


**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**


For the year ended 31 December 2016

	Notes	2016 <i>BGN'000</i>	2015 <i>BGN'000</i>
Interest income	3.1	9,225	10,833
Interest expenses and charges	3.2	(5,041)	(4,846)
Dividend income		47	40
Other operating income	3.3	298	619
Net operating income		4,529	6,646
Impairment of loans granted	9	(747)	(2,895)
Payroll expenses	3.4	(599)	(595)
Depreciation and amortisation expenses	7	(20)	(10)
Other operating expenses	3.5	(200)	(193)
Profit before tax		2,963	2,953
Income tax expense	4	(291)	(291)
Profit for the year		2,672	2,662
Other comprehensive income for the year, net of taxes		-	-
Total comprehensive income for the year, net of taxes		2,672	2,662


These individual financial statements were authorized for issue by the Board of Directors on 28 March 2017.
The notes on pages 23 to 44 are an integral part of these financial statements.


Nadya Yordanova Dankinova
Executive Director





Kalinka Ruskova Todorova
Chief Accountant

In accordance with an Independent Auditor's Report:


Liliya Rangelova
Registered auditor
28 March 2017




Krassimira Radeva
Managing director
Baker Tilly Klitou and Partners OOD

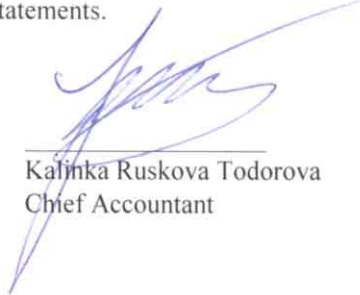
**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
INDIVIDUAL STATEMENT OF FINANCIAL POSITION**

For the year ended 31 December 2016

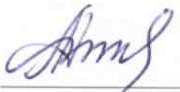
	Notes	31 December	
		2016	2015
		BGN'000	BGN'000
ASSETS			
Cash and cash equivalents	5	32,017	26,272
Corporate income tax receivable	12	-	89
Receivables and prepayments	6	25	10
Loans granted	9	131,324	259,917
Loans granted to related parties	9,17	23,338	17,960
Deferred tax assets	4	2	1
Plant and equipment	7	51	18
Software	7	16	2
Investment in subsidiary	8	500	500
TOTAL ASSETS		187,273	304,769
LIABILITIES AND EQUITY			
LIABILITIES			
Payroll and social securities payables	11	77	78
Tax liabilities	12	70	-
Other liabilities	13	369	482
Loans payable	10	88,178	207,057
TOTAL LIABILITIES		88,694	207,617
EQUITY			
Share capital	14.1	90,000	90,000
Statutory reserves	14.2	2,188	1,922
Retained earnings		6,391	5,230
TOTAL EQUITY		98,579	97,152
TOTAL LIABILITIES AND EQUITY		187,273	304,769


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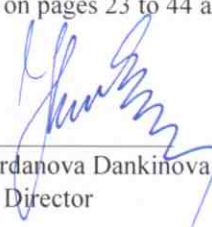


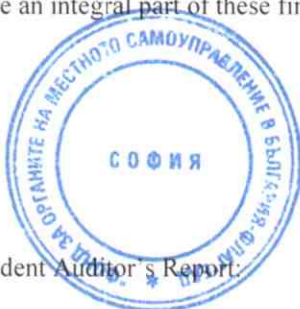
**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY**


For the year ended 31 December 2016

	Share capital (Note 14.1)	Retained earnings	Statutory reserves (Note 14.2)	Total
	BGN'000	BGN'000	BGN'000	BGN'000
As at 1 January 2015	90,000	4,046	1,697	95,743
Profit for the year	-	2,662	-	2,662
Total comprehensive income	-	2,662	-	2,662
Distribution of dividends	-	(1,253)	-	(1,253)
Transfer to reserves	-	(225)	225	-
As at 31 December 2015	90,000	5,230	1,922	97,152
As at 1 January 2016	90,000	5,230	1,922	97,152
Profit for the year	-	2,672	-	2,672
Total comprehensive income	-	2,672	-	2,672
Distribution of dividends	-	(1,245)	-	(1,245)
Transfer to reserves	-	(266)	266	-
As at 31 December 2016	90,000	6,391	2,188	98,579


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28 March 2017



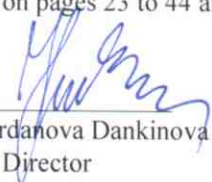

Krassimira Radeva
Managing director
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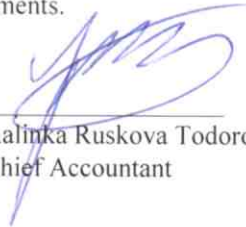
**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
INDIVIDUAL CASH FLOW STATEMENT**

For the year ended 31 December 2016

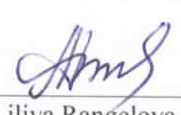
	Notes	2016 BGN'000	2015 BGN'000
CASH FLOWS FROM OPERATING ACTIVITY			
Proceeds from interest on bank deposits		92	305
Loans granted to municipalities		(40,231)	(257,081)
Loans repaid by municipalities		167,941	155,853
Loans granted to related parties		(5,544)	(14,712)
Loans repaid by related parties		474	445
Interest received on loans granted		8,961	10,405
Payments to suppliers		(752)	(858)
Payments to personnel and for social security		(600)	(577)
Other proceeds, net		152	736
Income tax paid		(132)	(421)
Net cash flows from/(used in) operating activity		130,361	(105,905)
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of plant, equipment and software products		(67)	(10)
Sales of plant and equipment		7	-
Dividends received		47	40
Net cash flows from/(used in) investing activity		(13)	30
CASH FLOWS FROM FINANCING ACTIVITY			
Loans received		79,116	130,355
Repayment of loans		(197,737)	(37,317)
Dividends paid		(1,245)	(1,253)
Interest paid		(3,657)	(3,925)
Fees and commissions paid		(1,080)	(635)
Net cash flows from/(used in) financing activity		(124,603)	87,225
Net increase (decrease) in cash and cash equivalents		5,745	(18,650)
Cash and cash equivalents at the beginning of the period	5	26,272	44,922
Cash and cash equivalents at the end of the period	5	32,017	26,272

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