MATHIOS A.D.

Head office address: 9 Nikola Malashevski Str., 2600 Dupnitsa, Bulgaria

Financial Statement

December 31, 2017

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VAT Reg. No BG131287108, tel. +359701 4 00 94

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Annual Management Report for 2017

I. *DEVELOPMENT AND RESULTS OF MATHIOS OPERATIONS IN* ***2017***

MATHIOS JSC is a joint stock company, with a head office and registered address at 9 Nikola Malashevski str., Dupnitsa, Republic of Bulgaria.

At end of **2017**, the company has a production plant in Dupnitsa and a showroom in Sofia.

During the current year, the company continuously meets the negative consequences of increasing the production expenses and deteriorating the production quality.

At the same time, serious steps have been taken to resolve the quality problems. Have been initiated negotiations with suppliers to improve the quality of the raw materials.

Has been changed the payroll system and increased the salaries expenses in order to decrease the personnel`s turnover and motivate the personnel to improve the works efficiency.

As a result - of the mid-2017, the Company showed a stabilization of production, a significant improvement in the production quality, and improved financial performance. To achieve financial autonomy and generate profits, measures have been taken to change pricing policy so that sales prices match the changed cost of production.

Revenues

In **2017,** the company reports revenues from sales of production, goods and services. The tendency is towards decreasing revenues from operations during the current year, compared to the previous one. Revenues from sale of production during the year are 9% higher than **2016** and 21% lower than **2015**. The sale of goods decreased with 58% against **2016** and with 10% against **2015**. Other revenues are mainly for transport and transport management of exported production. They depend mainly on the contracted terms of delivery of production and goods. The tendency there is towards decrease – with 11% against **2016** and with 31% against **2015,** proportionally to the sales volume of production.

Revenue, BGN'000	2017	***Growth %***	2016	***Growth %***	2015
Revenue from sales of production	3707	9.0	3402	-27.0	4661
Revenue from sales of goods	302	-58.1	720	114.3	336
Other revenue	195	-11.0	219	-22.3	282
Total	4204	-3.2	4341	-17.8	5279

In **2017,** the products of Mathios AD are realised on the markets of EU member countries, Serbia, Macedonia and others, as well as on the local market.

Production sold by market segments, BGN'000	2017	*Sales Share %*	2016	*Sales Share %*	2015	*Sales Share %*
Bulgaria	176	4.7	174	5.1	389	8.3
Greece	3493	94.2	3208	94.3	4239	90.9
Others	38	1.0	20	0.6	33	0.7
Total	3707	100.0	3402	100.0	4661	100.0

The share of sales in Bulgaria is similar to **2016** and decreased with 55% against **2015**. The share of sales in Greece is similar to 2016 and is 3% higher than **2015**. Their volume has increased with 9% compared to the previous year and is 18% lower compared to **2015**. The share of sales in other markets is 1% of the total sales volume and their volume is variable because the Company do not have constant clients.

Part of the revenues is from sales of goods, purchased from Mathios Refractories S.A. Those are mostly refractories (mixes and bricks), acid-proof and other building materials (cement, mortar, vermiculite and others) and others. As it is shown in the table below, the share of each of those groups has been changing during the years, largely depending on client orders.

Sales of goods, BGN'000	2017	***Sales Share %***	2016	***Sales Share %***	2015	***Sales Share %***
Stone veneer	9	3.0	15	2.1	5	1.5
Refractories and oth. building materials	242	80.1	650	90.3	285	84.8
Other goods	51	16.9	55	7.6	46	13.7
Total	302	100.0	720	100.0	336	100.0

In **2017** all goods sales volume decreased (with 58%) compared to **2016**, mostly because of refractories sales decrease.

Product and Price Policy

The range of products and the volume of production depend largely on the orders of the main client – Mathios Refractories S.A. In **2017**, products with low demand are taken out and seven new textures and colours for existing products are developed. The total production range of the company includes 350 types and colours of stones. During the last few years the below quantity of different types and colours were included in the production mix.

Product range, number of items	*2017*	*2016*	*2015*	*2014*
Mathios Stones	119	120	140	123
Mathios Stone Slim New	89	92	95	49
Masterbricks	31	40	42	36
Pavers	5	6	3	3
Mathios Woods	4	6	7	7
Others	11	8	8	14
Total	**259**	**272**	**295**	**232**

In the current year is observed increase of "slim" line products demand and its share becomes 43% of total production volume (31% in **2016**), although decreased the "bricks" volume (with 36%) and the traditional for the company "mathios stones" (with 5%).

Produced units, sq.m/m	2017	*Growth %*	2016	*Growth %*	2015	*Growth %*	2014
Mathios Stones	82493	-5.0	86822	-20.9	109798	11.6	98410
Mathios Stone Slim New	79600	45.5	54706	-32.9	81501	29.2	63089
Masterbricks	20053	-36.1	31403	9.0	28804	7.8	26713
Pavers	1216	33.2	913	-28.6	1278	184.0	450
Deco Stones	0	0.0	0	0.0	0	0.0	0
Mathios Woods	284	-47.7	543	10 145.3	5	-92.5	71
Others	438	-67.8	1360	-57.6	3209	-13.2	3695
Total	184083	4.7	175747	-21.7	224596	16.7	192428

The products of the company target the middle price segment of the market, since the Mathios trademark relies on high quality, original design and high endurance. Still, the company applies very flexible pricing policy as it offers differentiated prices to its regular clients depending on the volume of their orders, payment terms, their supply network and others.

The company continues to maintain its whole product assortment, while developing new products in the lower price segment. It executes specific colour orders in order to meet client demand.

For its largest client, the company provides prices, considered with respect to the volume of orders and the variety and size of the requested product lines.

Clients

The largest part of revenues in **2017** is from sales of own production – 88%. The sales of goods form about 7% of the total volume of revenues from sales (17% in **2016** - refractory deliveries).

In **2017**, the company again relies on permanent clients, the most significant of which is Mathios Refractories. It continues the efforts for developing new markets, not only in Europe, but also in other continents – Asia, America and others.

Clients, turnover BGN'000 *(VAT included)*	2017	**Share of turnover %**	2016	**Share of turnover %**	2015	**Share of turnover %**
MATHIOS REFRACTORIES	3 798	88.6	3 527	78.4	4 607	85.2
AiS - 3C	37	0.9	282	6.3	153	2.8
ENERGOREMONT	84	2.0	236	5.2		0.0
IKM COMPANY	36	0.8	64	1.4	290	5.4
SOFIA MED	8	0.2	25	0.6	17	0.3
TERMOX	21	0.5	26	0.6	37	0.7
OTHERS	301	7.0	337	7.5	306	5.7
Total	**4 285**	**100.0**	**4 497**	**100.0**	**5 410**	**100.0**

Suppliers

For its production needs, the company receives supplies of basic and supplementary materials, as well as services and others. It uses transport services exclusively from Bulgarian companies for delivery of production to different clients in the European Union and elsewhere. Larger part of the raw materials for production in **2017** are provided by local suppliers, which are chosen after comparison analysis for quality, prices and delivery terms according to several offers. The basic supplier of colouring agents, activators and moulds for production, remains Mathios Refractories S.A., because those materials do not have alternative locally.

Suppliers, turnover BGN'000 (VAT included)	*Supply type*	*2017*	*2016*	*2015*
MATHIOS REFRACTORIES S.A	*materials and goods,rentals*	1 248	1 898	1 689
KDK TERM	*transportation services*	349	436	441
DALKAFOUKI I. MARIA	*pumice*	231	218	240
DUROPACK/BELPACK	*cartoons*	293	266	383
STROI CEM/PROMST	*cement*	497	323	367
ARESGAS/ TOLIVOGAS	*iquefied petroleum gas (LPG)*	143	112	115
TIMBER HOUSE/I-BISS	*pallets*	99	99	130
SHENKER	*transportation services*	15	31	75
CHEZ ELECTRO	*electricity*	93	82	97
MERIDIAN	*building works,sand*	39	54	45
SIKA BULGARIA	*activators*	48	61	68
LOBI KAR TRANS&CO	*sand*	60	4	-
BTC	*telephones*	5	6	6
OTHERS		573	531	524

Main risks and problems of the business environment

- ***Main indicators of the commercial environment***

The main indicators of the commercial environment, which influence the operations of the group for the period 2012 – 2017, are presented in the table below:

Indicator / Year	2012	2013	2014	2015	2016	2017
*GDP in mln. BGN **	82.040	82.166	82.634	88.571	94.130	71.205**
Real growth of the GDP	0,6%	0,9%	1,7%	3,0%	3,4%	3,9%**
Inflation at the end of the year	4,2%	-1,6%	-0,9%	-0,4%	0,1%	2,8%*
Average rate of USD/BGN for the year	1,52	1,47	1,47	1,76	1,77	1,74
USD/BGN rate at the end of the year	1,4836	1,41902	1,60841	1,79007	1,85545	1,63081
Central interest rate at the end of the year	0,03%	0,02%	0,02%	0,01%	0,00%	0,00%
Unemployment at the end of the year	12,3%	12,9%	11,4%	9,1%	7,6%	6,2%*

** The data is towards December 31, and is preliminary*
*** The data is towards the third quarter and is preliminary*
Source: BNB,NSI

Evaluation of the risk level for the commercial environment: ***moderate***

- ***Political risk***

The world`s tendency (and in Bulgaria in particular) shows governance from coalition structures with wider public control, but also more serious instability. The management policy of the EU Member States is very much in line with European legislation and development directives, so continuity is more a formality.

Bulgaria continues the policy of low taxation for the business in the last few years, which ensures a degree of stability and opportunity for cost planning for taxes. The social insurances increased with 1% every year since 2016, but still remain at the lowest level in EU, which do not affect the investment plans.

Evaluation of the political risk level: ***moderate to high***

- ***Currency risk***

The currency risk arises as a result of the operations of companies in different currencies and the variable rates of these currencies. Mathios AD makes transaction exclusively in BGN and EUR. The currency risk for transactions in EUR is currently limited due to the fixed rate, guaranteed by the currency board.

During the current year is observed stabilisation of the European currency and devaluation of the US dollar. Because all the companies assets are in BGN and are fixed with the euro`s rate – there is no serious currency risk for the Company.

Currency risk level: ***low***

- ***Regulatory risk***

Regulatory risk may arise in connection with the functions of the state as a regulator – Bulgaria's priority for government regulation is in the field of working conditions in enterprises and protection of natural resources. The green industries are a priority and subject to strict control in the EU. This makes manufacturing plants in Bulgaria devote significant resources to bring their operations in line with the European requirements.

While opportunities to obtain fresh financial resources from the EU funds for various programs on the one hand support the business in this difficult financial situation, on the other hand, it is forced to comply with long-term EU programs of development.

Over the past few years both Bulgaria and other European countries have adopted a number of restrictive regulations, limiting the business to a serious degree and imposing a number of social functions, the state no longer covers from its national budget.

Regulatory risk level: ***low to moderate***

- ***Price risk***

The prices of materials show a slight increase in **2017** in comparison to the levels in **2016**. Prices of services, electricity for the industrial sector and other also continue to grow.

Mathios Group keeps prices at levels from previous periods and applies differentiated price policy for its clients. Due to the growth in labour costs and the prices of some materials, however, grows and the cost of the products. This way the net margin decreases and the company becomes unable to cover its operations costs.

Price risk level: ***moderate***

- ***Credit risk***

The credit risk arises mainly from the sales with deferred payments. The risk that the company would not be able to collect its receivables is kept at minimum level as conditions for deferred payment are agreed with only three clients, while for all others is applied immediate payment.

Credit risk level: ***low to moderate***

- ***Risk of cash flows bearing interest***

In regard to incoming cash flows there is no such risk as they are formed by the revenues and cash. The first does not bear interest and the cash and cash equivalents are in checking accounts and receive insignificant interests, which are relatively stable for the period.

For the outgoing cash flows, however, there is risk, since they are formed in two groups – towards commercial contract parties (mostly without interest) and towards government and credit institutions. As of December 31 the company uses bank loans for operating funds, where the interest is tied to the base annual rate.

Risk level of cash flows bearing interest: ***moderate***

II. *ANALYSIS OF THE PROPERTY AND FINANCIAL POSITION*

1. Property state and capital structure

As of December 31 the company has non-current assets with balance value of 1.799 thousand BGN, (of which acquired in **2017** - for 39 thousand BGN). Newly acquired assets include facilities, machinery and equipment.

In **2017,** there is a low increase in the inventories of production ready for sale (with 2%) and goods (with 3%), and reduction in the inventories of materials (with 7%), compared to **2016**.

As of December 31, the receivables from clients are 20 thousand BGN, and decreased with 88% against **2016**, due to collected receivables for supply of refractory materials.

ASSETS		*BGN'000*		*Relative share %*		*Growth*	
		2017	2016	2017	2016	absolute	relative
A.	***FIXED ASSETS***	**1 814**	**1 885**	**48.5**	**48.2**	**(71)**	**-3.8**
1	***Non-current tangible and nont. assets***	1 799	1 876	48.1	47.9	(77)	-4.1
2	***Deffered Taxes***	15	9	0.4	0.2	6	66.7
Б.	**CURRENT ASSETS**	**1 928**	**2 029**	**51.5**	**51.8**	**(101)**	**-5.0**
1	***Inventory***	1 577	1 627	42.1	41.6	(50)	-3.1
2	***Trade and other receivables***	230	241	6.1	6.2	(11)	-4.6
3	***Cash and cash equivalents***	99	143	2.6	3.7	(44)	-30.8
4	***Prepaid expenses***	22	18	0.6	0.5	4	22.2
	TOTAL *ASSETS*	**3 742**	**3 914**	**100.0**	**100.0**	**(172)**	**-4.4**

The following changes in the capital structure are observed in comparison to the previous reported period: the shareholders' equity has decreased with 26% against **2016**, due to the negative financial result for **2017**. The current liabilities increased by 383 thousand BGN (or 22%); there is 10% decrease in the liabilities to the mother-company (due to decrease in the expenses for industrial equipment and lower refractories sales); the amount of other current liabilities is higher than **2016**: to trade counterparties – there is 3 times (or 292%) increase, to financial institutions - by 7% (due to receiving a new credit line), and to personnel - by 101% (due to agreed additional remuneration with delayed payment to key management personnel).

CAPITAL STRUCTURE		*BGN'000*		*Relative share %*		*Growth*	
		2017	2016	2017	2016	absolute	relative
A.	***SHAREHODERS` EQUITY***	**1590**	**2145**	**42.5**	**54.8**	**(555)**	**-25.9**
I	***Fixed capital***	400	400	10.7	10.2	0	0.0
II	***Reserves***	40	40	1.1	1.0	0	0.0
III	***Financial result***	1 150	1 705	30.7	43.6	(555)	-32.6
1	***Financial result from previous periods***	1 705	2 291	45.6	58.5	(586)	-25.6
2	***Current financial result***	(555)	(586)	-14.8	-15.0	31	5.3
B.	***CURRENT LIABILITIES***	**2 152**	**1 769**	**57.5**	**45.2**	**383**	**21.7**
1	***Liabilities to finansial institutions***	377	351	10.1	9.0	26	7.4
2	***Trade and other liabilities***	1 620	1 341	43.3	34.3	279	20.8
3	***Liabilities to personnel***	155	77	4.1	2.0	78	101.3
	TOTAL LIABILITIES	**3 742**	**3 914**	**100.0**	**100.0**	**(172)**	**-4.4**

2. Analysis of the financial state

a. Liquidity – the indicator is used to determine a company's ability to pay off its short-terms debt obligations. Therefore, the liquidity level is examined by the ratio of current assets to current liabilities.

Indexes, BGN'000	2017	2016	Growth abs.	Growth %
1 ***Inventory***	1 577	1 627	-50	-3.1
2 ***Trade receivables without prep. expences***	206	241	-35	-14.5
3 ***Cash and cash equivalents***	99	143	-44	-30.8
4 ***Current liabilities***	2 152	1 769	383	21.7
Liquidity factors				
Current ratio = (1+2+3) / 4	0.87	1.14	-0.26	-23.1
Quick ratio = (2+3) / 4	0.14	0.22	-0.08	-34.7
Cash position ratio = 3 / 4	0.046	0.081	-0.035	-43.1

As shown in the table, all liquidity factors in **2017** shows deterioration against **2016**. The quick ratio is lower than 1 (indicates company`s ability to cover its current liabilities with by highly liquid assets, preferred rate is 1 or higher) and its deterioration is with 35% against **2016** (less liquid assets and more current liabilities). The current ratio for **2017** is lower than 1, implying the company has no the ability to cover current liabilities with current assets, and shows deterioration against **2016** by 23%, mostly due to increased liabilities to the contractors and personnel.

The cash position ratio indicates the level of current liabilities that could be covered by cash and cash equivalents available. It shows deterioration against **2016** by 43%, again due to increased current liabilities.

b. Financial autonomy – it defines the level of independence of the company from its creditors, or the level of liabilities coverage by the shareholders' equity of the company.

Indexes, BGN'000	*2017*	*2016*	*Growth abs.*	*Growth %*
1 ***Shareholders` equity***	1 590	2 145	(555)	-25.9
2 ***Current liabilities***	2 152	1 769	383	21.7
3 ***Total liabilities***	3 742	3 914	(172)	-4.4
Financial autonomy ratio				
Financial autonomy ratio = 1 / 3	0.42	0.55	-0.12	-22.5
Debt ratio = 2 / 3	0.58	0.45	0.12	27.2
Financial leverage = 2 / 1	1.35	0.82	0.53	64.1
Interests coverage = EBIT/Interests	-26.40	-20.26	-6.14	-30.3

The first two ratios are reversely proportional and show the ratio of equity/attracted capital. The financial autonomy ratio is lower than one and in **2017**, implying dependence on creditors. As it is shown in the table, there is 23% deterioration of the ratios for financial autonomy in **2017**, in comparison to **2016.** The debt ratio shows the company operates with 58% attracted capital in **2017**, which is 27% more than in **2016** and 142% more than in **2015**.

The financial leverage ratio indicates the extent to which the business relies on debt financing. It is higher than one, implying an increased risk for the company`s financial autonomy. The ratio shows deterioration by 64% against **2016**, due to higher current liabilities and lower equity as a result of the loss generated during the period.

The interest coverage ratio shows the ability of the company to cover the interest expenses by its operating income. It is negative, implying the company is not in condition to cover the interest expenses on debt by its operating income (in this case loss).

c. *Return ratio* – the amount of net income returned as a percentage of the invested capital.

Return ratio = Net profit / Capital	***2017***	***2016***	***Growth abs.***	***Growth %***
Return on sales ratio	**(0.13)**	**(0.13)**	***0.00***	**2.2**
Current financial result	(555)	(586)	31	5.3
Amount of sales	4 204	4 341	(137)	-3.2
Return on long-term assets ratio	**(0.31)**	**(0.31)**	**0.00**	**1.2**
Current financial result	(555)	(586)	31	5.3
Fixed assets	1 799	1 876	(77)	-4.1
Return on current assets ratio	**(0.29)**	**(0.29)**	**0.00**	**0.3**
Current financial result	(555)	(586)	31	5.3
Current *assets*	1 928	2 029	(101)	-5.0
Return on current liabilities ratio	**(0.26)**	**(0.33)**	**0.07**	**22.1**
Current financial result	(555)	(586)	31	5.3
Current liabilities	2 152	1 769	383	21.7
Return on equity ratio	**(0.35)**	**(0.27)**	**(0.08)**	**-27.8**
Current financial result	(555)	(586)	31	5.3
Shareholders` equity	1 590	2 145	(555)	-25.9

The return on sales ratio indicates how much profit is generated by 1 BGN revenues. Its value for **2017** is negative - (0.13 BGN) and compared to the previous period has no change (but shows a slow improvement with 2% as a result of management`s efforts to improve the production efficiency and optimization of the expenses).

All the return ratios show low improvement compared to the previous year, due to the upper reasons (except the Return on equity ratio, because of the negative result and for the current period).

The return on equity ratio, significant to investors, shows that for **2017,** the company has generated (0.35) BGN loss for every 1 BGN invested by shareholders.

d. Assets turnover – for the need of the analysis the coefficient is calculated based on the times of turnover of the asset type for the reported period and the days necessary for a full turnover of the same.

Indices, BGN'000	***2017***	***2016***	***Growth abs.***	***Growth %***
1 ***Amount of sales***	4 204	4 341	(137)	-3.2
2 ***Current assets***	1 928	2 029	(101)	-5.0
2a ***incl. inventory***	1 577	1 627	(50)	-3.1
2b ***incl. rec. from clients, incl. adgudicated***	20	169	(149)	-88.2
3 ***Current liabilities***	2 152	1 769	383	21.7
3a ***incl. Liabilities towards suppliers***	1 603	1 325	278	21.0
Turnover rate				
4 ***Net working capital = 2 - 3***	-224	260	(484)	-186.2
5 ***Turnover rate of NWC = 1 / average 4***	233.6	8.3	225	2713.9
6 ***Current assets turnover ratio = 1 / 2***	2.2	2.1	0	1.9
7 ***Inventory turnover ratio = 1 / 2a***	2.7	2.7	(0)	-0.1
8 ***Receivables from clients turn. = 1 / 2b***	210.2	25.7	185	718.3
9 ***Liabilities to suppliers turnover = 1 / 3a***	2.6	3.3	(1)	-20.0
Days of converting				
Current assets turnover ratio = 360 / p. 6	165	168	(3)	-1.9
Inventory turnover ratio = 360 / p. 7	135	135	0	0.1
Receivables turnover = 360 / p. 8	2	14	(12)	-87.8
Liabilities to suppliers turnover = 360 / p. 9	137	110	27	24.9

The first indicator, reviewed, is the net working capital – the difference between current assets and liabilities of the company. It is negative in **2017**, and shows a decrease by 186% compared to **2016**, due to higher current liabilities.

There is also a decrease in the liabilities to suppliers turnover ratio – by 20%, the current assets and inventory turnover ratio remain at the levels of **2016**, the receivables from clients turnover ratio show improvement compared to **2016** – by 8 times (collected old receivables for refractories supplies)

e. Earnings per share

In addition to the accounting measurements for the efficiency of the company's business operations, the market valuation of the company is significant to the owners of the capital. Investing funds in a joint stock company and payment of a dividend is a mutually dependent process, which is a challenge for the corporative management. It is measured by the ratios of balance value per share and earning per share. These ratios have the following values for the company:

Earnings per share	*2017*	*2016*	*Growht*	
			absolute	*relative*
1 ***Net value per share, BGN***	**3.98**	**5.36**	(1.39)	-25.9
Shareholders` equity, BGN'000	1 590	2 145	(555)	-25.9
Average number of shares	400 000	400 000	0	0.0
2 ***Earning per share, BGN***	**(1.39)**	**(1.47)**	0.08	5.3
Net profit / lost, BGN'000	(555)	(586)	31	5.3
Reserves by law (max.10% of reg. capital), BGN'000	0	0	0	0.0
Net profit/lost av. to shareholders`, BGN'000	(555)	(586)	31	5.3

The balance value per share for the year 2017 is 3.98 BGN, showing a decrease by 26% against **20156** The earnings for the shareholders generated by one share for the year **2017** are negative (1.39) BGN, which is 5% higher than in **2016**.

f. Structure of expenses and indicators for effectiveness

Indexes, BGN'000	*2017*	*2016*	*Growth abs.*	*Growth %*
I. *Earnings from bussiness oparations*	4 204	4 341	(137)	-3.2
II. *Cost for the bussiness operations, incl.*	(4 732)	(4 888)	156	3.2
1 *for materials*	(1 733)	(1 798)	65	3.6
2 *for external services and others*	(1 306)	(1 491)	185	12.4
3 *for the personnel*	(1 308)	(1 112)	(196)	-17.6
4 *correctives*	(212)	(329)	117	35.6
EBITD	**(355)**	**(389)**	**34**	**8.7**
5 *Expenses for depreciations*	(173)	(158)	(15)	-9.5
EBIT	**(528)**	**(547)**	**19**	**3.5**
III. *Financial revenues / expenses, net*	(33)	(39)	6	15.4
IV. *EBT*	**(561)**	**(586)**	**25**	**4.3**
V. *Income tax*	6	0	6	0.0
VI. Net profit / loss	**(555)**	**(586)**	**31**	**5.3**
Created value in the company=3+5+IV	920	684	236	34.5
Cost eficiency = I / (II +III)	0.88	0.88	0.00	0.1
Revenues eficiency = (II + III) / I	1.13	1.13	0.00	-0.1
Average number of the personnel	83	89	-6	-6.7

The newly created value in the company is in the amount of 920 thousand BGN and has decreased by 35% relative to the previous year's results. It includes expenses for employees, depreciation, operating income and income taxes, and expresses the created value in the company, which is a benefit to the whole society. The coefficient for effectiveness of expenses is lower than 1, implying the company is not able to cover the costs of for its operations by the generated revenue.

The average number of employees in **2017** has decreased with 7% compared to previous year, and as of 31 December, it has the following structure of professional qualification (number of employees in each category).

Year \ Structure	Managers	Supervisors	Analytical specialists	Field specialists	Administration	Qualified production workers	Machines and equipment operators	Non-qualified personnel
2017	2	-	1	7	12	2	12	47
2016	2	-	1	6	13	2	11	54

III. EVENTS SUBSEQUENT TO THE PREPARATION OF THE FINANCIAL STATEMENT

The annual financial statement of the company was prepared on **Feb. 20, 2018**. No significant events have occurred since the date of the annual financial statement.

IV. POSSIBLE FUTURE DEVELOPMENT OF THE COMPANY AND ACTIVITIES IN THE FIELD OF RESEARCH AND INNOVATION

The intentions of the management is to continue developing the operations of the company in **2018**, while financing would be achieved through own funds and attracted capital where necessary.

The company has prepared a long-term business plan, aiming at improvement of the labour conditions, introduction of the ISO standards, as well as optimal automation of the production process for enhancing the production efficiency and meeting the requirements of the national European environmental legislation.

The management does not plan to make transactions beyond the common ones for the company.

The company does not have undertakings in the field of research and development.

V. INFORMATION FOR THE EQUITY OF THE COMPANY REQUIRED UNDER ARTICLE 187D AND 247 OF THE COMMERCE ACT

As of 31 December, **2017**, the equity capital is fully deposited in the amount of 400 000 BGN and equal to 400 000 shares with nominal value of 1 BGN each.

Shareholders are as follows:

1. Companies JC –	99,9975 % of capital	(399 990 shares)
2. Private persons –	0,0025 % of capital	(10 shares)

The statue of the company does not provide for buyback of shares and there is no such decision taken in **2017** by the General Assemblyл

- ***Remuneration, received in total for 2017 and 2016 from the members of the Board are as follows:***

	2017 BGN'000	2016 BGN'000
Salaries	(335)	(211)
Social insurances	(13)	(11)
Total deals with key management peronnel	**(348)**	**(222)**

- ***Shares owned or transferred by the members of the Board of Directors***

- 10 named shares with nominal value of 1 BGN each (0.0025% of the equity of the company) are owned by Ioannis K. Mathios.
- Members of the Board of Directors have not acquired or transferred shares of the company in the current year.

• ***Rights of the members of the Board of Directors to acquire shares of the company*** – members of the Board of Directors acquire shares under the general terms, in compliance with the current legislation.

• ***Members of the Board of Directors, acting as unlimited liable shareholders, holding more than 25% of the equity of the other company, as well as their participation in other entities or cooperations as procurators, directors of board members***

- Ioannis Mathios – holding 100% of the equity of IKM Company EOOD and manager of the same entity;
- Nikolaos Tsamourdzis – holding 100% of the equity of Athina 2014 EOOD and manager of the same entity.

• ***Agreements under article 240b from the Commerce Act, stipulated during the year*** – there are no agreements in **2016** under the terms of article 240b of the Commerce Act.

• ***Commercial policy planned for the following year*** – *estimated investments, employee development, estimated income from investments and development of the company, significant upcoming deals for the business of the company*

In **2018**, the Company plans to improve the traditionally high production quality, as significant investing in the human resources – higher salaries, additional bonuses, training of the qualified production personnel, improving of the work conditions.

There are different activities planned with respect to work conditions, which will exhibit positive impact on the environment – equipment for air filtration in the working spaces, separation of waste from production, machines for collecting and filtering waste.

The planned investments are in material and human resources in the amount of about BGN 250 thousand, while there expected return is about BGN 80 thousand.

There is also a plan to continue increase the market for refractories, which the company is exclusive distributor for in Bulgaria. There are negotiations initiated for large deliveries of rectory materials in **2018**.

VI. BRANCH OFFICES AND DETACHED DEPARTMENTS

The company does not have registered branches under the Commerce Act.

VII. CORE PROBLEMS AND RISKS

The planned investments in assets and human recourses will require financing, which will be the main challenge for the management in 2018.

The company has a large stock of ready production (produced 2015 and 2016 with lower quality), which must be repacked and realised, in order to release financial recourses for the current development plans.

On the local and the Balkan markets is necessary more aggressive marketing and promotional strategy, so to be created a constant demand and presence in the distributors' channels, respectively – increasing the sales volume.

February 20, 2018

Prepared by:

(Katia Basheva)

Manager:

(Ioannis K. Mathios)

МАТИОС АД

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "MATHIOS" AD

Opinion

We have audited the financial statements of **"MATHIOS" AD** (the Company), which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at 31 December 2017, and (of) its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Independent Financial Audit Act (IFAA) that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IFAA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the management report prepared by management in accordance with Chapter Seven of the Accountancy Act, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, unless and to the extent explicitly specified in our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Additional Matters to be Reported under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the management report, we have also performed the procedures added to those required under ISAs in accordance with the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria, i.e. the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion about whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act applicable in Bulgaria.

Opinion in connection with Art. 37, paragraph 6 of the Accountancy Act

Based on the procedures performed, our opinion is that:

a) The information included in the management report referring to the financial year for which the financial statements have been prepared is consistent with those financial statements.

b) The management report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Darinka Ignatova

Registered CPA, responsible for the audit

0377 Даринка Игнатова
Регистриран одитор

Sofia, 45 Bulgaria blvd., fl. 2, office 3

22 March 2018

STATEMENT OF FINANCIAL POSITION

at December 31, 2017

	Note	2017 BGN'000	2016 BGN'000
Assets			
Non-current assets			
Property,plant and equipement	3.1	1,789	1,861
Intangible assets	3.2	10	15
Deferred tax assets		15	9
Total non-current assets		**1,814**	**1,885**
Current assets			
Trade and other receivables	5	228	232
Inventories	6	1,577	1,627
Cash and cash equivalents	7	99	143
Receivables from related parties	4	24	27
Total current assets		**1,928**	**2,029**
Total assets		**3,742**	**3,914**
Liabilities and equity			
Liabilities			
Current liabilities			
Liabilites to related parties	11.1	1,088	1,210
Liabilities to financial companies	11.2	377	351
Trade and other liabilities	11.3	532	131
Liabilities to personnel	11.4	155	77
Total current liabilities		**2,152**	**1,769**
Capital and reserves			
Issued capital	8	400	400
Reserves	9	40	40
Retained earnings	10	1,150	1,705
Total equity		**1,590**	**2,145**
Total liabilities and equity		**3,742**	**3,914**

The statement of financial position and the corresponding notes, presented on pages 5 to 27, are inseparable part of the Annual Financial Report, which is approved and signed by the Board of Directors on 20.02.2018.

February 20, 2018

Financial report prepared by:

(Katia Basheva)

Manager:

(Ioannis K. Mathios)

Darinka Ignatova
registered CPA, diploma 377, responsible for the audit

Даринка
0377 Игнатова
Регистриран одитор

STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2017

	Note	2017 BGN'000	2016 BGN'000
Revenue	12.1	4,204	4,341
Other gains/(losses), net	12.2	8	2
Changes in inventories of finished goods and work in progress		33	271
Raw materials and consumables used	13	(1,733)	(1,798)
Administrative and selling expenses	14	(1,306)	(1,491)
Employee benefits expense	15	(1,308)	(1,112)
Depreciation and amortisation expense	3	(173)	(158)
Cost of goods sold		(253)	(602)
Profit from operations		**(528)**	**(547)**
Finance income/cost, net	16	(33)	(39)
Profit before taxes		**(561)**	**(586)**
Income tax expense	17	6	
Profit for the year		**(555)**	**(586)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(555)**	**(586)**

		2017 BGN	2016 BGN
Earnings per share	18	**(1.39)**	**(1.47)**

The statement of comprehensive income and the corresponding notes, presented on pages 5 to 27, are inseparable part of the Annual Financial Report, which is approved and signed by the Board of Directors on 20.02.2018.

February 20, 2018

Financial report prepared by:

(Katia Basheva)

Manager:

(Ioannis K. Mathios)

МАТИОС АД

Darinka Ignatova
registered CPA, diploma 377, responsible for the audit

0377 Даринка Игнатова
Регистриран одитор

STATEMENT OF CASH FLOWS

Using the direct method

for the year ended December 31, 2017

	2017 BGN'000	2016 BGN'000
Cash flows from operating activities		
Cash flow, related to customers	3,054	3,549
Cash flow, related to suppliers	(2,151)	(2,304)
Cash flow, related to payrolls	(1,230)	(1,139)
Cash flow, related to interests on operating loans, bank fees and others	(28)	(34)
Cash flow from positive and negative currency differences	(4)	(4)
Other operating cash flow	307	140
Net cash generated by operating activities	**(52)**	**208**
Cash flows from investing activities		
Cash flow, related to non-current assets	(19)	(69)
Net cash used in investing activities	**(19)**	**(69)**
Cash flows from financing activities		
Cash flows from loans	27	(94)
Net cash used in financing activities	**27**	**(94)**
Net increase/decrease in cash and cash equivalents	**(44)**	**45**
Cash and cash equivalents at the beginning of the year	**143**	**98**
Cash and cash equivalents at the end of the year	**99**	**143**

The statement of cash flows and the corresponding notes, presented on pages 5 to 27, are inseparable part of the Annual Financial Report, which is approved and signed by the Board of Directors on 20.02.2018.

February 20, 2018

Financial report prepared by:

(Katia Basheva)

Manager:

(Ioannis K. Mathios)

МАТИОС АД

Darinka Ignatova
registered CPA, diploma 377, responsible for the audit

0377 Даринка Игнатова
Регистриран одитор

STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2017

	Equity capital BGN'000	Reserves BGN'000	Retained earnings BGN'000	Total BGN'000
Balance at January 01, 2016	**400**	**40**	**2,291**	**2,731**
Total comprehensive income for the year	-	-	(586)	(586)
Balance at December 31, 2016	**400**	**40**	**1,705**	**2,145**
Total comprehensive income for the year	-	-	**(555)**	(555)
Balance at December 31, 2017	**400**	**40**	**1,150**	**1,590**

The statement of changes in equity and the corresponding notes, presented on pages 5 to 27, are inseparable part of the Annual Financial Report, which is approved and signed by the Board of Directors on 20.02.2018.

February 20, 2018

Financial report prepared by:
(Katia Basheva)

Manager:
(Ioannis K. Mathios)

МАТИОС АД

Darinka Ignatova
registered CPA, diploma 377, responsible for the audit

0377 Даринка Игнатова
Регистриран одитор

NOTES TO FINANCIAL STATEMENTS
31 December 2017

1. General information

MATHIOS AD is a joint stock company, registered with corporate case No. 8462/2004 of the City Court of Sofia and corporate case No. 800/2005 of the District Court of Ruse. The company's head office and registered address is Dupnitsa, 9 Nikola Malashevski str., Republic of Bulgaria.

The company is governed by a three-member board of directors and is represented by an Executive Director.

The business operations of the company are production of stone veneer and sale of own production, goods and services.

The current financial statement is approved by the management on **20 February 2018.**

The management is responsible for the preparation of the annual financial statements, which give correct and honest notion of the financial position, results from operations, cash flows and changes in the shareholders' equity of the enterprise.

2. Summary of significant accounting policies

2.1. Basis for preparation of the financial statements

The financial statement of Mathios AD has been prepared in accordance with all International Financial Reporting Standards (IFRS), which comprise Financial Reporting Standards and the International Financial Reporting Interpretations Committee (IFRIC) interpretations, approved by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS) and the Standing Interpretations Committee (SIC) interpretations, approved by the International Accounting Standards Committee (IASC), which are effectively in force on 1 January 2017 and have been adopted by the Commission of the European Union. IFRS, endorsed by EU, is the generally accepted name of the general purpose framework – the basis of accounting equivalent to the framework introduced with the definition in § 1, p. 8 of the Additional Provisions of the Accountancy Act under the name of "International Accounting Standards" (IASs).

For the current financial year the Company has adopted all new and/or revised standards and interpretations, issued by the International Accounting Standards Board (IASB) and respectively, by the International Financial Reporting Interpretations Committee (IFRIC), which have been relevant to its activities.

The adoption of these standards and/or interpretations, effective for annual periods beginning on 1 January 2017, has not caused changes in Company's accounting policies, except for some new disclosures and the expansion of those already adopted, however, not resulting in other changes in the classification or valuation of individual reporting items and transactions.

The new and/or amended standards and interpretations include:

- IAS 7 (amended) "Statement of Cash Flows" – regarding disclosure initiative (in force for annual periods beginning on or after 1 January 2017 – endorsed by EC). The amendment requires that additional disclosures and clarifications be prepared in regards to the changes of liabilities of the entity from: (a) changes arising from financing activities as a result of transactions leading to changes in cash flows; or (b) changes resulting from non-cash transactions such as acquisitions and disposals, interest accrual, foreign currency exchange gains and losses, changes in fair values and other similar.
- IAS 12 (amended) "Income Taxes" (in force for annual periods beginning on or after 1 January 2017 – endorsed by EC) – recognition of deferred tax assets for unrealised losses.

At the date when these financial statements have been approved for issue, there are several new standards and interpretations as well as amended standards and interpretations, issued but not yet in force for annual periods beginning on or after 1 January 2017, which have not been adopted by the Company for early application. The management has decided that out of them the following are likely to have a potential impact in the future for changes in the accounting policies, and in the classification and value of reporting items in Company's financial statements for subsequent periods, namely:

- IFRS 9 "Financial Instruments" (in force for annual periods beginning on or after 1 January 2018 – endorsed by EC). This is a new standard for financial instruments. It is ultimately intended to replace IAS 39 in its entirety. IFRS 9 introduces a requirement that financial assets are to be classified based on entity's business model for their management and on the contractual cash flow characteristics of the respective assets. It establishes two primary measurement categories for financial assets: amortised cost and fair value. There is a significant change in the methodology for determining impairment, since it provides application of the "expected loss" model.
- IFRS 7 (amended) "Financial Instruments: Disclosures" – regarding the relief from the requirement to restate comparatives and the related thereto disclosures when applying IFRS 9 (in force for annual periods beginning on or after 1 January 2018 – endorsed by EC). The amendment is related to a relief from the requirement to restate the comparative financial statements and the option to present modified disclosures

on the transition from IAS 39 to IFRS 9 as at the date of the standard application by the Company and whether it chooses the option to restate prior periods. The management has chosen modified retrospective application of IRFS 9 on its adoption and will not restate comparative information.

In addition, with regard to the stated below new standards, amended/revised standards and new interpretations, issued but not yet in force for annual periods beginning on 1 January 2017, the management has judged that they are unlikely to have a potential impact for changes in the accounting policies, and in the classification and value of reporting items in Company's financial statements, namely:

- IFRS 15 "Revenue from Contracts with Customers" (in force for annual periods beginning on or after 1 January 2018 – endorsed by EC). This is an entirely new standard. It introduces a single complex of principles, rules and approaches for recognition, accounting for and disclosure of information about the nature, amount, timing and uncertainties related to revenue and cash flows arising from contracts with customers. It will supersede all current standards related to revenue recognition, mainly IAS 18 and IAS 11 and the interpretations thereto. The main principle of the new standard is to provide a stepwise model whereby revenue amount and timing reflect the obligation characteristics and performance of each of the parties to the transaction. The standard allows a full retrospective approach or a modified retrospective approach from the beginning of the current reporting period with particular disclosures for prior periods.
- IFRS 16 "Leases" (in force for annual periods beginning on or after 1 January 2019 – endorsed by EC).
- IAS 40 (amended) "Investment Property" – regarding transfers of investment property (in force for annual periods beginning on or after 1 July 2018 – not endorsed by EC).
- IFRS 10 (amended) "Consolidated Financial Statements" (no date of entry in force is set, but implementation of this amendment will be deemed to be in accordance with IFRS).
- IAS 28 (amended) "Investments in Associates and Joint Ventures" – regarding long term interests in associates and joint ventures (in force for annual periods beginning on or after 1 January 2019 – not endorsed by EC).
- IFRS 17 "Insurance Contracts" (in force for annual periods beginning on or after 1 January 2021 – not endorsed by EC).
- IFRS 2 (amended) "Share-based Payment" – Classification and measurement of share-based payment transactions (in force for annual periods beginning on or after 1 January 2018 – not endorsed by EC).
- Annual Improvements to IFRSs 2014-2016 Cycle (December 2016) – improvements to IFRS 12 (in force for annual periods beginning on or after 1 January 2017 – not endorsed by EC), IFRS 1 and IAS 28 (in force for annual periods beginning on or after 1 January 2018 – not endorsed by EC).
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (in force for annual periods beginning on or after 1 January 2018 – not endorsed by EC).
- IFRIC 23 (amended) "Uncertainty over Income Tax Treatments" (in force for annual periods beginning on or after 1 January 2019 – not endorsed by EC).
- IFRS 9 (amended) "Financial Instruments" – regarding prepayment features with negative compensation (in force for annual periods beginning on or after 1 January 2019 – not endorsed by EC).
- Annual improvements to IRFS 2015-2017 Cycle (December 2017) – improvements to IAS 23, IAS 12 and IFRS 3 in relation to IRFS 11 (in force for annual periods beginning on or after 1 January 2019 – not endorsed by EC).

2.2 Functional currency

The financial statement is prepared in Bulgarian Leva (BGN), also called functional currency and representational currency. The figures in the statement and its supplements are presented in thousands of Leva, except when explicitly stated otherwise.

2.3 Comparison data

The company presents comparable information in this financial statement for one preceding year. The comparison data is reclassified and recalculated, where necessary, in order to achieve greater comparability relative to changes in the disclosure for the current year.

The management has not adopted the amendments in IAS 1, as far it is not necessary to change the name of the Statement of Comprehensive Income with the new one – Statement of Profit or Loss and Other Comprehensive Income.

2.4 Use of approximate accounting estimations

The preparation of the financial statement in compliance with IFRS requires the management to make judgements, estimates and reasonable assumptions, which influence the reported values of the assets and liabilities, the revenues and expenses, and the disclosures of conditional receivables and payables towards the date of the statement. Those approximate estimations and assumptions are based on the information, which is available towards the date of the financial statements, thus future factual results could be different.

2.4.1 Fair value measurement

Some of the assets and liabilities of the enterprise are valued and presented and/or disclosed only at fair value for the purpose of financial reporting. These include:

- On repeating basis - bank loans received or loans from third parties, trade and other receivables and payables, financial lease receivables and payables, financial assets held for sale, and others.
- On non-repeating basis – non-current assets, held for sale.

The fair values is the price that would be received at the disposal of a given asset or paid for the transfer of a given liability in an ordinary transaction between independent market participants on the date of the valuation.

The enterprise applies different valuation techniques, which are appropriate with respect to the specific circumstances, and for which there is enough input data, while aiming to use a maximum level of publicly available information, respectively to minimise the use of unobservable information. It uses all three methods available – the marekt approach, the income approach, and the cost approach, while the first two ones are applied most.

The enterprise needs to apply fair value for measurement on repeating basis for financial assets held for sale, respectively on non-repeating basis – non-current assets, held for sale.

The fair value of all assets and liabilities, which are measured and disclosed in the financial statements, are classified under the following hierarchy of fair values:

- Level 1 - Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including when quoted prices are subject to significant corrections.
- Level 3 – Measurement techniques, using inputs that are largely not observable.

The enterprise applies mainly fair value under level 1 and level 2.

2.5 The going concern principle

The financial statement of the company is prepared according to the going concern principle, which assumes the company will continue its business operations as usual in the foreseeable future.

2.6 Foreign currency transactions

Foreign currency transactions are reported at currency rates on the day of the transaction. Cash assets and liabilities in foreign currency are reported at the fixing rate of the Bulgarian National Bank towards the date of the accounting balance. Negative or positive currency differences are reported in the statement of comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are initially measured at value that includes the price of acquisition as well as all expenses needed for bringing the asset into working condition.

Following valuation is performed by the recommended approach, i.e. price of acquisition less accumulated depreciation and impairment losses. The impairment losses are reported as an expense and are recognized as such in the statement of comprehensive income for the period.

Following costs related to particular property, plant or equipment are added to the balance value of the asset when it is possible the company to have economic benefits exceeding the initial evaluated efficiency of the existing asset. All other following costs for maintenance, repairs and substitution of minor components of properties, plants and equipment are reported currently as maintenance expenses and are recognized as such for the period in which they have been made.

The non-depreciated part of the substituted components is written off the balance value of the assets and is recognized as current expense for the period of reconstruction. All other following costs are recognized as expenses for the period, in which they are made.

When the balance value of particular property, plant or equipment is higher than its refundable value, it should be devalued to its refundable value.

The company has approved a value level of **700** Leva (BGN) for recognition of Properties, plants and equipment.

Impairment of assets

The balance values of property, plant and equipment are subject to review for impairment when there are events or changes in the circumstances indicating that the balance values might differ permanently from their refundable values. If such indicators are evident, where the approximately defined refundable value is lower than the balance value, the latest is written down to the refundable value of the asset.

The refundable value of property, plant and equipment is the higher from the following two: fair value without sale costs or value in use. In order to determine the value in use of assets, future cash flows are discounted to their present value by applying the discount rate before taxes, which reflects the current market conditions and estimations of the time value of money and risks, specifically for the corresponding asset.

Impairment losses are reported in the statement of comprehensive income, except when a revaluation surplus is formed for that particular asset. Then the impairment is treated as a decrease in this surplus, except if it exceeds the surplus amount, so the exceeding value is included as an expense in the statement of comprehensive income.

2.8 Depreciation

The company uses the linear method for depreciation of property, plant and equipment (**note 3**). Land is not depreciated. The useful life under groups of assets is considered with respect to the physical wear out, the specifics of the equipment, and future intensions for usage. When different parts of certain asset have different useful life, they are differentiated into independent components for the purpose of depreciation.

The useful life of the main groups of assets as of 31 December **2017**, determined by the management after review, is as follows:

	2017, years	2016, years
Property	25	25
Equipment	25	25
Plant	3,3	3,3
Automobiles	4	4
Transport vehicles (excl. automobiles)	10	10
Installations and other equipment	6,7	6,7
Computer hardware	2	2

The useful life of an asset should be reviewed at the end of each statement period, if expectations differ from previous estimates, any change is accounted prospectively.

Property, plant and equipment are depreciated from the month following the date, on which they have been acquired, and internally created assets are depreciated from the month following the date, on which they have been brought into use.

2.9 Intangible assets

Initially assets are measured at acquisition cost. Intangible assets are recognized when it is possible for the entity to receive economic benefits in the future as a result from possessing the asset and when the cost of the asset could be valued fairly.

After the initial recognition, the intangible assets are valued at acquisition cost less accumulated amortisation and impairment losses. Intangible assets are amortised for the period of their useful life using the linear method as follows:

	2017 years	*2016* years
Software	2	2
Patents, rights of usage and other rights	25	25
Others,contractual terms of usage	3	3

2.10 Investments

The company does not have investments under the meaning of IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investment in Associates, IAS 31 Interests in Joint Ventures and IAS 39 Financial Instruments: Recognition and Measurement.

2.11 Inventories

The main components of inventories are production ready for sale, goods and materials (**note 6**). They are measured at the lower value from acquisition cost and net realizable value.

The expenses, made in order to bring a product to its current condition and location, are included in the acquisition cost as follows:

- Raw materials and materials ready for use – all supply costs, including price, duties and fees, transportation costs, non-refundable taxes, and other costs, which contribute to bringing the materials in ready for use condition.
- Production ready for sale and work in progress – the direct cost of materials and labour, and the corresponding part of the production indirect costs, except the administration costs, currency differences, and the cost of borrowed financial resources. The distribution of the permanent general production expenses in the cost of production is made on the basis of recalculated volume of production compared to a single unit produced (difficulty coefficient).

The method of average-weighted price (cost), calculated on monthly basis, is used for the inventories usage (sale).

The net realizable value is the approximate sale price of a given asset in the course of normal commercial activities, less the approximately determined costs for bringing this asset in commercial condition and the approximately determined costs for realisation.

There is a pledge on inventories of the company with balance value of BGN 750 thousand.

2.12 Trade and other receivables

Trade receivables **(note 5)** are reported in the financial statement at fair value on the basis of original invoice (cost), less the value of the impairment for uncollectable amounts.

An approximate measurement of losses from suspicious or uncollectable receivables is made when there is high uncertainty for the collectability of the whole or partial amount. The impairment of receivables is accounted by the corresponding corrective account for every type of receivables under article "Depreciation and amortisation expense" on the front side of the statement of comprehensive income.

The uncollectable receivables are recognised as expenses for the period, in which they have been acknowledged **(note 5)**.

There is a collateral pledge on all current, future and contingent receivables of the company, up to amount of bank loan (contract 228/2007 and contract 007/2017), applicable to all bank accounts opened with the lending bank.

2.13 Cash and cash equivalents

Cash funds in Leva (BGN) are measured at their nominal value, and those in foreign currency – at the fixing rate of the Bulgarian National Bank on 31 December **2017**. The cash funds of the company are formed by cash funds in the company treasury and in bank accounts, respectively in Leva (BGN) and foreign currency. The cash funds in banks are on current and deposit accounts (**note 7**). The company does not have any blocked cash funds.

- Cash receivables from clients and cash payables to suppliers are presented gross with VAT included (20%);
- Cash flows related to fixed assets are presented net, without VAT;
- The interest rate for investment loans received are included as payment for financial operations, while interest rate, related to operating loans, is included under operating activities.

2.14 Loans and other borrowed financial resources

All loans as well as other borrowed financial resources are initially recognised and measured at cost (nominal value), which is accepted as fair value of what is received from the transaction, net from the direct expenses related to those loans and borrowed resources. After initially recognised, the interest bearing loans and other borrowed resources are then measured by amortisation value, determined by applying the method of effective interest. The amortisation value is calculated by taking into consideration all types of fees, commissions and other expenses, including discount or premium, associated with those loans. The profits and losses are recognised in the comprehensive income statement as financial revenues or expenses (interest) for the period of amortisation or when the liabilities are written off or reduced. Current liabilities are not discounted.

Interest bearing loans and other financial resources are classified as current unless the company has the explicit right to pay off its liability in terms longer than 12 months from the statement date.

The long-term and current liabilities in Leva (BGN) are measured by the cost of their origination, and those denominated in foreign currency – by the fixing rate of the Bulgarian National Bank as of 31 December **2017.**

2.15 Provisions

Provisions are recognised if legal or constructive liability is present at the best educated guess about the possible economic benefits, which will flow when liabilities are paid off towards the date of the financial statement.

2.16 Employee benefits

Short-term income

Short term income of personnel in the form of remunerations, bonuses and social rewards (available in the 12 months after the period, in which personnel has expended work for or has fulfilled the necessary conditions) is recognised as expense in the comprehensive income statement for the period, in which the work is expended or the conditions for the receipt of this short-term income are met, and as a current liability (after deduction of all paid amounts and all applicable deductions) in the amount of the undiscounted sum. The payments due for social and health insurance are recognised as current expenses and liabilities in undiscounted amount as well for the period of accounting, the corresponding revenues are related to.

Refundable holidays

Towards the date of every financial statement the company makes evaluation of the expected expenses for accumulated refundable days off, which are expected to be paid as a result of not using the right for taking days off. The approximate estimation of the expenses for compensations and expenses for the payments for compulsory social and health insurance, which the employer owes on this amount based on the gross remuneration for the last month, in which the employees have worked at least 10 days, are included in the evaluation.

Other long-term income

The enterprise is obliged to pay income for the leave of these employees, who retire at Mathios AD, in compliance with the Social Insurance Code, article 222, paragraph 3 and Collective Work Agreement. According to these legal and corporate requirements, at the termination of work agreement of employee that have acquired the right to pension, the company pays him/her compensation. The compensation is in the amount of four gross salaries, in case the work experience at the company is up to 6 years, and six gross salaries in case the work experience at the company is over ten years. Towards the date of each statement of the financial position, the management measures the approximate amount of the potential costs, payable at the current level of remunerations.

2.17 Income taxes

In compliance with the Bulgarian legislation, the company owes corporate tax in the amount of 10% on the taxable income. The corporate tax for the previous year has been 10% as well.

The income tax is calculated based on the result for the year, while taking into consideration deferred taxes. Deferred taxes on income reflect the net tax effect from time differences between the balance value of assets and liabilities for the purpose of the financial statements and the values for tax purposes. In order to determine the amount of assets and liabilities from deferred taxes, specific tax levels, which are expected to be valid for the period of their realisation, are applied.

Assets and liabilities on deferred taxes reflect the tax consequences from the way the company expects to fix or restore the balance value of assets and liabilities towards the date of preparation of the statement. Assets and liabilities are recognised no matter when the temporary difference will show back.

Deferred taxes, related to objects, reported as other components of the comprehensive income or capital position in the statement of financial position, are also reported directly towards the corresponding component of the comprehensive income or balance capital position.

2.18 Related parties

For the purpose of preparing the current financial statement all key management personnel and members of the governing bodies, as well as close relatives of their families, including the entities controlled by the above mentioned parties, are treated as related parties **(note 4, 11.1 and 19)**.

2.19 Financial instruments

2.19.1 Financial Assets

The company classifies its financial assets under the following categories: "loans (credits) and receivables" and "assets held for sale". The classification depends on the nature and the purpose of the financial assets towards the date of their acquisition. The management determines the classification of the financial assets of the company towards the date of their initial recognition in the statement of financial position.

The company normally recognises financial assets in the statement of financial position on "the date of transaction" – the date, on which it has engaged to buy the respective financial assets. All financial assets are measured by their fair value plus the direct costs of the transaction. Financial assets are written off the financial position statement when the right for receiving cash funds from those assets has expired or the company has transferred the essential part of the risks and benefits arising from the ownership of the asset to another entity or person.

Loans (credits) and receivables

Loans (credits) and receivables are non-derivative financial assets with fixed or definable payments, which are not quoted on an active market. They are measured in the financial position statement at their amortisation value using the method of effective interest, less the impairments made. These assets are included in the group of current assets when their maturity is up to 12 months or the usual operating cycle of the company, while the rest are included as long-term assets.

This group of financial assets includes: loans provided, trade receivables, other receivables from counterparties and third parties, cash funds and cash equivalents from the financial position statement. The interest income on "credits and receivables" is recognised on the basis of effective interest, unless they are short-term receivables less than 3 months, where the recognition of such interest is unjustified as it is not significant under the framework of usual credit terms. It is presented in the statement of comprehensive income under "net financial revenues/expenses".

On the date of every financial statement, the company estimates whether there are events or conditions providing evidence of objective proof that requires impairment of the credits and receivables.

2.19.2 Financial liabilities and instruments of the shareholders' equity

The company classifies debt instruments and equity instruments as financial liabilities or as shareholders' equity depending on the nature and the conditions in the contract with the respective counterparty with respect to these instruments.

Financial liabilities

Financial liabilities include debt (credits), liabilities towards suppliers and other counterparties. Initially they are recognised in the statement of financial position at fair value, net of the direct costs of the transaction, and next – at the amortisation value using the effective interest method.

2.20 Conditional assets and liabilities

Conditional assets and liabilities are not recognised in the financial statements. They are disclosed, unless the possibility of outgoing and incoming cash flows as well as the related economic benefits are not too far ahead in time.

2.21 Revenues

Revenues in the company are recognised on the basis of the accounting principle and up to the extent, to which the commercial benefits are acquired by the company and the revenues could be reliably estimated (**note 12).**

Revenues from sale of production, goods and materials are recognised when all significant risks and rewards of the ownership are transferred to the buyer, including when all additional conditions for their acceptance by the client are taken into consideration. The recognition is analogical for the sale of other tangible assets.

Revenues from providing services are recognised, taking into account the level of completion of the deal towards the date of the statement of financial position, in case the level of completion could be reliably measured. All expenses made on the deal and the costs needed for its conclusion are recognised by taking into consideration all additional conditions for the acceptance of the service by the client.

Revenues are measured on the basis of fair value of the goods and services sold, net of indirect taxes (excise duty and value added tax), provided discounts and rebates.

Financial revenues are included in the comprehensive income statement when they occur and they consist of interest revenues on loans provided and other receivables or deposits with investment purpose.

They are presented net, together with the financial expenses on the front side of the statement of comprehensive income. The interest revenue is recognised as it is accounted and included in the current profits and losses proportionally in time during the existence of the corresponding interest bearing asset, based on the effective interest method.

The differences from change in currency rates related to cash funds, trade receivables and payables, denominated in foreign currency, are included in the statement of comprehensive income when they occur as they are also represented net towards "financial revenues/expenses".

2.22 Expenses

Expenses in the company are recognised at the moment of their occurrence on the basis of accounting and correspondence, but to the extent that the latter does not lead to recognition of reported objects as assets and liabilities (**Notes 13-17**).

Expenses for future periods are postponed for recognition as current expenses for the period, which the corresponding contracts are executed in.

Financial revenues and expenses are included in the comprehensive income statement when they occur. They are presented net and include: interest revenues and expenses related to provided or received loans, as well as fees and other indirect costs of credits, bank guarantees, and currency rate differences on loans in foreign currency. They are presented net, together with the financial expenses on the front side of the statement of comprehensive income.

2.23 Financial risk management

The company is exposed to different types of risks in its operating activities, namely:

Credit risk - the risk the opposite side does not pay its liabilities is supervised by the company using internal rules of control of revenues and expenses, explicit clauses for payment terms and penalties in the contracts with counterparties, as well as collaterals, when appropriate.

After analyses at the end of every reporting period, the company applies policy of 100% impairment for doubtful receivables, in case at least one year has passed since their due date.

Liquidity risk - arises from time differences in the contracted and actual maturities of the cash assets and liabilities. The management maintains enough cash resources in order to support constant liquidity.

Currency risk - arises from transactions in foreign currency made by the company in the course of its business operations **(note 16).**

Interest risk – arises from the possible increase in interest rates of banks and therefore the interest on borrowed capital by the company, thus leading to increase in the interest expenses.

2.24 Potential effect from the application of new international accounting standards

The new standards IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments are issued and in force from 1 January 2018, but are not adopted for earlier application by the Company.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers is the new standard for revenue recognition. It replaces IAS 18 Revenue, which comprises contracts for goods and services, as well as IAS 11 Construction Contracts, which comprises contracts for construction and related SIC and IFRIC. The new standard is based on the principle that revenue is recognized when the control over the goods or services is transferred to the client.

Effects of the change

The Company has evaluated the effects from the application of the new standard on its financial statements and has identified the areas, which would potentially be affected.

The core operations of the company are production and trade with decorative stone veneer and construction materials.

The Company does not expect significant effect on the financial ratios, since the execution of operations does not correspond to the criteria of IFRS 15 for recognizing revenues "over period of time" and the method applied so far for recognizing revenue will be kept.

The management of the Company determines there are no changes in its accounting policy from the introduction of IFRS 15 on the change of the moment revenues are recognized.

Requirements for presentation and disclosure

The presentation and disclosure under IFRS 15 are to an extent different and more detailed, compared to the current IFRS. Part of them are entirely new for the company and will require additional disclosures of information. It considers such new areas to be **regrouping and presentation of the types of revenues from clients in categories**, which will present how the content, amount, time and period, and the uncertainties, related to each of the revenues and cash flows, influenced by different economic factors. The Company continues to test the corresponding systems, internal controls, policies and procedures, necessary for collecting and maintaining the required information under IFRS 15.

Date of application by the Company

IFRS 15 is mandatory for application for the financial year, beginning on 1 January 2018. The company has chosen modified retroactive application of the new rules of the standard from 1 January 2018. Comparable data for 2017 will not be recalculated.

IFRS 9 Financial Instruments

Nature of change

IFRS 9 (2014) reviews classification, valuation and writing-off of financial assets and financial liabilities. It introduces new rules for reporting of hedging and a new model for impairment of financial assets. It replaces entirely IAS 39 Financial instruments: Recognition and valuation.

Effects of the change

Classification

IFRS 9 (2014) introduces 3 primary categories for classification of financial assets: valued at amortisation cost, at fair value through other comprehensive income and at fair value through profit and loss.

The Company has made a review of its financial assets and liabilities for effects in their classification according to the new standard from 01.01.2018.

The financial assets, held by the company, for which no significant effects are expeted, include:

- Trade and other receivables, currently classified as "Credits and receivables" and valued at amortisation cost, which correspond to the the conditions for classification at amortisation cost, in compliance with IFRS 9, with balance value of BGN 174 thousand.

In this respect, the Company does not expect the requirements of the new IFRS 9 to provide significant effect on the classification and valuation of its financial assets.

The Company does not expect changes and effects for financial reporting of its financial liabilities, since the new requirements refer only to the financial reporting of financial liabilities, defined at fair value through profit and loss, while it does not have such liabilities. The rules for writing-off liabilities are transferred from IAS 39 Financial instruments: recognition and valuation and are not amended.

The Company is also in a final stage of developing a model for matrix provision of its trade and other current receivables. It includes:

a) Grouping clients and counterparties of the Company under geographical factors and under similar business and other characteristics and credit risk.

b) Provision matrix, based on historic data for percentage of default/overdue on obligations over time frame periods, corrected with additional assumptions and estimates, focused on possible changes in these levels, based on macro-economic or industry specific factors. The management judgment shows the financial component in these receivables is not significant,

Based on the currently performed preliminary evaluation, the Company does not expect a significant increase in the amount of the loss correction for trade and other receivables.

The Company has adopted a policy for maintaining and management cash and cash equivalents in financial institutions in Bulgaria with good reputation and high credit rating. Based on the currently performed preliminary evaluation, the Company does not expect provisioning a significant amount for the loss correction of cash and cash equivalents.

Disclosures

The new standard also introduces extensive requirements for disclosure and changes in presentation. The Company expects they will change the volume and nature of its disclosures regarding its financial instruments, especially in the year of adopting the new standard - **2018**.

Date of application by the Company

IFRS 9 is mandatory for application for the financial year, beginning on 1 January 2018. The company has chosen modified retroactive application of the new rules of the standard from 1 January 2018. Comparable data for 2017 will not be recalculated.

Classification of financial assets at the date of initial application of IFRS 9

Financial assets BGN`000	Initial classification according to IAS 39	New classification accrding to IFRS 9	Balance value according to IAS 39	New balance value according to IFRS9
• Trade and other receivables	Credits and receivables	Valued at amortisation cost	51	51
• Receivables from related parties	Credits and receivables	Valued at amortisation cost	24	24
• Cash and cash equivalents	Credits and receivables	Valued at amortisation cost	99	99
Total financial assets:			**174**	**174**

Reconciliation of balance values of financial assets according under IAS 39 with balance values under IFRS 9 at the date of transition to IFRS 9

Financial assets BGN`000	IAS 39 - balance value at 31.12.2017	Reclassification	Revaluation	IFRS 9 - balance value at 01.01.2018
Amortisation cost				
Cash and cash equivalents:				
Beginning balance:	99			99
Revaluation	-		-	-
Ending balance:	99			99
Receivables from related parties:				
Beginning balance:	24	-	-	24
Revaluation	-	-	-	-
Ending balance:	24	-	-	24
Trade and other receivables				
Beginning balance:	51			51
Revaluation	-		-	-
Ending balance:	51			51
Total valued at amortisation cost:	**174**			**174**

The Company does not report effect from transition from IAS 39 to IFRS 9 in revaluation reserves at fair value and in the balance of retained earnings.

There are no other standards, which are not yet in force and which are expected to provide significant impact on the Company during the current or future reporting periods and on planned future operations.

Statement of financial position

3. Non-current assets

3.1 Property, plant and equipment

2016, BGN'000	Lands	Buildings	Machines	Equipment	Vehicles	Other LTA	Assets und. construct.	TOTAL
Gross carrying amount, Jan.01, 2016	149	863	1 055	1 174	293	295	0	3 829
Accumulated depreciation, Jan.01,2016	0	(195)	(1 034)	(240)	(195)	(244)	0	(1 908)
Balance at January 01,2016	**149**	**668**	**21**	**934**	**98**	**51**	**0**	**1 921**
Additions			48	8		32	4	92
Disposals					(4)	(45)		(49)
Current year depreciation		(34)	(16)	(47)	(27)	(28)		(152)
Eliminated depreciation on disposals of assets					4	45		49
Balance at December 31,2016	**149**	**634**	**53**	**895**	**71**	**55**	**4**	**1 861**

2017, BGN'000	Lands	Buildings	Machines	Equipment	Vehicles	Other LTA	Assets under construction	TOTAL
Gross carrying amount, Jan.01, 2017	149	863	1 103	1 182	289	282	4	3 872
Accumulated depreciation, Jan.01,2017	0	(229)	(1 050)	(287)	(218)	(227)	0	(2 011)
Balance at January 01,2017	**149**	**634**	**53**	**895**	**71**	**55**	**4**	**1 861**
Additions			8	30		1	33	72
Disposals					(41)			(41)
Current year depreciation		(34)	(24)	(47)	(18)	(21)		(144)
Eliminated depreciation on disposals of assets					41			41
Balance at December 31,2017	149	600	37	878	53	35	37	1 789
Gross carrying amount, Dec.31, 2017	149	863	1 111	1 212	248	283	37	3 903
Accumulated depreciation, Dec.31,2017	0	(263)	(1 074)	(334)	(195)	(248)	0	(2 114)
Balance at December 31,2017	**149**	**600**	**37**	**878**	**53**	**35**	**37**	**1 789**

A commission of technical experts from the company has performed an overview of the tangible assets in order to find whether there are conditions present for impairments in compliance with the requirements and the rules of IAS 36 Impairment of Assets. Based on this overview, the management has established there are no such indications for impairment as of 31 December **2017.**

3.2 Intangible assets

2016, BGN'000	Rights	Other intang. Assets	Assets und. construct.	Total
Gross carrying amount, Jan.01, 2016	14	15	0	29
Accumulated amortisation, Jan.01, 2016	(6)	(7)	0	(13)
Balance at January 01,2016	**8**	**8**	**0**	**16**
Additions	5			5
Disposals	(1)			(1)
Current year amortisation	(2)	(4)		(6)
Eliminated amortisation on disposals of assets	1			1
Balance at December 31,2016	**11**	**4**	**0**	**15**

2017, BGN'000	Rights	Other intang. Assets	Assets under construction	Total
Gross carrying amount, Jan.01, 2017	18	15	0	33
Accumulated depreciation, Jan.01, 2017	(7)	(11)	0	(18)
Balance at January 01,2017	**11**	**4**	**0**	**15**
Additions				0
Disposals				0
Current year depreciation	(3)	(2)		(5)
Eliminated depreciation on disposals of assets				0
Balance at December 31,2017	**8**	**2**	**0**	**10**
Gross carrying amount, Dec.31, 2017	18	15	0	33
Accumulated depreciation, Dec.31, 2017	(10)	(13)	0	(23)
Balance at December 31,2017	**8**	**2**	**0**	**10**

The management has established there are no conditions for impairment of the company's intangible assets.

4. Receivables from related parties

At the reporting period, the Company has receivables from related party IKM COMPANY LTD as follows:

	2017	2016
	BGN`000	BGN`000
IKM COMPANY LTD	24	27
Total receivables from related parties	**24**	**27**

They are in BGN, interest-free, and are solely from trading deals on sales of products, goods and services.

The company has set a standard credit period of 30 days for receivables from related parties.

5. Trade and other receivables, net

Trade receivables are from trade contractors (clients and suppliers, receivables under provided guarantees for rented assets, and deferred expenses) and tax refunds.

	2017	2016
	BGN'000	BGN'000
Receivables from trade contractors	169	194
Pending and awarded claims	14	11
Tax refunds	45	27
TOTAL	**228**	**232**

5.1 As of 31 December, the enterprise has the following receivables from trade contractors:

	2017	2016
	BGN'000	BGN'000
Receivables from clients	20	169
Advance payments ESF grants	118	-
Deposits to contractors	9	7
Prepaid expenses	22	18
TOTAL	**169**	**194**

The company applies flexible policy for its trade receivables. Immediate payment policy is adopted for large part of the clients, while for regular clients the credit period is between 30 and 60 days, subject to individual agreement. The maximum period, after which trade receivables are subject to analysis for determining the conditions of impairment, is 365 days. As of 31 December trade receivables, which impairment has not been applied to, are in the amount of BGN **20 thousand** with the following structure:

	2017	2016
	BGN'000	BGN'000
les than 30 days	1	2
from 30 to 60 days	2	-
from 61 to 90 days	14	82
from 91 to 120 days	3	1
More than 120 days	-	84
TOTAL	**20**	**169**

As of 31 December, **there are no** overdue receivables, which are not impaired. The written-off overdue receivables are in amount of 7 thousand BGN (reported in "Depreciation and amortisation expense" in SCI).

The deposits provided in the amount of BGN **9 thousand** are for rented assets and payment guarantees for regular supplies.

Expenses for future periods refer to bank fees – BGN 1 thousand, insurances – BGN 7 thousand, consultancy and EU project management – BGN 13 thousand, and subscriptions – BGN 1 thousand.

5.2 The tax refunds are from value added tax for December **2017**.

	2017	*2016*
	BGN'000	BGN'000
VAT to collect	45	16
Other tax receivables	-	11
TOTAL	**45**	**27**

The legal receivables are for fees and compensations for immaterial damages on labour case with preliminary execution allowed.

6. Inventories

The management maintains a level of raw materials and spare parts in a warehouse that ensures the normal production cycle.

At the date of the financial statement, a commission of experts from the company makes an overview of the raw materials available, as follows:

- Overview of the balance value of raw materials and comparison to the net realisable value, in order to establish whether it is necessary to impair these raw materials in the financial statement. As a result of the overview, it is established an impairment in amount of 17 thousand BGN is necessary for the ready production (reported in "Depreciation and amortisation expense" in SCI). For the other inventories is established there is no need for impairment to the net realisable value.
- Overview of the raw materials with respect to obsolescence and working capability. The company maintains inventory of materials and specific spare parts for front and side port equipment. The inspection shows there are no conditions for write-offs or impairment of obsolete inventories.

	2017	*2016*
	BGN'000	BGN'000
Main and supplement materials	817	883
Production	726	711
Goods	34	33
TOTAL	**1577**	**1627**

The major part of inventories comprises materials (main and packaging) for the production and matrices for moulding the products.

7. Cash and cash equivalents

The cash and cash equivalents available at 31 December **2017**, are in bank current accounts in BGN and EUR at Piraeus Bank Bulgaria AD and they are not interest bearing.

	2017	2016
	BGN'000	BGN'000
In BGN	68	31
In foreign currency	31	112
TOTAL	**99**	**143**

8. Equity

Mathios AD is registered in the Trade Register as a joint stock company. As of 31 December **2017,** the issued equity is fully deposited in the amount of BGN 400 000 and equal to 400 000 shares with nominal value of BGN 1 each.

Shareholders are as follows:

1. Mathios Refractories S.A., Greece –	99,9975 % of capital	(399 990 shares)
2. Individuals –	0,0025 % of capital	(10 shares)

9. Reserves

	2017	2016
	BGN'000	BGN'000
Legal reserves	40	40
TOTAL	**40**	**40**

10. Retained earnings

10.1 Retained earnings from previous periods

	2017	2016
	BGN'000	BGN'000
Retained earnings for 2009	153	153
Retained earnings for 2010	2456	2456
Uncovered loses 2014	(318)	(318)
Uncovered loses 2016	(586)	-
Total retained earnings from previous periods	1705	2291

10.2 Retained earnings for the current period

	2017	2016
	BGN'000	BGN'000
Retained earnings for the current period	(555)	(586)
TOTAL	**1150**	**1705**

11. Current liabilities

11.1 Liabilities to related parties

There are related party liabilities only to Mathios Refractories A.D. They are in BGN, interest free, and are solely from commercial deals on purchases of production materials, moulds, goods, services and rents of production equipment.

	2017	2016
	BGN'000	BGN'000
Mathios Refractories	1 088	1 210
TOTAL	1 088	1 210

11.2 Liabilities to financial companies

Credit amount – EUR 151 500.
Purpose – operating resources;
Interest – three months euribor + 5%;
Principal – equal monthly instalments according to payment schedule;
Collateral – corporate guarantee, provided by the mother-company, and collateral pledge on receivables and inventories (**note 2.11 and 2.12**);
Maturity – 31.05.2018

Credit amount – BGN 250 000.
Purpose – operating resources;
Interest – three months sofibor + 5%;
Principal – equal monthly instalments according to payment schedule;
Collateral – corporate guarantee, provided by the mother-company, and collateral pledge on receivables and inventories (**note 2.11 and 2.12**);
Maturity – 31.05.2018

	2017	2016
	BGN'000	BGN'000
Credit for operating resources EUR	257	351
Credit for operating resources BGN	120	-
TOTAL	**377**	**351**

Reconciliation of changes in liabilities from financial operations BGN`000	01/01/2017	Changes in cash flows from financial operations	Changes of non-monetary nature	31/12/2017
Liabilities to financial companies	351	26		377
Total liabilities from financial operations	**351**	**26**		**377**

11.3 Trade and other liabilities

	2017	2016
	BGN'000	BGN'000
Liabilities to suppliers	435	111
Tax payables	17	16
Other current liabilities	5	4
EU grants (advance payments)	75	-
TOTAL	**532**	**131**

As of 31 December the company has liabilities to the following suppliers of raw materials, transportation services, and others:

Supplier	*Supply type*	2017 BGN`000	2016 BGN`000
DALKAFIKI IOAN MARIA	*materials purchase*	36	9
MERIDIAN	*fixed assets*	33	-
DI ES SMIT BULGARIA	*materials purchase*	6	-
LOBI KAR TRANS	*materials purchase*	6	2
SIKA BULGARIA	*materials purchase*	12	5
PALADIUM	*work safety eu grants*	94	-
BELPACK	*materials purchase*	92	43
STROICEM	*materials purchase*	85	21
KDK TERM	*servises*	25	3
CHEZ BULGARIA	*elecricity*	9	7
TOPLIVO GAS	*gas production*	9	5
OTHERS		28	16
TOTAL		**435**	**111**

Tax payables are for tax on income, paid to individuals in **2017**.

	2017	2016
	BGN'000	BGN'000
Personnel incomes tax	17	12
Corporate taxes	-	4
TOTAL	**17**	**16**

Other receivables are: payables for deliveries – BGN 4 thousand and insurances payables – BGN 1 thousand.

11.4 Liabilities to personnel

The following items are reported under the article "Liabilities to personnel":

	2017	2016
	BGN'000	BGN'000
Wages and salaries	103	39
Refundable holidays	24	20
Social insurance payables	28	18
TOTAL	**155**	**77**

At the date of the statement of financial position, the management of the company has determined the potential costs, payable upon release of the staff due to retirement over the next five years: BGN 0 thousand (**2016**: BGN 0 thousand). The calculation of the amount of these liabilities assumes participation of qualified actuaries in order to determine their present value at the reporting date. At present, the company does not use actuarial services, thus the estimation of the company's management for establishing the value of potential expense could not be defined as reliable. In this respect, provisions for retirement payments are not recognised in the statement of comprehensive income.

Statement of comprehensive income

12. Revenue

12.1 Revenue from sales

In the statement of comprehensive income for **2017**, the revenue from operations of the company is presented as follows:

	2017	2016
	BGN'000	BGN'000
Revenue from sale of production	3707	3402
Revenue from sale of goods	302	720
Revenue from rendering of services	195	219
TOTAL	**4204**	**4341**

12.2 Other gains/(losses), net

	2017	2016
	BGN'000	BGN'000
Gain/(loss) on a disposal of property, plant and equipment (net)	8	-
Other gain	-	2
TOTAL	***8***	***2***

The company has made the following operating expenses for **2017**:

13. Expense for raw materials and consumables

	2017	2016
	BNG'000	BNG'000
Main materials	(1 048)	(1 072)
Supplement materials and spare parts	(685)	(726)
TOTAL	**(1 733)**	**(1 798)**

14. Administrative and selling expenses

	2017	2016
	BGN'000	BGN'000
Advertising,promotions, consulting, fees	(59)	(35)
Electicity, gas, water	(151)	(132)
Telecommunications and couriers	(7)	(8)
Rents	(750)	(927)
Trips and car expenses	(40)	(43)
Office supplies	(4)	(2)
Transport and other sales expenses	(180)	(215)
Other administrative expenses	(115)	(129)
TOTAL	**(1 306)**	**(1 491)**

15. Employee benefits expense

The expenses for wages and salaries of employees also include the salaries of the management personnel, which are subject to analysis in 19.3.

	2017	2016
	BGN'000	BGN'000
Expenses for wages and salaries	(1 125)	(946)
Expenses for social insurance	(159)	(146)
Expenses for refundable holidays	(24)	(20)
TOTAL	**(1 308)**	**(1 112)**

The number of employees towards 31 December under labour agreements is **78**, while it was **76** for **2016**.

16. Finance costs

	2017	2016
	BGN'000	BGN'000
Expense for interests	(20)	(27)
Bank fees and commissions	(9)	(8)
Net income/loss from foreign currency deals	(4)	(4)
Net finance costs	**(33)**	**(39)**

17. Tax expense

The company completes **2017** with negative financial result before taxes – BGN (561) thousand. After transforming the financial result for tax purposes, the company has a nil result for taxation.

The main components of the expense on income tax are:

	2017	2016
	BGN'000	BGN'000
Temporary tax differences	6	-
TOTAL	**6**	**0**

After estimating the net effect from the new temporary tax differences for **2017** and the opposite effect of the temporary tax differences from previous periods the company declares no change in deferred tax expenses for the current year.

BGN'000	Depreciation	Compensation for pensions and holidays	Physical persons income	Low capitalisation	Bad receivables	Assets impairments	TOTAL
January 01, 2016	**2**	**4**	**2**	**1**	**0**	**0**	**9**
Accounted as revenue/expense in the statement of comprehensive income							
In the profit for the year		(2)			2		0
In the other comprehensive income							0
December 31, 2016	**2**	**2**	**2**	**1**	**2**	**0**	**9**
Accounted as revenue/expense in the statement of comprehensive income							
In the profit for the year			5		(1)	2	6
In the other comprehensive income							0
December 31, 2017	**2**	**2**	**7**	**1**	**1**	**2**	**15**

The income tax effect on the financial result for the period is as follows:

	2017	2016
	BGN'000	BGN'000
Profit/loss before tax	(561)	(586)
Temporary tax difference	6	-
Profit after tax	**(555)**	**(586)**

18. Yield per share

18.1 Earnings per share

Earnings per share are calculated as the net income available to shareholders is divided by the average number of shares outstanding during the year.

The average number of shares outstanding, used for estimating the earnings per share, as well as the net income available to shareholders, are as follows:

	2017	2016
	BGN	*BGN*
Net income (loss), available to shareholders	(555 238)	(586 057)
Average number of shares	400 000	400 000
Earnings per share (BGN for share)	**(1.39)**	**(1.47)**

18.2 Net value per share

The net value per share is calculated by dividing the shareholders` equity by the weight average number of shares.

	2017	2016
Shareholders equity, thousands BGN	1 590	2 145
Average number of shares	400 000	400 000
Net value per share, BGN	**3.98**	**5.36**

19. Related parties

19.1 Relation type

Mathios Refractories S.A., Greece – mother-company.
IKM Company LTD – entity, controlled by key management personnel.
Mathios GmbH, Germany – entity, controlled by the majority shareholder of the equity.
IDEAL REFRACTORIES SA, Greece - entity, controlled by the majority shareholder of the equity
BAU MARKET SA, Greece - entity, controlled by the majority shareholder of the equity

19.2 Transactions with related parties

Transactions with related parties are not subject to specific terms and conditions.

	Transactions type	*2017* BGN'000	*2016* BGN'000
Mother-company	sale of production	3493	3208
Mother-company	sale of goods and materials	74	59
Mother-company	sale of services	180	205
Mother-company	purchase of assets	5	19
Mother-company	purchase of materials	359	530
Mother-company	purchase of goods	128	445
Mother-company	purchase of services	756	904
Controlled company	sale of production	27	34
Controlled company	sale of goods	1	17
Controlled company	sale of services	2	2

The liabilities to related parties at the date of the financial statement are towards Mathios Refractories S.A., while the receivables from related parties are from IKM Company LTD, as follows:

	2017 BGN'000	**2016** BGN'000
Receivables from related parties	24	27
Liabilities to related parties	1088	1210

19.3 Transactions with key management personnel

	2017 BGN'000	*2016* BGN'000
Salaries	(335)	(211)
Social insurances	(13)	(11)
Total transactions with key management peronnel	**(348)**	**(222)**

20. Financial risk management

Structure of the financial assets and liabilities at 31 December by category:

Financial assets, December 31, 2017	*Credits and receivables* BGN'000	***Total*** BGN'000
Trade receivables and others	51	51
Trade receivables from related parties	24	24
Cash and cash equivalents	99	99
TOTAL	**174**	**174**

Financial liabilities, December 31, 2017	*Other financial liabilities* BGN'000	***Total*** BGN'000
Bank loans	377	377
Trade liabilities to related parties	1088	1 088
Trade liabilities and others	515	515
TOTAL	**1980**	**1980**

Financial assets, December 31, 2016	*Credits and receivables* BGN'000	***Total*** BGN'000
Trade receivables and others	187	187
Trade receivables from related parties	27	27
Cash and cash equivalents	143	143
TOTAL	**357**	**357**

Financial liabilities, December 31, 2016	*Other financial liabilities* BGN'000	***Total*** BGN'000
Bank loans	351	351
Trade liabilities towards linked persons	1210	1 210
Trade liabilities and others	115	115
TOTAL	**1676**	**1676**

During its business operations, the company could be exposed to different types of financial risks, most important of which are: market risk (including currency risk, risk of fair value change, and price risk), credit risk, liquidity risk and risk from interest-related cash flows. The general risk management is focused on the forecasted results from certain areas of the financial markets for achieving minimum negative effects, which could reflect on the financial results. Financial risks are currently identified, measured and watched closely with the help of different control mechanisms, so that adequate prices are determined for the products/services of the company and for the attracted landed capital. This also helps to evaluate adequately the market conditions, the investments made by the company, as well as the forms of keeping certain liquidity levels, without allowing unnecessary concentration of a given risk.

Risk management is performed currently under the direct control of the executive director, and the financial experts of the company in accordance with the policy, defined by the Board of Directors, which has developed the main guidelines for the general risk management. Based on those guidelines are developed specific procedures for managing the different types of risk like currency risk, interest-related risk, price risk, credit risk, liquidity risk, as well as for the use of derivative and non-derivative (mainly) instruments.

The different types of risk, to which the company is exposed in its business operations, as well as the adopted approach for managing those risks, are described below:

Market risk

Currency risk

The company makes its trades on the internal and external markets, but is not exposed to considerable currency risk, because all of its operations and trades are in BGN or EUR, which are exchanged at a fixed rate, set by the Bulgarian National Bank by law.

The data from the table below shows the structure of the financial assets and liabilities under types of currency:

Financial assets, December 31, 2017	in EUR EUR'000	in BGN BGN'000	***Total BGN'000***
Trade receivables and other		51	51
Trade receivables from related persons		24	24
Cash and cash equivalents	31	68	99
TOTAL	**31**	**143**	**174**

Financial liabilities, December 31, 2017	in EUR EUR'000	in BGN BGN'000	Total BGN'000
Bank loans	257	120	377
Trade liabilities to related parties	1088		1088
Trade liabilities and others	36	479	515
TOTAL	**1381**	**599**	**1980**

Financial assets, December 31, 2016	in EUR EUR'000	in BGN BGN'000	Total BGN'000
Trade receivables and other	1	186	187
Trade receivables from related parties		27	27
Cash and cash equivalents	112	31	143
TOTAL	**113**	**244**	**357**

Financial liabilities, December 31, 2016	in EUR EUR'000	in BGN BGN'000	Total BGN'000
Bank loans	351		351
Trade liabilities to related parties	1210		1210
Trade liabilities and others	9	106	115
TOTAL	**1570**	**106**	**1676**

Price risk

The management succeeds in minimizing price risk in regard to raw materials by keeping alternative sources of supply for large part of them. Still, there is a risk of price increase for small part of the raw materials, because they have specific production that does not have adequate substitutes. Minimizing price risk of negative changes in prices of goods and services, subject to commercial operations, is achieved by periodic analysis and negotiation of contracted relations as well as actualising the prices towards the market changes.

The company does not keep shares or other securities, which are subject to trading, and it does not have practice to trade with financial instruments, respectively it is not exposed to risks of negative changes in financial markets.

Credit risk

The financial assets of the company are concentrated in two groups: cash (in cash and in bank accounts) and receivables from clients.

Credit risk mainly represents the risk that clients of the company are not able to fully pay and in the usually defined terms the amounts due on trade receivables.

The company does not have significant concentration of credit risk. Its policy is to negotiate credit periods over 30 days only to clients, who have long enough trade history with the company. For all other clients, payments on sales are made mostly through bank wire transfers or in cash at the moment of the sale.

The collectability and the concentration of the receivables are watched currently in accordance with the established company policy. Therefore, the accounting department presents a weekly report to the management about the sales made, payments received, and unsettled invoices with upcoming maturity dates.

Cash funds of the company and the payment operations are concentrated in one bank, which increases the risk for cash and cash equivalents.

Liquidity risk

The liquidity risk refers to the inability of the company to meet all of its liabilities according to their maturity. It carries conservative policy regarding liquidity, through which it constantly maintains optimal liquidity reserve of cash funds and good capability of financing its commercial operations. The company uses borrowed credit resources as well.

The accounting department informs the management on monthly basis about new liabilities and follows the maturity dates of payments, analyses factual and forecasted cash flows by period, maintains balance between the maturity frames of assets and liabilities.

Maturity analysis

Below are presented financial non-derivative assets and liabilities of the company at the date of the statement of financial position, grouped under remaining maturity, determined against the stipulated maturity and cash flows. The table is prepared based on not discounted cash flows and the earliest date, on which the receivable, respectively the payable has become due. The amounts include principles and interests.

Financial assets, December 31, 2017	Up to 1 mth	1 - 3 mths	3 - 12 mths	Above 12 mths	Without maturity	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Trade receivables and others	28				23	51
Trade receivables from related parties	24					24
Cash and cash equivalents					99	99
TOTAL	**52**	**0**	**0**	**0**	**122**	**174**

Financial liabilities, December 31, 2017	Up to 1 mth	1 - 3 mths	3 - 12 mths	Above 12 mths	Without maturity	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Bank loans			377			377
Trade liabilities to related parties					1088	1088
Trade liabilities and others	403	37	75			515
TOTAL	**403**	**37**	**452**	**0**	**1088**	**1980**

Financial assets, December 31, 2016	Up to 1 mth	1 - 3 mths	3 - 12 mths	Above 12 mths	Without maturity	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Trade receivables and others	169				18	187
Trade receivables from related parties	27					27
Cash and cash equivalents					143	143
TOTAL	**196**	**0**	**0**	**0**	**161**	**357**

Financial liabilities, December 31, 2016	Up to 1 mth	1 - 3 mths	3 - 12 mths	Above 12 mths	Without maturity	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Bank loans			351			351
Trade liabilities to related parties					1210	1210
Trade liabilities and others	115					115
TOTAL	**115**	**0**	**351**	**0**	**1210**	**1676**

Risk of interest bearing cash flows

The company does not have considerable concentration of interest bearing assets, except the free cash funds on current and deposit bank accounts, so that the revenues and the incoming operating cash flows are in large part independent of the market interest levels.

The outgoing cash flows for **2017** are exposed to interest risk of using a bank loan in Euro with variable interest rate, based on the interbank interest rates plus premium.

For the rest of financial liabilities, the company is not exposed to interest risk as they usually are interest-free commercial payables.

December 31, 2017	Interest-free	With variable interest	With fixed interest	Total
	BGN'000	BGN'000	BGN'000	BGN'000
Financial assets	174			174
Financial liabilities	1603	377		1980

The funds on current accounts accumulate interest rates according to the tariffs of the respective banks, which are kept relatively constant for longer period of time.

The management of the company follows and analyses its exposition against the changes in interest levels. Different scenarios are simulated, including refinancing, renewing of existing positions and alternative financing. Estimations are made only for significant interest bearing positions.

The interest sensitivity towards 31 December **2017**, against changes in interest rate is as follows: In case the interest rate in BGN increases with 1% (100 basis points) and the influence of all other variables is ignored, the annual profit after taxation, respectively the equity, would be lower with 377 Leva (BGN); in case of the opposite change, decrease of 1% (100 basis points), the effect on the profit, respectively the equity, would be increase with the same amount.

The financial assets and liabilities of the company at 31 December **2016**, are as shown in the table:

December 31, 2016	*Interest-free*	*With variable interest*	*With fixed interest*	*Total*
	BGN'000	BGN'000	BGN'000	BGN'000
Financial assets	221	136		357
Financial liabilities	1325	351		1676

The fair value concept presumes realization of the financial instruments through sales, based on the position, assumptions and judgments of independent market participants, to a basic or most advantageous for an asset or liability market. For its financial assets and liabilities, the company accept as a basic market the direct transactions between parties. Especially for the trade receivables and payables, loans and bank deposits, it expects to realize these financial assets and liabilities or through their total refund or respectively by repayment in time. Therefore, they are presented at their amortized cost.

Also, most of the financial assets and liabilities are either short-term (bank deposits, trade receivables and payables, short-term loans) or are presented in the statement of financial position at market value (investments in securities) and their fair value approximates their carrying value.

The Company's management believes that under the circumstances presented in the statement of financial position estimates of the financial assets and liabilities are as reliable, adequate and reliable for the purposes of financial reporting.

No transfers made between level 1, 2 and 3.

21. Capital risk management

The company manages capital risk in order to support its functioning as operating company, which provides the respective return on the invested funds by the shareholders, commercial benefits to other interested parties and participants in its business, as well as to support optimal capital structure in order to reduce expenses for the capital.

The company follows closely the structure of capital based on the debt ratio. It is measurement of a company's financial leverage, calculated as the company's debt divided by its total capital. The net debt capital is defined as difference between all debt (current and noncurrent) as it is shown the financial positions statement and the cash and cash equivalents. The total capital equals the shareholders' equity plus the debt capital.

The table below presents the debt ratios based on the capital structure as of 31 December:

	2017	2016
	BGN'000	BGN'000
Total debt, incl.	2 152	1 769
Bank loans	377	351
Payables towards related parties	1 088	1 210
Cash and cash equivalents	(99)	(143)
Net debt	**2 053**	**1 626**
Total shareholders' equity	1 590	2 145
Total capital	3 643	3 771
Debt ratio	**0.56**	**0.43**

22. Going concern

The majority shareholder of Mathios AD declares the operations of the Company are entirely in compliance with and subject to the execution of the adopted long-term Program for development of the Group Mathios Refractories S.A. and to adopted Business plan for 2018. In this respect, despite the worsening financial ratios, like reported loss of BGN 555 thousand for 2017 and a loss of BGN 586 thousand for 2016, it does not have plans for limiting operations of the Company or laying off employees.

23. Events after the statement of financial position date

There are no events occurring after the statement of financial position date.

20 February 2018

Issued by

(Katia Basheva)

Manager

(Ioannis K. Mathios)

ОТГОВОРНИ ДНЕС. СИГУРНИ ЗА УТРЕ.

НАЦИОНАЛНА АГЕНЦИЯ ЗА ПРИХОДИТЕ

Образец 1010

ГОДИШНА ДАНЪЧНА ДЕКЛАРАЦИЯ

по чл. 92 от ЗКПО за данъчния финансов резултат и дължимия годишен корпоративен данък

Териториална дирекция на НАП	
Входящ № и дата	

ВАЖНО! Ако вече сте подали годишна данъчна декларация за посочения период, но искате да направите корекции в нея, е необходимо да подадете нова данъчна декларация, в която се съдържат всички данни за периода, а не само тези, които променяте. Корекции в декларацията може да правите в срока за подаването ѝ и/или еднократно след този срок до 30 септември на основание чл. 75, ал. 3 от ЗКПО.

Част I - Данни за декларацията

Данъчна година
2017

Декларацията се подава:

1. За календарната година - на основание чл.92, ал.1 от ЗКПО *Този ред се попълва и от новообразуваните през годината данъчно задължени лица.*	☒
2. За календарната година, когато през годината е налице прекратяване с ликвидация или с обявяване в несъстоятелност или е подадено искане за заличаване *Този ред се попълва, когато декларацията се подава за календарна година, през която е налице прекратяване с ликвидация или с обявяване в несъстоятелност или е подадено искане за заличаване. В този случай не се попълват ред 1 и ред 3.*	☐

3. При прекратяване с ликвидация или с обявяване в несъстоятелност или при прекратяване на преобразуващо се дружество *(Отбележете приложимата разпоредба от ЗКПО и посочете съответната дата,от която започва да тече срокът за подаване на декларацията, например – дата на вписване в търговския регистър, дата на подаване на искане за заличаване, дата на прекратяване на дейността и т.н.)*	чл.160, ал. 1	чл.162, ал. 1	чл.162, ал. 2	чл.162, ал. 3	чл.162, ал. 4	чл.164	чл.117, ал.1
	☐	☐	☐	☐	☐	☐	☐
	Дата	Дата	Дата	Дата	Дата	Дата	Дата
	-	-	-	-	-	-	-

3.1. Период, за който се отнася декларацията *(Този ред се попълва в случаите по чл. 160, ал. 2, когато датата на прекратяване и датата на подаване на искането за заличаване при ликвидация, съответно датата на заличаване при несъстоятелност, са в една и съща година и в случаите по чл. 164, ал. 2, когато датата на подаване на искането за заличаване и датата на заличаването са в една и съща година)*		
	чл.160, ал. 2 ☐	от дата - до дата -
	чл.164, ал. 2 ☐	от дата - до дата -

4. За данъка върху разходите – на основание чл.217, ал.1 от ЗКПО	☒
5. На основание чл. 75, ал. 3 от ЗКПО (еднократно след срока за подаване)	☐

Част II - Идентификационни данни за данъчно задълженото лице

1.ЕИК по ЗТР/ЕИК по БУЛСТАТ131287108	**2. Наименование** *(посочете наименованието съгласно акта за възникване)*МАТИОС	
3. Чуждестранно лице с място на стопанска дейност в България ☐ *(ако сте отбелязали опцията, попълнете част XI)*	**3.1. Наименование на чуждестранното лице**	
4. Вид предприятие	**4.1.Нефинансово предприятие** ☒	**4.2.Финансова институция**	**4.3.Застраховател** ☐

Част II - Идентификационни данни за данъчно задълженото лице			
		(с изключение на застрахователи) ☐	
4.4.Неперсонифицирано дружество или осигурителна каса ☐		**4.5.Юридическо лице с нестопанска цел** ☐	
5. Седалище и адрес на управление			
5.1. Държава БЪЛГАРИЯ	5.2. Област КЮСТЕНДИЛ	5.3. Община ДУПНИЦА	5.4. Населено място гр. ДУПНИЦА
5.5. Улица, №, ж.к., бл., вх., ап. ул. Никола Малашевски №9			5.6 Пощенски код 2600
6. Адрес за кореспонденция			
☒ Адресът съвпада с този по т. 5 *(ако сте отбелязали опцията, не попълвайте тази точка)*			
6.1. Държава България	6.2. Област КЮСТЕНДИЛ	6.3. Община ДУПНИЦА	6.4. Населено мястогр. ДУПНИЦА
6.5. Улица, №, ж.к., бл., вх., ап.ул. Никола Малашевски №9			6.6 Пощенски код 2600
7. За контакт			
7.1 Телефон(Код+номер) 0701 - 40094		7.2 E-mail mathios_dupnica@abv.bg	

8. Данни за представляващия		
№	Име, презиме, фамилия	ЕГН/ЛН/ЛНЧ/Служебен № от регистъра на НАП
8.1	ЙОАНИС МАТИОС	5908190001

9. Данни за съставителя на годишния финансов отчет				
Съставител на годишния финансов отчет е:				
9.1. Физическо лице ☒	9.1.1 Име, презиме, фамилия	9.1.2. ЕГН/ЛН/ЛНЧ/ Служебен № от регистъра на НАП	9.1.3 Вид на правоотношението със съставителя	
	КАТЯ КАДРИНОВА БАШЕВА	7408128314	трудово ☒	облигационно, в т.ч. със съдружник, упражняващ личен труд ☐
9.2. Счетоводно предприятие ☐	9.2.1. Наименование			9.2.2. ЕИК по ЗТР/ЕИК по БУЛСТАТ

10. Данни за данъчно задълженото лице, за което се подава декларацията съгласно чл.117 от ЗКПО	
Наименование	
ЕИК по ЗТР/ЕИК по БУЛСТАТ	

Част III – Данни за дейността на данъчно задълженото лице			
1.Код на основната дейност			2369
2. Място на стопанска дейност в чужбина	☐	3. Получени доходи от източници в чужбина	☐
4. Преотстъпване на корпоративен данък и/или намаление на счетоводния финансов резултат по реда на глава двадесет и втора от ЗКПО *(Ако сте отбелязали този ред, попълнете ред 4.1)*	☐		
4.1. Изпълнение на изискването по чл.167, ал.1 от ЗКПО *(този ред се попълва на основание чл.167, ал.2 от ЗКПО)*			☐
5. Прилагане на чл. 189 от ЗКПО - държавна помощ за регионално развитие			☐
6. Дейността, свързана с първоначалната инвестиция, се осъществява в съответната община за период от поне 5 години след годината на завършване на първоначалната инвестиция съгласно чл. 189, ал. 1, т. 4 от ЗКПО в сила до 31.12.2013 г. и/или чл. 189, т. 3, б. „в" от ЗКПО в сила от 01.01.2016 г. *(Изпълнението на това условие се декларира след завършване на първоначалната инвестиция. В случаите на преобразуване на данъчно задълженото лице този ред се попълва от правоприемника. В случай че сте отбелязали този ред, попълнете ред 6.1)*			☐
6.1. Година на завършване на първоначалната инвестиция, по отношение на която е налице задължение за продължаване на дейността за период поне 5 години след годината на завършване на първоначалната инвестиция *(Тези данни се декларират на основание чл.189, ал. 1, т. 4 от ЗКПО в сила до 31.12.2013 г. и/или чл. 189, т. 3, б. "в" от ЗКПО в сила от 01.01.2016 г. При повече от една първоначална инвестиция за периода от 2007 г. до годината, за която се подава настоящата декларация, добавете допълнителни редове.)*			
6.1.1			
7. Дейността по чл. 189б, ал. 1 (производство на непреработена растителна и животинска продукция) продължава да се осъществява за период от поне три години след годината на преотстъпване *(Тези данни се декларират на основание чл.189б, ал. 2, т. 3 от ЗКПО. В случаите на преобразуване на данъчно задълженото лице този ред се попълва от правоприемника. В случай че сте отбелязали този ред, попълнете ред 7.1)*			☐
7.1. Година на преотстъпване на корпоративен данък, по отношение на която е налице задължение за продължаване на дейността за период поне 3 години след годината на преотстъпване *(При повече от една година на преотстъпване за периода от 2010г. до годината, за която се подава настоящата декларация, добавете допълнителни редове.)*			
7.1.1			

Част IV - Образци и документи, които се подават заедно с декларацията		
№	**Вид** *(поставете отметка срещу наименованието на съответния образец или документ само когато го прилагате към декларацията)*	
1	Образец 1011: **Приложение № 1 за ползване на данъчни облекчения под формата на преотстъпване на корпоративен данък или чрез признаване за данъчни цели на счетоводни разходи за дарения или стипендии**	☐
2	Образец 1012: **Приложение № 2 за печалби (доходи), обложени в чужбина, за които се прилага метод за избягване на двойното данъчно облагане**	☐
3	**Годишен отчет за дейността**	☒
3.1	**Вх. № и дата на годишния отчет на дейността** Вх.№ 12129725/16.03.2018 г.	
4	**Не е налице задължение за подаване на годишен отчет за дейността** *(отбележете, ако данъчно задълженото лице не е осъществявало дейност по смисъла на Закона за счетоводството, но подава годишна данъчна декларация например за да декларира задължение за корпоративен данък, възникнало в резултат на преобразуване на счетоводния финансов резултат за данъчни цели, или други данни)*	☐
5	**Други** *(посочете броя на документите)* ☐	

За деклариране на неверни данни се носи наказателна отговорност по Наказателния кодекс.

Част V - Определяне на данъчния финансов резултат и дължимия корпоративен данък

№	ПОКАЗАТЕЛИ	ШИФЪР	СУМА
1	2	3	4
1	**ОБЩО ПРИХОДИ** *(посочват се приходите по отчета за приходите и разходите / отчета за доходите)*	0100	4245387.39
1.1	**в т.ч. нетни приходи от продажби** *(посочват се нетните приходи от продажби по смисъла на § 1, т. 49 от ДР на ЗКПО във връзка с § 1, т. 11 от ДР на Закона за счетоводството)*	0110	4153259.31
2	**ОБЩО РАЗХОДИ** *(посочват се разходите по отчета за приходите и разходите / отчета за доходите)*	0200	4806966.57
СЧЕТОВОДЕН ФИНАНСОВ РЕЗУЛТАТ (р.1 - р.2) ***/Ако получената разлика е > 0, попълнете ред 3.1; Ако получената разлика е <=0, попълнете ред 3.2/***			
3.1	**СЧЕТОВОДНА ПЕЧАЛБА**	0310	
3.2	**СЧЕТОВОДНА ЗАГУБА**	0320	561579.18
Приходи и разходи, които се изключват при определяне на счетоводния финансов резултат за данъчно преобразуване			
4	Общо приходи, които се изключват при определяне на счетоводния финансов резултат за данъчно преобразуване	0400	0.00
5	Общо разходи, които се изключват при определяне на счетоводния финансов резултат за данъчно преобразуване	0500	0.00
СЧЕТОВОДЕН ФИНАНСОВ РЕЗУЛТАТ ЗА ДАНЪЧНО ПРЕОБРАЗУВАНЕ *(р.1 - р.4) - (р.2 - р.5)* ***/Ако получената разлика е >0, попълнете ред 6.1; Ако получената разлика е <=0, попълнете ред 6.2/***			
6.1	**ПОЛОЖИТЕЛЕН**	0610	
6.2	**ОТРИЦАТЕЛЕН**	0620	561579.18

ПРЕОБРАЗУВАНЕ НА СЧЕТОВОДНИЯ ФИНАНСОВ РЕЗУЛТАТ

№	**А. УВЕЛИЧЕНИЯ**	**ШИФЪР**	**СУМА**	№	**Б. НАМАЛЕНИЯ**	**ШИФЪР**	**СУМА**
1	Годишни счетоводни разходи за амортизации (чл.54, ал.2)	7010	148574.95	1	Годишни данъчни амортизации (чл.54, ал.1) - *вж. помощна справка „Амортизируеми активи", публикувана на интернет страницата на НАП - www.nap.bg*	8010	148470.59
2	Счетоводна балансова стойност на отписаните активи от счетоводния амортизационен план (чл.66, ал.1)	7020	0.00	2	Данъчна стойност на отписаните активи от данъчния амортизационен план (чл.66, ал.2)	8020	0.00
3	Разходи от последващи оценки на активи и пасиви (чл.34), в т.ч.:	7030	17716.22	3	Приходи от последващи оценки на активи и пасиви (чл.34), в т.ч.:	8030	0.00
3.1	разходи от последващи оценки и от отписване на вземания като несъбираеми (чл. 34)	7031	0.00	3.1	приходи от последващи оценки на вземания (чл. 34)	8031	0.00
4	Признаване за данъчни цели на непризнати приходи от последващи оценки на активи и пасиви (чл.35)	7040	0.00	4	Признаване за данъчни цели на непризнати разходи от последващи оценки на активи и пасиви (чл.35 и 37), в т.ч.:	8040	219.62
				4.1	от последващи оценки и от отписване на вземания (чл.37)	8041	219.62
5	Разходи, представляващи доходи на местни физически лица по ЗДДФЛ и разходи за задължителни осигурителни вноски, свързани с тях (чл.42, ал.1, 5 и 8)	7050	64014.02	5	Признаване за данъчни цели на непризнати разходи по чл.42, ал.1, 5 и 8 (чл.42, ал.3 и 6, изречение първо)	8050	21814.60
				6	Приходи/сума, с която са намалени счетоводните разходи, отчетени по повод на задължения за неизплатени доходи по чл.42, ал.1 и на задължения за невнесени задължителни осигурителни вноски по чл.42, ал.5 (чл.42, ал.4 и ал.6, изречение второ)	8060	0.00
6	Разходи за лихви от прилагане на режима на слаба капитализация (чл.43, ал.1)- *вж. помощна справка "Регулиране на слабата капитализация", публикувана на интернет страницата на НАП - www.nap.bg*	7060	0.00	7	Признаване за данъчни цели на непризнати разходи за лихви от прилагане на режима на слаба капитализация (чл.43, ал.2) - *вж. помощна справка "Регулиране на слабата капитализация", публикувана на интернет страницата на НАП - www.nap.bg*	8070	0.00

Част V - Определяне на данъчния финансов резултат и дължимия корпоративен данък							
7	Разходи от липси и брак съгласно чл.28, в т. ч.:	7070	11639.46	8	Приходи, възникнали по повод на непризнати по чл. 28 липси и брак на активи (чл.29)	8080	0.00
7.1	разходи от липси на дълготрайни и краткотрайни активи с изключение на материални запаси (чл.28, ал.1)	7071	0.00				
7.2	разходи от липси и брак на материални запаси (чл.28, ал.2)	7072	9699.53				
7.3	разход за ДДС съгласно чл. 28, ал. 4.	7073	1939.93				
7.4	последващи разходи, отчетени по повод на вземане, възникнало в резултат на непризнати липси и брак на активи (чл.28, ал.5)	7074	0.00				
8	Разходи, непризнати за данъчни цели съгласно чл. 26, в т. ч.:	7080	26356.68	9	Приходи, възникнали по повод на непризнати за данъчни цели разходи по чл. 26, т. 6 (чл. 27, ал.1, т.2)	8090	0.00
8.1	разходи, несвързани с дейността и/или които не са документално обосновани (чл. 26, т. 1 и 2)	7081	26292.98				
8.2	разходи за начислени глоби, конфискации, санкции и лихви за просрочие (чл.26, т.6)	7082	63.70				
9	Сума на задълженията (чл.46, ал.1)	7090	0.00	10	Сума на погасените задължения, за които е приложен чл.46, ал.1 през предходна година (чл.46, ал.3, т.1)	8100	0.00
				11	Приходи, отчетени по повод отписване на задължения, за които е приложен чл.46, ал.1 през предходна година (чл.46, ал.3, т.2)	8110	0.00
				12	*Вж. помощна справка "Пренасяне на данъчни загуби", публикувана на интернет страницата на НАП - www.nap.bg* Приспадане на данъчна загуба, в т.ч.:	8120	0.00
				12.1	данъчна загуба от източник в страната	8121	0.00
				12.2	данъчна загуба от източник в чужбина при прилагане на метода "освобождаване с прогресия"	8122	0.00
				12.3	данъчна загуба от източник в чужбина при прилагане на метода "данъчен кредит"	8123	0.00
10	Други увеличения на счетоводния финансов резултат - *вж. помощна справка "Други увеличения и намаления на счетоводния финансов резултат по реда на ЗКПО", публикувана на интернет страницата на НАП - www.nap.bg*	7100	23801.83	13	Други намаления на счетоводния финансов резултат - *вж. помощна справка "Други увеличения и намаления на счетоводния финансов резултат по реда на ЗКПО", публикувана на интернет страницата на НАП - www.nap.bg*	8130	20191.10
7	**ВСИЧКО УВЕЛИЧЕНИЯ (от ред 1 до ред 10)**	**0700**	292103.16	8	**ВСИЧКО НАМАЛЕНИЯ (от ред 1 до ред 13)**	**0800**	190695.91

ДАНЪЧЕН ФИНАНСОВ РЕЗУЛТАТ *(р. 6.1 или р. 6.2 + р. 7 от колона А – р. 8 от колона Б)* */Ако получената разлика е >0, попълнете ред 9.1; Ако получената разлика е <=0, попълнете ред 9.2/*			
9.1	**ДАНЪЧНА ПЕЧАЛБА**	0910	0.00
9.2	**ДАНЪЧНА ЗАГУБА**	0920	460171.93
10	**ДАНЪЧНА СТАВКА**	1000	10%
11	**ПОЛАГАЩ СЕ КОРПОРАТИВЕН ДАНЪК** *(р. 9.1 х р. 10)*	1100	0.00

За деклариране на неверни данни се носи наказателна отговорност по Наказателния кодекс.

Част V - Определяне на данъчния финансов резултат и дължимия корпоративен данък			
12	**ПОЛАГАЩ СЕ КОРПОРАТИВЕН ДАНЪК при прилагане на методи за избягване на двойно данъчно облагане** ***(р. 3 или ред 5 от справка 1 на образец 1012 - Приложение № 2)***	1200	0.00
13	**ПРЕОТСТЪПЕН КОРПОРАТИВЕН ДАНЪК**	1300	0.00
14	**ГОДИШЕН КОРПОРАТИВЕН ДАНЪК след преотстъпването** ***(р. 11 или р.12 – р.13)***	1400	0.00
15	**НАПРАВЕНИ АВАНСОВИ ВНОСКИ ЗА ГОДИНАТА***(Попълнете този ред след установяване на точния размер на внесените авансови вноски за годината чрез преглед на данъчно-осигурителната сметка или чрез поискване на информация от НАП.)*	1500	0.00
15.1	**в т.ч. направени авансови вноски до датата на прекратяване, когато се попълва ред 16** (Когато се попълва ред 16, на този ред се посочва сумата на направените авансови вноски до датата на прекратяване, които съгласно чл. 159, ал. 3 от ЗКПО се приспадат при определяне на данъка при прекратяване)	1510	0.00
16	**ВНЕСЕН КОРПОРАТИВЕН ДАНЪК ПРЕЗ ГОДИНАТА в случаите при прекратяване с ликвидация или с обявяване в несъстоятелност** (На този ред се посочва внесеният данък при прекратяване, който на основание чл. 160, ал. 2 от ЗКПО се приспада от дължимия годишен корпоративен данък за годината на прекратяването или от дължимия корпоративен данък за последния данъчен период, когато датата на подаване на искането за заличаване при ликвидация, съответно датата на заличаването при несъстоятелността, е в една и съща година с датата на прекратяването. Попълнете този ред след установяване на точния размер на внесения данък чрез преглед на данъчно-осигурителната сметка или чрез поискване на информация от НАП.)	1600	0.00
РАЗЛИКА ЗА ВНАСЯНЕ/НАДВНЕСЕН ДАНЪК ***(р. 14 – р. 15 – р. 16)***			
17.1	**РАЗЛИКА ЗА ВНАСЯНЕ** *(Този ред се попълва, когато получената разлика е положителна величина.)*	1710	0.00
17.2	**НАДВНЕСЕН ДАНЪК** *(Този ред се попълва, когато получената разлика е отрицателна величина или нула.)* *Забележка: Надвнесеният данък ще послужи за погасяване на данъчни задължения по реда на чл. 169, ал. 4 от ДОПК, ако не е отбелязан ред 18.*	1720	
18	**Възстановяване по реда на раздел I от глава шестнадесета на ДОПК** ***В случай че на този ред сте отбелязали отметката, посочете банкова сметка на данъчно задълженото лице, по която да бъде възстановен данъкът:***	1800	☐
	ЕИК по ЗТР/БУЛСТАТ Банка IBAN		BIC
ЗАДЪЛЖЕНИЕ ЗА ИЗВЪРШВАНЕ НА АВАНСОВИ ВНОСКИ, ВИД И ОБЩ РАЗМЕР НА ОПРЕДЕЛЕНИТЕ (ДЕКЛАРИРАНИТЕ) АВАНСОВИ ВНОСКИ ЗА ГОДИНАТА ***(Тази информация се попълва за целите на определяне на лихва по чл. 89 от ЗКПО.)***			
19.1	**Месечни – съгласно чл. 84 от ЗКПО** — Да ☒	1910	0.00
19.2	**Тримесечни – съгласно чл. 85 от ЗКПО** — Да ☐	1920	
19.3	**Тримесечни – съгласно чл. 118 или чл. 147 от ЗКПО** — Да ☐ — Дата, на която изтича срокът за внасяне на първата тримесечна авансова вноска след преобразуването: –	1930	
19.4	**Тримесечни – съгласно чл. 83, ал. 3 от ЗКПО** — Да ☐	1940	X
19.5	**Данъчно задълженото лице не е задължено да извършва авансови вноски и не е приложило чл. 83, ал. 3 от ЗКПО** — Да ☐	1950	X
СУМА, ВЪРХУ КОЯТО СЕ ДЪЛЖИ ЛИХВА ПО ЧЛ. 89 ОТ ЗКПО ***(Този ред не се попълва, ако е отбелязан ред 19.4 или 19.5)***			
20.1	**За месечни авансови вноски:** *р. 14 – (р. 19.1 + 0,2 х р. 19.1)* *Ако получената разлика е отрицателна величина или нула, на този ред се записва нула.*	2010	0.00
20.2	**За тримесечни авансови вноски :** *0,75 х р. 14 – (р. 19.2 + 0,2 х р. 19.2) или 0,75 х р. 14 – (р. 19.3 + 0,2 х р. 19.3)* *Ако получената разлика е отрицателна величина или нула, на този ред се записва нула.*	2020	0.00

Част VI – Деклариране на взаимоотношения със свързани лица

(Свързани лица са тези по § 1, т. 3 от ДР на ДОПК. Юрисдикции с преференциален данъчен режим са тези по смисъла на § 1, т. 64 от ДР на ЗКПО.)

№	ПОКАЗАТЕЛИ	СУМА
1	Общ размер на счетоводните приходи от взаимоотношения със свързани лица, в т.ч.:	3828622.99
1.1	- с лица от юрисдикции с преференциален данъчен режим	0.00
2	Общ размер на счетоводните разходи от взаимоотношения със свързани лица, в т.ч.:	1248060.97
2.1	- с лица от юрисдикции с преференциален данъчен режим	0.00
3	Вземания от свързани лица – салдо (остатък) към 31 декември на съответната година, в т.ч.:	24263.77
3.1	- от лица от юрисдикции с преференциален данъчен режим	0.00
4	Задължения към свързани лица – салдо (остатък) към 31 декември на съответната година, в т.ч.:	1088156.68
4.1	- към лица от юрисдикции с преференциален данъчен режим	0.00

Забележка: Не се попълват данни за: *свързани лица по § 1, т. 3, б. „а", „б", и „л" от ДР на ДОПК. Това са:*

- *съпрузите, роднините по права линия, по сърребрена - до трета степен включително: и роднините по сватовство. Изключението не се прилага само при взаимоотношения между търговски предприятия (ЕТ) на посочените лица.*
- *работодател и работник;*
- *лицата, едното от които е направило дарение на другото.*

Не се попълват данни за лица, наети по трудови правоотношения по смисъла на § 1, т. 26 от ДР на Закона за данъците върху доходите на физическите лица.
Не се смятат за свързани лица за целите на декларирането търговските дружества с над 50 на сто държавно или общинско участие и държавните предприятия по чл. 62, ал. 3 от Търговския закон само поради обстоятелството, че имат общ принципал – държавата/ общината, включително когато принципалът е едно и също министерство. За предприятията по предходното изречение всички останали критерии за свързаност, установени в § 1, т. 3 от ДР на ДОПК, се прилагат по общия ред.

За деклариране на неверни данни се носи наказателна отговорност по Наказателния кодекс.

Част VIII - Данък върху разходите

(Тази част се попълва на основание чл.217, ал.1 от ЗКПО)

№	Вид разход	Данъчна основа	Данъчна ставка	Дължим данък	Необлагаеми разходи
1	2	3	4	5	6
1	По чл.204, ал.1, т.1 - представителни разходи	2852.40	10%	285.24	х
2	По чл.204, ал.1, т.2 - социални разходи, предоставени в натура	0.00	10%	0.00	0.00
3	По чл. 204, ал. 1, т. 4 – разходи в натура, свързани с предоставени за лично ползване активи и/или с използване на персонал	0.00	10%	0.00	х

Част IX – Деклариране на направен избор за облагане на доходите в натура, представляващи разходи в натура *(Разходи в натура са тези по смисъла на § 1, т. 83 от ДР на ЗКПО. Тази част се попълва на основание чл. 24, ал. 3 от Закона за данъците върху доходите на физическите лица (ЗДДФЛ) във връзка с чл. 217, ал. 3 от ЗКПО.)* *Когато не е попълнена тази част, облагането на доходите в натура се извършва по реда на ЗДДФЛ.*	
1. Избор за облагане по реда на ЗКПО за 2018г.	Да X
2. Избор за облагане по реда на ЗКПО за 2017г.	Да
Забележки: *1. На ред 1 се посочва годината, следваща годината, за която се отнася годишната данъчна декларация, когато е избран редът по ЗКПО за облагане на доходите в натура, представляващи разходи в натура.* *2. Ред 2 се попълва от лица, които са новоучредени през годината, за която се отнася годишната данъчна декларация, когато за тази година е избран редът по ЗКПО за облагане на доходите в натура, представляващи разходи в натура. Този ред се попълва и от лица, които за предходната година не са били задължени и не са подали годишна данъчна декларация, когато за годината, за която се отнася настоящата декларация, е избран редът по ЗКПО за облагане на доходите в натура, представляващи разходи в натура.*	

За деклариране на неверни данни се носи наказателна отговорност по Наказателния кодекс.

Част X – Деклариране на вида и размера на авансовите вноски

(Тази част се попълва на основание чл. 87а, ал. 1 от ЗКПО. Лицата, които са освободени от авансови вноски и не са избрали да правят такива съгласно чл. 83, ал. 3 от ЗКПО, не попълват тази част.)

1. Месечни вноски ☒	2. Тримесечни вноски ☐	3.Тримесечни вноски на основание чл. 83, ал. 3 ☐
4. Размер на определената месечна/тримесечна авансова вноска		0.00лв.
5. Преотстъпване на авансови вноски на основание чл. 91 от ЗКПО		☐
6. Размер на определената месечна/тримесечна авансова вноска след преотстъпване в резултат на прилагане на чл. 91 от ЗКПО		0.00лв.

Забележки: *1. В случай че на ред 1.1 от част V е посочена сума в размер над 3 000 000 лв., се отбелязва т. 1;*
2. В случай че на ред 1.1 от част V е посочена сума в размер от 300 000,01 лв. до 3 000 000 лв. включително, се отбелязва т. 2;
3. В случай че сте избрали да приложите чл. 83, ал. 3 от ЗКПО и на ред 1.1 от част V е посочена сума в размер до 300 000 лв. включително, се отбелязва т. 3.
4. В случай че прогнозният данъчен финансов резултат е отрицателна или нулева величина, не се попълват т. 4 и/или 6.
5. Когато декларацията се подава на основание чл. 75, ал. 3 от ЗКПО, тази справка следва да се попълни по идентичен начин, както е била попълнена във вече подадената годишна данъчна декларация, във връзка с която се подава настоящата коригираща декларация. Ако са налагат корекции на вида или размера на вече декларираните авансови вноски, същите се извършват чрез подаване на декларация по чл. 88 от ЗКПО.

За деклариране на неверни данни се носи наказателна отговорност по Наказателния кодекс.