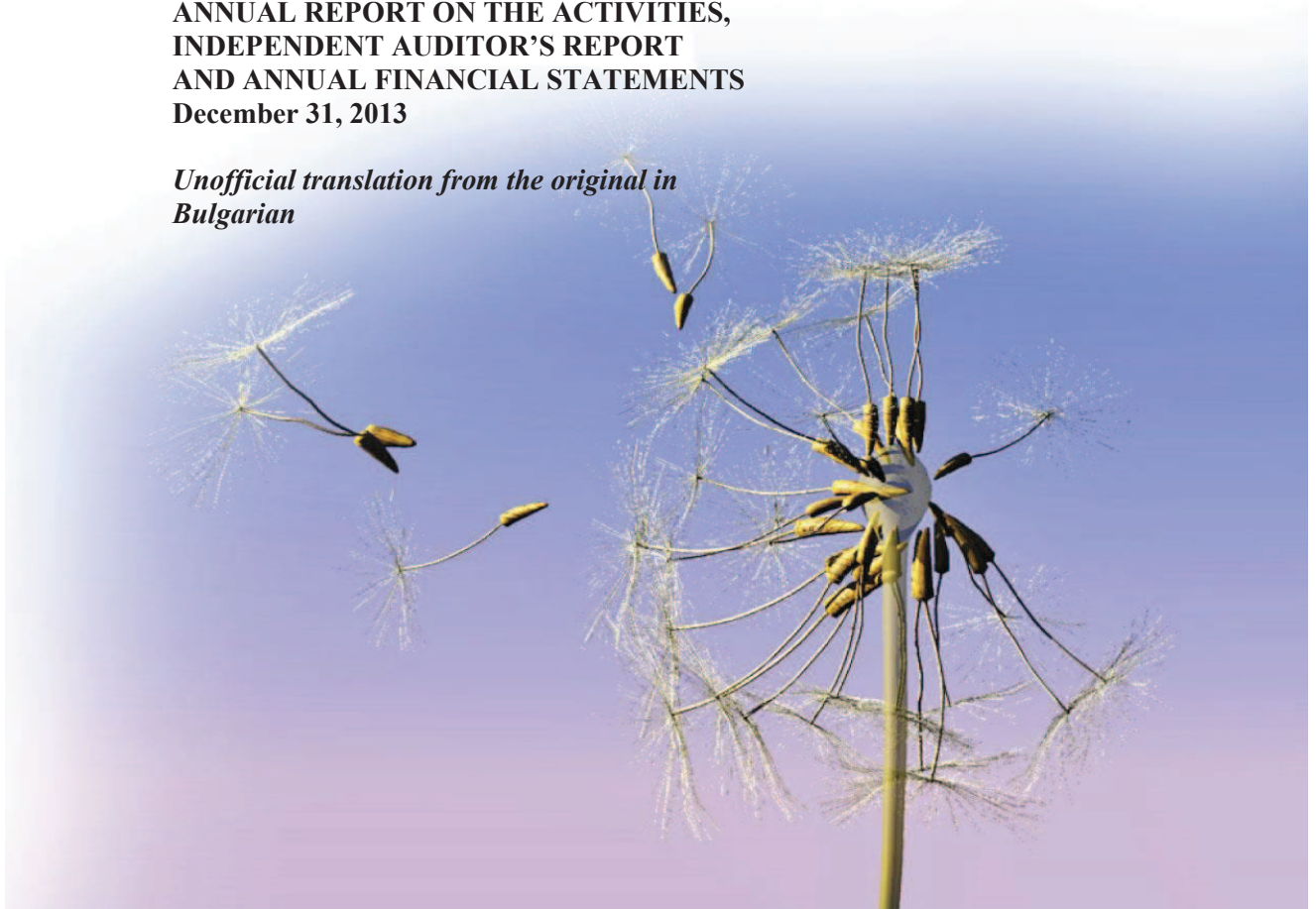


Connecting good people

BULGARIAN CHARITIES AID FOUNDATION

**ANNUAL REPORT ON THE ACTIVITIES,
INDEPENDENT AUDITOR'S REPORT
AND ANNUAL FINANCIAL STATEMENTS
December 31, 2013**

*Unofficial translation from the original in
Bulgarian*



BCAF Bulgarian Charities
Aid Foundation

Vision

A society where responsible giving is a recognized part of everyday life.

Mission

Bulgarian Charities Aid Foundation (BCAF) works to champion effective giving in Bulgaria, supported by an adequate legal framework

Our Goals

We contribute to the development of modern philanthropy and strong not-for-profit sector by helping:

+ **business** - to achieve its community goals

+ **individuals** - to give easily and safely

+ **non-profit organisations** - to increase their resources and effectiveness

BCAF was founded on 16th Nov 1995, registered under N 20021107001 at the Central Register for legal entities with non-profit purpose in public benefit.

BCAF is part of the International network of Charities Aid Foundation, represented in the United Kingdom, Australia, USA, Brazil, Bulgaria, India, Russia, Singapore and Southern Africa. CAF-UK is a unique organisation with enormous contribution to the development and provision of services for NGOs, corporate and individual donors. Together, all CAF organisations support charitable causes in more than 90 countries, distributing more than 1 million pounds every day.

BCAF is member of:

- CAF International Network (since 1996)
- American Chamber of Commerce (since 2000)
- Bulgarian Business Leaders Forum (since 2000)
- UN Global Compact (since 2003)
- Bulgarian Donors Forum (since 2003)

CONTENT

INTRODUCTION – 5

DEVELOPING THE GIVING CULTURE – 7

- ADVOCATING FOR FAVOURABLE GIVING ENVIRONMENT
- CAF WORLD GIVING INDEX
- PHOTOCOMPETITION PHILANTHROPY THROUGH THE LENS 2013
- SPORT CHALLENGES
- INTERNSHIPS
- BIRTHDAY GIFTS

SUPPORTING RESPONSIBLE COMPANIES – 14

- CORPORATE SOCIAL STRATEGIES AND PROGRAMMES
- ASSESSMENTS AND ANALYSIS
- CORPORATE VOLUNTEERING
 - Xlth Volunteering days
 - XlIth Volunteering days
 - Professionals at school
 - Individual volunteering initiatives
- PAYROLL GIVING
- PROUD WITH MY PARENTS' JOBS

SUPPORTING INDIVIDUAL GIVERS – 24

- INDIVIDUAL CHARITY ACCOUNT
- THE GIVING PLATFORM
- MOBILE APPLICATION FOR CHARITABLE SMS
- PRO BONO PROFESSIONALS

BCAF FUNDS – 28

- MEDICAL TREATMENT AND REHABILITATION FOR CHILDREN FUND
- GET READY TO SUCCEED SCHOLARSHIP FUND
- START UP FUND – SUPPORT SOCIALLY DISADVANTAGED YOUNG PEOPLE TO FIND JOBS
- CHARITABLE EVENTS FUND

PROGRAMMES – 33

SOCIAL ENTREPRENEURSHIP
DMS PROJECT
TRANSNATIONAL GIVING
HELLEN RINKER ASHLEY FUND, CAF AMERICA
LET'S ACHIEVE MORE
THE SCHOOL – COMMUNITY CENTRE

BCAF PEOPLE – 41

INTRODUCTION

WHAT WAS 2013 like?

What does 2013 stand out with?

with the protests that marked our everyday lives from February on all through the year and catalyzed both the political and social processes, that will affect us in the year to come.

with the refugees' waves, which not only challenged the institutions, but also revealed how good-hearted and how evil we can be at the same time.

the poverty which has become a norm for a large part of our society and which is the probable reason why Bulgarians are ranking first as the "Most suffering" nation in the annual international sociological survey of Gallup International .

the void when it comes to freedom of speech and truth in the media. Bulgaria lost yet other 7 positions in the World Index for freedom of speech, published by Reporters Without Borders and is now at 87th position.

the assertion that Bulgarian students remain at the bottom in terms of literacy rates in Europe, according to the international survey of secondary education - PISA. 41% of young Bulgarians up to 16 years old are illiterate; some 38* never complete their education.

We can conclude that 2013 was the year of discontent, of separation, of alienation between individuals.

But not only that.

2013 was the year when due to protests, refugees and various challenges we became citizens.

The Bulgarian students won all gold medals and awards from international competitions in Mathematics and Physics. A New Bulgarian Patriarch was elected, and the Bulgarian Orthodox Church became the institution yielding the most credence from the citizens.

For us at BCAF 2013 was a year of sustainability and growth.

Despite the social turbulences, we managed to keep the flow of donations on the rise, a trend stable throughout the last decade.

In 2013, we received 1 907 884 BGN for our charitable causes, 341 259 BGN more than the previous year (donations in 2012 – 1 566 625 BGN). Online donations through the Giving platform of BCAF also increased by 56%, in comparison with 2012.

We are able to achieve such results thanks to the unique place of BCAF – equally close to, firstly, the social needs and capable local NGO's; secondly – close to the giver, the individual who believes in making good; and thirdly - to the corporate donors with strategic plans. We are successful because donors such as Paladin Realty Management, America for Bulgaria Foundation, C.S.Mott Foundation, CAF America place their confidence in us.

Because we work with allies.

Behind those achievements there stands a very capable and motivated team, supported by a wonderful Board of Directors.

In 2013, two new members joined our Board of Directors: Mr. Georgi Nikolov – Secretary General of Aurubis Bulgaria and Mr. Zachary Hampson – Managing partner at Technology Transfer Associates.

In 2013 we launched several new programme areas. We started working in the field of social entrepreneurship. We tested a new mechanism for partnership with schools, alumni associations and Boards of Trustees. Our interest in investing in community development, resource mobilization and encouragement of individuals from rural areas to become entrepreneurs is growing.

2013 was a tough, yet a successful year. Thank you!

*Elitsa Barakova,
executive director, BCAF*



D EVELOPING THE GIVING CULTURE

Our goal: To contribute to the development of an effective giving culture; to contribute to the introduction of legislation that encourages giving and of public-oriented policies that support philanthropy

Our activities: We carry out research and analysis of key aspects of philanthropy. We organize public forums/discussions and distribute information so that the society is well informed about the giving opportunities and results; we strive to help organizations and companies become well aware about the social attitudes and needs.

Based on our own experience, in light of our analysis and researches, learning from the experience of others, we work together with experts and colleagues on proposals for legal changes and we advocate for better policies.

ADVOCATING FOR A FAVOURABLE GIVING ENVIRONMENT

Our membership in business associations allows us to impact the development of CSR policies of corporate members. Together we develop programmes, which change public attitudes towards philanthropy, employees' engagement and company's involvement with communities.

Since 2008, BCAF's Executive Director co-chairs the CSR Committee of the American Chamber of Commerce.

As a member of the Bulgarian Donor's Forum, we actively participate in advocacy and public actions, aiming at improving the giving environment. For example, in 2013 we jointly countered the amendments offered in the Law on Disclosure of Property of persons occupying high state ranks.

Knowledge sharing is among BCAF's most important values and goals. We strive to be a trustworthy and valuable source of information about giving and philanthropy in Bulgaria. We purposefully analyze our own experience, the experience we gain through our consultancy work as well as the experience of our colleagues. Our research aims at studying philanthropy and charitable giving, as well as enhancing their understanding in terms of motivation and opportunities for growth.

WORLD GIVING INDEX

Bulgarians become more and more generous according to the CAF's World Giving Index, the most detailed survey of charitable behavior of people around the globe in its 2013 edition.

The report measures three key indicators of giving — giving money, time (volunteering) and helping a stranger.

For Bulgaria the numbers (helping a stranger – 36% and giving time – 7%) are the highest since the country has taken part in the survey. The percentage of people who have made donations has increased by 5%, thus reaching 15% of the population. A year earlier they were 10%.

As a whole, the world became a more generous place last year – according to the new report. Despite the global economy recession, the average percentage of people giving money, time and helping a stranger has increased.

The growth is most substantial when it comes to helping strangers – 200 million more people made such a gesture in 2012.

According to CAF's World Giving Index USA is the most generous country, followed by Canada, Birma (Myanmar) and New Zealand share the 2nd place, Ireland takes the 5th. The following five places go as follows: United Kingdom (6), Australia (7), Netherlands (8), Qatar (9) и Shri Lanka (10). At the bottom of the list are Greece (135) and Croatia (134).

Bulgarians are becoming more and more generous each year. However, our country continues to be among the last 20 countries. – This year we take 118th place out of 135 surveyed

„All in all, the World Giving Index reminds us, above everything else, that we don't have to be rich to be generous and that it is very important to give regularly – money, time, expertise, any time we can”

Elitsa Barakova, Executive Director of BCAF

PHOTO COMPETITION

“PHILANTHROPY THROUGH THE LENS” 2013

More than 300 photographs took part in the photo competition “Philanthropy through the lens” this year. It was organized by BCAF, in partnership with the Bulgarian Donors Forum with the kind support of the America for Bulgaria Foundation. The competition was open to professionals and amateurs, children and adults; it aims to popularize the role of philanthropy in society.



*„He and the music“
Author: Kaloyan Bogdanov,
winner, Philanthropy and
Culture category*

Among our partners in 2013 were: Photo Forum, “Yanka Kyurkchieva” Photo academy, VIVACOM art hall, Bulgarian photographic association and friends, Sofia – a candidate for European capital of Culture 2019.

The participants competed in 9 categories, and the Jury consisted of: Boris Misirkov, Elitsa Barakova, Veselin Borishev, Krassimira Velichkova, Nadejzda Pavlova, Nadejda Chileva and Yavor Popov and Nikolsy Vassilev.

Besides the awards, provided by the sponsors Aurubis Bulgaria and Sofarma, the winners got the admiration of both Jury and audience, shared the emotions and hopes, associated to their charitable causes. The awarded photographs were exhibited at the Art Hall VIVACOM and printed in the special catalog published in the cultural-information guide – “Programata”

The winner in the “Philanthropy through the eyes of the children” category, the 12 year old Ivailo Atanassov, received an Olympos camera. Diana Pavlova, winner in the “Philanthropy and Ecology” category won a weekend for two, provided by Odisea In.

*„Master Boyan and the screech
– owl“*

*Author: Ivailo Atanassov, age
12,
Public vote award*

The Photo competition “Philanthropy though the lens” was welcomed very warmly by both the NGO sector and the professional photographers.



SPORT CHALLENGES

In 2013 we continued to work with BEGACH / **RUNNER Sport club** raising funds for water therapy for children with chronic diseases. Members of the club have various professional backgrounds, all sharing their passion for sport activities and a desire to help.

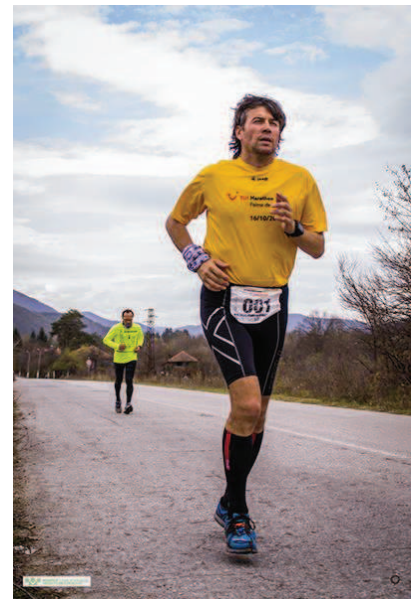


During our second year of partnership the athletes organized **four charitable marathons** for their cause: on the 19th May – Pancharevo lake run, within the Sofia Marathon – 21st October, during the "1000 Balkan Charity Challenge" (1-11 November) and during the Sofia Evening Run in the Borisova Garden – 17th October. The total of **14 429 BGN** were raised.

The second edition of the transnational marathon - **1000 km Balkan Charity Challenge** was a very special event, too. It was initiated by marathon runners from Bulgaria and Roumania (Runners club and „RO club Maraton“). UniCredit bank group supported the initiative, and BCAF was the main charitable partner for Bulgaria.

The marathon popularizes Romanian and Bulgarian charitable causes and raised for them **over 72 000 BGN.**, it raised also more warmth, solidarity, positive energy, which attracts more participants for the next events.

The creator of 1000 km Balkan Charity Challenge – Mr. Stanislav Georgiev: “Life has a meaning, when we do good”.



The Bulgarian causes: Get Ready to Succeed Scholarship programme (BCAF), Sport for children with disabilities (BCAF and Runners sport club); Home care programme (Caritas-Rousse), Daily Centre for children with disabilities (BALIZ-Pleven), Support fund (Unicredit Bulbank, BCAF), Bakery on wheels (Bread houses network).

The countdown for the third edition of the great Balkan challenge has already begun. It will be held 1-11 November 2014. The registration at www.1000balkan.com is already open and the places are limited.



Several young people decided to raise funds for BCAF causes through sport challenges, too.

The Bulgarian student, **Stanislava Georgieva**, ran 21 kilometers during the marathon in Madrid, Spain, on 7th April 2013. The raised funds - 1057.95 BGN, she donated to the National transfusion hematology center in Sofia.

Svetlin, Dessi, Plamen and Dimitar performed a free fall jump from 4000 meters height and dedicated it to the Medical Treatment and Rehabilitation for Children Fund of BCAF. The sum raised was 600 BGN.

Despite the fact that the Bulgarian participants were fewer in comparison to the Romanians, **the 6 Bulgarian causes received donations of 9 592 BGN,- about 24% of the sum total.**

INTERNSHIP PROGRAMMES

In 2013 BCAF started its cooperation with the departments of two of the most prestigious universities in Bulgaria – The Sofia University “St. Kliment Ohridski” and the New Bulgarian University.

In March we worked with the Faculty of Journalism and Massmedia Communications of Sofia University and the Students TV channel Alma Mater.

In June we launched a joint internship programme with the department of Film, Advertising and Show business at the New Bulgarian University.

The students were asked to shoot fundraising video clips and video messages of NGO's, in favour of charitable causes. The young people created very high quality products with the support of their mentors.

It was a mutual benefit programme - the students worked on real cases, on site; practicing their future profession. They get a closer look at the real issues which cannot be tackled at school. The nonprofit organizations got new video promotion tools that help them showcase their work and what they need funding for.

The programmes were realized within the frames of “Let's achieve more “ programme, funded by America for Bulgaria Foundation.



BCAF dedicates its birthday to a charitable cause

On November 16th Bulgarian Charities Aid Foundation celebrated its 18th birthday. For a second year we dedicated it to a charitable cause.

Make presents that matter!



Our birthday wishes were for all the members of our team to be in good health and for all the good deeds to be successful. We asked our friends and guests, instead of giving us presents and bringing us flowers, to give a small donation for our "StartUp" Fund. The Fund, that BCAF established 4 years ago, supports underprivileged young people by financing organizations that provide them with training, so that they are successful on the labor market. We received **2501 BGN**.

Thank you! With these donations we funded initiatives and activities in favour of young people, raised in institutions, orphans, at the threshold of their independent lives.

SUPPORTING RESPONSIBLE COMPANIES

Our goal: to support sustainable corporate community investment of the companies

Our services: To companies, we offer advice, training, consultancy and assessment of the effectiveness of their CSR programmes, as well as development and management of CSR programmes and strategies.

Corporate Social responsibility has become an integral part of the profile of every company. Thanks to our professional experience and understanding of the needs of social, educational and environmental organizations, we consult companies how to develop recognizable and useful social programmes.

In 2013 BCAF worked on the CSR programmes of several of the **biggest companies** in the country.

We worked in partnership with three wonderful business associations – The American Chamber of Commerce, The Bulgarian Network of the UN Global Compact and the Bulgarian Donors' Forum.

We worked with 25 of the largest companies in the country.

We gathered:

- 176 778,50 BGN payroll donations,
- 670 985,65 BGN corporate donations,
- 230 329,18 BGN donations for BCAF appeals.

We invested those funds in socially responsible programmes.

CORPORATE SOCIAL STRATEGIES AND PROGRAMMES

BCAF provides support in the planning process, in identifying trustful partners to implement the programmes, and in the very process of implementation of the corporate giving programmes. Being well acquainted with the active non-profit organizations and projects, we invest our knowledge in building programmes, adequate to the needs of the beneficiaries and compliant with existing policies in the specific area. No matter if we organize a local programme for a few thousand BGN or a bigger grant programme, at BCAF we will give you all the attention and professionalism that you need to be successful.



Client: M-TEL

Programme: M-Tel Eco Grant

For a 5th consecutive year we organized M-Tel Eco Grant programme, which funds projects in the following three areas:

- Protection, maintenance and restoration of habitats or species;
- Encouraging and promoting bio agriculture practices;
- Locating and protection of ancient trees and forests.

Some five environmental projects were selected among 28 applications to receive grants to the total sum of **50 000 BGN**.

BCAF's role included development and design of the programme areas, aims, procedures, application forms, assessment of the applications, recommendations for funding, re-granting, monitoring and reporting. All successful applications participated in a workshop on monitoring and evaluation and communication with media prior to the launch of their projects. We have also linked the granting process with the requirements for strict and well-organized media coverage of each of the initiatives.

The projects:

- Green Balkans Rescue center “Game birds help in the field”;
- *Agrolink Association* for sustainable environmental solutions - „Together with the children at the bio-garden-2”;
- Biodiversity Foundation „Look more about the bats”;
- Bulgarian Society for bird protection “Protection of the population of the white tailed eagle
- „Ecocommunity Foundation – project „Aged old trees in the age-old city 2.0” .



Client: MANIA Stores chain
Programme: Mania helps

MANIA Helps is the social programme of MANIA Chain Stores, managed by BCAF for a second consecutive year. In 2013 the programme supported the medical treatment of 12 people – children and adults. The sum total of the programme is **35 860 BGN**.

The programme MANIA Helps aims at providing financial support for the medical treatment of individuals who need to cover the costs for medical services - surgical operations, manipulations and recovery treatment at hospital; costs for transport; for buying medicines and medical devices.

The criteria for financing are the following:

1. Urgent necessity
2. Use of the existing other resources from state/ municipal aid
3. Completed stage of treatment, not a regular medical procedure

Client: Paladin Realty Management
Programme: Corporate Charity Account

At the beginning of 2013 the company entrusted to BCAF the management of its corporate charity account. This BCAF service allows for the company to make donations all through the year, to add funds and to choose which causes will receive support – all with the professional assistance of BCAF.

In 2013 the donor decided to support the project of Caritas Bulgaria – providing home care for elderly people, Values Foundation, Bulgarian Food Bank and the studies of Ivailo Vasilev in USA.

The sum total of financial aid provided to these projects was **104 200 BGN**.

At the end of 2013 the company donated **391 166 BGN** which will be used in 2014 to develop a programme in support of elderly people in Bulgaria.

Caritas Bulgaria
Home care project

In 2013 some 335 elderly people in need received complex (both health and social) care at their homes. Besides their professional support, the Caritas social workers provided the human touch and personal attitude and warmth, so much needed by the elderly.

With the donation of 30 000 BGN, we covered partially the remuneration of the social workers of Caritas in all 6 centers.

„Infrastructure support” for the Bulgarian Food Bank

The Charity account funded the reconstruction work at the new store house of the Bulgarian Food Bank – a building of 144 sq.m., located in Sofia, at Slatina Bulgarplod Marketplace. The aim was to make the repairs and to install ventilation and cooling systems in the new storeroom.



„With the financial support for the expansion of the logistics infrastructure of BFB, we can now fully take our place as a reliable partner of the food industry in the realization of socially responsible programmes – reducing food waste and providing sustenance for underprivileged groups of people... all year round.

Tzanka Milanova,

Director of BFB



ASSESSMENT AND ANALYSIS

BCAF provides its expertise in analysis of regional opportunities for investments in social causes; for the potential for CSR policies development and the improvement of CSR strategies.

During 2013 our clients were Aurubis and TITAN – Zlatna Panega. Based on the research and assessments, produced for them, BCAF engaged in supporting the companies' strategic projects and regional programmes, also helping their local partners.



CORPORATE VOLUNTEERING

Volunteering gives an opportunity to the individuals for self-expression, for reaching out to other people and causes by donating time, skills and efforts. When people are supported by the company they work for, those initiatives can achieve a much greater effect.

Corporate volunteering helps both the community and the employer. It builds the team spirit of the employees by sharing positive emotions and experiences and brings personal satisfaction to volunteers through knowing they are part of a socially responsible company.

BCAF negotiates the programmes directly with the Human resource departments of the respective companies or with team-building agencies.

The national volunteering days are a joint initiative of the **Bulgarian Charities Aid Foundation with the American Chamber of Commerce since 2008**. They have already had 12 editions. The Volunteering days provide opportunities for the companies to support their employees' efforts to work in benefit of the community.

11th Volunteering days

On the 18th and 19th May, more than 600 people from 16 companies in Sofia, Pleven, Sliven, Varna and Stara Zagora joined the Volunteering days. Together they cleaned parks, worked at Daily centers for people with disabilities, Homes for Elderly people, etc. Some more people, who learned about the initiative via social networks, as well as passersby, also joined the work sites.

The participating Employers, members of AmCham, supported their employees to spend the "Working hours" of that Saturday not in the offices, but in benefit of a public cause. Besides that, the companies also provided all the necessary tools and materials – gloves, plants, paints, etc.



On Saturday, 18th May, volunteers cleaned archeological monuments in Sofia, including: The West Gate of Serdica, the Antic mausoleum in the South Park, the Polytechnic Museum, the National Museum of Military History and the yard of the Boyana Church.

On Sunday, May 19th, volunteers cleaned the route of the charity marathon of the amateur Runners' sport club at the Pancharevo Lake in which more than 250 participants took part.

The 11th Volunteering days was organized in partnership with the American Science Center – Sofia, the Association for Sofia and the Municipality Cultural Institute – „Sofia History Museum” in support of Sofia – Candidate for European Capital of Culture 2019

The participating companies were: 3M, American Science center – Sofia, August Research, Balkan Star Automotive, CMS Kameron Mccenna, Experian, ABS, Japan American Tobacco International Bulgaria, Kempinski Zografski hotel, Mtel, PWH Coopers Bulgaria, VMWare Bulgaria, Armina, Atos IT Solutions, Deloitte, Djingov, Guginski, Kjuchukov and Velichkov, Aims Human Capital, Contur Global, Metropolitan Hotel, Park Inn, Radisson Blue, Titan Zlatna Panega, Trust for Social Alternative.

12th Volunteering days

The next 12th edition of the initiative, was held 12-25 October 2013. In more than ten locations: Sofia, Plovdiv, Rousse, Blagoevgrad, Varna, Pleven, Stara Zagora, Sliven, Zlatna Panega, Yablanica, etc. Its main focus was education.

On the 12th October, Saturday, traditionally, volunteers helped at daily centers for young people with disabilities, cleaning and planting public sites and institutions, related to informal education – libraries, community centres, and museums. All the necessary materials and equipment were provided by the participating companies.

„Professionals at school“

The volunteering programme “Professionals at school” was also part of the autumn edition of the Volunteering days. Between 14-25 October employees from 18 Bulgarian and multinational companies entered the classrooms in 20 schools and spoke with the students about their professions and the way to succeed.



Nina Koleva, journalist at Bulgarian National Radio and students from 17 Secondary school, Sofia

The students met individuals from various industries - banks, financial institutions, telecommunications, IT, Law, HR, public administration, media.

Our aim is to focus the attention to one of the final goals of education – to teach and train people who can be successful and who will later contribute back to the society through their own work and knowledge.

We focused on the way business participates voluntarily in various initiatives and supports the idea that at school you study not simply in order to receive a high grade, but also to learn how to succeed in life.

The messages of the campaign were that the school subjects are gateways to real life knowledge and that schools should cultivate the habit of lifelong learning and the understanding of our responsibility to give back to society with our skills, experience and work.

Individual volunteering initiatives

BCAF connects companies and beneficiaries of volunteering projects and helps them in figuring out how to make the most of the time and skills of their employees.



Client: Bulstrad Life Vienna Insurance Group
Days of social activities programme

For a third consecutive year BULSTRAD and BULSTRAD LIFE organized their “Days of social activities” initiative with the support of BCAF. From October 25th till November 8th more than 100 volunteers worked in Bourgas, Varna, Pleven, Plovdiv, Rousse, Sofia and Stara Zagora.

In Sofia and Plovdiv the teams volunteered for the Bulgarian Food Bank - collecting fresh fruits and vegetables, transferring them in the storehouse and keeping a list of all the received donations.

In Bourgas, Varna, Pleven, Rousse, and Stara Zagora the volunteers bought and distributed over 1 ton of food products in the form of food packages to 183 families of people with disabilities, members of the Bulgarian Association for Persons with Intellectual Disabilities (BAPID).

In addition, the volunteers helped in the production of Christmas cards and souvenirs, which were later sold at the Charity Christmas bazaars of the Association throughout the country.

Client: Mondelez Bulgaria



In 2013 we worked with Mondelez Bulgaria/former Kraft Foods Bulgaria/, and they dedicated their traditional autumn volunteering day to the locations where the company operates: Sofia, Svoge and Kostinbrod. Some 50 volunteers took part in the construction works of the wooden bridge in Vitosha park, cleaned the Secondary school “Dr. Petar Beron” in Kostinbrod and participated in the cleaning of an illegal waste collection spot in Doburchin village, region of Svoge.

MORE AND MORE PAYROLL GIVING PROGRAMME

„More and More programme” is the first Bulgarian professional mechanism for payroll giving, established in 2001.

Payroll giving gives the opportunity to any individual with a labour contract to donate a small sum for charity of his/her choice on a monthly basis, with the support of the Employer. The funds from his/her colleagues and other participants in the programme are added up to achieve more impressive results.

Some companies choose to double the funds, raised by their employees, showing their support and encouragement

Payroll giving has been one of the successful fundraising mechanisms over the past year. In 2013, the payroll donations form 9.26% of all raised funds - we raised 176 778.50 BGN for our causes via this mechanism, while in 2012 the funds received were 164 950 BGN.

The most popular causes, supported by payroll giving remain the scholarship fund Get Ready to Succeed and the Medical Treatment for Children Fund.

Prospects: More and more companies ask from BCAF to organize for them programmes that combine volunteering and employee giving. The employers are ready to learn more about the motivation of their employees and to support long-term actions for their commitment.

In 2013 via **payroll donations** we have received **176 778.50 BGN** for our charitable causes.

PROUD WITH MY PARENTS' JOB

“Proud with my parents’ job” project was initiated by the companies - members of the Bulgarian Network of UN Global Compact while discussing major social issues, in solving which the network recognized its place and role. No doubt such problems are the poor quality of education, the lack of connection between education and real business, the necessity to establish career education and orientation at school. Contemporary surveys show that children today will have several jobs, will need to constantly acquire new skills and technologies, to adapt themselves very quickly to the changing working environments, to be flexible, creative and independent.

The main goal of the project is for us - the adults, to show to the children that work is a necessity and a value and that every person is necessary and important to the society, no matter what his profession is. The initiative comes as an answer to the needs of the young people to get oriented in the world of constantly growing number of new jobs.



BCAF was invited by the Bulgarian Network of UN Global Compact to develop the concept and produce the Guide, which the companies could use to organize their own “Proud with my parents’ job” project.

BCAF used its experience in events management and organization of volunteering activities for employees, its knowledge of techniques of informal education.

The Guide is both completed and flexible product, and gives the companies the opportunity, regardless of their size, industry, and other specifics, to apply practical ideas for the achievement of universal goals and values.

Participants in the “Proud with my parents’ job” project were: Overgas Inc, Contour Global Maritza Iztok 3, TechnoLogica, Asarel Medet, Deloitte, Aurubis Bulgaria, Bulgaria on Air, Piraeus Bank, Mobilitel, Dokovska, Attanasov and partners Law company, C Ibank and Ognianovo K.

On Nov 1st, the Day of the National Enlighteners, 12 companies with more than 8 500 employees opened their doors to the children, to show them why the jobs of their parents are important. Over 500 children learned not only what exactly their Moms and Dads do at work, but also learned about other important topics: money and its role, safety at workplace, the role of Internet, the balance between private life and work, healthcare, environmental protection, etc.



Children and their parents, workers at Aurubis Bulgaria, Refinery Department, photo taken in front of the final product of the factory – copper cathodes.

The Bulgarian Network of the UN Global Compact plans to make the initiative traditional and to include more businesses from all round the country.

SUPPORTING INDIVIDUAL GIVERS

Our goal: To facilitate individual gifts, to motivate more individuals to support important public causes

Our services: We reach individuals through their employers and offer them various ways to support public causes. We distribute information to help individuals make their choice. To individuals we offer options for online giving, giving through DMS and volunteering.

INDIVIDUAL CHARITY ACCOUNT

Giver: George Pavlov

Project: Core support to Dechitsa Foundation

The donation of 31 500 BGN funded the activities with kids from two institutions for children, deprived from parental care – Slaveikov Home and Dragalevtsi Home. The funds cover the monthly rent of the “club”, where the children and volunteers gather together, the remuneration of the teachers and psychologists, materials, monthly costs for food that children and adults prepare together.

During week time the children come to the “club” to receive some support when preparing their homework for school, during weekends they participate in various socializing and developing skills games. The aim is to compensate some of the communication issues that the kids have, to put them in an environment as close as possible to a family one. The volunteers – over 30-40 individuals, work very actively with the kids. The most persistent of them become mentors - a very close and entrusted by the child person. Experts from various spheres also work with the children – psychologists, English language teacher, speech therapists, during the summer period – football teacher, a Latino dance and music teacher works with the children from the Dragalevtsi Home.

Achievements:

Every child learned to write, count, and express himself better. The kids learned how to cook, to serve and wash dishes, to clean. They realized that in order to receive something, they have to make an effort to deserve it. According to the social worker at Slaveikov Home, the kids are happier and more self-confident, when they feel they have someone to rely on in important times and moments – like first and last day at school, birthdays, and holidays.

Bogdana Manova, Director of Dechitsa Foundation

THE GIVING PLATFORM

BCAF's **Giving Platform** is an information service integrated into BCAF's website. It's a useful tool for individual donors to support important public causes and for organizations working in public benefit. It was created in 2011.

It allows for the donors to give online, through pay-roll, via bank transfers, and to become volunteers.

In 2013 The Giving Platform created and updated the profiles of 55 causes of NGOs, public institutions, divided in 9 categories:

healthcare; education; environmental support; children, deprived of parental care; people with disabilities; elderly people; charitable events; human rights; and local communities.

The profiles contain details about the cause and the activities of the organisations, about their beneficiaries, about the financial aims of their campaigns, photo and video materials, and online giving payment processor.

Improving our service

Since Dec 1st 2013, the online giving on BCAF site is carried out through our own virtual POS at Unicredit Bulbank.

The change in the Giving Platform benefits the donors and the causes. Having our own POS at Unicredit Bulbank reduces the cost of the service with 0,5%. This will allow for the causes to receive 96,8% - 95,3% of the donated sums.

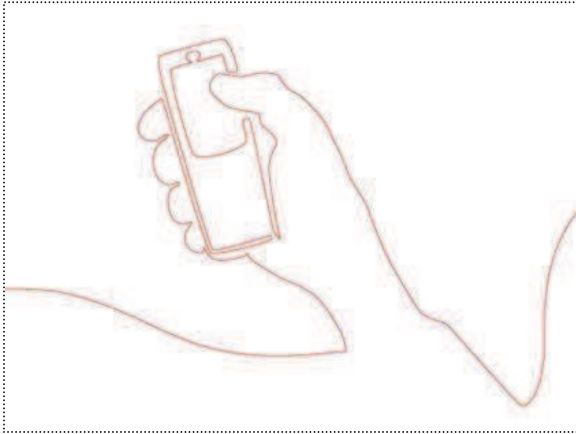
Administration, taxes and commissions takes only 3,2% for the donations made through Debit cards Maestro and local cards, and 4,7% for donations made by VISA, Mastercard or other credit cards.

We would like to thank eBG.bg for being our partners for more than 2 years, as well as Vereo, who programmed BCAF website.



MOBILE APPLICATION FOR MAKING DONATIONS THROUGH SMS

In September a new mobile application was released, aiming to make easier the process of sending donation SMS for the DMS campaigns.



The mobile app is easy to use, and one of its biggest advantages is the fact that it minimizes the risk of wrong

spelling of the code word or of sending wrong word of a specific campaign.

The application is developed pro bono by three young people – Nikolay Roussev, Stoyan Ivanov, and Nikolay Karadjov and it received an award in a competition organized by Unicredit Bulbank.

These young people donated their monetary award to the campaign of 7-years-old Dimitar Enev from Stara Zagora, who raises money for his medical treatment at the Elixir medical clinic in Novi Sad.

PRO BONO PROFESSIONAL

„Pro bono professionals“ a long-term initiative of BCAF, ongoing since 2010. BCAF serves as a mediator between companies' employees and experts from different spheres, who would like to provide professional pro bono services, and the organisations and public institutions that need them. Until now we have had pro bono services provided by experts in the fields of Communications, Advertising, Commerce, Culture, etc.

In 2013 some 10 organisations worked with the support of pro bono professionals within the frames of “Let's achieve more” programme. This BCAF programme aims at providing training and support in fundraising, with the financial support of the America for Bulgaria Foundation. Non-profit organisations, alumni organisations, and school boards developed their fundraising campaigns. To be able to achieve this they received training, grants and consultancy.



On March 20th, BCAF publicly expressed its gratitude to the persons, who give their time and expertise and experience in benefit of important social issues and causes. Under the slogan **“Let's achieve more with new spring energy”** the representatives of public causes shared their successes and future steps.



„BCAF introduced us“

Our programmes connect organisations and volunteers, sometimes for a long period. The autumn volunteering days in 2013 inspired the beginning of a sustainable partnership between the teams of AIMS Human Capital and Animus Association.



THEMATIC FUNDS OF BCAF

BCAF manages 7 thematic Funds, supported by private and corporate donations .

Five of the Funds provide financial support for NGOs, working in public benefit: Our Parents Fund; the Fund for Environmental Protection; the Start-up Fund for support to young people from institutions and the Fund for organisations, working for people with disabilities and Charity Events Fund.

The other two funds, whose beneficiaries are individuals, medical institutions and NPOs, are the scholarship programme *Get ready to Succeed* and the Medical treatment and rehabilitation for children Fund.

„MEDICAL TREATMENT AND REHABILITATION FOR CHILDREN“ Fund

The Fund's priorities are diseases of the central nervous system, endocrine , genetic, neurological , metabolic and psychiatric conditions that require regular sessions physical therapists, physiotherapists , speech therapists, and psychologists.

The sum total of funds distributed in 2013 is
61 913,45 BGN

<i>Starting balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing balance</i>
80098,34	75 289	61 913,45	93 473,89

Some **80 children** received financial support for their medical treatment, sessions with speech therapist, physiotherapist or other specialist. In addition **18 children** got therapy with Botulin toxin.

Besides the payroll donations **21 649 BGN**, the fund received **53 660 BGN** from the “Choose to help” campaign organized by Raiffeisenbank Bulgaria. BCAF cause was the second in donors' preference.

GET READY TO SUCCEED Fund (scholarship programme)

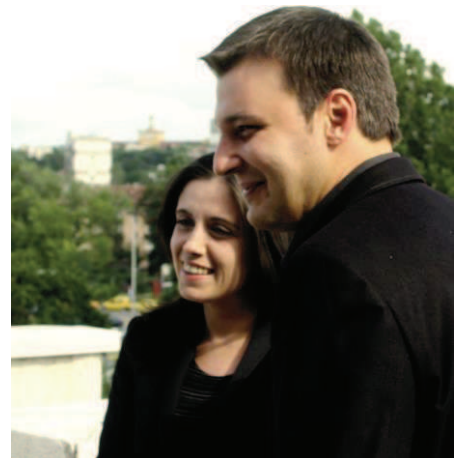
Get Ready to Succeed programme supports high school and university students without parents or from single-parent families, who had achieved excellent academic results. For the 8 years of its existence the scholarship programme has awarded 780 scholarships equal to 1 037 900 BGN. The programme is realized in partnership with Sirak Foundation.

In 2013 the programme was supported by 8 companies, The International Women's Club, The American Chamber of Commerce, the Bulgarian American Society and a huge number of individual payroll givers, who donated 173 774,20 BGN.

Several special scholarships were awarded too: Toni Alexandrova, Aneta Atanasova, Victoria Dragolova and the newly founded by Eurofootball scholarship in the name of Luka Bekiarov.

On June 5th, 2013 we celebrated the successful end of the school year 2012/2013. The first **Good Will Ambassadors** of the programme were presented at the ceremony – **Hristo Kaloferov and Mira Ivanova** – journalists at Nova TV

In 2012-2013 school year the scholarship holders were **107**: 29 high school students and 78 university students.



The event was organized under the patronage of Mr. Kalin Kamenov – Charman of the National Agency for Child Protection, with the media support of Nova TV and Culture Beat Club.

In November the Awarding Ceremony for the new 2013-2014 school year was hosted by the American Cultural center – The American Corner.

<i>Starting balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing balance</i>
127441,62	173 74, 20	162 627, 14	138 588, 86

START UP –FUND FOR SUPPORT OF YOUNG SOCIALLY DISADVANTAGED PEOPLE FOR VOCATIONAL TRAINING AND CAREER START

The Fund exists for 4 years now and supports non profit organisations, working with youth, leaving institutions, orphans and protected homes.

In 2013 BCAF approved some 4 projects to receive grants.

Foundation for Social Change and Inclusion – The project provided 5 months internship in 2 companies, as well as two driving license training courses for 4 young people, living at the protected homes in Sofia and Skravena village.

SOS Children’s villages Bulgaria - 14 high school students (11th and 12th grade) from the youth homes in Sofia and Veliko Turnovo, completed vocational training courses for bartenders, waiters, chefs, and lifeguard – professions with good prospects for realization.

IGA Foundation – The project provided for 6 young people from the protected home in Plovdiv support to complete vocational training course for waiters-bartenders and to receive a qualification for that profession.

The sum total of the approved projects is **24 486 BGN**.

All of them aimed at getting qualification and skills development among the young people to find a job placement.



<i>Starting balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing balance</i>
19 488,62	17 724,37	23 951,60	13 261

Re-Act association – The project supported 10 young people in Rakitovo to acquire a craft, professional and social skills and after completing an internship at local wood processing companies to have the prospect of long term employment.

OUR PARENTS Fund

<i>Starting balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing balance</i>
4023,90	972	4048,60	947,30

CHARITY EVENTS Fund

Each year in November we organize competition and provide funding for the preparation of Christmas bazaars of NGOs. The organisations buy materials, and with the help of volunteers make souvenirs and Christmas cards that later sell. The funds raised go to their charitable causes.

In November 2013 we selected 6 organisations and gave them grants of 400 BGN each. They succeeded to multiply this investment by eight. Their causes attracted altogether 19 772 BGN.



<i>Starting balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing</i>
1 689,22	537,42	2 220,00	6,64

We invested in the causes 2400 BGN and they won a total of **19 772 BGN.**

P PROGRAMMES

SOCIAL ENTREPRENEURSHIP

Our goal: To contribute to the development of social entrepreneurship.

Our activities: Analysis, research of foreign experience; advocacy for the improvement of the environment and for establishing a forum that would unite all stakeholders working in the sphere of social entrepreneurship in Bulgaria.

Social entrepreneurship becomes more and more popular in Europe and worldwide. It can be seen as a different kind of business, aiming to purposefully reallocate part of the profit to a social cause. Every day more people are convinced that the social enterprise is the model for making business in the future – to work in benefit of both the people and the planet, not merely for profit.

In this context social entrepreneurship is very suitable for the Bulgarian society, where there is a high concentration of risk factors, adding further gravity to the issues of various disadvantaged groups.

Partnership for social enterprises in Bulgaria

In the beginning of May 2013, BCAF started the implementation of an 18-month project, named “Partnership for social enterprises in Bulgaria”. Its aim is to contribute to changing the model for social inclusion of a wide range of disadvantaged groups of society and to improve the quality of life via supporting the development of a sustainable sector for social enterprises in Bulgaria.

Our partner is the Social Enterprise Coalition UK, and associated partner - the Life standard, demographic development, policies and strategies Directorate at the Ministry of Labour and Social Policy, Bulgaria.

The project is funded by the EU through the European Social Fund, under the Human Resources Development Operational Programme in Bulgaria.

Within the frames of the project three expert groups were created – Legal Analysis groups, Financial Support for Social Enterprises Group, Viability and Impact assessment of social enterprises group. These groups have to consolidate the expert and political resources of organizations and institutions, engaged with supporting social enterprises development in Bulgaria.

One of the main objectives of the project is to develop criteria for a successful social enterprise. With regard to this objective a study visit to London, UK, was organized to get acquainted with the model of the partnering organization - Social Enterprise Coalition UK. During the visit the team met several representatives of social enterprises in London. A sociological survey was carried out in Bulgaria, aiming to identify working social enterprises and to help defining these criteria.

At the end of 2013 we started preparation for a conference “Partnership for social enterprises in Bulgaria”, which will gather various stakeholders from Bulgaria and experts from Social Enterprise Coalition UK.

We created the website www.socialenterprise.bg, where we share the activities under the project and disperse information related to social entrepreneurship.

UNIFIED CHARITABLE NUMBER DMS 17777

DMS is a platform for making donations through SMS in Bulgaria to the Unified charitable number DMS 17777, in support of campaigns of individuals, causes and initiatives of various organisations and institutions. This is a partnership project realized by BCAF, BDF, Teracom and the three mobile operators - GLOBUL, VIVACOM и Mtel.

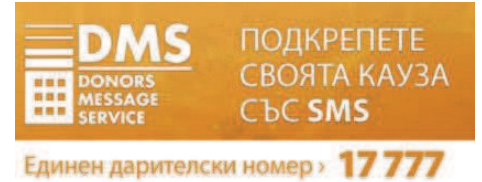
A total of 165 campaigns raised funds through the DMS system in 2013. Some 81 of them were in favour of individuals, (almost 50% of the campaigns during the year), 45 campaigns were initiated by civil society organisations, 9 - by church boards and municipalities. Thirty causes took part in the last edition of the Raifeissenbank campaign Choose to help (in which DMS participates since 2012) in the following areas - social, healthcare, culture, education, environmental protection.

In 2013 the total sum of SMSs sent is 910 480, which is a minimal decrease of 0.3% in comparison to the previous 2012, when the number was 943 537.

In 2013 there is an increase in the number of campaigns, organized by non-profit organisations - they were 45, while in 2012 they were 31. There is an increase in the number of church boards who raise funds for repair works or new building of churches. Once again this was a very successful year for the campaigns for homeless animals.

The number of campaigns in 2013 in comparison with the previous two:

Campaigns	2011	2012	2013
Individuals	124	98	81
Non-profit organisations	49	51	65
Others – municipalities, hospitals, institutions	15	30	19
Total	188	179	165



Funds raised by the campaigns in 2013:
799 704,44 BGN.

Funds, distributed in 2013 among the campaigns:
811 027,10 BGN.

Animal Rescue Bulgaria Foundation – organized its campaign – “Shelter for Animal Rescue Sofia”. In 2013 they raised a total of 624 124 BGN, and 42 477 BGN of them from the DMS DOG.

The funds collected through SMSs and other donations of thousands of people were used to buy the building that will be turned into the first totally non-profit shelter for street animals in Sofia. If the campaign was not successful, the organisation would have been left without a building to keep the animals, as their contract with the owners of the place where the shelter was previously was about to expire.



The shelter is now under reconstruction. It will be named “The Farm” and the medical clinic on its territory - „Francиска Clinic”. It is supposed to open doors in July 2014. All the repair works will be done with the generous donations of citizens, supporting the organization. All media events and campaign materials were made by volunteers.

“Pregurni me” Association raises funds for craft works with children, raised in institutions.

In 2013 they fundraised a total 47 985 BGN, some 5967 of them from SMSs - DMS ATELIE.

At the studio “Pregurni me – Hug me” the kids learn how to create beautiful things. They sew, draw, and weave. They make ragdolls, silk angels. They learn to be capable. To believe in themselves. They learn how to make their future happen.



TRANSNATIONAL GIVING

Bulgarian Charities Aid Foundation is a member of international networks and for this allows for the donations coming from abroad through BCAF to be tax effective. In Europe international giving happens through the organization Transnational Giving Europe (TGE). In North America the donors can use CAF America (and the newly established CAF Canada), to direct tax effective donations to Bulgarian causes.

In 2013 TGE approved as a legitimate grantee one more Bulgarian organisation – Maria's World Foundation.

HELEN L.RINKER ASHLEY FUND, CAF AMERICA

Since March 2011, Bulgarian Charities Aid Foundation under grant agreement with CAF America implements a project for the management of the Helen Rinker Ashley Fund. The goal of the Fund is to support a wide range of activities in Bulgaria – from repair works and building of public infrastructure to support of education.

In 2013 the Fund invested 224 829 in the village of Voditsa. The ideas came directly from the local people and were further developed by BCAF, aiming to achieve sustainability of the investment. Among them are: repair works at the kindergarten, the medical center, placement of a bus stop shelter, funding of cultural events and feasibility studies.



The sum total of activities supported during 2013 equals **224 829 BGN**

The projects in 2013:

- Repairs in the Kindergarten – new windows and doors, refurbishment of the floor, isolation, painting, new sewage pipes, renovation of bathrooms, new kitchen equipment and new furniture for the children bedroom.
- The Medical center – repairs of the roof, sewage pipes, toilets, refurbishment of the floors, new windows.
- Renovation of the school – roof repairs, water and sewage pipes and the toilets.
- Placement of 12 video security surveillance cameras.
- Equipment for cultural events in the open – sound equipment
- Placement of bus stop shelter.
- Placement of speed limiters on the main street.
- Feasibility studies, related to the renovation of the water and sewage system of the village.
- Support for the implementation of the “Voditsa - from Gergiovdan to Dimitrovden” project of the Community center, funded by MIG Popovo.



In 2014 two major projects will receive funding from the Fund:

The first of them is related to renovation of the public water and sewage system at the village of Voditsa, which will cost 384 302 BGN. The most damaged parts of the water pipes will be changed and a feasibility study will be carried out and renovation plan will be prepared for thorough reconstruction of the water supply system.

The second project is related to the establishment of the Center for training and entrepreneurship, named after Helen Rinker Ashley. The main goal of the Center is to encourage lifelong learning and education and to provide support to entrepreneurship and business development in Bulgaria. Priority areas will be rural area and social entrepreneurship. The budget allocated for this project is 317 041 BGN.

LET'S ACHIEVE MORE!

Let's Achieve More programme is funded by the America for Bulgaria Foundation.

The programme focuses on enhancing the capacity of NGOs and public institutions with big potential to raise funds,

From March 2012 till August 2013 some 28 organisations participated in two stages, three module training with experts from BCAF and two pro bono specialists in the area of charitable giving. The topics of the trainings included: motivation, methods for building relationships with corporate donors, sales, negotiation skills, presentations skills, and work with social media.

After a competition some 13 organisations were selected - social, environmental and educational NGOs, alumni associations and museums.

The grants they received helped them develop their websites, produce audio/video clips, print materials, organize fundraising events, collect databases of potential donors, have meetings with corporate donors. The BCAF team provided constant support and consultancy to the grantees, helping them improve their promotion materials and sites, find media partners and establish contacts with companies.

The programme also focused on activities related to the improvement of visibility of philanthropy. The Giving Platform on BCAF's website had more than 40 causes, 37 video clips were produced with the appeals of the organisations.

This programme proved to be a success also for the new group of public institutions – cultural and educational, for which fundraising is sporadic and underutilized. The participating schools and alumni organisations proved without any doubt that they have impressive fundraising potential. Another result we achieved was the active participation of over 20 pro bono corporate experts as consultants and mentors to the various causes.



The sum total of funds, raised by the organisations reached over **253 000 BGN**.

The participants: Teach for Bulgaria Foundation; National History Museum; For the Nature Coalition; Future Now Community Centre; Green Balkans Foundation; Association for Development of Sofia; Bulgarian Tourist Union; Caritas Bulgaria; Sofia Mathematics School; English Language School - Burgas, and the Alumni Association of First English Language School– Sofia, Green Street Foundation and the Alumni Association of the Business Administration Faculty of Sofia University.

The school – community center

In 2013, BCAF embarked on a new endeavor – work within schools, with alumni associations, active parents and teachers. We developed a long-term programme, based on our understanding that the school is a natural center for the local community and that the Bulgarian tradition of investing in the education of our children is a very strong one.

We provided support to the charitable campaigns of the Sofia Mathematic School, First English language school in Sofia, The English Language School in Bourgas, etc.

In June we organized a specialized training -"Attracting resources and volunteers for the cause of our schools" in partnership with the Professional Forum for Education Association. More than 50 representatives of schools all round the country participated in it, and discussed how to develop and increase their alumni membership, and how to improve the working conditions at the schools, how to create prerequisites for high achievements of their students.



IT and Database
Maintenance



Elitsa Barakova
Executive Director

Penka Tsvetkova
Business Development and International Relations

Yana Rupeva
Donor Programmes Director (on maternity leave till
October 2013)

Lyudmila Atanassova
NPO Programmes Director

Jordan Petrov
Programme Coordinator Social Enterprises

Vesselina Yordanova
Donor Programmes Coordinator

Iva Petrova
Donor Programmes Coordinator

Dessislava Hurmuzova
Treatment of Children Fund and DMS Individuals
Campaigns Coordinator

Lena Dragolova
Programme and Office Coordinator

Angel Atanassov

BCAF BOARD of DIRECTORS

Chairman

Mihail Boyadjiev

Attorney at Law, Partner “*Dokovska, Atanassov & Associates*”

Members

Ivo Eugeniev

Executive Director, *Khan Asparuh AD*

Boriana Kadmonova

Executive Director *Evrika Foundation* (since July 2007)

Michael Tachev

Executive Secretary, *St. Cyril and St. Methodius International Foundation*

Stanislav Georgiev

CFO and Executive Vice President
UniCredit Tiriac Bank, Bukurest, Romania

Sasha Bezuhanova

Director Public Sector, *Hewlett Packard Central & Eastern Europe*

George Nikolov

Secretary General, *Aurubis Bulgaria*

Zachary Hampson

Managing, *Technology Transfer Associates*

/signed/

Elitsa Barakova

Executive Director

Sofia, May 31, 2014

COUNCIL of FOUNDERS

Boriana Kadmonova

Evrika Foundation

Michael Tachev

St. St. Cyril and St. Methodius International Foundation

Mihail Boyadjiev

Union of Bulgarian Foundations and Associations

Michael Brophy

*This document is a translation of the original Bulgarian text,
in case of divergence the Bulgarian text shall prevail.*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bulgarian Charities Aid Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of **Bulgarian Charities Aid Foundation** (“the Foundation”), which comprise the balance sheet as of December 31, 2013, statement of income and expenses from profit activity, statement of income and expenses from non-profit activity, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with National Financial Reporting Standards for Small and Medium-Sized enterprises, applicable in Bulgaria and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with National Financial Reporting Standards for Small and Medium-Sized enterprises, applicable in Bulgaria.

Report on Other Legal and Regulatory Requirements – Annual report on the activities of the Foundation, according to article 33 of the Accountancy Act

Pursuant to the requirements of the Bulgarian Accountancy Act, article 38, paragraph 4 we have read the accompanying Annual report on the activities of the Foundation. The Annual report on the activities, prepared by the management is not a part of the financial statements. The historical financial information presented in the Annual report on the activities of the Foundation, prepared by the management is consistent, in all material respects, with the annual financial information disclosed in the financial statements of the Foundation as of December 31, 2013, prepared in accordance with National Financial Reporting Standards for Small and Medium-Sized enterprises, applicable in Bulgaria. Management is responsible for the preparation of the Annual report of the Foundation, dated January 31, 2015.

The original auditor's report has been signed by Assen Dimov, Statutory Manager and Registered Auditor at Deloitte Audit OOD on April 6, 2015.

BULGARIAN CHARITIES AID FOUNDATION

BALANCE SHEET

AS OF DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Note	As of 31.12.2013	As of 31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	5	1	-
Total non-current assets		1	-
Current assets			
Cash	4	1,600	1,518
Current receivables	6	234	190
Total current assets		1,834	1,708
TOTAL ASSETS		1,835	1,708
EQUITY AND LIABILITIES			
Equity			
Share capital		10	10
Other reserves		328	298
Profit for the year		15	30
Total equity		353	338
Current liabilities			
Short-term payables	7	1	7
Deferred income	8	1,481	1,363
Total current liabilities		1,482	1,370
TOTAL EQUITY AND LIABILITIES		1,835	1,708

These financial statements have been approved on April 6, 2015 by:

/signed/

Elitsa Barakova
Executive Director

/signed/

Preparer
Consulting company „Strategies“

The financial statements have been signed by Assen Dimov, Registered Auditor and Statutory Manager at Deloitte Audit OOD, on April 6, 2015.

The accompanying notes are an integral part of these financial statements.

BULGARIAN CHARITIES AID FOUNDATION

STATEMENT OF INCOME AND EXPENSES FROM NON-PROFIT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Note	Year ended 31.12.2013	Year ended 31.12.2012
OPERATING INCOME			
Income from conditional donations	9	2,044	1,734
Income from unconditional donations	9	59	58
TOTAL OPERATING INCOME		<u>2,103</u>	<u>1,792</u>
OPERATING EXPENSES			
Expenses for donations	10	(1,825)	(1,565)
Administrative expenses	11	(266)	(229)
TOTAL OPERATING EXPENSES		<u>(2,091)</u>	<u>(1,794)</u>
FINANCE INCOME (NET)	12	<u>3</u>	<u>32</u>
RESULT FROM NON-PROFIT ACTIVITY		<u>15</u>	<u>30</u>

These financial statements have been approved on April 6, 2015 by:

/signed/

Elitsa Barakova
Executive Director

/signed/

Preparer
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BULGARIAN CHARITIES AID FOUNDATION

STATEMENT OF INCOME AND EXPENSES FROM PROFIT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Year ended 31.12.2013	Year ended 31.12.2012
OPERATING INCOME		
Income from sale of services	9	11
TOTAL OPERATING INCOME	<u>9</u>	<u>11</u>
OPERATING EXPENSES		
Goods and hired services	(2)	(1)
Remunerations	(6)	(7)
Social security contributions	(1)	(3)
TOTAL OPERATING EXPENSES	<u>(9)</u>	<u>(11)</u>
RESULT FROM PROFIT ACTIVITY	<u>-</u>	<u>-</u>

These financial statements have been approved on April 6, 2015 by:

/signed/

Elitsa Barakova
Executive Director

/signed/

Preparer
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The accompanying notes are an integral part of these financial statements.

BULGARIAN CHARITIES AID FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Year ended 31.12.2013	Year ended 31.12.2012
CASH FLOWS FROM NON-PROFIT ACTIVITY		
Proceeds from non-profit activity		
Received conditional donations	2,115	1,833
Received unconditional donations	53	61
Proceeds from banking and currency operations	19	45
Other cash flows from operating activity	6	4
Total proceeds from non-profit activity	<u>2,193</u>	<u>1,943</u>
Payments for non-profit activity		
Paid donations	(1,824)	(1,565)
Paid salaries	(174)	(117)
Paid security contributions	(23)	(17)
Payments on banking and currency operations	(16)	(12)
Payments for services	(77)	(95)
Other payments	(4)	(9)
Total payments for non-profit activity	<u>(2,118)</u>	<u>(1,815)</u>
Net cash flow from non-profit activity	<u>75</u>	<u>128</u>
CASH FLOWS FROM PROFIT ACTIVITY		
Proceeds from profit activity		
Proceeds from sale of assets and services	9	11
Total proceeds from profit activity	<u>9</u>	<u>11</u>
Payments for profit activity	(2)	-
Paid donations	-	(11)
Total payments for profit activity	<u>(2)</u>	<u>(11)</u>
Net cash flow from profit activity	<u>7</u>	<u>-</u>
CHANGE IN CASH DURING THE PERIOD	<u>82</u>	<u>128</u>
CASH AT THE BEGINNING OF THE PERIOD	<u>1,518</u>	<u>1,390</u>
CASH AT THE END OF THE PERIOD (note 4)	<u><u>1,600</u></u>	<u><u>1,518</u></u>

These financial statements have been approved on April 6, 2015 by:

/signed/

Elitsa Barakova
Executive Director

/signed/

Preparer
Consulting company „Strategies“

The financial statements have been signed by Assen Dimov, Registered Auditor and Statutory Manager at Deloitte Audit OOD, on April 6, 2015.

The accompanying notes are an integral part of these financial statements.

BULGARIAN CHARITIES AID FOUNDATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

	<u>Share capital</u>	<u>Reserves</u>	<u>Total</u>
BALANCE AS OF JANUARY 1, 2012	10	298	308
Result from non-profit activity for 2012	<u>-</u>	<u>30</u>	<u>30</u>
BALANCE AS OF DECEMBER 31, 2012	10	328	338
Result from non-profit activity for 2013	<u>-</u>	<u>15</u>	<u>15</u>
BALANCE AS OF DECEMBER 31, 2013	<u>10</u>	<u>343</u>	<u>353</u>

These financial statements have been approved on April 6, 2015 by:

/signed/

Elitsa Barakova
Executive Director

/signed/

Preparer
Consulting company „Strategies“

The financial statements have been signed by Assen Dimov, Registered Auditor and Statutory Manager at Deloitte Audit OOD, on April 6, 2015.

The accompanying notes are an integral part of these financial statements.

1 Legal status

Bulgarian Charities Aid Foundation (BCAF) is an expert organization which works for modern charity and strong and effective non-profit sector.

BCAF is part of the world network of organizations Charities Aid with head office in Great Britain.

BCAF is established on November 16, 1995. Registry № 20021107001 in the Central Registry of judicial persons with non-profit activity for performing community service.

The Foundation is with seat and management address Sofia, 65 Vitosha Blvd, fl. 3.

The main objective of the Foundation is to promote civil society in Bulgaria by supporting the development of the resources of charitable organizations in the nonprofit sector by increasing the donor culture and by improving the management and efficient use of resources to charitable organizations in Bulgaria.

BCAF encourages donations to charities by individuals, business organizations and the government by providing information to donors about the activities of potential recipients of donations and the latter - the policy of potential donors; facilitates and supports the implementation of the government of the tax system, improving the activities of charities and giving the motivation for potential donors.

Scope of activity: Publication and distribution of specialized literature; formation and participation in companies, according to Law for Non-Profit Organizations (LNPO) and the carrying out of economic activity is subject to the terms and conditions laid down by the laws governing the respective type of business; organization of paid training, seminars and awareness programs and research problems are being dealt by the Foundation; consultancy and information services.

The Foundation has two-tier management system consisting of Board of Founders and Board of Directors.

2 Basis of preparation of the financial statements and accounting principles

The Foundation keeps its accounting records and prepares its financial statements in accordance with the requirements of the Bulgarian legislation. The Foundation's financial statements have been prepared in accordance with the National Financial Reporting Standards for Small and Medium-sized Enterprises, applicable in Bulgaria.

These financial statements have been prepared on accrual basis in accordance with the historical cost convention and the going concern assumption.

Functional and presentation currency

In accordance with the Bulgarian accounting legislation the Foundation keeps its accounting records and prepares its financial statements in the national currency of the Republic of Bulgaria – Bulgarian Lev (BGN).

As of January 1, 1999 the Bulgarian Lev is fixed to the EUR at: BGN 1.95583 for EUR 1.

These financial statements are stated in thousand Bulgarian Levs (BGN'000).

2 Basis of preparation of the financial statements and accounting principles (continued)

Foreign currency

The transactions in foreign currency are accounted initially in levs by applying the central exchange rate of the Bulgarian National Bank (“BNB”) to the amount in foreign currency as of the date of the transaction. The exchange rate differences, arising from the settlement or from the reporting of such monetary positions at exchange rates, different from the initial rates, are reported as financial income or expenses for the period when they arise. Monetary positions in foreign currency as of December 31, 2013 and 2012 are valued in the present financial statements at the closing exchange rate of BNB.

Accounting assumptions and accounting estimates

The application of the National Financial Reporting Standards for Small and Medium-sized Enterprises requires from management to apply some accounting assumptions and accounting estimates in the annual financial statements preparation and valuation of some assets, liabilities, income and expenses. All assumptions are made on the basis of the best estimate, made by the management as of the date of the financial statements preparation. Actual results could differ from those stated in these financial statements.

3 Definition and valuation of the balance sheet items

Property, plant and equipment

Property, plant and equipment are reported at acquisition cost which comprises purchase price or the cost of self- construction of the asset less accumulated depreciation and impairment loss, if any.

Depreciation of property, plant and equipment is calculated based on the straight-line method over the expected useful life, determined as of the moment of asset acquisition.

The depreciation rates for the main groups of property, plant and equipment are as follows:

	<u>Annual depreciation rate</u>
Machinery and equipment	20%

Current receivables

Current receivables present receivables on donation agreements, receivables from employees and other receivables.

Cash

Cash comprise cash on hand and at banks in Bulgarian levs and in currency.

For the purpose of the statement of cash flows preparation, cash and cash equivalents include cash on hand, cash at banks which bear an insignificant risk of changes in value.

3 Definition and valuation of the balance sheet items (continued)

Current payables

Current payables are measured at the value at which they are expected to be settled in future.

Deferred income and financing

Deferred income and financing represent conditional donations including donations related to depreciable property, plant and equipment, as well as income which are expected to be realized in following reporting periods. Donations are reported if the Foundation has sufficient assurance that it will keep the conditions and donations will be received.

Donations are reported as financing which is recognized as income in the current period as follows:

- Donations related to non-depreciable assets – during the periods in which are reported the expenses for performing conditions for donations;
- Donations related to depreciable assets – proportionally to the accrued for the respective period depreciation of assets acquired as a result of donations. \

Income and expense recognition

Income from conditional donations for acquisition of non-current assets is recognized to the amount of the incurred depreciation costs of acquired through donation assets during the period.

Income from unconditional donations is recognized at the moment of their occurrence.

Expenses for donations are accrued at the moment of their occurrence.

Other income and expenses are accrued at the moment of delivering the good and rendering the service regardless if cash proceeds and payments.

Financial instruments

The Foundation's financial instruments comprise cash on hand and at banks, current receivables and payables. Management considers that the fair value of financial instruments is approximate to their carrying amount. Fair value is regarded as the price which would be received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market participants as of the evaluation date.

Currency risk

Currency risk is the risk that the assets and liabilities of the Foundation denominated in foreign currency will change in value as a result of changes in the currency exchange rates of the respective currency to the Bulgarian lev. The Foundation's management considers that the effect from possible change of currency rates is insignificant.

BULGARIAN CHARITIES AID FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

3 Definition and valuation of the balance sheet items (continued)

Taxation

The Foundation's main activity is non-profit and its result is not a subject to taxation with corporate income tax according to the Bulgarian tax legislation. Income tax on profit is a result from economic activity only.

Deferred tax assets and liabilities occur for all temporary differences between tax amount of assets and liabilities and their carrying amount as of the date of the financial statements. For determining the deferred tax assets and liabilities are applied expected tax rates effective at their future realization.

Deferred tax asset is recognized to the extent to which it is probable that there will be future taxable profit against which deductible temporary differences are used. The Foundation has not recognized deferred tax assets and liabilities as of December 31, 2013 and 2012.

4 Cash

As of December 31, 2013 and 2012 cash are as follows:

	As of 31.12.2013	As of 31.12.2012
Cash at current bank accounts	621	404
Cash at bank deposits	972	1,112
Cash on hand	7	2
TOTAL	1,600	1,518

5 Property, plant and equipment

	Machinery and equipment	Total
COST		
Balance as of 01.01.2012	11	11
Acquired assets	-	-
Sold/disposed	-	-
Balance as of 31.12.2012	11	11
Acquired assets	1	-
Sold/disposed	(11)	(11)
Balance as of 31.12.2013	1	2
DEPRECIATION		
Balance as of 01.01.2012	11	11
Charged	-	-
Written-off	-	-
Balance as of 31.12.2012	11	11
Charged	-	-
Written-off	(11)	(11)
Balance as of 31.12.2013	-	-
NET BOOK VALUE AS OF 31.12.2012	-	-
NET BOOK VALUE AS OF 31.12.2013	1	2

BULGARIAN CHARITIES AID FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

6 Current receivables

	As of 31.12.2013	As of 31.12.2012
Receivables under donation agreements	231	187
Other receivables	3	3
TOTAL	234	190

7 Short-term payables

	As of 31.12.2013	As of 31.12.2012
Payables to personnel	1	1
Other current payables	-	6
TOTAL	1	7

8 Deferred income

	Amount
Amount of received conditional donations as of 31.12.2011	1,092
Received conditional donations in 2012	2,005
Expenses for conditional donations in 2012	(1,734)
AMOUNT OF RECEIVED CONDITIONAL DONATIONS AS OF 31.12.2012	1,363
Received conditional donations in 2013	2,215
Expenses for conditional donations in 2013	(2,097)
AMOUNT OF RECEIVED CONDITIONAL DONATIONS AS OF 31.12.2013	1,481

9 Income from donations

	Year ended 31.12.2013	Year ended 31.12.2012
Income from conditional donations	2,044	1,734
Income from unconditional donations	59	58
TOTAL	2,103	1,792

10 Expenses for donations

	Year ended 31.12.2013	Year ended 31.12.2012
Expenses for donations	1,825	1,565
TOTAL	1,825	1,565

BULGARIAN CHARITIES AID FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

All amounts are in thousands of Bulgarian levs unless otherwise stated

11 Administrative expenses

	Year ended 31.12.2013	Year ended 31.12.2012
Salaries	166	123
Social security	23	20
Other administrative expenses	77	86
TOTAL	<u>266</u>	<u>229</u>

12 Finance income (net)

	Year ended 31.12.2013	Year ended 31.12.2012
Currency exchange rate losses	(16)	(19)
Interest income	19	51
TOTAL	<u>3</u>	<u>32</u>

13 Key management personnel

The key management personnel comprise the member of the Council of founders of BCAF, Board of Directors of BCAF and the Executive Director. The members of the Board of Directors and the Council of founders have accepted to work without receiving consideration to achieve the Foundation's goals. The remuneration and social security benefits for the Executive director have been reported as expenses for salary and social security and for 2013 they amount to BGN 31 thousand.

14 Events after the reporting period end

There are no significant events after the reporting period end, which require additional adjustments and/or disclosures in the Foundation's financial statements.