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, 2011, 2010 and 2009 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.

As of December 31, 2011, 2010 and 2009 the Company has 710, 992 and 1,045, respectively.

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:

- Amendments to IAS 24 Related Party Disclosures - Simplifying the disclosure requirements for government-related entities and clarifying the definition of a related party, adopted by the EU on July 19, 2010 (effective for annual periods beginning on or after January 1, 2011),
- Amendments to IAS 32 Financial Instruments: Presentation– Accounting for rights issues, adopted by the EU on December 23, 2009 (effective for annual periods beginning on or after February 1, 2010),
- Amendments to IFRS 1 First-time Adoption of IFRS- Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters, adopted by the EU on June 30, 2010 (effective for annual periods beginning on or after July 1, 2010),
- Amendments to various standards and interpretations Improvements to IFRSs (2010) resulting from the annual improvement project of IFRS published on May 6, 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily with a view to removing inconsistencies and clarifying wording, adopted by the EU on February 18, 2011 (amendments are to be applied for annual periods beginning on or after July 1, 2010 or January 1, 2011 depending on standard/interpretation),

2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

- Amendments to IFRIC 14 IAS 19 — The Limit on a defined benefit Asset, Minimum Funding Requirements and their Interaction - Prepayments of a Minimum Funding Requirement, adopted by the EU on July 19, 2010 (effective for annual periods beginning on or after January 1, 2011),
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, adopted by the EU on July 23, 2010 (effective for annual periods beginning on or after July 1, 2010).

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:

- Amendments to IFRS 7 Financial Instruments: Disclosures- Transfers of Financial Assets, adopted by the EU on November 22, 2011 (effective for annual periods beginning on or after July 1, 2011).

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 financial statements of the Company in the period of initial application.

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 International Accounting Standards Board (IASB) except from 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 (effective for annual periods beginning on or after January 1, 2015),
- IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013),
- IFRS 11 Joint Arrangements(effective for annual periods beginning on or after January 1, 2013),
- IFRS 12 Disclosures of Involvement with Other Entities (effective for annual periods beginning on or after January 1, 2013).
- IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013),
- IAS 27 (revised in 2011) Separate Financial Statements(effective for annual periods beginning on or after January 1, 2013),
- IAS 28 (revised in 2011) Investments in Associates and Joint Ventures (effective for annual periods beginning on or after January 1, 2013)

2. Accounting policy (continued)

2.1 General financial reporting framework (continued)

- Amendments to IFRS 1 First-time Adoption of IFRS- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after July 1, 2011),
- Amendments to IFRS 7 Financial Instruments: Disclosures- Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2013),
- Amendments to IFRS 9 Financial Instruments" and IFRS 7 Financial Instruments: Disclosures– Mandatory Effective Date and Transition Disclosures,
- Amendments to IAS 1 Presentation of financial statements -Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after July 1, 2012),
- Amendments to IAS 12 Income Taxes - Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after January 1, 2012),
- Amendments to IAS 19 Employee Benefits - Improvements to the Accounting for Post-employment Benefits (effective for annual periods beginning on or after January 1, 2013),
- Amendments to IAS 32 Financial instruments: presentation - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2014),
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after January 1, 2013).

The Company expects that the adoption of these standards, amendments to existing standards and interpretations will have no material impact on the separate financial statements of the Company in the period of initial application, except for the noted below which might have material effect on the separate financial statements:

- IFRS 9 Financial instruments, which uses a single approach to determine whether a financial asset is measured at amortized cost or at fair value, replacing the variety of rules of IAS 39. The approach in IFRS 9 is based on how the entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the variety of rules of IAS 39.
- IFRS 12 Disclosures of Involvement with Other Entities, which requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement.
- IFRS 13 Fair Value Measurement, which defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.

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 financial statements, if applied as at the reporting date.

2. Accounting policy (continued)

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 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, 2011. The reissued consolidated financial statements were issued on December 5, 2012.

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 thousands of BGN (BGN'000).

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, 2011 are stated in these separate financial statements at the closing exchange rate of BNB.

2.5. Accounting estimates and accounting assumptions

The preparation of the financial statements in accordance with IFRS requires management to make certain accounting estimates and reasonable assumptions that affect some of the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of these separate financial statements and the revenues and expenses during the reporting period. Although these estimates and assumptions are based on the best estimate of management, taking into account historical experience the actual results could differ from those estimates.

The critical accounting estimates and main source of uncertainty in making these assumptions are disclosed in note 3 below.

2. Accounting policy (continued)

2.6. Property, plant and equipment

Property, plant and equipment are initially measured at cost being purchase price and directly attributable costs, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment loss, if any.

Expenses incurred after the assets were put into operation, such as repairs and maintenance, are reported in the separate statement of comprehensive income for the period they arise, except when they increase the useful life of the assets.

Acquisition costs for property, plant and equipment comprise non-current assets under construction and are stated at cost. Such costs include expenses for construction of the property and equipment and other direct expenses. Acquisition costs are not subject to depreciation until the completion and putting into operation of the respective assets.

The Company's assets are depreciated using the straight-line method. The useful life of the main categories of assets as of December 31, 2011, 2010 and 2009 is as follows:

Assets	Useful life (years)
Buildings	45 - 51
Machinery	5 - 7
Equipment	5 - 7
Fixture and fittings	5 - 10

Assets acquired under finance lease are depreciated over their expected useful life on the same basis as the own assets or when the term of the lease agreement is less than the asset' useful life – over the term of the respective lease agreement, if there are no reasonable grounds to believe that the ownership will be acquired at the end of the lease term.

Gains or losses resulting from sales of property, plant or equipment are calculated as a difference between the proceeds and the net book values of the assets sold, and are reported in the separate statement of comprehensive income.

2.7. Intangible assets

Software and licenses comprise the main components of the intangible assets. Initially, intangible assets are measured at cost. Intangible assets are recognized if it is probable that future economic benefits will flow to the Company as a result of the ownership of the asset and the asset fair value can be reliably measured. After initial recognition intangible assets are measured at cost less accumulated amortization and any impairment loss. Intangible assets are amortized over their useful lives by applying the straight-line method.

2. Accounting policy (continued)

2.7 Intangible assets (continued)

The useful life of the main categories of assets as of December 31, 2011, 2010 and 2009 is as follows:

Intangible assets	Useful life (years)
Software	7
Licenses, patents, trademarks and ownership rights	17

2.8. Exploration for and evaluation of mineral resources

Exploration for and evaluation of mineral resources comprises of expenditures on exploration for and evaluation of mineral resources and are accounted in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. These assets are measured at cost minus accumulated amortization and impairment loss.

The Company capitalizes the expenditures for exploration and evaluation assets from the date of receiving the right for exploration until it is possible to prove the technical feasibility and commercial viability of the mineral resource. Subsequently, the Company reclassifies exploration and evaluation assets as intangible assets and depreciates them based on their expected useful life.

Exploration for and evaluation of mineral resources are assessed for impairment when facts and circumstances show that show that the carrying amount of the exploration and evaluation assets may exceed their recoverable amount.

2.9. Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the management reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication for impairment of these assets. If any such indication exists, the recoverable amount of the respective asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit, to which the asset belongs.

Intangible assets with indefinite useful life and intangible assets that are not available for use are tested for impairment on an annual basis and also when there are any indications for impairment of the asset.

The recoverable amount is the higher of the asset's fair value less costs to sell the asset and its value in use. Upon measuring the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognized immediately as an expense.

2. Accounting policy (continued)

2.9 Impairment of property, plant and equipment and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as an increase in the revaluation reserve.

2.10. Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company. Control is the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

The Company has reported in these separate financial statements the investments in subsidiary companies at cost, less impairment loss, if any.

2.11. Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the right of participation in, but not control over the financial and operating policy decisions of the investee.

The Company has reported in these separate financial statements the investments in associates at cost, less impairment loss, if any.

2.12. Inventory

Inventory consists of materials and work in progress which comprise of construction in progress under contracts including construction works and materials ("materials") and hired services related to the non-completed stages of the contract execution.

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, manufacturing expenses and any other costs directly attributable to bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less the completion costs and all estimated costs to be incurred in marketing, selling and distribution. Upon consumption, the cost of inventories is calculated using the first in – first out method.

When materials are imported the exchange rate at the date of the invoice is used.

2. Accounting policy (continued)

2.13. Employee benefits

In accordance with IAS 19 Employee Benefits the Company recognizes liabilities for retirement compensations, which are calculated by licensed actuary by using the Projected Unit Credit Method (see note 15). The amount reported in the separate statement of financial position represents the current amount of the non-current liabilities of the Company for retirement compensations.

2.14. Leases

A lease contract is classified as finance lease, if it transfers substantially all the risks and rewards incidental to ownership of an asset. All other lease arrangements are classified as operating lease.

Finance lease

At the inception a lease contract is recognized as an asset of the Company at the amount which at the inception of the lease term is equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. The respective liability to the lessor is reported in the separate statement of financial position as a finance lease liability.

Lease payments are apportioned between the finance cost and the decreased unpaid liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized directly in the separate statement of comprehensive income.

Operating lease

Lease payments under operating lease are recognized as an expense in the separate statement of comprehensive income on a straight line basis over the lease term, except when another basis is representative of the time when the lessee uses the rewards of the leased asset. Contingent costs for lease are recognized as an expense in the period when they arise.

When incentives are received in negotiating operating lease, they are recognized as a liability. The total reward of the incentives is recognized as a decrease of the costs for lease on a straight line basis over the lease term, except when another system basis represents the allocation of the rewards for the lessor for the use of the leased asset over time.

2. Accounting policy (continued)

2.15. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as provision is the best estimate of expenses, needed for the repayment of the current liability as of the date of the separate statement of financial position, while taking into consideration liability risks and uncertainties. When a provision is measured by the cash flows, set for settling the current liability, the carrying amount of the provision represents the present amount of the cash flows.

When some or all economic benefits, related to settling a liability, are expected to be repaid by a third party, the receivables are recognized as an asset, if it is sure that the repaid amount will be received and the receivables could be measured reliably.

2.16. Taxation

Taxes due are calculated in accordance with the Bulgarian legislation. Income tax is calculated on the basis of taxable profit, whereby the financial result is transformed for certain income and expense items (as depreciation, provisions, shortages and penalties) in accordance with the Bulgarian tax legislation.

Deferred tax liability is recognized for all taxable temporary differences, unless it arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affected neither the accounting profit nor taxable profit or loss.

Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. However, this principle does not apply when such differences arise from the initial recognition of an asset or liability in a transaction, which at the time of the transaction affected neither the accounting profit nor taxable profit or loss.

Current and deferred taxes are recognized as income or expense and are included in the net profit for the period except to the extent that the tax arises from a transaction or event that is recognized in the same or different period, directly in equity. Current and deferred taxes are charged or credited directly to equity when the tax relates to items that are credited or charged directly to equity.

2. Accounting policy (continued)

2.17 Financial instruments

The Company's financial instruments include the following categories: cash in hand and at banks, trade and other receivables, loans granted and received, trade and other payables. The Company's management considers that the fair value of financial instruments approximates their carrying amount. Fair value is the value for which an asset can be exchanged or a liability can be settled between informed and independent parties in an arm's length term transaction.

Investments are recognized and disposed on the trading date, whereas the sale or purchase of investment is performed by a contract which demands the delivery of the investment within the terms of the respective market and are initially measured at fair value, net of transaction costs, except for those financial assets classified at fair value through profit or loss which are initially measured at fair value.

2.17.1. Financial assets

Financial assets are classified in one of the following specific categories: "financial assets at fair value through profit or loss", "held-to-maturity investments", "financial assets available for sale" and "loans and receivables". The classification depends on the type and purpose of financial assets and is defined upon their initial recognition.

Trade receivables, loans and other receivables which have fixed and determinable payments which are not traded on an active market are classified as "loans and receivables." As of December 31, 2011, 2010 and 2009 the Company does not hold "held-to-maturity investments" and "financial assets available for sale". Investments in subsidiaries and associated companies are reported in accordance with IAS 27 "Consolidated and Separate Financial Statements" (note. 2.10 above) and IAS 28 "Investments in Associated Companies" (note 2.11 above).

Cash and cash equivalents

Cash comprises of cash on hand and in banks. The Company considers all highly liquid financial instruments with maturity 3 months or less as cash equivalents. For the purpose of the separate cash flow statement cash and equivalents include cash and cash equivalents as described above.

2. Accounting policy (continued)

2.17 Financial instruments (continued)

2.17.1. Financial assets (continued)

Financial assets at fair value through profit or loss

A financial asset is classified as financial asset at fair value through profit or loss when the asset is held for trading or is designated as an instrument for accounting through profit or loss.

A financial asset is classified as held for trading when the asset is acquired mainly for the purpose of short-term sale or is part of a trading portfolio or is a derivative contract which is not used for hedging.

Regular transactions with financial instruments measured at fair value through profit or loss are recognized initially at trade date. The trade date is the date of the commitment to buy or sell the financial asset. On the settlement date the right over the asset is transferred. No derivative is recognized for the changes in the fair value in the time period between trade and settlement date.

Financial assets are initially measured at fair value. The fair value should normally be equal to the fair value of consideration given or received ("the transaction price"), when the transaction is conducted on arm's length terms between informed and knowledgeable parties. The subsequent measurement of the financial assets is based on the fair value determined using active market quotes. An active market is a market on which there are regular quotations and transactions with the instrument. The price of the closing deal for the day for a non-derivative financial instrument is adopted as the fair value from regulated market.

If it is not possible to determine the fair value from active market, reliable valuation techniques are used, which are based on the information which all market participants would consider in the valuation of this financial instrument. The information from observable and not observable sources could be used in the valuation technique. If it is not possible to determine the fair value through measurement techniques, based on information, which all market participants would take into consideration when measuring a financial instrument, the transaction price for the acquisition of the financial asset is used as fair value.

The difference from changes in the fair value of the financial instrument is recognized in current profit or loss.

Loans and receivables

Loans and receivables are measured at amortized cost through the effective interest rate method except for current receivables where the recognition of the interest would be insignificant. Loans granted by the Company are reported in the separate statement of financial position as "Loans and advances" and trade receivables – in "Trade and other receivables".

Trade and other receivables are presented at nominal value less impairment loss, if any. A review for impairment and uncollectability loss is performed as of the end of each year based on review of receivables.

2. Accounting policy (continued)

2.17 Financial instruments (continued)

2.17.1. Financial assets (continued)

Loans and receivables (continued)

Financial assets, except those reported as financial assets carried at fair value through profit or loss, are reviewed for indications for impairment as of the date of preparation of the financial statements. A financial asset is considered to be impaired only if objective evidence exists that as a result of one or more events, which have occurred after its initial recognition, the expected cash flows have been reduced.

Certain categories of financial assets, such as trade receivables and assets, which are considered not to be impaired individually, are subsequently reviewed for impairment on a collective basis. Objective evidence for impairment of a portfolio of receivables can include the past experience of the Company regarding the collection of payments, increase of the number of the overdue payments in the portfolio for more than the average loan period of 180 days, as well as observed changes in the national and local economic conditions, which are related to the overdue receivables.

For financial assets, measured at amortized cost, the amount of the impairment loss is the difference between the carrying amount of the assets and the present amount of the expected future cash flows, discounted by the initial effective interest rate.

Except for financial assets available for sale, if in a subsequent period the amount of the impairment loss is reduced or the decrease can be objectively attributed to an event after the recognition of the impairment, the prior impairment loss is recognized in the statement of comprehensive income to the extent that the carrying amount of the investment at the date on which the impairment is reported, does not exceed the amount which the amortized cost would have if no impairment had been recognized.

The Company does not have exposition to Greek sovereign debt and does not have sovereign debt.

2.17.2. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as financial liabilities or equity depending on the nature of the agreement.

Equity instruments

Equity instrument is any contract, evidencing residual interest in company's assets after deduction of all its liabilities. Equity instruments are reported by receipts, net of expenses for their issuance.

Financial liabilities

Financial liabilities include received loans (bank borrowings, debenture loans and other borrowed funds) and trade and other payables and financial liability on preferred shares.

2. Accounting policy (continued)

2.17.2. Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

Loans are initially measured at fair value, net of transaction costs. Subsequently loans are measured at amortized cost and the difference between due payments (net of transaction costs) and the amortized cost is recognized in the separate statement of comprehensive income over the period of the loan by using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating income/expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments (including all received fees and other margins or discounts) through the expected life of the financial instrument or, when appropriate for a shorter period, to its carrying amount.

Loans are recognized as current liabilities, except when the Company has the unconditional right to reschedule the payment of the liability for at least 12 months after the date of the separate statement of financial position.

Trade and other payables are valued at the amount they are expected to be settled in the future.

2.18 Revenue and expenses under construction contracts

The Company classifies as a construction contract each contract in which it is specifically agreed the construction of an asset or a number of assets, which are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contract revenue is measured at the fair value of the consideration received or receivable. Contract costs include all direct costs, attributable to the contract. Costs that are not attributable to the contract such as administrative expenses and selling costs are recognized during the reporting period regardless of the stage of completion of the contract.

When the result of a construction contract can be reliably measured, contract revenue and expenses are recognized by reference to the stage of completion of the contract as of the date of the separate statement of financial position, calculated as a ratio between the up-to-date contract expenses and the expected total amount of expenses under the contract. Expected loss under the construction contract is recognized as expense in the separate statement of comprehensive income.

Changes in construction works, payment of claims and incentives are recognized to the amount to which it is probable that they will lead to income realization and they can be reliably measured.

When the outcome of a construction cost cannot be reliably measured, contract revenue is recognized to the extent of contract costs incurred, if it is probable that they will be recovered by the customer.

2. Accounting policy (continued)

2.19 Other income and expenses

Income from sales of goods is recognized when risks and rewards from ownership of the goods are transferred to the buyer and the transaction costs can be measured reliably.

Income from sales of goods and services is recognized when it arises, regardless of cash receipts and payments, when the Company complies with the terms of sales and the significant risks and rewards, related to ownership of goods are transferred to the buyer.

Expenses are recorded in the separate statement of comprehensive income when a decrease in economic benefits has occurred during the reporting period in the form of outflows or depletion of assets, or liabilities incurred that can be measured reliably. The recognition of expenses is affected by any direct association between the costs incurred and the earnings of specific items of income. When economic benefits are expected to arise over several accounting periods and the association with the income can only be broadly or indirectly determined, expenses are recognized in the statement of comprehensive income on the basis of systematic and rational allocation procedures.

Interest income and expense are accrued on a time basis according to the principal due and the applicable/effective interest rate.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as part of the cost of this asset. Qualifying asset is the asset, which necessarily takes substantial period of time to get ready for its intended use or sale. Investment income earned on the temporary investment of specific borrowings granted explicitly for a qualifying asset decrease the borrowing costs eligible for capitalization.

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

As disclosed in note 2.18 recognition of revenue from 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. Critical accounting estimates and main sources of uncertainty at making accounting assumptions (continued)

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 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 determining the expected future cash flows, the Company analyzes the financial capabilities of its debtors and the expected period for receiving the cash flows.

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 2011 there are no circumstances that may trigger a change in the estimated useful lives of these assets.

3.5. Economic environment

In 2011 and 2010 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.

3.6. Fair value of financial assets

During 2011 the Bulgarian Stock Exchange market was not quite active. In case that the market does not recover, this may cause difficulties in realizing assets at the current active quotations.

All amounts are in thousand Bulgarian Levs, except otherwise stated

4. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost							
JANUARY 1, 2010	2,819	11,015	3,868	6,970	2,744	4,471	31,887
Additions	-	-	119	28	139	12,056	12,342
Transfers	2,993	9,103	8	6	5	(12,115)	-
Disposals	-	(106)	(1)	(333)	(8)	-	(448)
DECEMBER 31, 2010	5,812	20,012	3,994	6,671	2,880	4,412	43,781
Additions	-	-	292	44	35	1,657	2,028
Transfers	207	97	2	68	2	(376)	-
Disposals	(411)	(95)	(54)	(205)	(172)	-	(937)
DECEMBER 31, 2011	5,608	20,014	4,234	6,578	2,745	5,693	44,872
Accumulated depreciation							
JANUARY 1, 2010	-	1,558	2,194	1,817	1,096	-	6,665
Depreciation charge	-	282	502	502	328	-	1,614
Disposals	-	(14)	-	(133)	(3)	-	(150)
DECEMBER 31, 2010	-	1,826	2,696	2,186	1,421	-	8,129
Depreciation charge	-	401	495	482	322	-	1,700
Impairment recognized in the statement of comprehensive income	-	-	-	-	11	24	35
Disposals	-	(20)	(51)	(171)	(132)	-	(374)
DECEMBER 31, 2011	-	2,207	3,140	2,497	1,622	24	9,490
Net book value							
JANUARY 1, 2010	2,819	9,457	1,674	5,153	1,648	4,471	25,222
DECEMBER 31, 2010	5,812	18,186	1,298	4,485	1,459	4,412	35,652
DECEMBER 31, 2011	5,608	17,807	1,094	4,081	1,123	5,669	35,382

As of December 31, 2011, 2010 and 2009 property, plant and equipment with carrying amount of BGN 2,885 thousand, BGN 3,188 thousand and BGN 3,615 thousand, respectively, are leased under financial lease contract (see note 13).

As of December 31, 2011, 2010 and 2009 property, plant and equipment with carrying amount of BGN 10,626 thousand, BGN 11,648 thousand and BGN 8,756 thousand, respectively, are pledged as collateral under bank loan agreements (see note 12).

All amounts are in thousand Bulgarian Levs, except otherwise stated

5.1. Intangible assets

	Title of property	Software	Total
Cost			
JANUARY 1, 2010	1,437	320	1,757
Additions	10	19	29
DECEMBER 31, 2010	1,447	339	1,786
Disposals	-	(69)	(69)
DECEMBER 31, 2011	1,447	270	1,717
Accumulated amortization			
JANUARY 1, 2010	704	194	898
Amortization charge	62	39	101
DECEMBER 31, 2010	766	233	999
Amortization charge	62	32	94
Disposals	-	(63)	(63)
DECEMBER 31, 2011	828	202	1,030
Net book value			
JANUARY 1, 2010	733	126	859
DECEMBER 31, 2010	681	106	787
DECEMBER 31, 2011	619	68	687

5.2. Exploration for and evaluation of mineral resources assets

As of December 31, 2010 exploration for and evaluation of mineral resources assets at the amount of BGN 1,555 thousand represent capitalized expenditures on energy project Lom Lignites. The project is related to obtaining concession for lignite production from Lom Lignite field.

The project Lom Lignites started in October 2007 with a contract for prospecting and exploration between Enemona AD and Ministry of economy and energy.

On April, 21 2011 the company sold the Exploration for and evaluation of mineral resources to Artanes Mining Group AD, a subsidiary of the Company.

6. Investments in subsidiaries and associates

As of December 31, 2011, 2010 and 2009 investments in subsidiaries and associates consist of:

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Investments in subsidiaries	19,430	19,338	18,321
Impairment of investment in subsidiaries – note 61.1.1	(2,412)	-	-
Investment in subsidiaries, net – note 6.1	17,018	19,338	18,321
Investments in associates – note 6.2	4	4	251
TOTAL INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	17,022	19,342	18,572

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, 2011, 2010 and 2009 are as follows:

		SHARE			CARRYING AMOUNT		
COMPANY	ACTIVITY	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Agro Invest Engineering AD	Cultivation of agricultural land	-	99.98%	99.98%	-	5,499	5,499
Enemona Utilities AD	Electric power trade	99.46%	100.00%	100%	1,769	1,781	1,781
EESF SPV	Company with special investment purpose – securitization of receivables	88.97%	70.76%	70.76%	4,860	1,558	1,558
Pirin Power AD	Designing and building of projects in energy sector	84.00%	84.00%	84.00%	42	42	42
FINI REIT	Company with special investment purpose – real estate purchase	69.23%	69.23%	69.23%	450	450	450
Hemusgas AD	Construction of compressor houses	50.00%	50.00%	50.00%	25	25	25
Esco engineering AD	Heating and climatization projects	99.00%	99.00%	99.00%	73	424	158
Solar Energy OOD	Project for solar station	-	80.00%	80.00%	-	4	4
NEO AGRO TEH AD	Field recultivation	-	90.00%	90.00%	-	11	11
TFEZ Nikopol EAD	Construction of electric power plant	100.00%	100.00%	100.00%	1,061	1,536	785
Enemona-Galabovo AD	Construction contracts	91.13%	91.11%	91.11%	2,050	2,050	2,050
Nevrocop-gas AD	Gas trade	90.00%	90.00%	90.00%	45	45	45
EMKO AD	Construction contracts	77.36%	77.36%	77.36%	4,613	5,913	5,913
Artanes Mining Group AD	Opencast mining of brown and lignite coal	100%	-	-	2,000	-	-
PPP Mladenovo EOOD	Prospecting, design, construction and assembly, commissioning, reparation, servicing and engineering works	100%	-	-	30	-	-
Lomsko pivo AD	Beer production	-	53.04%	51.59%	-	-	-
Regionalgas AD	Gasification projects	50.00%	50.00%	50.00%	-	-	-
TOTAL					17,018	19,338	18,321

As of December 31, 2010 and December 31, 2009 Lomsko pivo AD is subsidiary of Agro Invest Engineering AD, which owns 53.04 % and 51.6% of the shares of Lomsko Pivo AD, or the direct share of the Company in Lomsko pivo AD is 53.03% (99.98% * 53.04 %) and 51.59% (99.98% * 51.60%).

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, 2011, 2010 and 2009 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.

During 2011, the Company sold its shares in Agro Invest Engineering AD. On March 31, 2011 2011the Company signed sales agreement with Sofia France Auto AD for the disposal of 10,497,999 ordinary registered shares, represented 99.98% of the capital of its subsidiary Agro Invest Engineering AD. The consideration agreed amounted to BGN 18,421,758. The transaction included a stake of 49.96% in Lomsko pivo AD.

On June 28, 2011 the Company signed a sales agreement for the disposal of 90% from Neo Agro Tech AD and 80% from the Solar Energy OOD investments. The consideration agreed amounted to BGN 49 thousand.

At the Board of Directors meeting of Enemona AD, held on February 14, 2011, a decision was taken for establishment a subsidiary Artanes Mining Group AD with a seat and management address in Sofia, equity of BGN 2,000 thousands and an option for Enemona to acquire 1,995,995 ordinary shares with voting rights with a par value of 1 BGN, representing 99.99975% of the equity of the established company.

As of December 31, 2011 the participation of Enemona AD in EESF SPV increased from 70.76% or 922,201 ordinary shares to 88.97% or 3,462,201 ordinary shares with voting rights following the capital raising done by EESF SPV during 2011.

At the Board of Directors meeting of Enemona AD, held on October 12, 2011 a decision was taken for establishment of subsidiary PPP Mladenovo EOOD with a seat and management address in Sofia and registered capital of BGN 30 thousand.

6.1.1. Impairment of investment in subsidiaries

As of December 31, 2011 as a result of the impairment review of the investments in subsidiaries, the Company considers that there are indications for impairment of the investments in EMKO AD, Esco Engineering AD and TFEZ Nikopol EAD.

The Company analyzed the discounted cash flows related to the investment in EMKO AD. For the valuation of the investment in the subsidiary the Company used the method of the free cash flow to the firm and the expected future cash flows which will be generated by the entity during the next five years are discounted to their present value as of the reporting date with the weighted-average cost of capital. Due to the absence of comparative transactions in the field of operations of the entity, as well as market deals at the Bulgarian Stock Exchange, the fair value valuation is not applicable for determining the valuation of the investment. As a result of the analysis, the Company recognized an impairment loss for the investment in EMKO AD at the amount of BGN 1,300 thousand (note 23).

All amounts are in thousand Bulgarian Levs, except otherwise stated

6. Investments in subsidiaries and associates (continued)

6.1.1. Impairment of investment in subsidiaries (continued)

The Company determined the recoverable amount of the investments in Esco Engineering AD and TFEC Nikopol EAD based on its share in the individual net assets of the entities and as a result impairment losses for the investments in these subsidiaries at the amount of BGN 356 thousand and BGN 756 thousand are recognized in the statement of comprehensive income (note 23).

6.2 Investments in associates

The investments in associated companies as of December 31, 2011, 2010 and 2009 are as follows:

	SHARE			CARRYING AMOUNT		
COMPANY	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Alfa Enemona OOD	40%	40%	40%	4	4	4
Svilengrad gas AD	-	-	30%	-	-	247
TOTAL				4	4	251

In these separate financial statements the investments in associated companies are presented at carrying amount (cost), as the management of the Company estimated that there are no indications of impairment of investments in associated companies as of December 31, 2011, 2010 and 2009.

Summarized financial information of the associated companies as of December 31, 2011, 2010 and 2009 is as follows:

Alfa Enemona OOD	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Total assets	264	401	448
Total liabilities	58	60	81
Net assets	206	341	367
Share of the Company in net assets of the associated company	82	136	147

Alfa Enemona OOD	Year ended 31.12.2011	Year ended 31.12.2010	Year ended 31.12.2009
Total revenue	526	808	895
Total profit for the period	179	314	340
Share of the Company in the profits of the associated company	72	126	136

Svilengrad gas AD	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Total assets	-	-	2,829
Total liabilities	-	-	922
Net assets	-	-	1,907
Share of the Company in net assets of the associated company	-	-	572

Svilengrad gas AD	Year ended 31.12.2011	Year ended 31.12.2010	Year ended 31.12.2009
Total revenue	-	-	2
Total profit for the period	-	-	(51)
Share of the Company in the loss of the associated company	-	-	(15)

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, 2011, 2010 and 2009 are as follows:

Non-current loans and advances	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Loans granted to related parties	-	-	18
Loans granted to nonrelated parties	-	136	2,390
Loans granted to employees	1,984	3,099	1,931
Receivables under ESCO contracts – non-current	18,394	13,837	4,678
Cession receivables	5,181	-	-
Other assets	10	12	14
Discount of receivables under ESCO contracts – non-current – Notes 23 and 29	(2,949)	-	-
TOTAL NON CURRENT LOANS AND ADVANCES	22,620	17,084	9,031
Impairment of loans granted to employees- note 23.1.	(973)	-	-
TOTAL NON CURRENT LOANS AND ADVANCES, NET	21,647	17,084	9,031
Current loans and advances			
Receivables under ESCO contracts – current	3,597	2,440	907
Cession receivables	1,845	-	-
Loans granted to related parties	500	430	391
Loans granted to nonrelated parties	7,985	8,761	4,083
TOTAL CURRENT LOANS AND ADVANCES	13,927	11,631	5,381
Impairment of loans granted to non-related parties – note 23.1.	(4,953)	-	-
TOTAL CURRENT LOANS AND ADVANCES, NET	8,974	11,631	5,381

Loans granted to related parties, nonrelated 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, 2011 represent the present value of a receivable under cession agreement with a local company.

As a result of the impairment analysis as of December 31, 2011, the Company recorded impairment of loans granted to employees at the amount of BGN 973 thousand and of loans granted to non-related parties at the amount of BGN 4,953 thousand in the separate statement of comprehensive income in Note 23.

All amounts are in thousand Bulgarian Levs, except otherwise stated

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

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

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Balance at the beginning of the year	-	-	-
Recognized loss from impairment of non-current loans and advances	973	-	-
Recognized loss from impairment of current loans and advances	4,953	-	-
Balance at the end of the year	5,926	-	-

8. Inventories

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Materials	3,605	5,816	12,682
Work in progress	391	101	38
TOTAL INVENTORIES	3,996	5,917	12,720

As of December 31, 2011 the Company accrued impairment of inventory at the amount of BGN 88 thousand (2010: BGN 48 thousand), which is recognized in the statement of comprehensive income.

As of December 31, 2011 inventories at cost to the amount of BGN 3,912 thousand (2010 and 2009: BGN 3,912 thousand) are pledged as collateral under a loan (see also note 12).

9. Trade and other receivables

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Receivables from customers	15,550	22,492	20,916
Retentions	5,979	5,192	4,343
Receivables from related parties	7,689	6,142	1,633
Advance payments to suppliers	7,020	12,831	3,150
Advances to employees	151	55	32
Other receivables	2,477	979	1,733
TOTAL TRADE AND OTHER RECEIVABLES	38,866	47,691	31,807
Impairment of receivables from customers	(5,936)	(670)	(534)
TOTAL TRADE AND OTHER RECEIVABLES, NET	32,930	47,021	31,273

As of December 31, 2011, 2010 and 2009 trade and other receivables at the amount of BGN 10,209 thousand, BGN 24,945 thousand and 32,392 thousand, respectively, are pledged as collateral under loan contracts (see note 12).

All amounts are in thousand Bulgarian Levs, except otherwise stated

9. Trade and other receivables (continued)

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

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Balance at the beginning of the year	670	534	747
Recognized loss from impairment of receivables	5,304	222	175
Recovered during the period	(38)	(86)	(382)
Reintegrated impairment loss	-	-	(6)
Balance at the end of the year	5,936	670	534

When determining the recoverability of the receivables 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.

Trade and other receivables include receivables, which are overdue for more than 1 year, but management considers that they are recoverable, because the customers' credit standing has not deteriorated. Receivables from customers, which are overdue but not impaired, are as follows:

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
1 - 1.5 years	1,831	4,839	2,056
1.5 – 2 years	327	1,029	155
Over 2 years	1,422	1,627	74
Total	3,580	7,495	2,285

Receivables from customers, which are overdue but not impaired, are not collateralized and the Company has no legal right to offset these receivables with its own receivables to respective counterparties.

The ageing analysis of the impaired receivables from customers as of December 31, 2011, 2010 and 2009 is as follows:

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Below 1 year	2,050	356	1,251
1 - 1.5 years	3,835	74	706
1.5 – 2 years	318	69	251
Over 2 years	2,979	607	1,287
Total	9,182	1,106	3,495

All amounts are in thousand Bulgarian Levs, except otherwise stated

10. Cash and cash equivalents

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Cash at banks	3,528	2,600	8,161
Short term deposits	262	-	-
Restricted cash at bank	474	1,055	1,014
Cash in hand	693	163	2,252
TOTAL CASH AND CASH EQUIVALENTS	4,957	3,818	11,427

As of December 31, 2011 restricted cash at the amount of BGN 474 thousand represents cash in bank account restricted as collateral under issued guarantees (also see note 31).

As of December 31, 2010 restricted cash at the amount of BGN 1,055 thousand represents cash in bank account restricted as a collateral under loan contract of the subsidiary EESF SPV for the loan period which expires on October 6, 2011.

As of December 31, 2009 restricted cash of the Company represents amounts cash accumulation account in relation of warrantees issuance (see also Note 11).

For the separate cash flow statement purposes restricted cash is not included in cash and cash equivalents.

11. Issued capital and premium reserves

The issued capital includes:

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Ordinary shares – note 11.1	11,934	11,934	11,934
Preferred shares – note 11.2	1,103	1,103	-
TOTAL ISSUED CAPITAL	13,037	13,037	11,934
Premium from share issuance – note 11.3	36,262	36,262	30,837
TOTAL ISSUED CAPITAL AND PREMIUM RESERVES	49,299	49,299	42,771

11.1. Ordinary shares

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2012
Number of shares	11,933,600	11,933,600	11,933,600
Nominal value per share in BGN	1	1	1
SHARE CAPITAL – ORDINARY SHARES	11,934	11,934	11,934

12. Loans (continued)

12.3 Borrowings from financial institutions (continued)

(d) The overdraft from UBB is with limit of EUR 3,500 thousand for working capital and bank guarantees and as of December 31, 2011 the Company has utilized BGN 4,596. The overdraft matures on January 20, 2012. In order to secure the overdraft the Company has established a mortgage of land and apartments, owned by the Company and pledge of movable property.

(e) The credit line limit of the contract with Citibank Sofia Branch is EUR 9,429 thousand. The credit line matures on September 30, 2011. As of December 31, 2011 the credit line is fully repaid.

(f) 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, 2011 the utilized amount is BGN 3,442 thousand. The loan has been secured by a mortgage on the building and the adjoining land.

(g) The Company has received a loan from ING Bank with a limit of BGN 14,800 thousand and as of December 31, 2011 the amount of BGN 454 thousand has been utilized. In order to secure the loans from ING Bank the Company has issued pledge of present and future receivables from customers, mortgage on property, owned by the Company and promissory note in favour of the bank. The loan matures in August 2012.

(h) The Company has received a credit facility from Tokuda Bank with a limit of BGN 100 thousand. As of December 31, 2011 the whole principal is utilized. The Company has established a pledge of future receivables as collateral. The credit facility matures in March 2011. As of Decemeber 31, 2011 the credit line is fully repaid.

(i) The Company has received investment loans from Bulgarian Energy Efficiency Fund for financing of projects related to energy efficiency. As of December 31, 2011 the utilized amount is BGN 38 thousand. The loans are secured with credit risk insurance and promissory note in the favour of the Fund.

(j) The Company has received two credit lines from Unionbank. The first credit line has the contractual amount of BGN 300 thousand and maturity on October 6, 2011 and is fully repaid as of December 31, 2011. The second credit line has the contractual amount of BGN 500 thousand, fully utilized as of December 31, 2011. The maturity of the second credit line is on January 31, 2012. Credit lines are secured with a pledge on receivables.

(k) As of June 2, 2011 the Company has received an overdraft from First Investment Bank Vratsa Branch at the amount of BGN 2,000 thousand and maturity term on April 30, 2012. As of December 31, 2011 BGN 1,997 thousand has been utilized by the Company.

(l) The Company has signed a loan with Investbank for the amount of BGN 2,000 thousand and maturity on May 26, 2012. As of December 31, 2011 BGN 1,696 thousand has been utilized. The loan is secured with a pledge on receivables.

12. Loans (continued)

12.3 Borrowings from financial institutions (continued)

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 2,000 thousand, goods and materials with obligatory minimum of EUR 2,000 thousand are pledged as collateral and a promissory note is signed in favour of the bank. As of December 31, 2011 and 2010 the Company has no liabilities on loans related to the credit facility.

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 December 31, 2011 the Company is in compliance with all operational and financial covenants connected to the debenture and bank loans contractual terms.

As of December 31, 2010 the Company has not complied with the financial requirement of one of the loans. The loan has been presented as current liability in the separate financial statements.

12.4 Loans from non-related parties

As of December 31, 2011 the loans from non-related parties consist from unsecured loans from Izolko OOD, Energomontag AEK AD, Enemona Start AD, Enida Engineering AD and others at the total amount of BGN 8,050 thousand, BGN 688 thousand, BGN 879 thousand, BGN 849 thousand and BGN 40 thousand respectively. The loans have interest rates between 8% and 9% and maturity in 2012, which could be extended by one month.

As of December 31, 2010 the loans from non-related parties consist from unsecured loans from Energomontag AEK AD, Enemona Start AD, Enida Engineering AD and others at the total amount of BGN 1,768 thousand, BGN 950 thousand, BGN 372 thousand and BGN 40 thousand respectively. The loans have interest rates between 8% and 9% and maturity in 2011, which could be extended by one month.

As of December 31, 2009 the loans from non-related parties consist from unsecured loans from Energomontag AEK AD, Izkolko OOD and Enida Engineering AD at the amount of BGN 1,948 thousand, BGN 600 thousand and BGN 780 thousand respectively. The loans have interest rates of 10% and 12%, respectively, and maturity, 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.

All amounts are in thousand Bulgarian Levs, except otherwise stated

13. Finance lease (continued)

	Minimum lease liabilities			Present value of minimum lease liabilities		
	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Liabilities under finance lease with maturity:						
Up to 1 year	550	737	1,139	498	661	1,002
Between 2 and 5 years	704	1,161	1,818	672	1,086	1,716
TOTAL LIABILITIES	1,254	1,898	2,957	1,170	1,747	2,718
Less: future finance charges	(84)	(151)	(239)	-	-	-
PRESENT VALUE OF LIABILITIES	1,170	1,747	2,718	1,170	1,747	2,718

The carrying amount of assets (machinery and equipment), acquired through finance lease as of December 31, 2011, 2010 and 2009 is BGN 2,885 thousand, BGN 3,188 thousand and BGN 3,615 thousand, respectively.

14. Provisions

Provisions represent accruals for unused paid leave at the amount of BGN 220 thousand, BGN 167 thousand and BGN 240 thousand as of December 31, 2011, 2010 and 2009, respectively.

15. Long-term employee benefits

In accordance with the Bulgarian Labor Code, upon termination of labor contracts, when the employee is entitled to retirement benefits, the Company owes severance payments of 2 gross monthly salaries. In case the employee has worked for more than 10 years with the Company, the severance payment is 6 gross monthly salaries. As of December 31, 2011, 2010 and 2009 the Company has accrued BGN 62 thousand, BGN 118 thousand and BGN 174 thousand, respectively, for provision of long-term employee benefits as the provision is calculated by a licensed actuary.

The basic assumptions, used by the licensed actuary for calculation of the present value of liabilities are based on:

- Demographic assumptions
- Mortality chart
- Invalidization chart
- Retirement probability
- Financial assumptions
- Salary growth
- Discount rate – due to the long-term nature of the liability, a 6% discount rate has been applied

All amounts are in thousand Bulgarian Levs, except otherwise stated

15. Long-term employee benefits (continued)

Movements in the present value of the defined benefit obligation in the current period are presented below:

	Year ended 31.12.2011	Year ended 31.12.2010	Year ended 31.12.2009
Opening defined benefit obligation, January 1	244	377	184
Interest cost	15	23	11
Current service cost	34	36	74
Benefits paid	(102)	(106)	(30)
Actuarial (gains)/losses	25	(86)	138
Closing defined benefit obligation, December 31	216	244	377

As of December 31, 2011 and 2010 the Company recorded Long-term employee benefits liability as follows:

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Present value of funded defined benefit obligation	216	244	377
Unrecognized actuarial (losses)	(154)	(126)	(203)
Net liability arising from defined benefit obligation	62	118	174

The table below summarizes the component of the net expense for employee benefits, recognized in the statement of comprehensive income:

	Year ended 31.12.2011	Year ended 31.12.2010	Year ended 31.12.2009
Current service costs	34	36	74
Interest on obligation	15	23	11
Actuarial (gains) recognized in the year	(3)	(8)	(24)
Benefits paid	(102)	(106)	(130)
Expense recognized in the statement of comprehensive income	(56)	(55)	(69)

All amounts are in thousand Bulgarian Levs, except otherwise stated

16. Trade and other payables

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Payables to suppliers	6,060	13,008	6,280
Payables to related parties	7,154	9,238	2,109
Payables for dividends on preferred shares	972	881	-
Payables to staff	558	682	769
Payables to social insurance organizations	215	251	272
Payables for VAT liabilities	1,068	186	983
Other payables	1,738	289	1,102
TOTAL TRADE AND OTHER PAYABLES	17,765	24,535	11,515

17. Revenue

	Year ended 31.12.2011	Year ended 31.12.2010
Revenue from construction contracts	78,862	86,300
Revenue from services	207	319
TOTAL REVENUE	79,069	86,619

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

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Construction costs incurred plus recognized profits less recognized losses to date	205,037	148,662	136,890
Less: Progress billings	(188,395)	(137,847)	(143,815)
	16,642	10,815	(6,925)
Gross amounts presented in the separate statement of financial position comprise:			
Gross amount due from customers under construction contracts	21,588	16,725	7,220
Gross amount due to customers under construction contracts	(4,946)	(5,910)	(14,145)
	16,642	10,815	(6,925)

Retentions held by customers for contract work amounted to BGN 5,978 thousand, BGN 5,192 thousand and BGN 4,553 thousand as of December 31, 2011, 2010 and 2009, respectively. Advances received from customers for contract work amount to BGN 15,482 thousand, BGN 20,248 thousand and BGN 14,145 thousand as of December 31, 2011, 2010 and 2009, respectively.

As of December 31, 2011, 2010 and 2009 the Company reviewed for objective evidences for impairment of the gross amount due from clients on 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

17. Revenue (continued)

In 2011, 2010 and 2009 the Company impaired gross amount due from customers on construction contracts at the amount of BGN 1,301 thousand, BGN 0 and BGN 21,806 thousand, respectively (see note 23.1 and note 29).

18. Investment revenue

	Year ended 31.12.2011	Year ended 31.12.2010
Interest income	2,206	1,875
Dividend income	536	1,663
Foreign exchange gains	27	29
Other finance income	169	7
TOTAL INVESTMENT REVENUE	2,938	3,574

19. Materials and consumables used

	Year ended 31.12.2011	Year ended 31.12.2010
Materials for main activities	30,623	21,806
Expenses for instruments	343	363
Electric power	95	95
Fuels	51	16
Spare parts	12	50
Stationery	62	71
Other	32	49
TOTAL MATERIALS AND CONSUMABLES USED	31,218	22,450

All amounts are in thousand Bulgarian Levs, except otherwise stated

20. Hired services

	Year ended 31.12.2011	Year ended 31.12.2010
Under agreements with subcontractors	21,167	26,545
Services with mechanization	537	200
Transportation	726	872
Legal, consulting and mediatory services	1,199	1,203
Insurances	1,305	291
Advertising	72	54
Telecommunications	144	203
Rents	719	709
Fees, mortgage, guarantees	1,444	1,003
Design	349	2,004
Bank fees	388	625
Heating	94	72
Labor permissions and tender documentation	14	22
Other services	1,911	2,736
TOTAL HIRED SERVICES	30,069	36,539

21. Employee benefits expenses

	Year ended 31.12.2011	Year ended 31.12.2010
Remunerations under labor contracts	15,098	15,598
Remunerations under management contracts	351	330
Civil contracts	133	313
Social and health securities	2,300	2,255
Other expenses	935	315
TOTAL EMPLOYEE BENEFITS EXPENSES	18,817	18,811

22. Other expenses

	Year ended 31.12.2011	Year ended 31.12.2010
Business trips	2,133	644
Food vouchers	475	661
Expenses for one-off taxes and fees	434	362
Impairment of inventory	-	50
Waste on non-current assets	57	-
Entertainment expenses	11	23
Other	424	251
TOTAL OTHER EXPENSES	3,534	1,991

All amounts are in thousand Bulgarian Levs, except otherwise stated

23. Other gains / (losses), net

	Year ended 31.12.2011	Year ended 31.12.2010
Proceeds from sale of non-current assets	2,197	208
Carrying amount of sold and disposed non-current assets	(2,072)	(288)
Gains from sale of non-current assets	125	(80)
Proceeds from sale of materials	1,081	3,433
Carrying amount of sold materials	(1,002)	(3,395)
Gains from sale of materials	79	38
Revenue from sale of investments in subsidiaries	18,471	-
Costs to sell investments in subsidiaries	(180)	-
Carrying amount of sold investments in subsidiaries	(5,548)	-
Profit from sale of investments in subsidiaries – note 23.3	12,743	-
Revenue from sale of electricity	4,535	-
Carrying amount of sold electricity	(4,533)	-
Profit from sale of electricity	2	-
Impairment and writing off of receivables – note 23.1	(14,981)	(136)
Loss from sale of receivables	(1,391)	-
Loss from discounting of receivables on ESCO contracts – note 7 and note 29	(2,949)	-
Rent income	653	497
Financing received	5	11
Written-off liabilities	25	140
Gains from consulting services	67	3
Other	429	52
TOTAL OTHER GAINS, NET	(5,193)	525

For the year ended December 31, 2010 the Company reclassified impairment of receivables at the amount of BGN 136 thousand from other expenses to other gains, net.

23.1 Impairment and writing off of assets

Complying with the requirements of IAS 39, the Company developed qualitative and quantitative indicators for the valuation of the risks related to its exposures to clients and for determination the amount of impairment for accounting purposes on an individual basis.

Qualitative and quantitative indicators for valuation of risks include overdue payments, credit rating, deterioration of the market positions of the client and change of the legal environment in which the Company operates.

Each exposition is separately valued and if the risks described above are identified, an impairment loss is recognized. Determining the amount of impairment includes consideration of the expected future cash flows under the identified circumstances.

As of December 31, 2011 the Company analyzed total contract revenue and total estimated costs for construction contracts which are not completed as of the end of the reporting period and recognized impairment losses in the statement of comprehensive income for those construction contracts for which the total estimated profit is lower than the profit already recognized in prior reporting periods.

As of December 31, 2011 the Company reviewed for objective evidences for impairment of the current and non-current loans and receivables and investments in subsidiaries and recognized impairment losses at the amount with which the carrying amounts of the assets exceed their recoverable amount.

All amounts are in thousand Bulgarian Levs, except otherwise stated

23. Other gains / (losses), net (continued)

23.1 Impairment and writing off of assets (continued)

Recoverable amount is determined as the higher of fair value less costs to sell and value in use.

		As of 31.12.2011	As of 31.12.2010
Impairment of gross amount due from clients on construction contracts – note 17	(a)	(1,301)	-
Impairment of investment in subsidiaries – note 6	(б)	(2,412)	-
Impairment of receivables – note 9	(в)	(5,304)	(222)
Impairment of loans granted to non-related parties – note 7	(в)	(4,953)	-
Impairment of loans granted to employees – note 7	(г)	(973)	-
Impairment of inventory – note 8		(88)	-
Impairment of property, plant and equipment – note 4		(35)	-
Reversal of impairment of inventory – note 8		47	-
Reversal of impairment of receivables – note 9		38	86
		(14,981)	(136)

(a) The impairment of the gross amounts due from clients on construction contracts consists mainly of impairment loss of a construction contract.

(b) During 2011 the Company performed an impairment testing of the investment in subsidiaries. The analysis is performed based on the expected discounted future cash flows of the subsidiaries in next five years and the net carrying amount of the assets as of December 31, 2011. As a result of the analysis, the Company recognized impairment loss from investment in subsidiaries at the amount of BGN 2,412 thousand:

- EMKO AD - BGN 1,300 thousand;
- TFEZ Nikopol EAD - BGN 756 thousand;
- Esco Engineering AD - BGN 356 thousand.

(c) As a result of the global financial crisis the uncertainty regarding the recoverability of the receivables due to from the clients according to the initially contracted terms increases. Therefore, the Company changed its accounting estimates when determining the impairment of trade and other receivables and loans and advances. Some of the changes in the estimates include receiving of report for the credit rating of the clients from a reputable agency, analysis of the financial performance of the clients and others. As a result, during 2011 the Company recognized additional impairment as indicated in the table above. Nevertheless, the Management continues the efforts for collecting the receivables.

23. Other gains / (losses), net (continued)

23.1 Impairment and writing off of assets (continued)

(d) In the past the Company has granted loans without collaterals to its employees related to the necessity to relocate, due to the relocation of the business between Sofia, Kozloduj and Galabovo. From 2010 the amount of loans granted decreased. By the end of 2011 due to the restructuring of the Group and centralization of the supervisors and administration personnel in Sofia, the maturity of some of the loans granted is prolonged with the other terms not changed. As a result, additional impairment was recognized for these loans granted.

23.2. Profit from sale of investments in subsidiaries

On March 31, 2011 Enemona AD signed a sale agreement with Sofia France Auto AD for 10,497,999 ordinary registered shares being 99.98% of the share capital of the subsidiary Agro Invest Engineering AD. The income from the investment sale is at the amount of BGN 18,421,758. The transaction includes also a package of 49.96% of the shares of Lomsko pivo AD. As a result from this transaction the Company recognizes a profit at the amount of BGN 12,743 thousand.

On June 28, 2011 the Company signed contracts for sale of 90% of the share capital of Neo Agro Tech AD and for sale of 80% of the share capital of Solar Energy OOD. The consideration agreed amounted to 49 BGN thousand and the net carrying amount of the assets as of the date of the transaction is BGN 49 thousand.

24. Finance cost

	Year ended 31.12.2011	Year ended 31.12.2010
Interest expense	3,276	2,932
Finance costs on construction contracts	1,207	338
Expenses on financial liability on preferred shares	639	670
Foreign exchange losses	55	46
Other finance costs	75	-
TOTAL FINANCE COST	5,252	3,986

All amounts are in thousand Bulgarian Levs, except otherwise stated

25. Taxation

Deferred taxes are as follows:

	As of 31.12.2011	As of 31.12.2010	As of 01.01.2010
Deferred tax assets			
Impairment of receivables	3,414	2,248	2,234
Impairment of investments in subsidiaries	241	-	-
Impairment of other assets	7	-	-
Provisions	28	34	42
TOTAL DEFERRED TAX ASSETS	3,690	2,282	2,276
Deferred tax liabilities			
Non-current assets	1,129	1,120	1,075
TOTAL DEFERRED TAX LIABILITIES	1,129	1,120	1,075
DEFERRED TAX ASSETS/(LIABILITIES), NET	2,561	1,162	1,201

Deferred tax assets and liabilities as of December 31, 2011, 2010 and 2009 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, 2011, 2010 and 2009 amount to BGN 557 thousand.

Income tax expenses for the year ended December 31, 2011 and 2010 are as follows:

	Year ended 31.12.2011	Year ended 31.12.2010
Current income tax expense	404	436
Deferred tax in relation to occurrence and reversal of temporary differences	(1,399)	39
TOTAL TAX (BENEFIT) / EXPENSE	(995)	475

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

	Year ended 31.12.2011	Year ended 31.12.2010
Profit / (loss) before taxation	(13,580)	5,163
Applicable tax rate	10%	10%
Tax by applicable tax rate	(1,358)	516
Tax effect of the non-deductable and non-taxable positions	146	(147)
Effect of different tax rates in other tax jurisdictions	217	106
TAX (BENEFIT) / EXPENSE	(995)	475
EFFECTIVE TAX RATE	(7%)	9%

All amounts are in thousand Bulgarian Levs, except otherwise stated

26. Basic and diluted earnings (loss) 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.

	As of 31.12.2011	As of 31.12.2010
(Loss) / profit for allocation between the shareholders in BGN	(12,584,875)	4,688,114
Weighted-average number of ordinary shares	11,933,600	11,933,600
(Loss from) / Basic earnings per share (in BGN)	(1.05)	0.39

Diluted earnings per share equal basic earnings per share due to the fact that no dilutive ordinary shares exist.

As disclosed in Note 11, as of December 31, 2011 and 2010 the Company has issued warrants which in 2011 and 2010 do not influence diluted earnings per share as their conversion to ordinary shares would not have dilutive effect on basic earnings per share.

27. Related parties transactions

The Company's related parties with which it has performed transactions in 2011, 2010 and 2009 are as follows:

RELATED PARTY	TYPE OF RELATION
"Agroinvest engineering " AD	Subsidiary until March 31, 2011
"Enemona Utilities" AD	Subsidiary
"Esco Engineering" AD	Subsidiary
"Lomsko pivo" AD	Subsidiary until March 31, 2011
"EESF" SPV	Subsidiary
"Pirin Power" AD	Subsidiary
"Hemusgas" AD	Subsidiary
"Neo Agro Tech" AD	Subsidiary until June 28, 2011
"FINI" REIT	Subsidiary
"TFEZ Nikopol" EAD	Subsidiary
"Nevrokop gas" AD	Subsidiary
"Solar energy" OOD	Subsidiary until June 28, 2011
"Enemona Galabovo" AD	Subsidiary
"EMKO" AD	Subsidiary
"Regionalgas" AD	Subsidiary
"Hemusgas" 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
„Svilengrad-gaz" AD	Company under common control until September 7, 2010
„Botunya Energy" AD	Company under common control until September 30, 2009

All amounts are in thousand Bulgarian Levs, except otherwise stated

27. Related parties transactions (continued)

The table below discloses the transactions performed with related parties:

Related party	Type of transaction	Year ended 31.12.2011	Year ended 31.12.2010
"Agroinvest engineering" AD	income from construction contracts	-	5
	income from services	-	5
	other gains	1	6
"Enemona Utilities" AD	revenue from sale of electricity	4,514	-
	income from services	-	41
	other gains	52	29
	income from dividend	148	1,000
"Esco Engineering" AD	income from interest	-	5
"Enemona Galabovo" AD	income from interest	10	-
	other gains	177	10
	income from dividend	228	456
"EMKO" AD	income from interest	22	4
"Hemusgas" AD	income from interest	-	1
"FINI" REIT	income from rent	5	2
"TFEZ Nikopol" EAD	other gains	3	11
"EESF" SPV	income from dividend	34	71
	income from rent	7	3
"Artanes Mining Group" AD	revenue from sale of exploration for and evaluation of mineral resources	1,555	-
"PPP Mladenovo" EOOD	revenue from sale of property, plant and equipment	22	-
"Alfa Enemona" OOD	income from dividend	126	136
"G Oil Expert" EOOD	income	3	3
TOTAL INCOME FROM RELATED PARTIES		6,907	1,788

In 2011 and 2010 the Company has signed cession agreements with EESF SPV for the sale of receivables at the amount of BGN 1,810 thousand and BGN 3,443 thousand and as of December 31, 2011 and 2010 there are no unsettled balances related to these relations.

The table below discloses the expenses for related parties transactions:

	Year ended 31.12.2011	Year ended 31.12.2010
"Agroinvest engineering " AD	243	4
"Enemona Galabovo" AD	9,918	11,941
"EMKO" AD	3,677	3,688
TOTAL EXPENSES TO RELATED PARTIES	13,838	15,633

29. Reissuance of the separate financial statements for 2011 (continued)

b) Determining of the fair value of a financial instruments held for trading
On December 27, 2011 Enemona AD signed a Memorandum of understanding with a public company registered on the Bulgarian Stock Exchange (the Firm) for cooperation related to exchange of information and experience in the development of projects of renewable energy resources. Together with the Memorandum, Enemona AD receives 15,000,000 ordinary shares, issued by the Firm, from the biggest Firm's shareholder. The shares are transferred to Enemona AD on December 27, 2011 outside the regulated market. According to the agreement for the transfer of 15,000,00 ordinary shares, Enemona AD has the right to pay for the shares an amount equal to their par value in three-years-period from their acquisition or to transfer their ownership back until the expiration of that period.

Initially, at fair value determination of financial instruments held for trading including public company (the Firm) registered on BSE and preparation of the separate financial statements the Company used stock prices of BSE at regulated market. As a result the Company reported profit from revaluation of financial instruments at the amount of BGN 42,117 thousand, financial assets held for trading at the amount of BGN 53,700 thousand and non-current liabilities on trade with investments at the amount of BGN 11,583 thousand for the year ended December 31, 2011. After the date of issuance of the annual separate financial statements Company's management reconsidered its opinion regarding initial and subsequent measurement of the financial instrument. The Company estimated that the transaction represents purchase of option (right) for acquisition of financial instrument in three year period with net cash investment of BGN 0, and that the Firm's shares market is characterized with relatively low volumes. In these reissued financial statements the Company classifies the financial asset and the financial liability with option as financial instrument reported at fair value through profit or loss.

As a result in these reissued financial statements an adjustment has been made according to which recognized financial assets, financial liabilities and results from this transaction are reported at the amount of BGN 0 as of December 31, 2011.

c) Loss on sale of non-current receivables. After the issue date of the financial statements for the year ended December 31, 2011 the Company detected an error in reporting non-current receivables on ESCO contracts, which have not been recognized at amortized cost. As a result, in these financial statements additional loss from valuation of receivables on ESCO contracts at the amount of BGN 2,949 thousand has been recognized.

As a result of the above described errors the financial statements for the year ended December 31, 2011 issued on March 30, 2012 has been corrected as the effect on the respective items in these financial statements is as follows:

All amounts are in thousand Bulgarian Levs, except otherwise stated

29. Reissuance of the separate financial statements for 2011 (continued)

Separate statement of comprehensive income for the year ended December 31, 2011

	Year ended 31.12.2011	Effect of correction	Restated for 2011
Other gains and losses, net	18,481	(23,674)	(5,193)
(Loss) / profit before tax	10,094	(23,674)	(13,580)
Income tax benefit / (expense)	2,693	(1,698)	995
Net (loss) / profit for the year	12,787	(25,372)	(12,585)

Separate statement of financial position as of December 31, 2011

	As of 31.12.2011	Effect of correction	Restated as of 31.12.2011
Assets			
Loans and advances (non-current)	24,596	(2,949)	21,647
Deferred tax assets, net	2,520	41	2,561
Gross amount due from customers on construction contracts	22,002	(414)	21,588
Financial instruments held for trading	53,700	(53,700)	-
Equity			
Retained earnings / (uncovered loss)	17,475	(44,998)	(27,523)
Liabilities			
Current tax liabilities	493	(441)	52
Non-current liabilities on trade with investments	11,583	(11,583)	-

The changes in comparative information related to the above described corrections are as follows:

Separate statement of comprehensive income for the year ended December 31, 2010

The above described corrections a, b and c have no effect on the separate statement of comprehensive income for the year ended December 31, 2010.

Separate statement of financial position as of December 31, 2010

	As of 31.12.2010	Effect of correction	Restated as of 31.12.2010
Assets			
Deferred tax assets, net	-	1,162	1,162
Gross amount due from customers on construction contracts	38,531	(21,806)	16,725
Equity			
Retained earnings / (uncovered loss)	4,688	(19,625)	(14,937)
Liabilities			
Deferred tax assets, net	1,019	(1,019)	-

All amounts are in thousand Bulgarian Levs, except otherwise stated

29. Reissuance of the separate financial statements for 2011 (continued)

Separate statement of comprehensive income for the year ended December 31, 2009

	Year ended 31.12.2009	Effect of correction	Restated for 2009 година
Other gains and losses, net	1,455	(21,806)	(20,351)
(Loss) / profit before tax	11,220	(21,806)	(10,586)
Income tax benefit / (expense)	(1,232)	2,181	949
Net (loss) / profit for the year	9,988	(19,625)	(9,637)

Separate statement of financial position as of December 31, 2009

	As of 31.12.2009	Effect of correction	Restated as of 31.12.2009
Assets			
Deferred tax assets, net	-	1,201	1,201
Gross amount due from customers on construction contracts	29,026	(21,806)	7,220
Equity			
Retained earnings / (uncovered loss)	11,590	(19,625)	(8,035)
Liabilities			
Deferred tax assets, net	980	(980)	-

30. Geographical information

The Company operates in three principal geographical areas – Bulgaria, Germany and Slovakia.

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

	Revenue from external clients		Non-current assets	
	Year ended 31.12.2011	Year ended 31.12.2010	As of 31.12.2011	As of 31.12.2010
Bulgaria	63,312	76,364	34,934	35,340
Slovakia	13,591	9,677	414	312
Germany	1,846	-	34	-
Other	113	259	-	-
	78,862	86,300	35,382	35,652

All amounts are in thousand Bulgarian Levs, except otherwise stated

31. Contingent liabilities

As of December 31, 2011 the Company is a guarantor, co-debtor or avalist of promissory note on loan contract for loans granted to the subsidiaries by Bulgarian banks, as follows:

Type of contingent liability	Borrower	Bank	Amount of loan
Guarantor	EESF SPV	EBRD	13,691
Co-debtor	Enemona Utilities AD	Unicredit Bulbank AD	4,528

As of December 31, 2010 the Company is a guarantor, co-debtor or avalist of promissory note on loan contract for loans granted to the subsidiaries by Bulgarian banks, as follows:

Type of contingent liability	Borrower	Bank	Amount of loan
Guarantor	EESF SPV	EBRD	13,691
Co-debtor	EESF SPV	DSK Bank AD	1,000
Co-debtor	Enemona Utilities AD	Unicredit Bulbank AD	4,528
Co-debtor	Agro Invest Engineering AD	UBB AD	4,960
Co-debtor	Agro Invest Engineering AD	MKB Unionbank AD	750
Co-debtor	Lomsko Pivo AD	MKB Unionbank AD	500
Guarantor	Agro Invest Engineering AD	Emporiki Bank EAD	332
Avalist of promissory note	Lomsko Pivo AD	UBB AD	606

As of December 31, 2009 the Company is a guarantor, co-debtor or avalist of promissory note on loan contract for loans granted to the subsidiaries by Bulgarian banks, as follows:

Type of contingent liability	Borrower	Bank	Amount of loan
Guarantor	Agro Invest Engineering AD	Bulgarian bank	4,948
Guarantor	EESF SPV	International financial institution	9,891
Co-debtor	Enemona Utilities AD	Bulgarian bank	4,528
Avalist of promissory note	Lomsko Pivo AD	Bulgarian bank	628

As of the date of the preparation of the separate financial statements the subsidiaries service regularly the loans.

As of December 31, 2011 the Company is in compliance with all covenants of the loans granted to subsidiaries.

As of December 31, 2010 the financial covenants for the loans granted to subsidiaries have not been met, and as a result the repayment of the loans may be demanded in advance. The amount of these loans is BGN 10,910 thousand and they have been entirely guaranteed by Enemona AD. No provisions have been accrued in these separate financial statements in relation to this liability, because it is not probable that the Company will have outflow of economic resources.

As of December 31, 2009 the Company is in compliance with all covenants of the loans granted to subsidiaries.

31. Contingent liabilities (continued)

As of December 31, 2011, 2010 and 2009 bank guarantees have been issued on behalf of the Company, at the amount of BGN 46,110 thousand, BGN 61,856 thousand and BGN 43,394 thousand, respectively, which are related mainly to the construction works, including energy and other facilities.

32. Events after the reporting period

On January 9, 2012 the Annual general meeting of the owners of the warrants, issued by Enemona, was held, on which a decision was taken that they should not be exercised, since the current market price of the underlying asset (ordinary shares) on the regulated market is below the exercise price of the warrants.

On March 1, 2012, the Federal state enterprise "Federal Energy Service Company" of the Ministry of Energy of the Russian Federation and Enemona AD signed a Memorandum of Understanding. The Memorandum aims to promote cooperation and realization of joint projects in the fields of energy efficiency and energy savings in the Russian Federation, Bulgaria and third countries of Russian and Bulgarian business entities, by attracting funding for projects, as well. The parties will share experience in the area of energy efficiency and energy savings, including technical solutions, organizational approaches and regulations. The Memorandum of Understanding also envisages sharing of experience in the implementation of ESCO contracts (contracts with guaranteed results) and personnel trainings.

Enemona's subsidiary "EESF" SPV signed a Loan Agreement with the European Bank for Reconstruction and Development amounting to EUR 10 million for securitization of receivables arising from ESCO contracts, with providing of a collateral by Enemona AD, resulting from commitments as guarantor. The term of the loan is seven years and the annual interest rate is fixed for the whole period of the loan to the amount of 6.5%.