


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

For the year ended 31 December 2016

	Notes	2016 BGN'000	2015 BGN'000
Interest income	3.1	9,876	11,091
Interest expense and charges	3.2	(5,079)	(4,870)
Other operating income	3.3	634	952
Net operating income		5,431	7,173
Impairment of loans	9	(1,056)	(3,014)
Payroll expenses	3.4	(821)	(807)
Depreciation and amortisation expenses	7	(22)	(11)
Other operating expenses	3.5	(264)	(311)
Profit before tax		3,268	3,030
Income tax expense	4	(326)	(303)
Profit for the year		2,942	2,727
Other comprehensive income for the year, net of taxes		-	-
Total comprehensive income for the year, net of taxes		2,942	2,727

These consolidated financial statements were authorized for issue by the Board of Directors 19 May 2017.

The notes on pages 20 to 43 are an integral part of these consolidated financial statements.


Nadya Yordanova Dankinova
Executive Director




Kalinka Ruskova Todorova
Chief Accountant

In accordance with an Independent Auditor's Report.


Liliya Rangelova
Registered auditor
19 May 2017




Krassimira Radeva
Managing director
Baker Tilly Klitou and Partners OOD


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

As at 31 December 2016

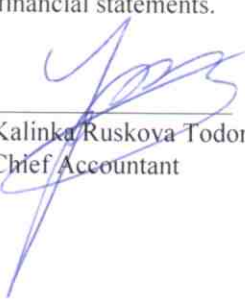
	Notes	31 December	
		2016	2015
		BGN'000	BGN'000
ASSETS			
Cash and cash equivalents	5	34,764	29,485
Corporate income tax receivable	12	-	83
Receivables and prepayments	6	117	11
Loans granted	9	176,932	299,516
Deferred tax assets	4	2	1
Plant and equipment	7	52	21
Software	7	16	2
TOTAL ASSETS		211,883	329,119
LIABILITIES AND EQUITY			
Liabilities			
Payroll and social security payables	11	106	98
Tax liabilities	12	93	-
Other liabilities	13	375	488
Loan payables	10	112,314	231,235
Total liabilities		112,888	231,821
Equity			
Share capital	14.1	90,000	90,000
Statutory reserves	14.2	2,208	1,931
Retained earnings		6,787	5,367
Total equity		98,995	97,298
TOTAL LIABILITIES AND EQUITY		211,883	329,119

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Nadya Yordanova Dankinova
Executive Director




Kalinka Ruskova Todorova
Chief Accountant

In accordance with an Independent Auditor's Report:


Liliya Rangelova
Registered auditor
19 May 2017




Krassimira Radeva
Managing director
Baker Tilly Klitou and Partners OOD

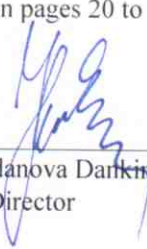
**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2016

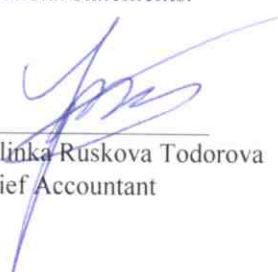
	Share capital	Retained earnings	Statutory reserves	Total
	BGN'000	BGN'000	BGN'000	BGN'000
As at 1 January 2015	90,000	4,125	1,699	95,824
Profit for the year	-	2,727	-	2,727
Total comprehensive income	-	2,727	-	2,727
Distribution of dividends	-	(1,253)	-	(1,253)
Transfer to reserves	-	(232)	232	-
As at 31 December 2015	90,000	5,367	1,931	97,298
As at 1 January 2016	90,000	5,367	1,931	97,298
Profit for the year	-	2,942	-	2,942
Total comprehensive income	-	2,942	-	2,942
Distribution of dividends	-	(1,245)	-	(1,245)
Transfer to reserves	-	(277)	277	-
As at 31 December 2016	90,000	6,787	2,208	98,995

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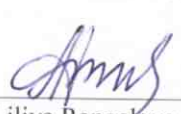
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Nadya Yordanova Danikova
Executive Director





Kalinka Ruskova Todorova
Chief Accountant

In accordance with an Independent Auditor's Report:


Liliya Rangelova
Registered auditor
19 May 2017




Krassimira Radeva
Managing director
Baker Tilly Klitou and Partners OOD

**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2016

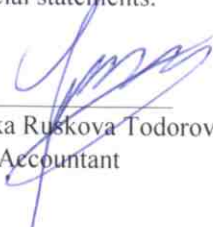
	Notes	2016 <i>BGN'000</i>	2015 <i>BGN'000</i>
Cash flows from operating activity			
Proceeds from interest on bank deposits		93	307
Loans granted		(48,615)	(284,981)
Loans repaid		170,013	156,658
Interest received on loans granted		9,913	10,645
Payments to suppliers		(846)	(931)
Payments to personnel and for social security		(824)	(807)
Other (payments)/receipts, net		357	1,003
Income tax paid		(150)	(435)
Net cash flows from/(used in) operating activity		129,941	(118,541)
Cash flows from investing activity			
Purchase of equipment and other fixed assets		(67)	(14)
Sales of plant and equipment		7	-
Net cash flows used in investing activity		(60)	(14)
Cash flows from financing activity			
Loans received		79,117	130,565
Loans repaid		(197,737)	(37,402)
Dividends paid		(1,245)	(1,253)
Paid interest on loans		(3,657)	(3,925)
Paid fees and commissions on loans		(1,080)	(635)
Net cash flows from/ (used in) financing activity		(124,602)	87,350
Net increase/(decrease) in cash and cash equivalents		5,279	(31,205)
Cash and cash equivalents at the beginning of the period	5	29,485	60,690
Cash and cash equivalents at the end of the period	5	34,764	29,485

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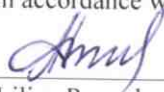
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Nadya Yordanova Dankinova
Executive Director





Kalinka Ruskova Todorova
Chief Accountant

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Liliya Rangelova
Registered auditor
19 May 2017




Krassimira Radeva
Managing director
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