

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

For the year ended 31 December 2015

	Notes	2015 BGN '000	2014 BGN '000
Interest income	3.1	11,091	7,548
Interest expense and charges	3.2	(4,870)	(3,982)
Other operating income	3.3	952	899
Net operating income		7,173	4,465
Impairment of loans	9	(3,014)	(851)
Payroll expenses	3.4	(807)	(669)
Depreciation and amortisation expenses	7	(11)	(16)
Other operating expenses	3.5	(311)	(366)
Profit before tax		3,030	2,563
Income tax expense	4	(303)	(255)
Profit for the year		2,727	2,308
Other comprehensive income for the year, net of taxes		-	-
Total comprehensive income for the year, net of taxes		2,727	2,308

These consolidated financial statements were authorized for issue by the Board of Directors on 20 May 2016.

The notes on pages 16 to 38 are an integral part of these consolidated financial statements.




Nadya Yordanova Dankinova
Executive Director





Kalinka Ruskova Todorova
Chief Accountant

Initialed for identification purposes in reference to the auditor's report:


20.05.2016



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

As at 31 December 2015

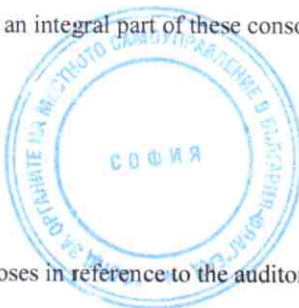
	Notes	31 December	
		2015 BGN'000	2014 BGN'000
ASSETS			
Cash and cash equivalents	5	29,485	60,690
Corporate income tax receivable	12	83	-
Receivables and prepayments	6	11	75
Loans granted	9	299,516	174,067
Deferred tax assets	4	1	1
Property, plant and equipment	7	23	20
TOTAL ASSETS		329,119	234,853
LIABILITIES AND EQUITY			
Liabilities			
Payroll and social security payables	11	98	59
Tax liabilities	12	-	49
Other liabilities	13	488	392
Loan payables	10	231,235	138,529
Total liabilities		231,821	139,029
Equity			
Share capital	14.1	90,000	90,000
Statutory reserves	14.2	1,931	1,699
Retained earnings		5,367	4,125
Total equity		97,298	95,824
TOTAL LIABILITIES AND EQUITY		329,119	234,853

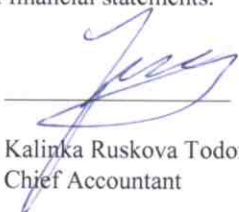
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**FUND FOR LOCAL AUTHORITIES AND GOVERNMENTS IN BULGARIA – FLAG JSC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

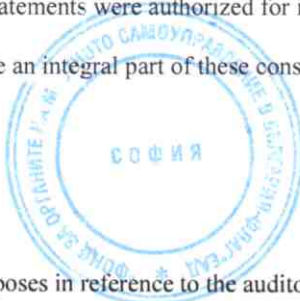
For the year ended 31 December 2015

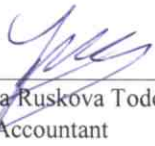
	Share capital	Retained earnings	Statutory reserves	Total
	BGN'000	BGN'000	BGN'000	BGN'000
As at 1 January 2014	60,000	3,772	1,431	65,203
Profit for the year	-	2,308	-	2,308
Total comprehensive income	-	2,308	-	2,308
Increase of share capital	30,000	-	-	30,000
Distribution of dividends	-	(1,687)	-	(1,687)
Transfer to reserves	-	(268)	268	-
As at 31 December 2014	90,000	4,125	1,699	95,824
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

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

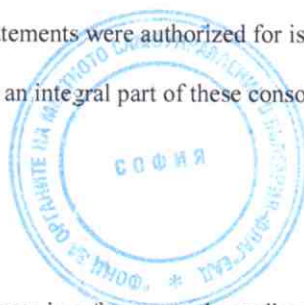
For the year ended 31 December 2015

	Notes	2015 <i>BGN'000</i>	2014 <i>BGN'000</i>
Cash flows from operating activity			
Proceeds from interest on bank deposits		307	868
Loans granted		(284,981)	(169,897)
Loans repaid		156,658	129,449
Interest received on loans granted		10,645	6,656
Payments to suppliers		(931)	(943)
Payments to personnel and for social security		(807)	(688)
Other (payments)/receipts, net		1,003	953
Income tax paid		(435)	(220)
Net cash flows from/(used in) operating activity		(118,541)	(33,822)
Cash flows from investing activity			
Purchase of property, plant and equipment		(14)	(9)
Net cash flows used in investing activity		(14)	(9)
Cash flows from financing activity			
Increase of share capital		-	30,000
Loans received		130,565	38,977
Loans repaid		(37,402)	(12,641)
Dividends paid		(1,253)	(1,687)
Paid interest on loans		(3,925)	(2,549)
Paid fees and commissions on loans		(635)	(67)
Net cash flows from financing activity		87,350	52,033
Net increase/(decrease) in cash and cash equivalents		(31,205)	18,202
Cash and cash equivalents at the beginning of the period	5	60,690	42,488
Cash and cash equivalents at the end of the period	5	29,485	60,690

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