

EXPLANATORY NOTES
To the Financial notification
As at 31.12.2017

NOTES ON THE STATEMENT OF FINANCIAL POSITION

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

Note 1

Property, plant and equipment

<i>Reporting period to 31.12.2017</i>	<i>Machinery and equipment</i>	<i>Fixtures</i>	<i>Others</i>	<i>Total</i>
Acquired	5	17	4	26
Depreciation	4	14	0	18
Closing balance	1	3	4	8

Note 2

Investments in subsidiaries, associates and other investments

Name and domicile of the companies	Amount	Fair value	Percenta ge of the capital	Investment in securities listed on a stock exchange	Investment in securities not accepted for trading on a stock exchange
1. Subsidiaries					
Hydraulic elements and systems Plc, Yambol	2 331	60 957	64,53	2 331	0
Elhim - Iskra Plc, Pazardzhik	8 323	16 765	51,40	8 323	0
Fazan Plc, Ruse	2 413	1613	92,65	0	2413
Slavyana Jsc, Slavyanovo	3 512	3 512	98,74	0	3 512
SPH Trans Ltd, Sofia	33	33	65,00	0	33
Vinprom Jsc, Veliko Tarnovo	1 954	1 954	95,69	0	1 954
Dionisii Jsc, Nikopol	99	99	68,99	0	99
Total 1	18 665	84 933		10 654	8 011
II. Associates					
M+C Hydraulic Plc, Kazanluk	5 409	97 526	30,91	5 409	0
Bulgarian Rose Plc	1 903	5 351	49,99	1 903	0
Boryana Jsc, Cherven Briag	429	429	50,00		429
Ustrem Ltd, Svishtov	319	319	45,00	0	319
Total 2	8 060	103 625		7 312	760
III. Other companies					
Asset Insurance Jsc, Sofia	2 709	2 709	20,00	0	2 709

Leasing Company Jsc, Sofia	13	13	5,00	0	13
Ptici & Ptichi produkti Jsc, Pleven	287	287	24,20	0	287
Forsan Bulgaria Ltd, Sofia	0	0	50,00	0	0
Medical Center "Center for Prevention of the health" Ltd, Sofia	3	3	25,00	0	3
Total 3	3 012	3 012		0	3 012
TOTAL (1+2+3)	29 737	191 570		17 966	11 771

Data for the current period related to subsidiaries and associates such as name, seat, investment volume, fair value of traded stocks, as per the bulletin of the Bulgarian Stock Exchange - Sofia as at 31.12.2017 and the share interest are presented in the following table. The historical cost of investments which are not traded on the Bulgarian Stock Exchange is accepted as their fair value.

Note 3

Long-term receivables from related parties	31.12.2017	31.12.2016
Additional cash contribution under Art. 134 of the Commercial Act	200	

Note 4

Short-term receivables from related parties	31.12.2017	31.12.2016
Loans	470	1130
Interest on loans	67	121
Receivables from dividends	2113	348
Other receivables	6	
Closing balance	2656	1599

Note 5

Trade and other receivables	31.12.2017	31.12.2016
Loans	7975	3025
Interest on loans	165	199
Prepayments	9	8
Prepaid expenses	5	4
Closing balance	8154	3236

Note 6

Cash and cash equivalents	31.12.2017	31.12.2016
Cash	7	6
Cash in current accounts	1000	2283
Cash deposits	8	6407
Closing balance	1015	8696

Note 7

Equity	31.12.2017	31.12.2016
Share capital	21000	21000
Bought own shares	-121	-121
Reserves	9448	9448
Discounts of bought own shares	-118	-118
Retained earnings	2492	2289
Net result for the period	5531	5146
Closing balance	38232	37644

Note 8

Non-current liabilities	31.12.2017	31.12.2016
Obligations bonuses	160	129

Note 9

Dividends payables	31.12.2017	31.12.2016
Dividends payables	3215	2221

Note 10

Trade and other liabilities	31.12.2017	31.12.2016
Obligations bonuses	145	79
Contributions	5	5
Income tax on individuals	11	14
Tax expenses	2	2
Closing balance	163	100

Note 11

Between Stara Planina Hold Plc and Asset Insurance Jsc has been contracted to take subject to a contingent liability. Under this contract Stara Planina Hold Plc undertakes to provide Asset Insurance Jsc upon request and upon the occurrence of an activating event amount to BGN 294 thousand.

NOTES ON THE STATEMENT OF COMPREHENSIVE INCOME

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

Note 12

Dividend income	31.12.2017	31.12.2016
Dividend income	6227	5609

Note 13

Other financial income/expenses	31.12.2017	31.12.2016
Interest income from loans	202	123
Interest income on deposits	38	72
Revenue from investment operations	22	428
Other	-2	-1
Closing balance	260	622

Note 14

Other income	31.12.2017	31.12.2016
Derecognition of liabilities with expired limitation period	78	78

Note 15

Cost of materials	31.12.2017	31.12.2016
Cost of office supplies	2	2
Expenses for office furniture	2	3
Maintenance costs for office equipment	6	8
Costs for sanitation	2	2
Closing balance	12	15

Note 16

Cost of hired services	31.12.2017	31.12.2016
Legal expenses	42	42
Auditing services	4	4
Advertising costs	10	21
Subscription costs	4	4
Postage	1	1
Maintenance of computers	10	7
Fees for state institutions	6	5
Civil contracts	63	101
Commission of investment intermediaries	14	
Other	19	27
Closing balance	173	212

Note 17

Employee expenses	31.12.2017	31.12.2016
Management salaries	498	497
Staff salaries	153	156
Social security costs	29	29
Closing balance	680	682

Note 17

Other expenses	31.12.2017	31.12.2016
Entertainment expenses	16	16
Seminars	13	127
Membership fee	47	27
Donations	6	10
Medical service	64	50
Life insurance	11	11
Other	8	10
Closing balance	165	251

Executive Director: Vasil Velev