



ACCOUNTING POLICY AND EXPLANATORY NOTES

To the Annual financial statements As of 31.12.2020

GENERAL INFORMATION

STARA PLANINA HOLD Plc was incorporated in Bulgaria on 27.09.1996 for an unlimited period of time. The Holding is a successor of Central Privatization Fund AD. On 19.12.1997 Central Privatization Fund AD was renamed to Central Fund Hold Plc, and since 30.04.1999 the company has been operating under its current name.

Stara Planina Hold Plc is registered in the Registry Agency under UICode 121227995.

The company is not registered under the VAT Act.

Stara Planina Hold Plc is a public company within the meaning of Art. 110 of the Public Offering of Securities Act.

The registered seat and business address are in the city of Sofia, Izgrev district, 20 Frederic Joliot-Curie, 9th floor; telephone/fax: 02/9634159; 9630577; 9633754; e-mail office@sphold.com, website www.sphold.com.

The scope of business activity of the holding is: acquisition, management, evaluation and sale of shareholdings in Bulgarian and foreign companies; acquisition, management and sale of bonds, evaluation and sale of patents, transfer of licenses for use of patents, belonging to companies where the holding company has participations; financing companies where the holding company has participations; other commercial operations, except those prohibited by law.

The registered capital of Stara Planina Hold Plc is BGN 21 000 000 (twenty-one million) leva divided into 21 000 000 (twenty-one million) non-preferred registered voting shares with a nominal value of BGN 1.00 each.

The management body of the company is the Board of Directors with the following members:

- Evgeniy Vasilev Uzunov – Chairman of the Board of Directors and representative of the company;
- Vasil Georgiev VeleV – executive member of the Board of Directors and representative of the company;
- Finance Invest OOD, having its registered seat and business address in the town of Plovdiv, 14, Maria Luiza Blvd., UIC 115016144, represented for the purpose of performing its obligations as a member of the Board of Directors by the legal representative Spas Borisov Videv;
- Stefan Atanasov Nikolov – member of the Board of Directors.

Shareholders holding more than 5 % of the voting rights as of 31.12.2020:

Potbul Invest Foundation - 4655400 shares, representing 22.17 % of the capital;

Garant-5 Ltd - 2595972 shares, representing 12.36 % of the capital;

ZUPF Allianz Bulgaria AD - 1311322 shares, representing 6.24 % of the capital.

The listed company staff includes 6 employees.

Statement of Compliance

Stara Planina Hold Plc presents its financial statements in compliance with the International Financial Reporting Standards (IFRS) and retains their use as an applicable basis of the preparation of the current financial statements as of 31.12.2020. The company complies with the principles and stipulations of the Accountancy Act.

Basis for preparation of the financial statements

The financial statements of Stara Planina Hold Plc have been prepared in compliance with all International Financial Reporting Standards (IFRS) which consist of: Financial Reporting Standards and interpretations of the IFRS Interpretations Committee (IFRIC) approved by the International Accounting Standards Board (IASB) and the International Accounting Standards as well as the interpretations of the Standing Interpretations Committee (SIC) approved by the International Accounting Standards Committee (IASC) effective as of 1 January 2020 and adopted by the European Commission.

The financial statements have been prepared based on the assumption that the company is a going concern and that the company will continue operating in the foreseeable future.

The financial statements of the company have been prepared on a historical price basis, modified in certain cases by revaluating some assets at their fair value and this has been indicated in the respective accompanying notes.

The company maintains its accounting records in Bulgarian levs (BGN) adopted as its reporting and functional currency for financial statements presentation. Data in these financial statements and the notes hereto are presented in thousands of (BGN) unless expressly stated otherwise.

Upon initial recognition, foreign currency transactions are recorded in the functional currency with the exchange rate at the date of transaction or operation, as published by the Bulgarian National Bank (BNB), being applied to the foreign currency amount. Cash funds, receivables and payables, being monetary accounting items denominated in foreign currency, are measured in BGN by applying the closing exchange rate published by the BNB.

When preparing this financial statement, the management has made judgments, estimates and assumptions which affect the application of

the accounting policies and the reported amounts of assets and liabilities, revenues and expenditures. The actual result may differ from these estimates.

Estimates and main assumptions are reviewed on a regular basis.

In these financial statements the company presents comparative information for one prior year, as the items in the Statement of Financial Position and the Statement of Changes in Equity as well as the explanatory notes thereto contains comparative data at the beginning of the earliest comparative period.

Statement on the impact of Covid-19

This statement is set out under the recommendation of ESMA, dated March 11th, 2020 addressed to the financial market participants in relation to the influence of Covid-19.

We have undertaken measures to ensure the health and working capacity of employees, our business continuity and activities related to the regulatory obligations. Companies in the Group of Stara Planina Hold Plc continued their activities with variable deviations from the established mode of operation, in compliance with the precautionary measures to limit the spread of Covid-19 infection.

The effect of the measures taken by the governments in relation to Covid-19 led to pessimism in the business sentiment of our main partners as a result of which the sales downturn continued during the third quarter of 2020. In the first months of the fourth quarter, we reported sales growth, for the first time, compared to the same period of the previous year and based on the promising results for January 2021 and the increased forecasts for the first half of the current year, we would define this as a trend.

Despite our positive expectations for a gradual disappearance of the Covid-19 pandemic, we believe that the related risks arising will have their impact in 2021 as well.

ACCOUNTING POLICY

Financial instruments

Non-derivative financial instruments

The participation of Stara Planina Hold Plc in subsidiaries and associated companies is reported in accordance with the provisions and requirements of IFRS 10: Consolidated financial

statements and IAS 28: Investments in Associates and Joint Ventures.

Subsidiaries are all enterprises under the control of the company. The control over the subsidiaries finds expression in the possibility of the company to manage and define the financial and business policies of the subsidiaries so as to benefit from their operations. In the separate financial statements of the company, investments in subsidiaries are accounted for at their cost price.

The Company recognizes dividend payments from a subsidiary in its profit or loss in the separate financial statements when the right to receive the dividend is established.

Associates are those entities over which the company is able to exercise significant influence but which are neither subsidiaries nor jointly controlled entities. Investments in associates are accounted for using the cost price method. The Company recognizes dividend payments from an associate in its profit or loss in the separate financial statements when the right to receive the dividend is established.

Classification and measurement of investments in equity instruments (minority interests)

Investments in equity instruments (minority interests) are classified as reported at fair value through other comprehensive income (FVOCI) in accordance with IFRS 9. All changes in the fair value of these investments will be presented in other comprehensive income and no impairment losses will be recognized in profit or loss and the amounts accumulated in other comprehensive income will not be reclassified in profit or loss after their derecognition (upon any future sale of the investments). Income from dividends will continue being recognized in the profit or loss for the period.

Loans granted, commercial and other receivables are classified in the category reported at "amortised cost" in accordance with IFRS 9.

These assets are subsequently measured at amortized cost using the effective interest method. Amortised cost is reduced by the impairment of losses. Interest income, foreign exchange rate gains and losses and impairment are recognized in the profit or loss. Any gain or loss from derecognition is recognized in profit or loss.

At the end of the reporting period the management of the company has made an assessment of the expected credit losses on these receivables and has found that it is not

necessary to make an impairment on them and such has not been made.

Impairment of financial assets

The 'expected credit loss' impairment model applies to financial assets measured at amortized cost or fair value through other comprehensive income, excluding investments in equity instruments and contractual assets. Pursuant to IFRS 9, losses are measured under one of the following two bases: 1. expected credit losses for the next 12 months after the date of the financial statements or 2. expected credit losses for the entire term of the financial assets. The first basis applies when the credit risk has not increased significantly from the date of the initial recognition to the date of the financial statements (and the credit risk is low as of the date of the financial statements), otherwise the second basis applies. The Company applies the second basis for commercial receivables and contractual assets (whether with or without a significant financial component). The increase in the credit risk is monitored and defined on the basis of information on risk factors such as overdue liabilities, significantly worsen financial standing of the debtor and others.

As a result of the application of IFRS 9, the Company has adopted subsequent amendments to IAS 1 - Presentation of Financial Statements which requires that impairment of financial assets be presented as a separate item in the profit or loss account and the other comprehensive income.

Derivative financial instruments

The company has not used derivative financial instruments for hedging against currency, interest rate and cash flow risks.

Tangible fixed assets

The company has adopted a threshold of significance in the amount of 700 BGN under which tangible assets, regardless if fixed or not, are accounted for as current expenditures upon acquisition.

Tangible fixed assets are initially accounted for at acquisition price, which includes the purchase price (including duties and non-recoverable taxes) and all direct costs. Direct costs are those necessary to bring the asset into working condition in accordance with its intended use.

Following the initial recognition as an asset, each individual tangible fixed asset is accounted for at acquisition price less accrued depreciation and accumulated impairment loss.

Subsequent costs related to a separate tangible fixed asset are used to adjust the book value of the asset when it is probable for the economic benefits of the company to exceed the initially measured standard efficiency of the existing asset. All of the other subsequent expenses are recognized as such during the period when they have incurred.

Tangible fixed assets are written off upon their sale or when no economic benefits are expected from their use, or upon their write-off.

When a tangible fixed asset is transformed into goods, no profit or loss is reported. The acquisition cost shall be the book value of the tangible fixed asset written off.

When a tangible fixed asset is acquired as a result of a complete or partial exchange for another dissimilar in nature asset or other assets, the acquisition price will be measured at the fair value of the asset received which is equivalent to the fair value of the given asset, adjusted with all transferred cash. The difference between the acquisition price of the asset received and the book value of the exchanged asset, along with all transferred cash shall be reported as profit or loss.

The amortised cost of tangible fixed assets is equal to their book value. Tangible fixed assets are depreciated on a straight-line basis according to their expected useful life (service life). Service life is defined according to the period during which it is assumed that the depreciable assets will be used by the company taking into account their probable physical wear and obsolescence. The terms are defined as follows:

- Buildings – 25 years
- Plant and equipment – 3.33 years
- Motor vehicles – 4 years
- Computers – 2 years
- Other fixed assets – 6.66 years

Impairment of assets

Depreciable assets are regularly tested for impairment when events or changes in circumstances indicate that the book value of the asset may not be recoverable.

The depreciation loss from an asset is recognized immediately as a current operating expense. In case that after a depreciation of an asset its recoverable value exceeds the book value, the depreciation loss recovery shall be reported as a current operating income up to the amount of the previous depreciation which has been reported as a current operating expense.

Assets for which impairment loss has been recognized are subsequently tested for possible recovery of the impairment at each date of preparation of financial statements.

Intangible fixed assets

The company does not own such assets.

Inventory

The company does not have any inventory.

Receivables

Receivables are presented and reported at their nominal value, reduced by the amount of impairment for uncollectible amounts.

An estimate for doubtful and uncollectible receivables is made when collection of the entire amount or part thereof is highly uncertain.

Uncollectible receivables are written off in full when legal grounds for this are established.

Commercial receivables are classified at amortised cost in accordance with IFRS 9.

The analysis of the company's receivables found that all due amounts are recoverable and there are no circumstances or events necessitating impairment of receivables.

Cash

Cash funds are short-term financial assets in the form of cash and/or cash equivalents. Cash means available cash in hand or in demand deposits. Cash equivalents are short-term highly liquid investments which are easily transferable into the respective cash amounts and which bear insignificant risk from fluctuations in their value.

Cash and cash equivalents include cash on hand and current accounts.

For the purposes of preparing the cash flows statements, cash receipts from customers and cash payments to suppliers are reported as gross amounts, VAT (20%) included.

Cash are classified at amortised cost under IFRS 9.

The company considers that there is no need for impairment of available cash due to the fact that cash is held in a financial institution and has low credit risk.

Liabilities

Liabilities for dividends are recognized following a respective resolution by the General meeting of shareholders.

Retirement benefits and other liabilities

The employer provides compulsory insurance of the employed personnel for retirement, healthcare and unemployment.

Social security and retirement plans offered by the company in its capacity of an employer are based on the Bulgarian legislation and constitute predetermined fixed instalments.

Short term employee benefits (due within 12 months following the end of the period when earned) are recognized as expenses in the income statement during the period wherein the work was performed and as a current liability (less all amounts paid out and any due deductions) without discounting. As of the date of the annual financial statements the company makes valuation of the expected costs of the accumulated compensated leave, which is expected to be paid as a result of the unused right. The valuation includes undiscounted expenditures for the compensation itself and the respective obligatory public social security insurance payable by the employer.

Provisions

Provisions are recognized when the company has current legal or constructive obligation resulting from a past event the settlement of which requires the allocation of economically-beneficial resources when it is possible to measure reliably the sum necessary to settle the obligation. When a discount is used, the amount of the provision reported will be increased in each period in order to reflect the expired time. Such an increase will be recognized as a financial expenditure.

Contingent liability is disclosed in the statements unless the probable necessity for outgoing cash flow resources, including economic benefits to cover the liability, is deferred.

Temporary tax differences

Temporary tax differences are accrued using the balance sheet method for all temporary differences arising between the tax base of the assets and liabilities and their book value, formed for accounting purposes. When calculating temporary tax differences, tax rates are used, which refer to the periods of reverse occurrence of the temporary tax differences.

The main temporary differences result from impairment of receivables, revaluations under fair value and accrued provision expenses.

Recoverable temporary tax differences arising from the transfer of unused tax losses from previous periods will be recognized only to the extent that it is probable to have sufficient future

taxable profit, within the legal terms, against which the losses can be utilized.

Recognition of income and expenses

IFRS 15 creates a comprehensive framework for defining whether, to what extent and when revenues shall be recognized. Pursuant to IFRS 15, revenue is recognized when a customer obtains control over the goods or services. Defining the time when the control is transferred - at a particular point in time or over time requires judgment.

Interest income is recognized on a current basis in proportion to the time base that takes into account the effective income from the asset.

Operating expenses are accrued at the time of their occurrence, regardless of the cash receipts and payments. Reporting and recognition of expenses is performed in compliance with the requirement for a causal link between income and expenses.

Related parties

For the purpose of preparing these financial statements, members of the Board of Directors have presented in the annual report the legal entities related to them and controlled by them. Related parties to the Board members are also close members of their families, within the meaning of the international accounting standards. Related parties to the company are the subsidiaries and associates.

Changes in the related parties to Stara Planina Hold Plc are being followed for the entire reporting period and for the previous reporting period, as far as this information concerns reporting of transactions and events in the financial statements.

The Board of Directors of Stara Planina Hold Plc has adopted procedures to avoid and disclose conflicts of interest. They impose obligations for the members to avoid and not to admit actual or potential conflicts of interest and, if necessary, to immediately disclose conflicts of interest and provide shareholders with access to information on transactions between them and the company or any related party.

During the reporting period members of the Board of directors and parties related to them have not entered into agreements with the company under terms beyond the regular business operations or deviating significantly from the market conditions.

There are no transactions beyond the regular business operations of the issuer or deviating significantly from the market conditions.

Transactions between Stara Planina Hold Plc and related parties during the reporting period include mostly the loans provided to subsidiaries and associates.

Loan agreement dated 25.04.2019 granting Fazan Jsc the amount of BGN 407 000 with maturity until 25.12.2021 at 2.5% annual interest rate.

Loan agreement dated 09.01.2020 granting Fazan Jsc the amount of BGN 550 000 with maturity until 09.01.2022 at 2.5% annual interest rate.

Loan agreement dated 30.04.2020 granting Bulgarian Rose Plc the amount of BGN 550 000 with maturity until 30.04.2021 at 3% annual interest rate. Paid off in full by the end of the reporting period.

Loan agreement dated 16.05.2016 granting Boryana Jsc the amount of BGN 500 000 with maturity until 16.05.2021 at 3.5% annual interest. Balance at end of the period BGN 470000.

Loan agreement dated 18.05.2018 granting Ustrem Ltd. the amount of BGN 100 000 with maturity until 18.05.2021 at 3% annual interest. Balance at end of the period BGN 83 000.

Loan agreement dated 29.01.2020 granting Ustrem Ltd. the amount of BGN 75 000 with maturity until 29.07.2021 at 3% annual interest.

Additional cash contribution, according to Art. 134 of the Commercial Act, amounting to BGN 200 000 in the capital of Ustrem Ltd., associated company of Stara Planina Hold Plc.

Events after the balance sheet date

Events, both favorable or unfavorable, that occur between the end of the reporting period and the date that the financial statements are approved for issuance, may be: (a) adjusting events – events that provide further evidence on conditions that existed on the date of the annual financial statements, and (b) non-adjusting events – events that are indicative of conditions after the date of the annual financial statements.

The Company adjusts recognized amounts or recognizes amounts which have not been recognized, in case of reported adjusting events.

The Company does not adjust recognized amounts or does not recognize amounts which have not been recognized in case of reported non-adjusting events. They are only disclosed in the Notes to the annual financial statements.

Financial risk management

The Management monitors the overall risk and finds ways to neutralize potential negative effects on the company's financial indicators.

Currency risk. Stara Planina Hold Plc does not hold any foreign currency instruments and therefore the company is not exposed to significant currency risks.

Interest risk. The company is not exposed to significant market interest risks since it does not hold significant interest-bearing assets or liabilities based on floating interest rates.

Other price risk. The Company is exposed to risk of changes in the price of equity stock classified as FVOCI held for long-term investments.

The company is not exposed to other price risks related to financial assets associated with inventory prices.

Credit risk. The company is not exposed to significant credit risk. Risk management is defined by the management of the company.

Liquidity risk. The company is not exposed to liquidity risks. Liquidity risk management is monitored by the management of the company.

Approximate accounting estimates, fundamental errors and amendments to the accounting policy. Estimates are subject to revision in case of changes in the circumstances they are based on or resulting from further experience or subsequent developments. The effects of changes in the accounting estimates are taken into account when defining the profit or loss, as follows:

- a) For the period of the change - if the change affects only that period;
- b) For the period of the change and future periods - if the change affects these periods as well.

The effect of the changes in the accounting estimate is included in the same entry of the comprehensive income statement as previously used for the estimated value. The error related to prior periods is reported during the current period by increasing or decreasing the retained profit balance from previous years. The comparative information from the previous reporting period is recalculated. When the decrease in retained earnings is greater than the balance of retained earnings before the decrease, the difference is reported as an uncovered loss from previous years.

Changes in the accounting policy are to be made only when required by law, accounting

standards, or if the change will lead to a more adequate representation of the events or transactions reported in the financial statements.

Changes in the accounting policy are to be applied retrospectively. Any adjustment due to the change must be recorded as an adjustment to the balance of the retained earnings from previous years. The comparative information has to be recalculated. The difference resulting from the recalculation of tax expenses in the income statement for the previous period shall be reported as an adjustment to the retained earnings (uncovered loss). The change in accounting policy will not be applied retroactively when the adjustment to the balance of retained earnings from previous years cannot be reliably determined. Changes in the accounting policy

arising from the adoption of new accounting standards or amendments or supplement to existing ones will be reported in accordance with the requirements indicated in the new or amended accounting standard, if specified. When the respective accounting standard does not stipulate specific requirements for reporting changes in the accounting policy, they are to be reported in accordance with IAS 8.

During the reporting period, the accounting policy has not been changed.

No errors have been found for the current and previous reporting periods. Therefore, changes due to errors are not reported.



The financial statements are prepared for the year ended on 31.12.2020
and approved by the Board of Directors of Stara Planina Hold Plc on 15.03.2021

NOTES UNDER THE STATEMENT OF FINANCIAL STANDING

(In all applications amounts are shown in thousands BGN unless otherwise stated)

Note 1

Property, plant and equipment

<i>Reporting period to 31.12.2020</i>	<i>Machinery and equipment</i>	<i>Fixtures</i>	<i>Others</i>	<i>Total</i>
Acquired	6	21	4	31
Depreciation	5	20	0	25
Closing balance	1	1	4	6

Note 2

Investments in subsidiaries, associates and other investments

Name and domicile of the companies	Amount	Fair value	Percent age of the capital	Investment in securities listed on a stock exchange	Investment in securities not accepted for trading on a stock exchange
I. Investments in Subsidiaries					
Hydraulic elements and systems Plc, Yambol	2 331	45 084	64,53	2 331	0
Elhim - Iskra Plc, Pazardzhik	8 323	10 066	51,40	8 323	0
Fazan Jsc, Ruse	2 413	2 413	92,65	0	2413
SPH Invest Jsc, Sofia	3 542	3 542	99,39	0	3 542
Vinprom Jsc, Veliko Tarnovo	1 954	1 954	95,69	0	1 954
Dionisii Jsc, Nikopol	99	99	68,99	0	99
SPH Trans Ltd, Sofia	33	33	65,00	0	33
Total I	18 695	63 191		10 654	8 041
II. Investments in Associates					
M+C Hydraulic Plc, Kazanluk	5 409	75 457	30,61	5 409	0
Bulgarian Rose Plc	1 903	2 729	49,99	1 903	0
Boryana Jsc, Cherven Briag	429	429	50,00		429
Ustrem Ltd, Svishtov	319	319	45,00	0	319
Total II	8 060	78 934		7 312	748
III. Investments in Other Companies					
Asset Insurance Jsc, Sofia	2 890	2 890	20,00	0	2 890
Leasing Company Jsc, Sofia	515	515	5,00	0	515
Ptici & Ptichi produkti Jsc, Pleven	0	0	24,20	0	0
Medical Center "Center for Prevention of the health" Ltd, Sofia	2	2	25,00	0	2
Total III	3 407	3 407		0	3 407
TOTAL (I+II+III)	30 162	145 532		17 966	12 196

Data for the current period related to subsidiaries and associates such as company name, registered seat, amount of the investment, fair value of stock exchange traded shares, as per the bulletin of the Bulgarian Stock Exchange - Sofia as at 31.12.2020 and the % of the shareholdings are presented in the

table. For the fair value of investments in subsidiaries and associates not admitted to trading on the BSE is used their historical price.

On June 23, 2020 Stara Planina Hold AD sold at nominal value its shareholding in the capital of Forsan Bulgaria OOD. The value of the investment in the balance sheet of the company at the time of sale is 0 due to the impairment made.

Investments in equity instruments (minority shares), pursuant to IFRS 9 are classified as reported at fair value through the statement of other comprehensive income (FVOCI). For the investment in ZAD Asset Insurance AD and Leasing Company Jsc, fair value market valuation using the net asset value method. An increase in the investment value was reported, as follows:

ZAD Asset Insurance AD with BGN 157 thousand;

Leasing Company Jsc with BGN 420 thousand.

Note 3

Other financial assets	31.12.2020	31.12.2019
Additional cash contribution in accordance with art. 246, para 2, item 4 of Commercial Act	609	609

In 2016 an additional monetary contribution was made in accordance with art. 246, para 2, item 4 of Commercial Act in the amount of BGN 609 thousand in the Reserve fund of Asset Insurance AD - a minority interest company in the portfolio of Stara Planina Hold Plc portfolio.

Note 4

Long-term receivables from related parties	31.12.2020	31.12.2019
Additional cash contribution in accordance with Art. 134 of the Commerce Act	200	200
Loans	957	407
Closing balance	1157	607

Note 5

Long-term receivables	31.12.2020	31.12.2019
Loans	8977	9072

Note 6

Deferred tax assets	31.12.2020	31.12.2019
Temporary tax differences since the application of IFRS 9	29	29

Note 7

Short-term receivables from related parties	31.12.2020	31.12.2019
Loans	628	553
Interest on loans	76	64
Receivables from dividends	1000	1000
Closing balance	1704	1617

Note 8

Trade and other receivables	31.12.2020	31.12.2019
Loans		375
Interest on loans	140	172
Prepayments	12	9
Prepaid expenses	23	3
Closing balance	175	559

Note 9

Cash and cash equivalents	31.12.2020	31.12.2019
Cash	8	7
Cash in current accounts	3251	3127
Cash deposits	8	8

Closing balance	3267	3142
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Note 10

Equity	31.12.2020	31.12.2019
Share capital	21000	21000
Bought own shares	-226	-226
Reserves	9448	9448
Discounts of repurchased shares	-541	-541
Reserves from changes in the fair value of investments in equity instruments	905	385
Retained earnings	3908	3085
Net result for the period	5075	6427
Closing balance	39569	39578

As a result of the market evaluation at fair value for the investment in ZAD Asset Insurance AD, an increase by BGN 157 thousand was reported in Reserves of changes in the fair value of investments in equity instruments. Accordingly, a tax liability of BGN 16 thousand was recognized and differed as stated in the reserve decrease.

As a result of the market evaluation at fair value for the investment in Leasing Company Jsc, an increase by BGN 420 thousand was reported in Reserves of changes in the fair value of investments in equity instruments. Accordingly, a tax liability of BGN 42 thousand was recognized and differed as stated in the reserve decrease.

Note 11

Non-current liabilities	31.12.2020	31.12.2019
Obligations bonuses	199	182

Note 12

Deferred tax liabilities	31.12.2020	31.12.2019
Temporary tax differences since the application of IFRS 9	129	72

Note 13

Dividends payables	31.12.2020	31.12.2019
Dividends payables	5 924	5 192

Note 14

Trade and other liabilities	31.12.2020	31.12.2019
Obligations bonuses	189	175
Contributions	8	9
Income tax on individuals	13	14
Tax expenses	2	2
Other liabilities	53	2
Closing balance	265	202

Note 15

An agreement for undertaking a subordinated contingent liability has been concluded between Stara Planina Hold Plc and ZAD Asset Insurance AD. Pursuant to this agreement, Stara Planina Hold Plc shall provide ZAD Asset Insurance AD upon request and upon occurrence of an activating event the amount up to BGN 294 thousand.

NOTES ON THE STATEMENT OF COMPREHENSIVE INCOME

(In all applications amounts are shown in thousands BGN unless otherwise stated)

Note 16

Dividend income	31.12.2020	31.12.2019
Dividend income	5633	7124

Note 17

Other financial income/expenses	31.12.2020	31.12.2019
Interest income from loans	269	257
Positive differences from operations with financial instruments	3	
Other	-4	-6
Closing balance	268	251

Note 18

Other income	31.12.2020	31.12.2019
Derecognition of dividends with expired limitation period	517	256
Income from insurance compensations	10	
Closing balance	527	256

Note 19

Cost of materials	31.12.2020	31.12.2019
Cost of office supplies	2	3
Expenses for office furniture	2	2
Maintenance costs for office equipment	6	10
Costs for sanitation	3	2
Closing balance	13	17

Note 20

Cost of hired services	31.12.2020	31.12.2019
Legal expenses	42	42
Auditing services	4	4
Advertising costs	12	11
Subscription costs	4	4
Postage	1	1
Maintenance of computers	10	10
Fees for state institutions	7	7
Civil contracts	64	54
Other	7	19
Closing balance	151	152

During the reporting year, an amount of BGN 4 000 has been charged and paid to the registered auditors for an independent financial audit.

Note 21

Employee expenses	31.12.2020	31.12.2019
Management salaries	578	570
Staff salaries	324	286
Social security costs	55	52
Closing balance	957	908

Note 22

Other expenses	31.12.2020	31.12.2019
Expenses for representative purposes	19	20
Seminars	1	7
Membership fee	43	40
Donations	107	18
Medical service	58	21
Life insurance		13
Business trips		1
Other	2	5
Closing balance	230	125

Chief Accountant: Kremena Dulgerova

Executive Director: Vasil Velev