1. Organization and main activity

Enemona AD („The Company") was initially registered as a partnership company in 1990 and in 1994 the Company was registered as a joint-stock company. According to the court registration the address of the Company is in the town of Kozloduy, 1A Panayot Hitov Str. The Company is a public entity and its shares are registered at the Financial Supervision Commission to be traded at the Bulgarian Stock Exchange. As of December 31, 2013 and December 31, 2012 the major shareholder of the Company is Dichko Prokopiev Prokopiev. During the financial year there were no changes in the Company's legal status.

The Company is engaged in construction works, which covers all stages from design to assembly and construction activities under construction contracts. Management reviews the operating results of the Company on the basis of individual construction projects and as one operating segment.

2. Accounting policy

2.1 General financial reporting framework

These separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the interpretations, issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union (the "EU") and applicable in the Republic of Bulgaria.

Changes in IFRS

Standards and Interpretations effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- **IFRS 13 "Fair Value Measurement"**, adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IFRS 1 "First-time Adoption of IFRS"**– Government Loans, adopted by the EU on 4 March 2013 (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IFRS 7 "Financial Instruments: Disclosures"** - Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IAS 1 "Presentation of financial statements"** –Presentation of Items of Other Comprehensive Income, adopted by the EU on 5 June 2012 (effective for annual periods beginning on or after 1 July 2012),
- **Amendments to IAS 12 "Income Taxes"**– Deferred Tax: Recovery of Underlying Assets, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2013),
- **Amendments to IAS 19 "Employee Benefits"**– Improvements to the Accounting for Post-employment Benefits, adopted by the EU on 5 June 2012 (effective for annual periods beginning on or after 1 January 2013),

2. Accounting policy(continued)

2.1 General financial reporting framework (continued)

Changes in IFRS (continued)

Standards and Interpretations effective in the current period(continued)

- **Amendments to various standards "Improvements to IFRSs (2012)"** resulting from the annual improvement project of IFRS published on 17 May 2012 (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily with a view to removing inconsistencies and clarifying wording, adopted by the EU on 27 March 2013 (amendments are to be applied for annual periods beginning on or after 1 January 2013),
- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**, adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2013).

The adoption of these amendments to the existing standards has not led to any changes in the Company's accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations adopted by the EU were in issue but not yet effective:

- IFRS 10 "Consolidated Financial Statements", adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2014),
- IFRS 11 "Joint Arrangements", adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2014),
- IFRS 12 "Disclosures of Interests in Other Entities", adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2014),
- IAS 27 (revised in 2011) "Separate Financial Statements", adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2014),
- IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures", adopted by the EU on 11 December 2012(effective for annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities"– Transition Guidance, adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 32 "Financial instruments: presentation"– Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014).

The Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Company anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the separate financial statements of the Company in the period of initial application.

2. Accounting policy

2.1. General financial reporting framework

Changes in IFRS (continued)

Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB, except for the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at the date of publication of financial statements:

- **IFRS 9 "Financial Instruments"and subsequent amendments**(effective date was not yet determined),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),
- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – Novation of Derivatives and Continuation of Hedge Accounting** (effective for annual periods beginning on or after 1 January 2014),
- **IFRIC 21 "Levies"** (effective for annual periods beginning on or after 1 January 2014).

The Company anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the separate financial statements of the Company in the period of initial application.
At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the Company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: Financial Instruments: Recognition and Measurement, would not significantly impact the separate financial statements, if applied as at the reporting date.

2.2. Basis of preparation

The separate financial statements have been prepared under the historical cost convention, except for certain financial instruments and the deemed cost of buildings on the first time adoption of IFRS.

These separate financial statements have been prepared on accrual basis, under the going concern assumption.

These separate financial statements should be considered together with the Company's consolidated financial statements for the year ended December 31, 2013. The consolidated financial statements will be issued after the date of issuance of these separate financial statements.

2.3. Functional currency and presentation currency

According to the Bulgarian accounting legislation the Company keeps its records and prepared its financial statements in the national currency of the Republic of Bulgaria – Bulgarian lev, which effective January 1, 1999 is fixed to the euro at 1.95583 BGN for 1 EUR. The Company's functional currency is the Bulgarian national currency. These separate financial statements are presented in thousand of BGN (BGN'000).

2. Accounting policy (continued)

2.4. Foreign currency transactions

Transactions in foreign currency are initially recorded at the official rate of exchange of the Bulgarian National Bank (BNB) as of the date of the transaction. The foreign exchange rate differences, arising upon the settlement of these monetary positions or at restatement of these positions at rates, different from those when initially recorded, are reported as financial income or expense for the period in which they arise. The monetary positions denominated in foreign currency as of December 31, 2013 are stated in these financial statements at the closing exchange rate of BNB.

3. Critical accounting estimates and main sources of uncertainty at making accounting assumptions

The preparation of separate financial statements in accordance with IFRS requires management to make certain accounting estimates and assumptions that affect some of the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the separate statement of financial position and the reported revenues and expenses during the reporting period. These estimates and assumptions are based on the available information as of the date of preparation of the separate financial statements as actual results could defer from those estimates.

3.1. Revenue and expenses under construction contracts

Revenue recognition on construction contracts requires the determination of a stage of completion for each construction contract. This stage is defined on the basis of available information for the total amount of the revenue receivable and total costs for the respective contract. The total amount of expenses under construction contracts depends on the volume and amount of construction activities to be performed to meet the obligations of the Company. The volume and amount of future activities depend on future factors which may defer from the management's estimations.

3.2. Impairment of non financial assets

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, whereas the recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between informed, knowledgeable, willing parties, less the costs of disposal. Value in use is based on the discounted cash flow model. The cash flows are determined on the budget estimates for the next five years. Recoverable amount depends on the discount factor used in the discounted cash flow model and on the expected future cash flows, as well as on the growth assumption.

3.3. Impairment of financial assets

Impairment of financial assets is determined based on the expected future cash flows discounted at the initial effective interest rate. When determiniting the expected future cash flows, the Company analyzes the financial capabilities of its debtors and the expected period for receiving the cash flows.As of the date of preparation of these financial statements, the Management is in a process of review of financial statements for indicators of impairment.

All amounts are in thousand Bulgarian Levs, except otherwise stated

3. Critical accounting estimates and main sources of uncertainty at making accounting assumptions (continued)

3.4. Useful life of property, plant and equipment and intangible assets

Other key sources of estimation uncertainty include estimation of useful lives of property, plant and equipment and intangible assets. In 2013 there are no circumstances that may trigger a change in the estimated useful lives of these assets.

3.5. Economic environment

In 2013 and 2012 as a result of the global financial crisis, a decrease in the economic development of the Bulgarian economy is perceived which affects a wide range of industrial sectors. This leads to noticeable aggravation of cash flows; decline in income and as a result to substantial worsening of the economic environment in which the Company operates. In addition the entity is exposed to significantly higher price, market, credit, liquidity, interest, operating and other risks. As a result, uncertainty for the ability of clients to settle their liabilities in accordance with contracted terms increases. Therefore, the amount of impairment losses on loans granted, receivables from clients, and the value of other accounting estimates in subsequent periods could substantially differ from those determined and recorded in this separate financial statements. The management of the Company applies all necessary procedures to control these risks.

4. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost							
JANUARY 1, 2012	5,608	20,014	4,234	6,578	2,745	5,693	44,872
Additions	-	2,268	202	48	126	-	2,644
Transfers			1			(1)	
Disposals	-	(569)	(260)	(377)	(212)	(10)	(1,428)
DECEMBER 31, 2012	5,608	21,713	4,177	6,249	2,659	5,682	46,088
Additions	-	-	1,144	3	235	106	1,488
Disposals	-	(4,919)	(265)	(1,705)	(15)	-	(6,904)
DECEMBER 31, 2013	5,608	16,794	5,056	4,547	2,879	5,788	40,672
Accumulated depreciation and impairment							
JANUARY 1, 2012	-	2,207	3,140	2,497	1,622	24	9,490
Depreciation charge	-	433	490	469	287	-	1,679
Disposal	-	(177)	(231)	(280)	(135)	-	(823)
Impairment recognized in profit or loss	-	-	-	-	(11)	-	(11)
DECEMBER 31, 2012	-	2,463	3,399	2,686	1,763	24	10,335
Depreciation charge	-	426	512	363	265	-	1,566
Disposals	-	(1,004)	(152)	(490)	(12)	-	(1,658)
DECEMBER 31, 2013	-	1,885	3,759	2,559	2,016	24	10,243
Net book value							
JANUARY 1, 2012	5,608	17,807	1,094	4,081	1,123	5,669	35,382
DECEMBER 31, 2012	5,608	19,250	778	3,563	896	5,658	35,753
DECEMBER 31, 2013	5,608	14,909	1,297	1,989	862	5,764	30,429

All amounts are in thousand Bulgarian Levs, except otherwise stated

5. Intangible assets

	Title of property	Software	Total
Cost			
JANUARY 1, 2012	1,447	270	1,717
Additions	-	13	13
Disposals	-	(25)	(25)
DECEMBER 31, 2012	1,447	258	1,705
DECEMBER 31, 2013	1,447	258	1,705
Accumulated amortization			
JANUARY 1, 2012	828	202	1,030
Amortization charge	62	27	89
Disposals		(25)	(25)
DECEMBER 31, 2012	890	204	1,094
Amortization charge	62	20	82
DECEMBER 31, 2013	952	224	1,176
Net book value			
JANUARY 1, 2012	619	68	687
DECEMBER 31, 2012			
DECEMBER 31, 2013	495	34	529

6. Investments in subsidiaries and associates

As of December 31, 2013 и December 31,2012 investments in subsidiaries and associates consist of:

	As of 31.12.2013	As of 31.12.2012
Investments in subsidiaries	17,108	17,218
Impairment of investment in subsidiaries – note 6.1.1.	(2,412)	(2,412)
Investment in subsidiaries, net – note 6.1	14,696	14,806
Investments in associates – note 6.2	4	4
TOTAL INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	14,700	14,810

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31,2013
All amounts are in thousand Bulgarian Levs, except otherwise stated

6. Investments in subsidiaries and associates (continued)

6.1. Investments in subsidiaries

Investments in subsidiaries as of December 31, 2013 и December 31, 2012 are as follows:

COMPANY	DESCRIPTION OF ACTIVITY	SHARE		CARRYING AMOUNT	
		As of 31.12.2013	As of 31.12.2012	As of 31.12.2013	As of 31.12.2012
Enemona Utilities AD	Electricity trading	92,25%	97,24%	1,640	1,719
EESF REIT	Company with special investment purpose – securitization of receivables	88.20%	88.97%	4,818	4,860
Pirin Power AD	Designing and building of projects in energy sector	84.00%	84.00%	42	42
FINI REIT	Company with special investment purpose – real estate purchase	69.23%	69.23%	450	450
Hemusgas AD	Construction of compressor houses	50.00%	50.00%	25	25
Esco engineering AD	Heating and climatization projects	99.00%	99.00%	73	73
TFEZ Nikopol EAD	Construction of electric power plant	100.00%	100.00%	1,130	1,119
Enemona-Galabovo AD	Construction contracts	-	-	-	-
Nevrocop-gas AD	Gas trading	90.00%	90.00%	45	45
EMKO AD	Construction contracts	77.36%	77.36%	4,613	4,613
Artanes Mining Group AD	Opencast mining of brown and lignite coal	90.00%	90.00%	1,800	1,800
FEZ Mladenovo EOOD	Prospecting, design, construction and assembly, commissioning, reparation, servicing and engineering works	100.00%	100.00%	60	60
Regionalgas AD	Gasification projects	50.00%	50.00%	-	-
TOTAL				14,696	14,806

All amounts are in thousand Bulgarian Levs, except otherwise stated

7. Current and non-current loans and advances

Current and non-current loans and advances as of December 31, 2013 and December 31, 2012 are as follows:

Non-current loans and advances	As of 31.12.2013	As of 31.12.2012
Loans granted to employees	1,067	1,071
Receivables under ESCO contracts – non-current	3,976	5,504
Cession receivables	3,195	4,695
Others	10	10
Discount of receivables under ESCO contracts – non-current portion – note 21	(1,101)	(1,602)
TOTAL NON-CURRENT LOANS AND ADVANCES	7,147	9,678
Impairment of loans granted to employees	(597)	(597)
TOTAL NON-CURRENT LOANS AND ADVANCES, NET	6,550	9,081
Current loans and advances		
Receivables under ESCO contracts - current	2,090	2,573
Cession receivables	3,208	1,303
Loans granted to related parties	298	325
Loans granted to non-related parties	11,279	11,237
Discount of receivables under ESCO contracts – current portion – note 21	(94)	-
TOTAL CURRENT LOANS AND ADVANCES	16,781	15,438
Impairment of loans granted to non related parties	(3,782)	(3,782)
TOTAL CURRENT LOANS AND ADVANCES, NET	12,999	11,656

Loans granted to related parties, non related parties and employees are not secured, with interest rate from 6% to 9%.

Receivables under ESCO contracts represent receivables under contracts for performing engineering with guaranteed result (ESCO contracts) where the Company performs construction and engineering works and deferred payment is contracted. Receivables under ESCO contracts are presented at amortized cost.

Cession receivables as of December 31, 2013 and December 31, 2012 represent the present value of a receivable under cession agreement with a local company.

The Company is in a process of analysis of the recoverable amount of loans and advances.

As a result of the analysis of loans repaid in 2012, the Company recovered a provision of loans to employees at the amount of BGN 376 thousand and loans to non-related parties at the amount of BGN 1,171 thousand, which are presented in the separate statement of comprehensive income in note 21.

All amounts are in thousand Bulgarian Levs, except otherwise stated

6. Investments in subsidiaries and associates (continued)

6.1. Investments in subsidiaries (continued)

Regionalgas AD is subsidiary of Enemona Utilities AD, which as of December 31, 2013 and December 31, 2012 owns 50% of the shares of Regionalgas AD, or the direct share of the Company in Regionalgas AD is 50%.
The management of Enemona AD considers that the investments in Regionalgas AD and Hemusgas AD do not represent jointly control activity, as the Company controls the financial and operating policy of these companies.

In July 2013 the Company sold 112,300 shares from it's investment in subsidiary Enemona Utilities AD for the considearation of BGN 112,3 thousand, the profit of BGN 34 thousand is recognized in the Statement of other comprehensive income.

In September 2013 the Company sold 30,000 ordinary shares of it's investment in EESF REIT for the consideration of BGN 48 thousand and the profit of BGN 6 thousand is recognized in the Statement of other comprehensive income.

At 30 January 2014 the Company signed a contract agreement for the disposal of it's investment in Nevrokop Gas AD. The expected profit on disposal is BGN 355 thousand.

6.2 Investments in associates

The investments in associated companies as of December 31, 2013 and December 31, 2012 are as follows:

	SHARE		CARRYING AMOUNT	
COMPANY	As of 31.12.2013	As of 31.12.2012	As of 31.12.2013	As of 31.12.2012
Alfa Enemona OOD	40%	40%	4	4
TOTAL			4	4

In these interim separate financial statements the investments in associated companies are presented at carrying amount (cost), as the management of the Company considers that there are no indications of impairment of investments in associated companies as of December 31, 2013 and December 31, 2012.

All amounts are in thousand Bulgarian Levs, except otherwise stated

7. Current and non-current loans and advances (continued)

The movement of the impairment is presented below:

	As of 31.12.2013	As of 31.12.2012
Balance at the beginning of the year	4,379	5,926
Reversals of impairment losses on non-current loans and receivables	-	(1,171)
Reversals of impairment losses on current loans and receivables	-	(376)
Balance at the end of the year	4,379	4,379

8. Inventories

	As of 31.12.2013	As of 31.12.2012
Materials	8,061	5,681
Work in progress	953	559
TOTAL	9,014	6,240

9. Trade and other receivables

	As of 31.12.2013	As of 31.12.2012
Receivables from customers	40,386	17,478
Retentions	6,124	8,930
Receivables from related parties	1,340	2,655
Advance payments to suppliers	9,323	12,366
Advances to employees	444	166
Other receivables	3,022	3,599
TOTAL TRADE AND OTHER RECEIVABLES	60,639	45,194
Impairment of receivables from customers	(5,813)	(5,936)
TOTAL TRADE AND OTHER RECEIVABLES, NET	54,826	39,258

The Company is exposued to the risk to state institutions of BGN 21,800 thousand.

The movement of the allowance for impairment of uncollectable receivables is presented below:

	As of 31.12.2013	As of 31.12.2012
Balance at the beginning of the year	5,936	5,936
Recognized loss from impairment of receivables	-	-
Recovered during the period	(123)	-
Balance at the end of the year	5,813	5,936

When determining the recoverability of the receivables the Management of the Company considers the changes in the credit risk of the trade and other receivables as of the date of origination until the end of the reporting period.

All amounts are in thousand Bulgarian Levs, except otherwise stated

10. Cash and cash equivalents

	As of 31.12.2013	As of 31.12.2012
Cash at banks	253	1,057
Restricted cash at bank	178	290
Cash in hand	429	475
TOTAL CASH AND CASH EQUIVALENTS	860	1,822

As of December 31, 2013 and December 31, 2012 restricted cash at EUR 178 (2012:290) thousand represents cash in bank account restricted as a collateral under issued guarantees.
For the cash flow statement purposes restricted cash is not included in cash and cash equivalents.

11. Issued capital and reserves

The issued capital includes:

	As of 31.12.2013	As of 31.12.2012
Ordinary shares – note 11.1	11,934	11,934
Preferred shares – note 11.2	1,103	1,103
TOTAL ISSUED CAPITAL	13,037	13,037
Premium from share issuance – note 11.3	8,739	8,739
TOTAL ISSUED CAPITAL AND RESERVES	21,776	21,776

11.1. Ordinary shares

	As of 31.12.2013	As of 31.12.2012
Number of shares	11,933,600	11,933,600
Nominal value per share in BGN	1	1
SHARE CAPITAL – ORDINARY SHARES	11,934	11,934

The share capital is fully paid in as of December 31, 2013 and December 31, 2012. The Company's share capital includes in-kind contribution in the form of title of property over three combined trademarks with fair value at the amount of BGN 1,400 thousand, obtained through independent appraiser's report. Titles of property are presented as intangible assets (see note 5, above).

Enemona AD is registered as a public company and Company's shares are traded on the Bulgarian Stock Exchange.

All amounts are in thousand Bulgarian Levs, except otherwise stated

12. Loans

12.1 Loans repayment terms

The loans received from the Company based on their contractual term of payment are as follows:

	As of 31.12.2013	As of 31.12.2012
Up to one year	54,183	65,683
Over one year	12,333	4,332
TOTAL LOANS	66,516	70,015

Credit lines and overdrafts are presented as due up to one year. The Company usually renegotiates its credit lines and overdrafts.

As of September 30, 2013 and December 31, 2012 loans received by the Company are as follows:

	As of 31.12.2013	As of 31.12.2012
Borrowings from financial institutions – note 12.2	63,161	68,421
Borrowings from related party-note 25	1,178	-
Loans from non related parties – note 12.3	2,177	1,594
TOTAL LOANS	66,516	70,015

Borrowings from bank financial institutions, received by the Company as of December 31, 2013 and December 31, 2012 are as follows:

	Note	As of 31.12.2013	As of 31.12.2012
Credit line – SG Expressbank AD	(a)	18,296	17,416
Credit lines – Unicredit Bulbank AD	(b)	19,199	22,332
Investment loans – DSK Bank AD	(c)	10,227	11,833
Credit lines and overdraft UBB AD	(d)	-	679
Investment loan – Unicredit Bulbank AD	(e)	2,087	2,764
Credit line – ING Bank AD	(f)	1,178	2,124
Credit line – MKB Unionbank AD	(g)	1,181	3,607
Credit lines– International Asset Bank AD	(h)	2,772	6,815
Overdraft – Investbank AD	(i)	4,409	850
Credit lines – Alfa bank	(j)	1,196	-
Credit line- D bank	(k)	1,412	-
Corporate credit cards – Unicredit Bulbank AD	(l)	2	1
TOTAL LOANS FROM FINANCIAL INSTITUTIONS		61,959	68,421

The company utilizes short term loan at the amount of BGN 1,201 thousand from non-bank financial institution as of December 31, 2013.

All amounts are in thousand Bulgarian Levs, except otherwise stated

11.2. Preferred shares

On April 2, 2010 Financial Supervision Commission registered an emission of Company's preferred shares for regulated market trade. The emission amounts to BGN 1,103 thousand distributed in 1,102,901 preferred shares with no voting rights, guaranteed dividend, guaranteed liquidity share, convertible in ordinary shares in March 2017 with nominal value BGN 1 each. Preferred shares bear guaranteed cumulative dividend at the amount of BGN 0.992 per share in the next 7 years.

The Company recognized initially the issued preferred shares as a compound financial instrument and determined financial liability related to dividend payables and reported the residual amount as increase in share capital. The total amount of the received cash is accounted as follows:

	At initial recognition	As of 31.12.2013	As of 31.12.2012
Preferred shares – nominal value	1,103	1,103	1,103
Premium from share issuance	5,425	5,425	5,425
Financial liability on preferred shares	4,412	2,619	3,223
Dividend payables from preferred shares	-	2,199	2,067
TOTAL CASH RECEIVED	10,940		

11.3. Premium from share issuance

	As of 31.12.2013	As of 31.12.2012
Balance as of January 1	8,739	36,262
Premium from preferred share issuance	-	(27,523)
Balance as of December 31	8,739	8,739

11.4. Reserves

Company's reserves represent its legal reserves and are formed based on decision of the shareholders. Legal reserves could be used to cover accumulated losses or for increase of capital.

In 2009 the Company issued 5,966,800 warrants with issue value BGN 0.17 each and total issue value BGN 1,014 thousand. The total emission value is accounted for in the Company's reserves.

Each warrant of the issuance gives the right to its owner to subscribe a share in case of future capital increase of the Company against payment of issue value of the new shares at the amount of BGN 18.50 each. This right can be exercised within 6 years

12. Loans (continued)

12.2 Borrowings from bank financial institutions

The main parameters of loans received from financial institutions are as follows:

(a) In May 2010 the Company has received a revolving loan from SG Expressbank at the amount of EUR 15,325 thousand to finance a project for cabling and installing of measuring equipment and automation in Units 3 and 4 of Mochovce Nuclear Power Plant, Slovak Republic. The loan is collaterized by a pledge of receivables under the contract, pledge of materials and equipment. As of December 31, 2013 BGN 13,691 thousand have been utilized.

In July 2011 the Company has signed a contract for financing of construction and assembly activities, at total limited of EUR 5,000 thousand. As of December 31, 2013 BGN 4,605 thousand have been utilized.

(b) As of December 31, 2013 the Company has utilized BGN 15,728 thousand under combined credit line, contracted with Unicredit Bulbank. The total limit of the credit line is EUR 8,500 thousand. In order to secure the loan from Unicredit Bulbank the Company has established a mortgage of land and buildings and pledge of present and future receivables from customers.

The Company has received four combined type credit lines from UniCredit Bulbank AD to finance specific contracts, secured by present and future receivables from contracting parties under those contracts. The main parameters of the credit lines are as follows:

- Total amount of EUR 297 thousand of which EUR 250 thousand - for working capital. The amount utilised as of December 31, 2013 is BGN 157 thousand
- Total amount of EUR 600 thousand, of which EUR 500 thousand - for working capital. The amount utilised as of December 31, 2013 is BGN 731 thousand.
- Total amount of BGN 2,910 thousand Levs, of which BGN 2,500 thousand – for working capital. The amount utilised as of December 31, 2013 is BGN 1,887 thousand
- Total amount of BGN 2,100 thousand, of which BGN 2,000 thousand – for working capital. The amount utilised as of December 31, 2013 is BGN 696 thousand.

(c) The credit facility from DSK Bank is granted for financing of Company's energy efficiency projects. Limits of the loans are EUR 7,750 thousand and as of December 31, 2013 the Company has utilized BGN 10,227 thousand. As a security the Company has issued promissory note, pledge of future receivables from customers under financed projects and finance risk insurance.

(d) The overdraft from UBB is with limit of EUR 1,450 thousand for working capital and bank guarantees and during the period ended at September 30, 2013 the loan is fully repaid.

(e) The Company has received an investment loan from Unicredit Bulbank for the purchase of the office building of the Company in Sofia. As of December 31, 2013 the utilized amount is BGN 2,087 thousand. The loan has been secured by a mortgage on the building and the adjoining land.

(f) The Company received a credit limit for working capital financing and bank guarantees issued by ING Bank N.V. - Sofia branch at the amount of BGN 17,800 thousand, from which as of December 31, 2013 the utilized amount is BGN 1,178 thousand as overdraft and two credit lines, securing working capital needs for the implementation of specific contracts. As a security the Company has established a collateral of present and future receivables from a customer, owned by the Company and a promissory note in favour of the bank has been issued.

12. Loans (continued)

12.2. Borrowings from bank financial institutions (continued)

(g) The Company has received two credit lines from MKB Unionbank AD, which are fully repaid as of March 31, 2013. On March 28, 2012 the Company has signed a new credit line agreement for financing a certain contract. The total amount is EUR 4,800 thousand and EUR 2,500 thousand of which is for working capital. As of of December 31, 2013 the utilized amount is BGN 1,181 thousand. The loans are secured by pledge on receivables of the contract.

(h) The Company has received three credit lines from International Asset Bank AD intended to provide working capital and finance the execution of a certain contract. As of December 31, 2013 the Company utilized only two credit lines to the amount of BGN 2,772 thousand. The loans are secured by pledge on contracted receivables.

(i) The Company has signed a loan agreement for working capital financing and bank guarantees with Investbank AD for the amount of BGN 8,151 thousand from wich BGN 4,409 are utilized.The loan is secured by pledge of current and future receivables and promissiory note in the favour of the bank is signed.

(j) On February 26, 2013 The Company has signed contract with Alfa bank to obtain new credit line for mixed financing of a specific contract. The total size of the line is 1,667 thousand, of which 1,607 thousand for working capital. As of December 31, 2013 the utilized amount is BGN 1,196 thousand. The loan is secured with pledge on receivables from contractor.

(k) On October 4, 2013 The Company has signed contract with D bank to obtain new credit line for mixed financing of a specific contract. The total size of the line is 2,351 thousand, of which 1,820 thousand for working capital. As of December 31, 2013 the utilized amount is BGN 1,412 thousand. The loan is secured with pledge on receivables from contractor.

(l) The Company has signed a contract with UniCredit Bulbak AD for issuance of corporate credit cards with BGN 100 thousand limit. As of December 31, 2013 the amount of BGN 2 thousand is utilized.

In relation to the issue of bank guarantees the Company has received credit facilities from BNP Paribas – Sofia branch at the amount of EUR 1,000 thousand. Current and future receivables from customer with maximum amount of EUR 1,000 thousand and a promissory note is signed in favour of the bank. As of December 31, 2013 and Deceember 31, 2012 the Company has no liabilities on loans related to the credit facility.

The Company has signed a loan agreements for issuance of bank guarantee with First Investment Bank AD at the amount of EUR 1,500 thousand. The loan is secured with a pledge on future receivables from clients for which the bank guarantees have been issued. As of December 31, 2013 and Deceember 31, 2012 the Company has no liabilities on loans related to the credit facility.

All amounts are in thousand Bulgarian Levs, except otherwise stated

12. Loans (continued)

12.2. Borrowings from bank financial institutions (continued)

Covenants under loan contracts

In accordance with the provisions of the debenture and bank loans, the Company should comply with a number of operational and financial covenants. As of September 30, 2013 and December 31, 2012 the Company is in compliance with all operational and financial covenants connected to the debenture and bank loans contractual terms.

12.3 Loans from non related parties

As of December 31, 2013 the loans from non-related parties consist from unsecured loans from Enida Engineering AD, Izolko OOD, SIP OOD and others at the amount of BGN 10 thousand, BGN 1,543 thousand, BGN 527 thousand and BGN 97 thousand, respectively. The loans have interest rates between 8% and 9% and maturity in 2013, which could be extended by one month.

As of December 31, 2012 the loans from non-related parties consist from unsecured loans from Izolko OOD, Enemona Start AD, SIP OOD and others at the total amount of BGN 905 thousand, BGN 180 thousand, BGN 479 thousand and BGN 30 thousand, respectively. The loans have interest rates between 8% and 9% and maturity in 2012, which could be extended by one month.

13. Finance lease

Part of the tangible fixed assets owned by the Company has been leased under finance lease contracts. The average term of the contracts is three years. The average effective interest rate under the finance lease contracts is 7%. The fair value of the lease liabilities of the Company is close to their carrying amount.

	Minimum lease liabilities		Present value of minimum lease liabilities	
	As of 31.12.2013	As of 31.12.2012	As of 31.12.2013	As of 31.12.2012
Liabilities under finance lease with maturity:				
Up to 1 year	80	471	78	444
Between 2 and 5 years	95	235	87	228
TOTAL LIABILITIES	175	706	165	672
Less: future finance charges	(10)	(34)	-	-
PRESENT VALUE OF LIABILITIES	165	672	165	672

All amounts are in thousand Bulgarian Levs, except otherwise stated

14. Trade and other payables

	As of 31.12.2013	As of 31.12.2012
Payables to suppliers	15,520	7,297
Payables to related parties	2,791	2,554
Payables for dividends on preferred shares	2,199	2,067
Payables to staff	3,153	1,513
Payables to social insurance organizations	4,529	1,235
Payables for VAT liabilities in Bulgaria	1,944	416
Payables for personal income tax and other taxes in Bulgaria and abroad	3,809	
Other payables	3,074	2,155
TOTAL TRADE AND OTHER PAYABLES	37,019	17,237

15. Revenue

	Year ended 31.12.2013	Year ended 31.12.2012
Revenue from construction contracts	83,289	65,130
Revenue from services	229	322
TOTAL REVENUE	83,518	65,452

The information on construction contracts in progress as of the end of the reporting period is presented below:

	As of 31.12.2013	As of 31.12.2012
Construction costs incurred plus recognized profits less recognized losses to date	263,769	184,942
Less: Progress billings	(236,812)	(163,257)
	26,957	21,685
Gross amounts presented in the statement of financial position comprise:		
Gross amount due from customers under construction contracts	30,222	27,428
Gross amount due to customers under construction contracts	(3,265)	(5,743)
	26,957	21,685

Retentions held by customers for contract work amounted to BGN 6,124 thousand and BGN 8,930 thousand as of December 31, 2013 and December 31, 2012, respectively. Advances received from customers for contract work amounted to BGN 14,199 thousand and BGN 13,171 thousand as of December 31, 2013 and December 31, 2012, respectively.

As of December 31, 2013 and December 31, 2012 Management of the Company reviewed for objective evidences for impairment of the gross amount due from clients under construction contracts in order to ensure that the carrying amount of the asset does not exceed the present value of the expected future cash flows.

All amounts are in thousand Bulgarian Levs, except otherwise stated

16. Investment revenue

	Year ended 31.12.2013	Year ended 31.12.2012
Interest income	2,496	2,567
Dividents	104	3,151
Foreign exchange gains	8	17
TOTAL INVESTMENT REVENUE	2,608	5,735

17. Materials and consumables used

	Year ended 31.12.2013	Year ended 31.12.2012
Materials for main activities	24,883	10,965
Expenses for instruments	325	262
Electric power	213	102
Fuels	98	181
Spare parts	37	17
Stationery	188	135
TOTAL MATERIALS AND CONSUMABLES USED	25,744	11,662

During the year ended 31 December 2013 materials and equipment at the amount of EUR 8,685 thousand are utilized in realization of main construction contract in Germany.

18. Hired services

	Year ended 31.12.2013	Year ended 31.12.2012
Services with mechanization	10,028	11,212
Transportation	1,271	872
Legal, consulting and mediatory services	1,564	1,438
Insurances	818	1,093
Advertising	302	1,040
Telecommunications	7	11
Rents	179	203
Fees, mortgage, guarantees	2,653	2,175
Design	1,965	1,561
Bank fees	775	297
Heating	206	134
Labor permissions and tender documentation	51	41
Start-up and commissioning works and control	63	175
Software licenses and maintenance of hardware	1,082	796
Security	220	137
Translations	34	107
Courier services	123	79
Other services	125	69
	93	116
TOTAL HIRED SERVICES	21,559	21,556

All amounts are in thousand Bulgarian Levs, except otherwise stated

19. Employee benefits expenses

	Year ended 31.12.2013	Year ended 31.12.2012
Remunerations under labor contracts	20,574	21,367
Remunerations under management contracts	189	256
Civil contracts	61	226
Social and health securities	3,598	2,898
Food	1,005	782
Compensated leaves	-	216
Other expenses	275	426
TOTAL EMPLOYEE BENEFITS EXPENSES	25,702	26,171

20. Other expenses

	Year ended 31.12.2013	Year ended 31.12.2012
Business trips	2,433	2,616
Storage of equipment	-	420
Expenses for one-off taxes and fees	826	474
Waste on non-current assets	61	212
Entertainment expenses	12	45
Donations	60	15
Other	63	390
TOTAL OTHER EXPENSES	3,455	4,172

All amounts are in thousand Bulgarian Levs, except otherwise stated

21. Other gains, net

	Year ended 31.12.2013	Year ended 31.12.2012
Proceeds from sale of non-current assets	6,207	502
Carrying amount of sold and disposed non-current assets	(5,243)	(438)
Gains from sale of non-current assets	964	64
Proceeds from sale of materials	86	91
Carrying amount of sold materials	(20)	(69)
Gains from sale of materials	66	22
Revenue from sale of electricity	313	-
Carrying amount of electricity sold	(313)	-
Profit from sale of electiricty	-	-
Proceeds from sale of investments in subsidiaries	160	200
Carrying amount of investments sold	(120)	(200)
Profit from sale of investments in subsidiaries	40	-
Premium from sale of investments in subsidiaries	120	-
Result from sale of receivable on ESKO contracts, net of interest income, effective inerest rate applied	(257)	(862)
Discount on securitization of receivables	-	(1,831)
Reversal/ (impairment) of receivables	123	1,589
Rent income	311	469
Income from consulting services	304	32
One-off expenses	(3,008)	
Penalties and others,net	(1,098)	
Other losses from accounting estimates	-	(170)
TOTAL OTHER GAINS, NET	(2,435)	696

Discount on securitization represents the discounting at initial recognision of ESCO receivables. Discounting factor used approximates the discount of sale.

For the period ended December 31, 2013 Enemona AD did not recognized new ESCO receivables.

22. Finance cost

	Year ended 31.12.2013	Year ended 31.12.2012
Interest expense	2,934	2,737
Finance costs on construction contracts	2,107	1,533
Expenses on financial liability on preferred shares	490	570
Foreign exchange losses	75	38
TOTAL FINANCE COST	5,606	4,878

All amounts are in thousand Bulgarian Levs, except otherwise stated

23. Taxation

Deferred taxes are as follows:

	As of 31.12.2013	As of 31.12.2012
Deferred tax assets		
Impairment of receivables	3,260	3,260
Deductible tax loss	117	117
Impairment of investments in subsidiaries	241	241
Impairment of other assets	2	2
Provisions	53	53
TOTAL DEFERRED TAX ASSETS	3,673	3,673
Deferred tax liabilities		
Non-current assets	1,094	1,094
TOTAL DEFERRED TAX LIABILITIES	1,094	1,094
DEFERRED TAX ASSETS/(LIABILITIES), NET	2,579	2,579

Deferred tax assets and liabilities as of December 31, 2013 and December 31, 2012 are calculated by applying tax rate of 10% according to the Corporate Income Taxation Act and applicable for the periods in which the temporary differences will be realized.

Deferred tax liabilities recognized in equity as of December 31, 2013 and December 31, 2012 amount to BGN 557 thousand.

Income tax expenses for the period ended December 31, 2013 and 2012 are as follows:

	Year ended 31.12.2013	Year ended 31.12.2012
Current income tax expense	-	125
Deferred tax in relation to occurrence and reversal of temporary differences	-	(18)
TOTAL TAX (REVENUE) / EXPENSE	-	107

The calculations for the effective interest rate are presented in the following table:

	Year ended 31.12.2013	Year ended 31.12.2012
Profit (loss) before taxation	371	1,843
Applicable tax rate	10%	10%
Tax by applicable tax rate	37	184
Tax effect of the non-deductable and non-taxable positions	(37)	(189)
Effect of different tax rates in other tax jurisdictions	-	112
TAX (REVENUE) / EXPENSE	-	107
EFFECTIVE TAX RATE		

All amounts are in thousand Bulgarian Levs, except otherwise stated

24. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit for the year subject to allocation between the shareholders of the Company to the weighted-average number of ordinary shares outstanding for the period.

	Year ended 30.09.2013	Year ended 30.09.2012
Profit / (Loss) for allocation between the shareholders in BGN	371,687	531,000
Weighted-average number of ordinary shares	11,933,600	11,933,600
Basic earnings per share (in BGN)	0.03	0.04

As disclosed in note 11 as of December 31, 2013 and December 31, 2012 the Company has issued warrants and preferred shares, which in 2012 and 2011 do not affect diluted earnings per share as their conversion to ordinary shares would not have dilutive effect on basic earnings per share.

25. Related parties transactions

The Company's related parties with which it has performed transactions in 2013 and 2012 are as follows:

RELATED PARTY	TYPE OF RELATION
"Enemona Utilities" AD	Subsidiary
"Esco engineering" AD	Subsidiary
"EESF" SPV	Subsidiary
"Pirin Power" AD	Subsidiary
"Hemusgas" AD	Subsidiary
"FINI" REIT	Subsidiary
"TFEZ Nikopol" EAD	Subsidiary
"Nevrokop gas" AD	Subsidiary
"Enemona Galabovo" AD	Subsidiary until October 19, 2012
"EMKO" AD	Subsidiary
"Regionalgas" AD	Subsidiary
"Artanes Mining Group" AD	Subsidiary
"PPP Mladenovo" EOOD	Subsidiary
"Alfa Enemona" OOD	Associated company
"Global Capital" OOD	Company under common control
"G Oil Expert" EOOD	Company under common control
"Eco Invest Holding" AD	Company under common control
"Resource Engineering" EOOD	Company under common control
"Softgeo-Lint 2006" OOD	Company under common control

All amounts are in thousand Bulgarian Levs, except otherwise stated

25. Related parties transactions (continued)

The table below discloses the transactions performed with related parties:

Related Party	Year ended 31.12.2013	Year ended 31.12.2012
"Enemona Utilities" AD	372	2,008
"EMKO" AD	63	35
"FINI" REIT	5	5
"TFEZ Nikopol" EAD	2	2
"EESF" SPV	8	1,142
"Alfa Enemona" OOD	104	72
"Eco Invest Holding" AD	1	1
"G Oil Expert" EOOD	5	3
TOTAL INCOME FROM RELATED PARTIES	533	108

The table below discloses the expenses for related parties transactions:

	Year ended 31.12.2013	Year ended 31.12.2012
"Enemona Utilities" AD	88	40
"EMKO" AD	1,611	1,941
TOTAL EXPENSES TO RELATED PARTIES	1,699	1,981

Expenses to related parties consist mainly of expenses under agreements with subcontractors.

The table below discloses the balances of receivables from related parties:

	As of 31.12.2013	As of 31.12.2012
"Enemona Utilities" AD	94	96
"Esco engineering" AD	38	38
"Pirin Power" AD	4	4
"EESF" SPV	692	2,077
"Nevrokop gas" AD	15	15
"Hemusgas" AD	13	13
"EMKO" AD	677	634
"TFEZ Nikopol" EAD	105	103
TOTAL RECEIVABLES FROM RELATED PARTIES	1,638	2,980

Receivables from related parties comprise loans to related parties and trade receivables.

The table below discloses the balances of liabilities to related parties as of December 31, 2013 and December 31, 2012:

	As of 31.12.2013	As of 31.12.2012
"Enemona Utilities" AD	1,218	331
"Esco engineering" AD	3	4
"EMKO" AD	2,748	2,219
TOTAL PAYABLES TO RELATED PARTIES	3,969	2,554

All amounts are in thousand Bulgarian Levs, except otherwise stated

25. Related parties transactions (continued)

Payables to related parties include loans (note12) and trade payables (note 14).

Receivables and payables with related parties are unsecured and will be settled in cash. No guarantees have been given or received with respect to these balances. No impairment has been accrued to receivables from related parties.

26. Geographical information

The Company operates in four principal geographical areas – Bulgaria, Germany, Norway, Slovakia and United Kingdom.

The Company's revenue from external clients and information about non-current assets, excluding financial instruments, deferred tax assets, post-employement benefit assets, and assets araising from insurance contracts, is presented as follows:

	Revenue from external clients		Non-current assets	
	Period ended 31.12.2013	Period ended 31.12.2012	As of 31.12.2013	As of 31.12.2012
Bulgaria	46,317	27,137	29,701	35,230
Slovakia	20,962	18,501	452	406
Germany	15,278	17,492	265	112
Norway	490	491	5	5
UK	183	-	6	
Other	59	1,509	-	-
	83,289	65,130	30,429	35,753

During 2013, the Company started it's activity in United Kingdom opening a branch there.