

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

For the year ended 31 December 2014

	Notes	2014 <i>BGN'000</i>	2013 <i>BGN'000</i>
Interest income	3.1	7,463	5,620
Interest expenses and charges	3.2	(3,981)	(2,309)
Dividend income		13	-
Other operating income	3.3	639	444
Net operating income		4,134	3,755
Impairment of loans	9	(851)	(94)
Payroll expenses	3.4	(519)	(471)
Depreciation and amortisation expenses	7	(16)	(18)
Other operating expenses	3.5	(253)	(221)
Profit before tax		2,495	2,951
Разход за данък върху доходите	4	(247)	(295)
Profit for the year		2,248	2,656
Other comprehensive income for the year, net of taxes		-	-
Total comprehensive income for the year, net of taxes		2,248	2,656

These individual financial statements were authorized for issue by the Board of Directors on 17 March 2015.

The notes on pages 15 to 37 are an integral part of these financial statements.

Nadya Yordanova Dankinova
Executive Director

Kalinka Ruskova Todorova
Chief Accountant

Registered auditor
17 March 2015





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

For the year ended 31 December 2014

	Notes	31 December	
		2014	2013
		BGN'000.	BGN'000.
ASSETS			
Cash and cash equivalents	5	44,922	17,999
Receivables and prepayments	6	15	9
Loans granted	9	161,466	132,648
Loans granted to related parties	9,17	3,688	921
Deferred tax assets	4	1	1
Property, plant and equipment	7	20	28
Investment in subsidiary	8	500	500
TOTAL ASSETS		210,612	152,106
LIABILITIES AND EQUITY			
LIABILITIES			
Payroll and social securities payables	11	49	47
Tax liabilities	12	41	11
Other liabilities	13	390	158
Loan payable to EBRD	10	114,389	86,708
TOTAL LIABILITIES		114,869	86,924
EQUITY			
Share Capital	14.1	90,000	60,000
Statutory reserves	14.2	1,697	1,431
Retained earnings		4,046	3,751
TOTAL EQUITY		95,743	65,182
TOTAL LIABILITIES AND EQUITY		210,612	152,106

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Nadya Yordanova Dankinova
Executive Director

Kalinka Ruskova Todorova
Chief Accountant

Registered auditor
17 March 2015

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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 2014

	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 2013	60,000	3,489	1,139	64,628
Profit for the year	-	2,656	-	2,656
Total comprehensive income	-	2,656	-	2,656
Distribution of dividends	-	(2,102)	-	(2,102)
Transfer to reserves	-	(292)	292	-
As at 31 December 2013	60,000	3,751	1,431	65,182
As at 1 January 2014	60,000	3,751	1,431	65,182
Profit for the year	-	2,248	-	2,248
Total comprehensive income	-	2,248	-	2,248
Increase of share capital	30,000	-	-	30,000
Distribution of dividends	-	(1,687)	-	(1,687)
Transfer to reserves	-	(266)	266	-
As at 31 December 2014	90,000	4,046	1,697	95,743

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Nadya Yordanova Danjinova
Executive Director

Kalinka Ruskova Todorova
Chief Accountant

Registered auditor
17 March 2015

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

For the year ended 31 December 2014

	Notes	2014 <i>BGN'000</i>	2013 <i>BGN'000</i>
CASH FLOWS FROM OPERATING ACTIVITY			
Proceeds from interest on bank deposits		858	880
Loans granted to municipalities		(158,389)	(146,971)
Loans repaid by municipalities		128,736	127,120
Loans granted to related parties		(3,114)	(914)
Loans repaid by related parties		342	-
Interest received on granted loans		6,586	4,720
Payments to suppliers		(802)	(724)
Payments to personnel and for social security		(527)	(458)
Other proceeds, net		817	489
Income tax paid		(218)	(202)
Net cash flows used in operating activity		(25,711)	(16,060)
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		(9)	(23)
Dividends received		13	-
Net cash flows from (used in) investing activity		4	(23)
CASH FLOWS FROM FINANCING ACTIVITY			
Increase of share capital		30,000	-
Loan received from EBRD		38,348	30,101
Repayment of EBRD loan		(11,415)	(5,705)
Dividends paid		(1,687)	(2,102)
Interest paid on EBRD loan		(2,549)	(2,236)
Fees and commissions paid on EBRD loan		(67)	(929)
Net cash flow from financing activity		52,630	19,129
Net increase in cash and cash equivalents		26,923	3,046
Cash and cash equivalents at the beginning of the period	5	17,999	14,953
Cash and cash equivalents at the end of the period	5	44,922	17,999

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Nadya Yordanova Dankinova
Executive Director

Kalinka Ruskova Todorova
Chief Accountant

Registered auditor
17 March 2015



