



Annual review 2005



Bulgarian Charities Aid Foundation, 65 Vitosha Blv., Sofia, Bulgaria

T: +359 (0)2 981 1901 F: +359 (0)2 987 1574

W: www.bcaf.bg E: bcaf@bcaf.org

Registered Charity Number 20021107001

competency
commitment

integrity

innovativeness

competency

innovativeness

integrity

Team

Elitsa Barakova
Executive Director
*Chair of Corporate Social Responsibility
Committee with the American Chamber of
Commerce*
*Member of the Consultative Council of the Local
Network of UN Global Contract in Bulgaria*

Penka Tsvetkova
Corporate Services Manager

Lyudmila Atanassova
NPO Training and Consultancy Manager

Kamelia A. Stancheva
PR and Advocacy Manager

Kiril Vassilev
PR and Acvocacy Assisstant

Kamen Georgiev
Financial Manager

Kristina Maglova
Marketing Expert

Lena Dragolova
Programme and Office Assistant

Angel Velkov
IT and Database Maintenance

Board of Directors

Chairman

Michael Tachev
Chief Executive, St. Cyril and St. Methodius
International Foundation

Members

Steven Ainger
Chief Executive, CAF UK

David Hampson
Chief Executive, Grenville Bulgaria

Ivo Eugeniev
Executive Director, Khan Asparuh

Lyuben Belov
Executive Director, NetInfo

Ivo Christov
Legal Advisor to Bulgarian Parliament

Nikolay Mladenov
Chairman of Board of Directors, European
Institute

Irina Nedeva
Journalist, Bulgarian National Television

Vision

A society in which giving in a committed way is a recognised part of everyday life.

Bulgarian Charities Aid Foundation (BCAF) has more than 10 years' experience of working with not-for-profit organisations. In the course of that decade we've provided training, run grants competitions and undertaken consultations. We've also spent four intensive years introducing and promoting effective giving models among companies in Bulgaria.

We offer comprehensive information and analyses to givers, organisations, the government and the media. We are working to create an information space about charity.

Mission

BCAF works to champion committed and effective giving in Bulgaria, enabled by a supportive legal framework. We contribute to the development of modern philanthropy and a strong not-for-profit sector by collaborating with:

- **business** to achieve its community goals
- **individuals** to make their giving simple and reliable
- **non-profit organisations** to increase their resources and effectiveness

Contents

Vision	1
Mission	1
Executive Director's foreword	2
Political environment in Bulgaria	3
Committed to effective giving	4
advocating a supportive legal framework	4
creating giving solutions	6
training and consulting NPOs	9
funding projects and people in need	11
Financial statement	17

Executive Director's foreword



This last year BCAF stepped into its first decade. It is not an easy task to recall of this period as of just "another successful year".

The relative youth of the sector of civil society organisations makes BCAF a respectable and solid organisation among our colleagues. We can affirm now, that the Foundation has built a recognizable reputation and name.

For those 10 years we have become known to numerous NGOs, companies, and media. It has often been the case that people come to our office directed by institutions we are not working closely with, institutions which usually say: "Go there, that's the only place you can get help" (and we only wish this can always be true). At the beginning of 2006 we received an exiting and unexpected recognition in an Internet Forum - an unknown to us person assured the participants in the discussion that the foundation can be trusted a 100%! Thank you all, we are glad to have that assessment and well strive to stick to it.

Back to this introduction to our annual report for 2005! We gathered 95 462 BGN in donations from Bulgaria, distributed funds amounting to 78 019 BGN and thus supported the lives of 49 children and youngsters and the work of 24 organisations.

We supported the fundraising campaigns after the floods by distributing information and by our own appeal based on payroll donations. We

collected 17 543 and at the beginning of 2006 helped 5 municipalities with new equipment.

We continued to collect information related to the development of philanthropy in Bulgaria and to discuss it with various stakeholders. We discussed draft laws and deficits in our legal system. We transferred knowledge and know-how to 67 non-profit organisations and companies, some 56 of them then experimented in practice the new skills in implementation of philanthropic activities.

Our achievements so far and the accomplishment of our midterm plans for development of philanthropy in Bulgaria would have been impossible without the lasting support of our donors: Charles Stuardt Mott Foundation and the Trust for Civil Society in Central and Eastern Europe; without the help and ideas of our founders and colleagues of the network of CAF organisations worldwide. Sincerely thank you for your trust; we honour your example and your advice.

By diversifying the sources of funding and increasing the share of income from own activities and from services for local companies and organisations, the Foundation is actively working to achieve financial stability. We completed the year with pledges and agreements for even more intensive work in 2006, with new corporate and individual philanthropic programmes to the amount of 244,000 BGN.

Political Environment in Bulgaria

In 2005 BCAF worked in a political situation of great dynamics – parliamentary elections, the upheaval entailed in the establishment of a new government; devastating floods, which affected the whole country; rapid changes to the legislation and a lot of generated by the country's impending EU accession.

The government and the not-for-profit sector

At the end of 2004 beginning of 2005 we saw too much interference of the state in areas traditionally occupied by NGOs – ie the lottery to motivate voting; and the special encouragements for donations to the state-run Fund for medical treatment of children, and the duplication of registering and overseeing institutions in the Law for Donations to Art. We can add to that the poorly organised first competition for state funds for NGOs, which distributed some 800,000 BGN (400,000 euro) with lack of information, absence of application and review criteria.

The disasters

In 2005, we experienced several disasters – two garbage crises in the capital; the pollution in Stara Zagora; the floods during summer, the incidents of ethnic conflicts. During the floods, NGOs showed little ability for cooperation between local organisations, volunteers, expert environmental organisations and financial intermediaries. As a result except for the Bulgarian Red Cross, all really visible fundraising campaigns were not run by NGOs but by the media and companies.

The elections

The elections brought the new nationalistic party Ataka and five other parties and coalitions into the Bulgarian parliament, but none with majority enough to form a cabinet. After difficult negotiations and while the country was suffering the severe floods disaster, a new government was born, supported by three parties and with the promise to make the country a full EU member in 2007. Only a vision like that can actually keep together the fragile coalition between three very different parties, coming with different pre-election promises and with different bases of supporters.

The new legislation concerning giving and volunteering

2005 brought improvements in tax legislation concerning giving: now companies can make donations and write them off as expenses, up to 10% of their financial result. Individuals were given better clarity on the application of the tax deduction for giving from the workplace, and mutual benefit organisations were excluded from the list of eligible recipients.

A new law for crisis management came into force on 1 March 2005. It provides a legal definition of volunteers and stipulates their rights, responsibilities and benefits when involved in crisis management activities.

The new law on donations for arts, which was introduced In October, defines for the first time organisations that act as intermediaries between donors and beneficiaries.

Committed to effective giving advocating a supportive legal framework

Since its establishment, BCAF initiates or joins campaigns and activities aimed at the creation of a better legal environment for the operation of not-for-profits and for giving in Bulgaria. We contribute to these processes by purposeful research and analytical work, by development of legal statements, ensuring media coverage, and organisational support.

We cooperate with major not-for-profit organisations, business associations, parliamentary committees and media in order to outline the opportunities to the development of a sustainable not-for-profit sector.

Research and analysis

In March 2005 we conducted the third national representative study of individual and corporate giving in Bulgaria. The research has been implemented by Alpha Research. Some 1000 citizens and 400 companies from the entire country have been interviewed. The statistics provided in the research became widely used and have been cited in all further analyses of giving attitudes and philanthropy events in Bulgaria.

The research in 2005 proved that Bulgarian consumers do prefer promotions, which are in one way or another connected with a cause and are quite concerned about the reputation and the social engagement of the company when deciding as clients.

Discussions

During the year we organised two main discussions on themes, which have been provoked by the research of attitudes towards giving. "Is philanthropy in Bulgaria effective?" analysed representatives of universities, the media and not-for-profit organisations. Is there unified definition of corporate social responsibility was the topic of the second discussion, in which business associations, funding not-for-profit organisations, representatives of the media and professional associations took part.

Supply of information

The Directory of Responsible Business – a joint publication of Bulgarian Charities Aid Foundation, Bulgarian Forum of Business Leaders and Bulgarian office PROON – has been distributed to over 1,300 companies, not-for-profit and media organisations.

We continue to develop www.bgblago.com website as a main information tool on issues connected with philanthropy and social engagement in Bulgaria. During the floods in summer 2005, the website offered comprehensive information about the ways people can donate in Bulgaria and abroad, as well as publications, analyses and comment on the situation.

Committed to effective giving advocating a supportive legal framework

Partnership

We continued to partner the Bulgarian Centre-for-Non profit Law, and the Bulgarian Donors Forum in joint activities to bring awareness about deficiencies in NGO laws, tax laws and other issues. We initiated and contributed to nine letters and statements to decision-makers and to the media and six events to discuss urgent or important issues.

The fundraising campaigns during the summer floods and higher level of charitable activity stressed issues connected with VAT on donated products and services as well as with VAT on short text messages sent in support to fundraising actions.

Media coverage

The information and advocacy activities of BCAF and our partners – Bulgarian Center fir Not-for-profit Law and Bulgarian Donors Forum drew major media attention.

Major interest was generated with the statistics from the Philanthropy survey for companies and individuals (19 articles) and the discussion on Floods campaigns and tax issues related to them (seven articles). The More and More Annual Awards (six articles), NGO legal problems including the theme on transparency of state budget subsidies for NGOs (two) and VAT problem for EU-funded projects (four), percentage philanthropy (one), issue of medical treatment of children (three), The Directory of Responsible Business (four). (Source, www.bgblago.com, Media monitoring)

Youth debates on the 10 anniversary of BCAF

On November 16, 2005, the Youth Council of Stara Zagora helped us to celebrate our birthday with debates on responsible giving.



Two teams of students discussed the mission, the activities and the challenges which the Foundation faces in front of representatives of the Community

Fund, the Chamber of Commerce and Industry, the Board of Directors and the team of BCAF.

“Difficult but exciting” was the participants’ appraisal of philanthropy in Bulgaria. They took seriously the task of distributing their financial rewards effectively for solving school problems.

Committed to effective giving creating giving solutions

With our services we help individuals give in a comfortable and reliable way according to their personal wishes and resources. We support the companies in Bulgaria to plan and implement modern social programmes, which bring lasting benefit both for them and the community.

In 2005 most popular among our services were payroll giving, the CAF Charity Account and consultancy on corporate projects.

Total sum of raised donations: 95,462.56 BGN
Fees from consultancy services: 8,180 BGN

More&More payroll giving programme

The More and More payroll giving programme has proved itself to be an efficient and effective way to support various charity causes by giving regular small sums.

	Start sum in BGN towards 01.01.2005	Donations in BGN raised in 2005	Donations in BGN distributed in 2005	Sums in BGN for next distribution towards 31.12.2005
Payroll giving	65,146.34	63,333.99	61,621.88	66,858.45

In 2005 some not-for-profit organisations chose to offer their prospective givers our payroll giving service. They are planning this way to receive a stable income for their activities and gain financial and organisational sustainability.

Ravenstvo association in Teteven recruited: 275 givers, monthly donation: BGN 364, expected annual sum raised BGN 4,368. The Community Fund in Stara Zagora signed contracts with 287 givers, money flow starts in 2006.

Floods 2005 Fund

In July 2005, BCAF initiated a crisis appeal in support of the damages from the flooded areas. The proposal aimed to build on the BCAF's internal capacity to manage employee gifts and diversify the ways in which donations can be raised without duplicating other humanitarian NGOs' efforts.

We asked both for payroll gifts and matching from the company.

With the support of the Bulgarian Business Leaders' Forum, American Chamber of Commerce and Bulgarian International Business Association the message was distributed among member-companies.

At the end of the campaign, the employees of 17 companies have donated 17,543 BGN. The most significant financial contribution was from the employees of Deloitte Bulgaria and Deloitte Audit. Their donations have been matched by the employer companies.

After a competition, which we announced in March 2006, the municipalities Veliki Preslav, Iskar, Venets, Rudozem and Samuil received ten motor pumps for pumping clean and dirty waters KOSHIN, models SHE-50X and KTH-50X as well as seven motor saws STIHL of type MS270 to drain flooded rooms and to clean blocked river runways when future disasters happen.

Committed to effective giving creating giving solutions

Individual and corporate charity accounts

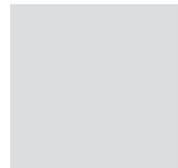
The Charity Account is a service, designed especially for individual and corporate givers who are willing to donate sums above 1,200 BGN per year and wish to plan their charity activities.

The Charity Account allows you to be flexible about the time you credit the account and the moment you decide to whom to grant your money.

BCAF provides security of the funds, help in identifying beneficiaries, provides monitoring and evaluation if needed.

	Start sum in BGN towards 01.01.2005	Donations in BGN raised in 2005	Donations in BGN distributed in 2005	Sums in BGN for next distribution towards 31.12.2005
Charity accounts	17,344.99	32,128.57	11,497.34	37,976.22

In 2005 we administered five individual and one corporate Charity Accounts. One Fundraising Account for a certain cause used the same type of administration.



Bulbank

In September, Bulbank chose to support the municipality and orphanage in Roman – which was damaged after the floods in August 2005.

A special Intranet site and PR campaign were organised among the bank's employees, dedicated to promotion of the cause. The campaign was launched in December with senior management support. Both the Bank and the Unidea Foundation – the corporate foundation of UniCredit group – offered to encourage employees' gifts by providing matching money.

258 individual donors joined the scheme. This means that within the project's one year lifespan we will raise nearly 96,000 BGN from Bulbank's employees' donations and their matching – an extraordinary high fundraising result.

Committed to effective giving

creating giving solutions

Consulting corporate projects

In 2005, BCAF was successful in providing consultancies to companies with relation to their philanthropic activities and sometimes to broader issues of corporate social responsibility.

Our company services include a consultancy and brokerage service. This is based on our experience as a grantmaker and a trainer, and on our contacts with NGOs including grantmakers and national umbrella groups.

The services are promoting strategic planning of philanthropic activities and using models like payroll giving, cause-related marketing and corporate grantmaking.

Wherever we can, BCAF is acting as a broker to other NGOs in the particular area of interest of the company – either through formally organised competitions or through negotiations with a short list of NGOs.

Globul

The mobile operator launched a cause related marketing campaign dedicating net profit of text messages sent on 25 December (total of 2m text messages), raising 117,000 BGN towards future children programmes.

The operator reported an increase in text-messaging compared to 2004, part of which they attribute to the relation with the charitable cause.

In addition, an internal campaign among GloBul employees again through text messages involved 419 employees, raised 2,541 BGN, which was tripled by the employer.

Online giving

Having registration with the ePay system for online payments, we offer you a choice to support a number of causes in different public spheres by making a donation through your debit card on www.bcaf.bg/bg/dari.

The pilot was launched in early December in cooperation with ePay – the online payments facility run by Datamax and with the support of NetInfo – who decided to support free of charge the advertisement via the Internet (worth net of some BGN 4,886.28). The first nine causes to support through online giving are five social and four environmental NGOs.

Our intention is to present a growing number of causes and organisations.

Future negotiations

In 2005 three negotiations with companies resulted with success and agreements for corporate programmes, which in 2006 will involve 15 NGOs, three orphanages and five schools and their Boards of Trustees.

These are GloBul, Bulbank (through Unidea Foundation), Bulgarian-American Investment Bank, totaling 154,000 BGN.

Committed to effective giving training and consulting NPOs

We support not-for-profit organizations to increase their resources and effectiveness.

Trainings

The main advantage of our training is the combination of theory and practical experience we draw on when introduction of innovative forms of giving. We offer not-for-profit organizations (NPOs) to master methods and practicing in resource mobilisation and in building relations with business and individuals, and support for other aspects in their organisational development.

Consultations

We help organisations work better building on their strengths and understanding on how to overcome their weaknesses. Consultations can concentrate on a particular organisational issue, or on the adaptation and implementation of theoretical knowledge learned in a training course.

In 2005 the BCAF team and its consultants spent a total of 152 hours of training and 117 hours of consultations for 52 organisations.

Trainings and consultations upon request

In 2005 BCAF received six requests for paid trainings. Compared to previous years, the enquiries from organisations as customers for paid trainings registered an increase. Almost all of the enquiries are for training in fundraising skills.

In 2005 we conducted trainings on request of the Association of Parks in Bulgaria, the Union of Hospitals "Stara Planina", Ikar Association – Haskovo, Counterpart International Bulgaria and Balkan Assisst Association. A total of 80 hours of training.

Training and consultations within our programs and projects

BCAF continued to partner with Organisational Support Foundation in the second round of the [programme for capacity building for youth not-for-profit organisations](#).

Ten organisations received pro bono training and support in the following areas: strategic planning and thinking, management of human resources and leadership, advocacy, fundraising and project management. Between the training sessions the organisations worked on an internal organisational development task. At the end of the programme 20 out of 25 organisations declared an improvement in their organisational development level.



Committed to effective giving training and consulting NPOs

In 2005, we started the work with the first group of ten participant organisations in the programme “An optimistic look at NPOs and local resources” aimed at increasing the volume of donations at local level and the diversification of donation models.

The programme offers training and support in the following areas: building and maintenance of relationships with individual and corporate givers, fundraising methods, marketing for NPOs.

Each organisation participated in two two-day long training and received two onsite consultations to support their work on particular fundraising initiatives.



Results towards the end of 2005

- each organisation developed either a fundraising plan for activities which were already launched or an operational plan of newly-developed initiatives, including fundraising operations
- six organisations produced leaflets, posters or websites for fundraising purposes
- two organised fundraising campaigns lasting several months through media coverage, Internet, local special events
- one organisation placed 47 donation boxes and raised more than 4,000 BGN
- nine organisations had some 140 meetings with local companies for fundraising – along with their causes they offered the businesses various ways to donate – one-off or regular donations; cause-related marketing; payroll giving; combination of some of these
- 275 payroll givers to NGOs’ causes through ‘More and More’ scheme were recruited in December, their first transfers to come in January 2006
- 43 companies made donations, eight signed contracts for monthly donations for one year from the beginning of January 2006, most of the other would donate again according to the NGOs’ assumptions
- one NPO organised special Christmas events and raised 2,625 BGN
- the Community Fund – Stara Zagora organised a business meeting for its donors. The meeting contributed to the increase in one third of the donations at the Christmas ball (15,000 BGN compared to 10,000 in 2004)

Committed to effective giving funding projects and people in need

A different approach by funding projects

This year we applied a different approach by funding projects in areas of interest for our givers: environmental protection, amateur arts and social care.

The grants for the chosen in a competition for not-for-profit organisations are not merely a grant but an investment in building fundraising skills in order to work more successfully for their causes. We gave them training and consultations on fundraising and organisational development issues.

Total amount of grants: 8,519.88 BGN, inclusive resources for projects approved in 2004 (3,169.88 BGN). Given to the new group of organisations – 5,350 BGN.

Environmental protection

Association of parks in Bulgaria – Sofia – 300 BGN

Fundraising objective – funds for purchasing privately owned lands within the territories of parks, in order to increase the protected lands. The organisation was granted 300 BGN to create and maintain a website within its main portal site. The new one is the Internet facility to fundraise for their campaign 'Our nature needs you now'. Donations raised 783 BGN.

The Bulgarian Society for the Protection of Birds – Sofia

Their objective is to raise money for 2000 platforms for safe nesting of white stork, for environmental protection of the lake complex near the town of Bourgas as well as for publishing multimedia product describing birds to blind children. The organisation is in the process of producing promotional materials. They are willing to start payroll giving among the employees of the Society first.

Environmental Association Za Zemiata – Sofia

The organisation aims to raise funds for environmental protection actions with volunteers. They are to start payroll giving in three companies.



Committed to effective giving

funding projects and people in need

Social welfare

Kids of Rousse Foundation – Rousse – 1200 BGN

Fundraising objective – 15,000 BGN until end of 2005 for purchasing an echo-graph for the child department of the local hospital.

The foundation was granted 1,200 BGN for publishing a leaflet and a poster; buying transparent donation boxes; buying a computer. With 47 donation boxes they managed to raise over BGN 4,000. They have raised donations from 26 companies as well. They achieved their fundraising objective and are planning their next fundraising aim.

We Exist Association – Sofia – 550 BGN

Fundraising objective – 4600 BGN monthly for a day-care centre for disabled young people.

The organisation was granted 550 BGN for publishing a promotional leaflet; and for materials and transport and administrative expenses for organising a Christmas fundraising event. Donations raised so far 2,700 BGN.

Future for Kids with Disabilities – Kasanlak – 980 BGN

Fundraising objective – 2000 BGN for equipment of rehabilitation centre for disabled children and its monthly maintenance.

The organisation was granted 980 BGN for developing a website and publishing a leaflet and a poster. They have a monthly donation of 180 BGN from two local companies.

Ravenstvo Association – Teteven

Their aim is to develop a daily care center for children with disabilities, which is going to provide family consultations to their parents as well. The organisation is in process of developing promotional materials for fundraising purposes. They already have 275 local payroll givers.

Children with visual impairment and multiple disabilities – Sofia

Currently, the pilot programme of the organisation includes 9 children with intellectual deficit, total blindness and autism, which have been integrated in two kindergartens in the town of Sofia. The organisation is developing promotional materials for fundraising purposes. They intend to start promoting payroll giving with our help.

Amateur arts

The Cultural Centre Prosveta – Burgas – 520 BGN

Their aim is to create a daily art center with a capacity of 60-70 children and young people, including such as disabilities. The organisation was granted 520 BGN for organising a Christmas fair of souvenirs produced by the children in the art-clubs; for publishing promotional leaflets; transport and office expenses for meetings with prospective donors. They succeeded to maintain glazing for the rooms, means for functioning of three ateliers, a pro bono made internet site and internet access. They are planning to introduce payroll giving in some local companies.

Committed to effective giving funding projects and people in need

Community fund

Community Fund Stara Zagora – Stara Zagora – 1800 BGN

The Fund is working in the sphere of social support, health care and protection of children with the joint efforts of the local authorities, civil organizations and companies in Stara Zagora. The organisation was granted 1,800 BGN to organise an annual meeting of givers with reporting and planning objectives. After this meeting 2 funds have been established – of Stara Zagora Hoding and of the local branch of First Investment Bank with more than 287 payroll givers.

Second financial transfers to projects approved in 2004

Organisation	Sum in BGN
St. Kouzma and Damian Foundation	199.75
Tchovekliubie Association – Passardjik	198.00
L. Karavelov Art Centre – Kurtovo Konare	75.73
Nadia Center - Rousse	100.00
Probuda Art Centre – Ivailovgrad	986,00
V. Levski School – Velingrad	197,40
Tchutchuliga Kindergarten – Pleven	200,00
Community Council – Dimovo	160,00
Razvitie Art Centre – Kozlovetz	198,00
Napredak Art Centre - Targoviste	161, 00
Local Initiative Group - Topolovgrad	184,00
Socially disadvantaged children – Dobritch	510,00

Medical treatment of children

37 ill children received financial help. The money was appropriated for stay during medical treatment, for implants and medicines, and for rehabilitation procedures.

The children suffer from different diseases for which medical treatment can only be provided abroad or needs expensive medicines and rehabilitation procedures that are not paid by the National Health Fund.

Total amount of distributed donations
31, 682 BGN.

Scholarships

Six pupils and six students with excellent marks will receive scholarships during 2005-2006.

The scholarships are aimed to encourage the efforts of young people without parental care to receive good education. The scholarships are granted for the period of ten months for the students and nine months for the pupils, respectively 100 BGN and 65 BGN per month.

Total amount of donations for distribution 9,510 BGN, of which 6,655 BGN have been distributed in 2005.

Committed to effective giving funding projects and people in need

Medical treatment of children

	Name	Age	Location	Illness	Funding in BGN	Designation
1.	Valentin Marinov	9	Sofia	Thalassemia	2,000.00	Surgical operation in Israel – associated expences
2.	Klara Georgieva	1	Sofia	Retinopathy of Prematurity	2,000.00	Surgical operation in Germany
3.	Tanya Kyamilova	1	Veliko Tarnovo	Retinopathy of Prematurity	1,267.00	Surgical operation in Belgium
4.	Viktoria Kyamilova	1	Veliko Tarnovo	Retinopathy of Prematurity	635.00	Surgical operation in Belgium
5.	Nikola Todorov	6	Montana	Infantile cerebral paralysis	1,100.00	Rehabilitation procedures
6.	M.D.	6	Kyustendil	Infantile cerebral paralysis	720.00	Rehabilitation procedures
7.	Petya Zafirova	5	Plovdiv	Infantile cerebral paralysis, encephalopathia	1,000.00	Rehabilitation and medicines
8.	Nikola Manolov	9	Ivailovgrad	Liver fibrosis	1,460.00	Transportation to Austria and medicines
9.	Vladimir Velichkov	10	Sofia	Thalassemia	2,000.00	Surgical operation in Israel – associated expences
10.	Kaloyan Davidov	2	Sofia	Retinoblastoma with metastases	265.00	Medicines
11.	Maria Minkova	7	Tcherven Briag		122.00	Medicines
12.	Donka Mihaylova	12	Loznitsa	Muscular dystrophy	503.00	Rehabilitation procedures
13.	Emiliyan Lilov	7	Sofia	Bronchial asthma	360.00	Medicines
14.	Lazar Stefanov	7 months	Novi Iskar	Prematurity	230.00	Special milk and rehabilitation
15.	Latchezar Stefanov	7 months	Novi Iskar	Prematurity	230.00	Special milk and rehabilitation
16.	T.Ts.	10	Vratsa	Hydroplasia	930.00	Surgical operation abroad
17.	Tsvetomir Mitkov	2	Gurmazovo	Retinopathy	1,430.00	Surgical operation in Germany
18.	Tanya Kyamilova	1	Veliki Preslav	Retinopathy	570.00	Surgical operation in Belgium
19.	Viktoriya Kyamilova	1	Veliko Tarnovo	Retinopatya	570.00	Surgical operation in Belgium

Committed to effective giving funding projects and people in need

Medical treatment of children

	Name	Age	Location	Illness	Funding in BGN	Designation
20.	Louis Arias	6	Sofia	Specific mental disorder	1,300.00	Rehabilitation procedures
21.	Radoslava Radkova	15	Sofia	Bone tumor	3,000.00	Implant
22.	Ivan-Alexander Fitchev	14	Botevgrad	Kidney transplantation	540.00	Stay and postoperative medical treatment
23.	Nikolay V. Todorov	16	Sofia	Terminal renal insufficiency	750.00	Stay in Austria
24.	Viktoria Lyubenova	5	Kyustendil	Infantile cerebral paralysis	750.00	Rehabilitation procedures
25.	Latchezar Georgiev	16	Sofia	Spinal muscular atrophy	560.00	Transportation
26.	Katerina Arapova	4	Plovdiv	One faintly seeing eye	1,000.00	Transportation and stay
27.	Viktor Stefanov	18	Sofia	Chronic renal insufficiency	450.00	Medicines
28.	Louise Arias	6	Sofia	bronchial asthma	420.00	Rehabilitation procedures
29.	Vanesa Demirova	13	Sofia	Infantile cerebral paralysis	420.00	Rehabilitation procedures
30.	Valeria Krushovska	6	Sofia	Infantile cerebral paralysis	420.00	Rehabilitation procedures
31.	Vesselin Iotov	8	Sofia	Acute lymphoblast leukemia	750.00	Rehabilitation procedures
2.	Bozhidar Stoyanov	1	Botevgrad	Infantile cerebral paralysis	1,000.00	Rehabilitation and transportation
33.	Hristofor Lukanov	45 days	Sofia	Internal hydrocephaly	1,800.00	Medical valve
34.	Lazar i Latchezar Kolevi	1	Novi Iskar	Severe chronic diseases	150.00	Food and medicines
35.	Ivan Vassilev	8	Veliko Tarnovo	Infantile cerebral paralysis	560.00	Transportation
36.	Yoanna Yordanova	10 months	Novi Iskar	Infantile cerebral paralysis	420.00	Rehabilitation procedures
37.	Tsvetan Puntev	16	Svoige	Internal hydrocephaly	1,000.00	Medical valve

Committed to effective giving funding projects and people in need

Scholarships

Pupils

Maria Anguelova Hristoskova is a student in 10th class at Neofit Rilski school in Donla Bania. Currently she lives in the home for children without parental care in Dolna Banya. She is an excellent student and has a lot of ambitions for her future.

Nevena Naumova Tuparova lives in the home for children without parental care in the village of Parvomai. She is an excellent student in 11th class at Paisij Hilensarski school in Parvomai. Nevena has plans to continue her education.

Ivan Yankov Yankov is a student in 12th class at Maxim Gorki school in Stara Zagora. Her parents passed away and his aunt looks after him and his brother. Ivan is an excellent student and is granted a scholarship for a second time.

Anelia Valentinova Pavlova has excellent marks and is a student in 11th class at A.S. Popov professional gymnasium. She lives at the home for children without parental care in the town of Belogradchik

Pavel Slavov Paskalev is a student in 10th class at A.S. Popov professional gymnasium in Belogradchik. He is an intelligent and ambitious boy. He was brought up at the home for children without parental care in Belogradchik.

Dinko Hristov Georgiev has no contact with his parents. Now he is living at Maria Terezia home for children without parental care in Stara Zagora. He is an excellent student in 10th class of Lyuben karavelov school. He specializes in Upholstery.

Students

Albena Kostadinova Ivanova is a second year student at the University of Forestry in Sofia. She is a scholarship student of the More and More programme for a second year. Albena lives with her grandfather and her sister.

Yan Vladimirov Banov is second year student at the Academy of Arts in Sofia. Yan has no contact with his parents and was brought up in a SOS Kinderdorf village. He is a scholarship student of the More and More programme for a second year.

Yuliana Penova Doneva is a first year student at the National Sports Academy in Sofia. She has no contact with her parents and was brought up in a home for children without parental care. Yuliana wants to be a football coach.

Plamen Mladenov Petkov is a second year student at the University of Shoumen. He studies pedagogics. He has no contact with his parents and was brought up at home for children without parental care.

Tatyana Stoicheva Teneva is a first year student at the University of Plovdiv, the faculty of pedagogics. She has no contact with her parents and was brought up at a home for children without parental care.

Denislav Rumenov Naidenov is a first year student at the University of Shoumen. He studies social care Denislav has no contact with his parents and was brought up at home for children without parental care. He would like to be a social worker.

Financial statement

Auditors' report



BDO AKERO Ltd.
Accountants and Consultants

Address for correspondence:
Alexander Zhendov Str.,
bl.1, fl.4
1113 Sofia/Bulgaria
Tel/fax: + 359 2 980 56 00
+ 359 2 873 48 69
E-mail: bdo@datacom.bg

TO
THE MANAGEMENT
OF BULGARIAN CHARITIES AID FOUNDATION
SOFIA

AUDITORS' REPORT

Responsibility of the Management and the Auditor

We have audited the accompanying balance sheet of Bulgarian Charities Aid Foundation as of December 31, 2005, and the related statements of income, cash flows and changes in equity for the year then ended. The financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), published by the International Federation of Accountants (IFAC). Those Standards require that the audit be planned and performed to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditors' opinion

In our opinion, the financial statements give a true and a fair view of the financial position of the Company as of December 31, 2005 and of the results of its operations, the changes of its cash flows and equity for the year then ended in accordance with the National Accounting legislation.

Sofia, 08.05.2006

BDO AKERO Ltd.


Bogdanka Sokolova, Managing Partner

CPA, Registered Auditor



Address of management:
18 Hristo Belchev Str.
1000 Sofia/Bulgaria

Specialized auditing company
included in the list of the
Institute of CPA in Bulgaria
Member of BDO International
Brussels Belgium

Financial statement

Balance sheet

December 2005

in thousands BGN			in thousands BGN		
SECTIONS, GROUPS, ITEMS	Current year	Previous year	SECTIONS, GROUPS, ITEMS	Current year	Previous year
A	1	2	A	1	2
A NON-CURRENT ASSETS			A SHAREHOLDER'S EQUITY		
I Non-current tangible assets			I Capital	10	10
1 Land	-	-	II Reserves		
2 Buildings	-	-	1 Revaluation reserve	-	-
3 Plant and equipment	8	8	2 Special reserves, including:		
4 Vehicles	-	-	- general reserves	6	18
5 Other tangible fixed assets	-	-	- other reserves	31	23
6 Expenditure for acquisition and liquidation of tangible fixed assets	-	-	Total for group II	37	41
Total for group I	8	8	TOTAL FOR SECTION A:	47	51
TOTAL FOR SECTION A:	8	8	C CURRENT LIABILITIES		
B CURRENT ASSETS I			I Current payables		
I Inventories			1 Payables to suppliers and advances from clients	-	-
1 Raw materials	-	-	2 Payables to financial institutions	-	-
2 Other current assets	-	-	3 Payables on trade loans	-	-
Total for group I	-	-	4 Taxes payable	3	1
II Current receivables			6 Payables to personnel	9	-
1 Trade receivables and advances to suppliers	7	-	7 Payables for social security funds	2	2
2 Court payables awarded	-	-	8 Other current payables	-	-
3 Other current receivables	-	-	Total for group I	14	3
Total for group II	7	-	II Deferred income	230	302
III Current financial assets	-	-	TOTAL FOR SECTION C:	244	305
IV Cash and cash equivalents					
1 Cash in hand	24	1	TOTAL EQUITY AND LIABILITIES (A+B+C)	291	356
2 Cash at bank	78	211	D OFF-BALANCE SHEET LIABILITIES	41	41
3 Blocked cash	174	101			
4 Cash equivalents	-	-			
Total for group IV	276	313			
V Deferred expenses	-	-			
TOTAL FOR SECTION B:	283	313			
TOTAL ASSETS (A+B)	291	321			
C OFF-BALANCE SHEET ASSETS	41	41			

Financial statement

Profit and loss statement for profit activities, December 2005

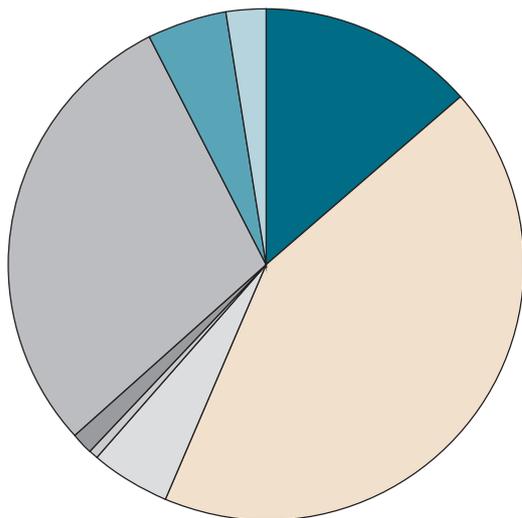
Classification of Expenses	thousand BGN		Classification of Income	thousand BGN	
	Current year	Previous year		Current year	Previous year
A Core Business Expenses			A Core Business Income		
I Expenses classified by economic type			I Net Income from sales of:		
1 Raw materials expenses	-	-	1 Finished goods	-	-
2 Hired services/ subcontractors	1	3	2 Goods	-	-
3 Depreciation and amortization	-	-	3 Services	12	3
4 Wages and salaries	6	-	4 material and non-material assets, rent	-	-
5 National insurance/ social security	5	-	5 Other	-	-
6 Other expenses, including:			<i>Total for group I</i>	12	3
-impairment of assets	-	-			
-provisions	-	-	II Income from financing including from the government		
<i>Total for group I</i>	12	3	B Total Core Business Income (I+II+III)	12	3
B Total of Core Business (I+II+III)	12	3	C Loss of Core Business	-	-
C Profit of Core Business	-	-	IV Extraordinary Income	12	3
IV Extraordinary Expenses			D Total Income (B+IV)	-	-
D Total Expenses (B+IV)	12	3	F Net loss (E+V)	12	3
F Net Profit (E-V)	-	-			
TOTAL (D+ V +F)	12	3			

Profit and loss statement for not-for-profit activities, December 2005

Classification of Expenses	thousand BGN		Classification of Income	thousand BGN	
	Current year	Previous year		Current year	Previous year
A	1	2	A	1	2
A. ACTIVITY EXPENSES			I. INCOME ACTIVITIES		
I. Expenses classified as defianed activity			A. Income from defined business activities		
1 Donations	73	106	1 Incum from donations under special conditions	258	231
Other expenses	-	-	2 Income from donations without special conditions	73	106
Total for section A :	73	106	3 Membership income	-	-
B. Administrative expenses	258	231	4 Other income	-	-
Total for group I	331	337	Total for group I	331	337
II Financial expenses			III Financial income		
3 Interest expenses	-	-	5 Interest income	9	4
4 Loss on dealing with financial assets and derivates	-	-	6 Income from investments	-	-
5 Foreign exchange loss	17	12	7 Profit on dealing with financial assets and derivates	-	-
6 Other financial expenses			8 Foreign exchange gain	39	8
Total for group II	17	12	9 Other financial income	-	-
IV LOSS OF OPERATING BUSINESS	-	-	Total for group II	48	12
V TOTAL EXPENSES	348	349	VI PROFIT OF OPERATING BUSINESS ACTIVITIES	-	-
VI RESULT	31	-	TOTAL INCOME	379	349
TOTAL (V+VI)	379	349	TOTAL (V+VI)	-	-
			INCOME ACTIVITIES	379	349

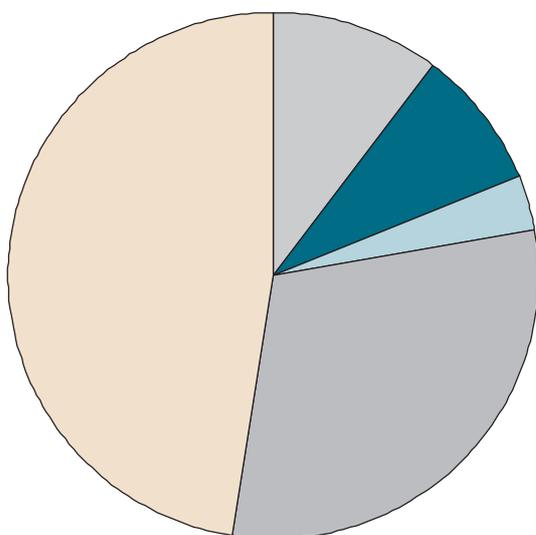
Financial statement

Sources of income



- Mott Foundation (14%)
- CEE Trust for Civil Society (45%)
- Charities Aid Foundation (10%)
- Organisational support Foundation (1%)
- Fees (1%)
- Donations all accounts (21%)
- Unidea Foundation (7%)
- Interest (1%)

Distribution of Expenditure



- Salaries (10.16%)
- Office costs (rent, consumables, communications) (8.63%)
- Organisational development (3.36%)
- Programme costs (programme remunerations, trainings, research, publications) (30.44%)
- Grants and donations (47.41%)