	70 856
Current Income Tax	017		
Inventory	018	436 053	327 573
Other current assets	019	15 995	11 997
Total short-term assets (the sum of lines from 010 to 019)	100	5 012 204	5 359 660
Assets (or disposal groups) held for sale	101		
II. Long-term assets			
Available-for-sale financial assets	110	5 458	5 957
Derivative financial instruments	111		
Financial assets at fair value through profit or loss	112		
Financial assets held to maturity	113		
Other long-term financial assets	114	41 580	41 580
Long-term trade and other receivables	115	1 524 985	1 524 985
Investments accounted for under the equity method	116		
Investment property	117		
Fixed assets	118	6 194 148	5 936 413
Biological assets	119		
Exploration and appraisal assets	120		
Intangible assets	121	11 938	19 953
Deferred tax assets	122		
Other long-term assets	123		
Total long-term assets (the sum of lines from 110 to 123)	200	7 778 109	7 523 888
Balance (line 100 + line 101+ line 200)		12 790 313	12 883 548



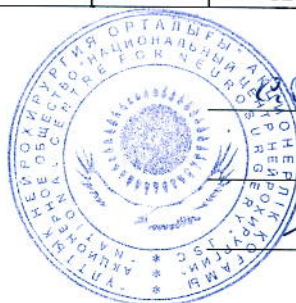
Commitment and Capital	Line code	As of the end of the reporting period	As of the beginning of the reporting period
III. Short-term liabilities			
Loans	210		
Derivative financial instruments	211		
Other short-term financial liabilities	212		
Short-term trade and other payables	213	40 817	24 303
Short-term reserves	214		
Current income tax liabilities	215		
Employee benefits	216	40 848	66 277
Other current liabilities	217	206 744	251 024
Total short-term liabilities (the sum of lines from 210 to 217)	300	288 409	341 604
Liabilities of disposal groups intended for sale	301		
IV. Long-term liabilities			
Loans	310		
Derivative financial instruments	311		
Other long-term financial liabilities	312		
Long-term trade and other payables	313		
Long-term reserves	314		
Deferred tax liabilities	315		
Other long-term liabilities	316	2 454 763	2 506 724
Total long-term liabilities (the sum of lines from 310 to 316)	400	2 454 763	2 506 724
V. Capital			
Authorized (share) capital	410	9 223 040	9 223 040
Share premium	411		
Treasury stock	412		
Reserves	413	409 259	409 259
Undistributed profit (uncovered loss)	414	414 842	407 921
Total capital attributable to the owners of the parent organization (the lines of rows from 410 to 414)	420	10 047 141	10 040 220
Non-controlling interests	421		
Total capital (line 420 +/- line 421)	500	10 047 141	10 040 220
Balance (line 300 + line 301 + line 400 + line 500)		12 790 313	12 888 548

Chairman of the Board

Chief Financial Officer

Chief Accountant

Place of seal



(Handwritten signatures)

Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova A.A.



Profit and loss statement for the reporting period 2017

Index: No. 2 - P&L

Periodicity: yearly

Submitted by : organizations of public interest based on the results of the fiscal year

Submitted to: to the depository of financial statements in electronic format through software

Deadline for submission: annually not later than August 31 of the year following the reporting year.

Note: an explanation for completing the report is given in the annex to the form intended for the collection of administrative data "Profit and Loss Statement"

Name of company: Joint Stock Company "National Center for Neurosurgery"

for the year ending December 31, 2017

thousand tenge

Name of indicators	Line code	For the accounting period	For the previous period
Revenues	010	4 769 345	4 867 092
Cost of goods and services sold	011	(4 650 076)	(4 658 237)
Gross profit (line 010 - line 011)	012	119 269	208 855
Distribution costs	013		
Administrative costs	014	(342 834)	(371 926)
Other costs	015	(15 073)	(281 045)
Other income	016	99 656	324 368
Total operating profit (loss) (+/- lines from 012 to 016)	020	(138 982)	(119 748)
Income from financing	021	146 249	120 440
Financing costs	022		
Share of the organization in the profit (loss) of associates and joint activities accounted for using the equity method	023		
Other non-operating income	024		
Other non-operating expenses	025		
Profit (loss) before taxation (+/- lines from 020 to 025)	100	7 267	692
Income tax expense	101		
Profit (loss) after taxation from continuing operations (line 100 - line 101)	200	7 267	692
Profit (loss) after taxation from discontinued operations	201		
Profit for the year (line 200 + line 201) attributable to:	300	7 267	692
proprietors of the parent organization			
non-controlling interest			
Other comprehensive income, total (the sum of lines from 410 to 420):	400	-	-
including:			
Revaluation of fixed assets	410		
Revaluation of available-for-sale financial assets	411		
Share in other comprehensive income (loss) of associates and joint activities accounted for using the equity method	412		
Actuarial gains (losses) on pension liabilities	413		
Effect of a change in the income tax rate on deferred tax of subsidiary organizations	414		
Cash flow hedges	415		
Exchange rate difference on investments in foreign organizations	416		
Hedging of net investment in foreign operations	417		



"JSC "National Center for Neurosurgery". Financial statements prepared in accordance with IFRS as of 31 December 2017, ths. KZT

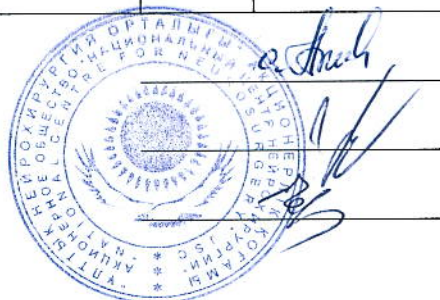
Other components of other comprehensive income	418		
Adjustment for reclassification as part of profit (loss)	419		
Tax effect of components of other comprehensive income	420		
Total comprehensive income (line 300 + line 400)	500	7 267	692
Total comprehensive income attributable to:			
proprietors of the parent organization			
non-controlling interests			
Earnings per share:	600		
including:			
Basic earnings per share:			
from continuing operations			
from discontinued operations			
Diluted earnings per share:			
from continuing operations			
from discontinued operations			

Chairman of the Board

Chief Financial Officer

Chief Accountant

Place of seal



Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova A.A.



Cash flow statement (direct method) for the reporting period 2017

Index: No. 3 - CCF

Periodicity: yearly

Submitted by : organizations of public interest based on the results of the fiscal year

Submitted to: to the depository of financial statements in electronic format through software

Deadline for submission: annually not later than August 31 of the year following the reporting year.

Note: an explanation for completing the report is given in the annex to the form intended for the collection of administrative data "Cash Flow Statement (direct method)"

Name of company: Joint Stock Company "National Center for Neurosurgery"

for the year ending December 31, 2017

thousand tenge

Name of indicators	Line code	For the accounting period	For the previous period
I. Cash flows from operating activities			
1. Cash inflow, total (the sum of lines from 011 to 016)	010	6 025 881	6 013 594
including:			
sale of goods and services	011	3 651 390	3 834 311
other revenue	012		
advances received from buyers, customers	013	916 505	1 018 947
income under insurance contracts	014		
remuneration received	015	151 249	125 961
miscellaneous income	016	1 306 737	1 034 375
2. Cash outflow, total (the sum of lines from 021 to 027)	020	(5 995 510)	(5 488 907)
including:			
payments to suppliers for goods and services	021	(2 523 002)	(2 405 869)
advances to suppliers of goods and services	022	(43 136)	(67 563)
payroll payments	023	(1 501 768)	(1 441 006)
remuneration	024		
payments under insurance contracts	025		
income tax and other payments to the budget	026	(541 693)	(443 580)
other payments	027	(1 385 911)	(1 130 889)
3. Net cash from operating activities (line 010 - line 020)	030	30 371	524 687
II. Cash flow from investing activities			
1. Cash inflow, total (the sum of lines from 041 to 051)	040	-	2 103 557
including:			
sale of fixed assets	041		
sale of intangible assets	042		
sale of other long-term assets	043		206 645
sale of equity instruments of other organizations (other than subsidiaries) and interests in joint ventures	044		
sale of debt instruments of other organizations	045		
compensation for loss of control over subsidiaries	046		
sale of other financial assets	047		
futures and forward contracts, options and swaps	048		



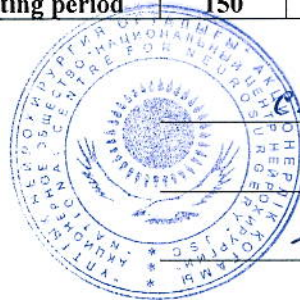
dividends received	049		
remuneration received	050		
miscellaneous income	051		
2. Cash outflow, total (the sum of lines from 061 to 071)	060	(685 875)	(1 920 035)
including:			
acquisition of fixed assets	061	(685 875)	(1 920 035)
acquisition of intangible assets	062		
acquisition of other long-term assets	063		
acquisition of equity instruments of other organizations (except for subsidiaries) and equity interests in joint ventures	064		
acquisition of debt instruments of other organizations	065		
acquisition of control over subsidiaries	066		
acquisition of other financial assets	067		
provision of loans	068		
futures and forward contracts, options and swaps	069		
investments in associates and subsidiaries	070		
other payments	071		
3. Net cash from investing activities (line 040 - line 060)	080	(685 875)	183 522
III. Cash flows from financing activities			
1. Cash inflow, total (the sum of lines from 091 to 094)	090	-	2 863 788
including:			
issue of shares and other financial instruments	091		1 780 014
obtaining loans	092		
remuneration received	093		
miscellaneous income	094		1 083 774
2. Cash outflow, total (the sum of lines from 101 to 105)	100	(346)	(134 923)
including:			
repayment of loans	101		
remuneration	102		
dividend payment	103	(346)	(134 923)
payments to owners of shares in the organization	104		
other disposals	105		
3. Net cash from financing activities (line 090 - line 100)	110	(346)	2 728 865
4. Influence of exchange rates of currencies to tenge	120		
5. Increase +/- decrease in cash (line 030 +/- line 080 +/- line 110 +/- line 120)	130	(655 850)	3 437 074
6. Cash and cash equivalents at the beginning of the reporting period	140	4 949 234	1 512 160
7. Cash and cash equivalents at the end of the reporting period	150	4 293 384	4 949 234

Chairman of the Board

Chief Financial Officer

Chief Accountant

Place of seal



Akshulakov S.K.

Kairlenov K.A.

Yermaganbetova A.A.



Statement of changes in equity for the reporting period 2017

Index: No. 5-CE

Periodicity: yearly

Submitted by : organizations of public interest based on the results of the fiscal year

Submitted to: to the depository of financial statements in electronic format through software

Deadline for submission: annually not later than August 31 of the year following the reporting year.

Note: an explanation of the completion of the report is given in the annex to the form intended for the collection of administrative data "Statement of changes in equity"

Name of company: Joint Stock Company "National Center for Neurosurgery"
for the year ending December 31, 2017
thousand tenge

Name of components	Line code	Capital of the parent organization					Non-controlling interests	Total capital
		Authorized (share) capital	Share premium	Treasury stock	Reserves	Undistributed profits		
Balance as of January 1 of the previous year	010	7 443 026			409 259	542 152	8 394 437	
Change in accounting policy	011						-	
Calculated balance (line 010 +/- line 011)	100	7 443 026	-	-	409 259	542 152	8 394 437	
Total comprehensive income, total (line 210 + line 220):	200	-	-	-	-	692	692	
Profit (loss) for the year	210					692	692	
Other comprehensive income, total (the sum of lines from 221 to 229):	220	-	-	-	-	-	-	
including:								
Increase from revaluation of fixed assets (net of tax effect)	221						-	
Transfer of depreciation from revaluation of fixed assets (net of tax effect)	222						-	
Revaluation of financial assets available for sale (net of tax effect)	223						-	



