

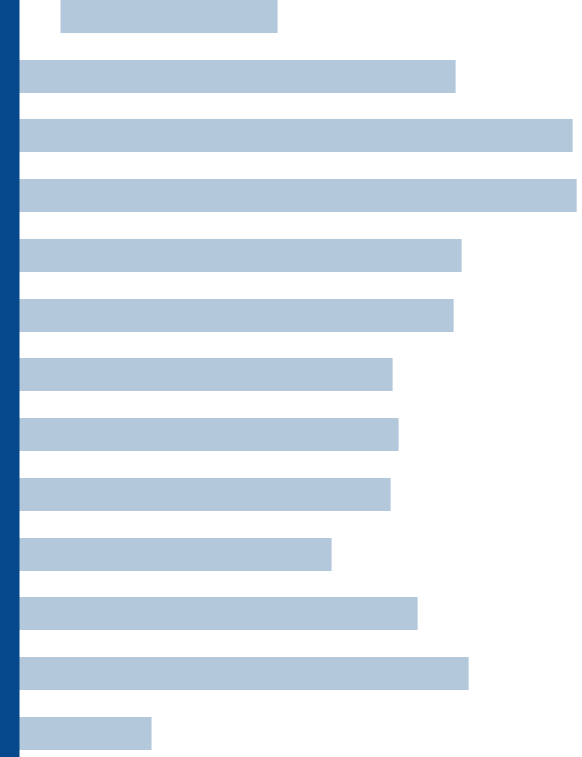
2018

ANNUAL REPORT



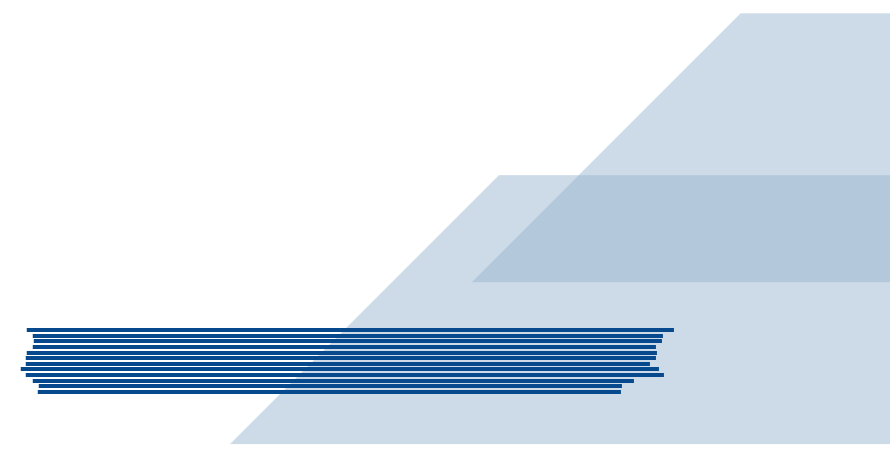
BCNL





# 2018

**ANNUAL REPORT**



# „Together we can do it all“

**Slogan of NCI 7000  
for the revocation of guardianship**



## Introduction

Most of our counterparts with whom we communicated last year were having concerns in the process of carrying out their activities. On the one hand, the issues with the access of NGOs to financing continued to be serious; while two programs for NGOs were launched in 2018 (Good Governance OP and Active Citizens Fund), they did not have the expected beneficial effect, as the outcomes from these programs will hardly be visible before 2019. On the other hand, it is a well-known fact that a part of the sector was confronted with a serious attack – a well-organized, and, at the end of the day, a very negative attack (against the organizations defending the ratification of the so-called Istanbul Convention, and against environmental organizations in relation to the Pirin Mountain Management Plan). Apart from these more shadowy aspects of our working environment, Bulgaria's Presidency of the EU did not bring about the necessary feeling of shared European values, of inspiration for a common democratic development and mutual commitment to the spirit of dialogue. It was a Presidency of the Cabinet, and, presumably, a particularly relevant one for Bulgaria and its neighboring countries in the external geopolitical perspective; however, the domestic civic agenda was postponed for reasons related to the overburdened administration.



*Nadya Shabani  
Director of BCNL*

Civil society organizations, being a faithful representative of people's interests, were excited, in particular, about the domestic agenda. An important and delayed reform for NGOs started in the area of the freedom of association – NGO registration was moved from the court to the Registry Agency, which reduced the time and costs and made registration more accessible. The new Measures against Money Laundering Act introduced a number of changes improving the situation of non-profit legal entities compared to the previous law – changes which we assess as steps in the right direction. In parallel with the positive examples there were negative ones all the time: the amendments to the Administrative Code of Procedure, the term "gender" which gained popularity with a changed meaning, etc. Nevertheless, the challenges we were facing made us confident that together we can achieve more.

It is always winter time when I write this report, and it does not feel very optimistic. Whatever it be, however, spring is always coming. Whether you like it or not, civil society organizations fighting for the rule of law, human rights, and a better life for us all shall always be here, and these shall be the organizations of the citizens; we shall be increasingly creative and dedicated to our causes, as, according to what I recently read in an article, we are the glue of society<sup>1</sup> It is our qualities that

<sup>1</sup> "The Glue of Society", Economist, July 16, 2005, 13-15.

will determine the overall construction and its durability, and how comfortable it will feel being in that construction.

My mandate as BCNL's Director is expiring in early 2019. While a lot has been achieved by my team and myself during these three years, a lot of "homework" is still left for us to do, and we are motivated to continue our efforts. I hope that ever more colleagues will share this motivation, and the dedication to our causes which we will go on defending. I extend my gratitude to the trustees and the team of BCNL, as well as to everybody who have supported us and with whom we have addressed the challenges based on our deep belief that it is worthwhile.



Consultations  
**900**



Opinions  
**36**



Number of news published  
**104**



Participation in the media  
**66**



Events organized by us  
**over 80**



Participants in events  
**14488**



Number of visits for 2018  
**171 834**

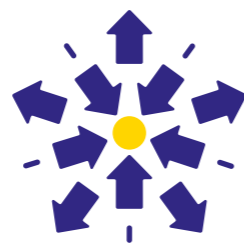


New friends in Facebook  
**1030**

## The NGO House

### 22 NGOs were part of this community

Citizen Participation Forum, Devetashko Plato Association, National Youth Forum, Listen Up Foundation (until May 2018), Natural Science Olympic Teams Association (since June 2018), Timeheroes, Maria's World Foundation, Citizens Against Bureaucracy, Equilibrium, Begach (Runner) Association (until May 2018), Surf rider Europe Foundation (since June 2018) and Water and Life Association (since March 2018), Center of Women's Studies and Policies (CWSP) (since February 2018), Civic Education and Training Platform (CET Platform) Bulgaria (since April 2018), Alliance Balkani Association (since September 2018). There were another 7 organizations renting part-time space.



Total number of meetings and events in the House  
**129**



Total number of participants  
**1689**

# What have we changed:

# Improving the legal environment for NGOs

## Moving NGO registration from the court to the Registry Agency

This reform had been expected for a long time, and, after the Non-Profit Legal Entities Act was amended in 2016, the relevant changes became effective at the beginning of this year. We organized a broad awareness-raising campaign in which we produced 14 materials, 2 publications, and 1 textbook of which 150 copies were sent to the Registry Agency. We conducted 3 trainings for 90 persons, we shot 3 videos, and advised 900 organizations on how to implement the change.



## Improving the situation of NPLEs as obliged entities under the Measures against Money Laundering Act

Bulgaria is one of the few states (the only one) in Europe where NGOs were under the general obligation to register and submit their internal rules to the State Agency for National Security (SANS). Due to our efforts and participation in the working group with the relevant

parliamentary committee of the 44th National Assembly we managed to table some changes whereby a different treatment was regulated by the amended law, as a result of which NGOs no longer apply the same measures as the other obliged entities under the new law.



## Irreversibility of the revocation of guardianship and introduction of an alternative paradigm of supported decision-making

The success achieved by NCI 7000 in terms of the revocation of guardianship was important for us, as, apart from mobilizing an enormous energy and like-minded supporters, it built upon the knowledge accumulated under the program and ensured, through its scale, the irreversibility of the process. Even though the Natural Persons and Support Measures Act has not yet been passed, the court started applying a new approach in hearing cases related to the rights of individuals with intellectual

or mental health problems. The chapter "Access to Justice" of the Persons with Disabilities Act sets out the right to supported decision-making and the introduction of support measures. The University of Plovdiv has already organized five legal clinics on this topic (with more than 19 undergraduate students). And, above all, the pilot supported decision-making program has evolved to become a community program which shall further develop.



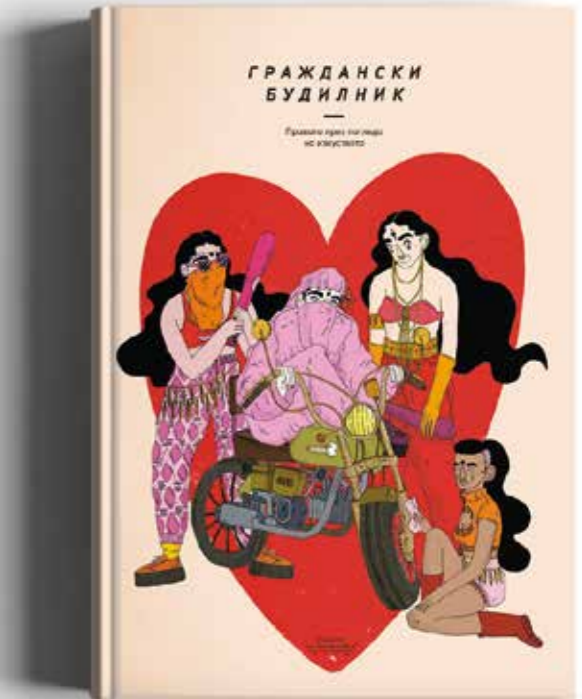
## Upgrading the “Entrepreneurship for Non-Profit Organizations” Program

We encouraged, in a 7th consecutive year, NGOs to develop their capacity and to be sustainable in implementing their missions through entrepreneurship initiatives. 85 applicants, 25 participants in the Program, 16 business plans for the competition “The Best NGO Plan”. The award fund in the amount of BGN 40,000 was allocated among the top five competitors. After the start-up of their business initiatives, the organizations received support from 19 specialists from companies, businesses or institutions within the framework of trainings and a special mentorship program. 12 organizations took part in the Bazar of Social Enterprises and generated approx. BGN 5,000 from selling their products during the two days of the Bazar.



## Civic Alarm Clock

Being motivated to find a new discourse for human rights and, in particular, for the right to association, peaceful assembly and the freedom of expression, we sought inspiration from young activist artists. Together with our partners from Fine Arts, we launched a Civic Alarm Clock – a week of cultural workshops (socially responsible photography with Vesselina Nikolaeva, a writers seminar with practical sessions “Criticism and Change” with Martin Bodakov, and a workshop “Forms and Messages through Visual Arts of Civic Initiatives” with Vesselina Mavrodieva), and a competition for young artists, photographers and writers. 42 works of art reached the final stage – illustrations, photographs, and texts. The best images were reproduced in ZIN and were published in a special exhibition “Awakening: Rights through the Eyes of Art”.







## Summer School for NGOs

The Summer School for NGOs in Arkutino had its 8th edition, with 25 participants from all over the country. It was for the first time that we had organized an upgrading master class for alumni of the Summer School. The moderators of the training sessions were Rossen Bachvarov, head of the communication policy of the National Revenue Agency, and Slava Krasteva, human resources specialist and psychologist.

## Vivacom Regional Grant

2018 was the 3rd consecutive year in which we launched the Vivacom Regional Grant with a focus on projects at the local level. More than 300 projects applied for financing. The jury consisting of Veselka Vutkova (Vivacom), Nadya Shabani (BCNL), Iva Doichinova (BNT), Ivan Kanchev (Bulgarian History Association), and Jaklin Vagenstein (Kolibri Publishing House) selected the finalists – 13 projects with an exceptional potential for a positive change were awarded, plus two special awards from VIVACOM.



## Autumn training program at the NGO House

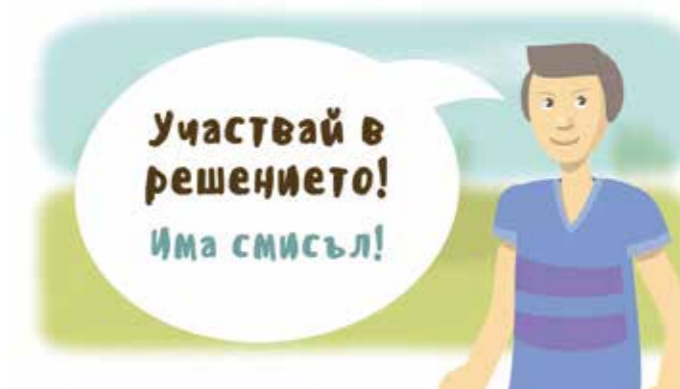
The autumn of 2018 set the beginning of a training program at the NGO House. We trusted the expertise and professionalism of three lecturers who are well-familiar with the sector and have their personal motivation in supporting its development. Slava



Krasteva – team work, its dynamics and challenges; Boyana Stoilova – efficient advertising on Facebook; Elena Kalinova – accounting for NGOs. The Program consisted of three modules, and was attended by a total of 132 persons.

## Public consultations – a tool for modern and open policies

Within the framework of the Europe Program of Sofia Municipality, BCNL, jointly with the Citizen Participation Forum, continued its efforts to enhance the capacity of local authorities and civil society organizations for public consultations. We conducted 5 trainings with over 30 participants from a variety of sectors – culture, social activities, education, urban environment, etc. – for developing their capacity to organize efficient consultations involving the local community.





### Personal data protection and NGOs

BCNL, jointly with the Access to Information Program, conducted 3 trainings on the application of the new requirements regarding personal data protection laid down in the EU law (GDPR), with a special focus on NGOs, in Sofia, Plovdiv, and Lovech.



### Regional Prospects for the development of dedicated social entrepreneurs

In October, Lovech Municipality, jointly with BCNL, organized a Regional Public Forum "Lovech 2018 – bridges for dedicated social enterprises" with a focus on ways to find durable solutions to social issues.

### Exchange of best practices in social services contracting

With the support of UNDP in Turkmenistan, BCNL hosted a study visit of counterparts from the social sector in Turkmenistan. The participants in the study visit were acquainted with the experience and the achievements of the Bulgarian system of contracting and providing social services.

## Initiatives for strengthening the partnership in the NGO sector



### Partnership agreement between NGOs and Sofia Municipality in the area of social services

The partnership of 30 civil society organizations with Sofia Municipality under the agreement of cooperation in the area of social services continued, and the organizations and Sofia Municipality held two large-scale events in 2018: the First Annual Forum of Social Service Providers at Sofia Municipality which was dedicated to quality, and the Annual Awards for Best Practices in the Area of Social Services. A BCNL representative was involved in the Program Board of the Social Innovations Fund which was set up as part of the agreement and initiated a campaign for selecting projects in early 2019.

### Vision for the development and interaction of civil society organizations



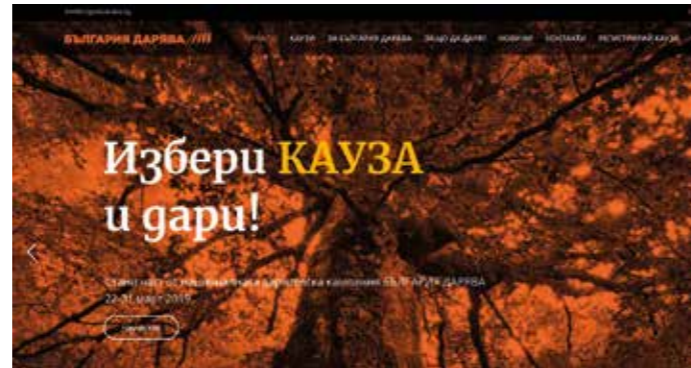
BCNL, in partnership with the Citizen Participation Forum, the Bulgarian Donation Forum, the National Network for Children, Agora Platform, WWF Bulgaria, the Red House, and PACEL Foundation organized an event at Borovetz on 14-15 October which was attended by 80 organizations from the whole country. The topic was "Vision for the Development and Interaction of Civil Society Organizations 2019-2025". The event took place in the format of a Conference of the Future and addressed a number of common tasks: unification of civil society organizations, financial sustainability, a more open and better governance, improved visibility of NGOs, and galvanizing citizens.

## Bulgaria gives

[www.bulgariadariava.bg](http://www.bulgariadariava.bg)

Bulgaria gives is an initiative which started in 2017 and continued to be in the focus of our attention in 2018. The aim of this initiative is to include the issue of donations and support for NGOs in the public agenda, and to serve as a meeting point for causes from the whole country and potential donors.

The initiative emerged as a result of the united efforts of 12 organizations, including: Bulgarian Center for Not-for-Profit Law, Bulgarian Donation Forum, Bulgarian Fund for Women, BCause Foundation, Bulgarian Association for the Protection of Birds, National Network for Children, Center for Inclusive Education, International Award Duke of Edinburgh Foundation-Bulgaria, Listen Up Foundation, Maria's World Foundation, WWF Bulgaria, UNICEF.



## Galvanizing citizens

The National Civil Initiative NCI 7000 dedicated to the revocation of guardianship and the introduction of supported decision-making as an alternative united 12 organizations which gathered almost 12,000 signatures in support of the campaign within three months (April-June).

The support-raising campaign started with the participation of Nadya Shabani in TEDxSofia 2018 and her talk "We are 7000 short". Ability days, 18-20 May: a variety of events held in 9 cities and towns raised the public awareness, and over 3,000 signatures were gathered within three days.

The petition with a request for passing the Natural Persons and Support Measures Act was officially



submitted to the 44th National Assembly on the 27th of June.



**7000**  
НАЦИОНАЛНА & ГРАЖДАНСКА  
ИНИЦИАТИВА

Zine and website:  
[www.7000.world](http://www.7000.world)

## Analyses and publications

→ **Philanthropy Index** – BCNL as a partner of the Global Philanthropy Environment Index of the Indiana University Lilly Family School of Philanthropy.

→ **2018 CSO Sustainability Index** – BCNL is the local coordinator of the USAID CSO Sustainability Index

→ **Citizen Participation Index** – second edition, BCNL jointly with the Citizen Participation Forum.

→ **Survey for Bulgaria on the application of the EU Directive establishing minimum standards on the rights, support and protection of victims of crime** (Directive 2012/29/EU) – commissioned by VOIARE.

→ **The right to Peaceful Assembly in Bulgaria**, part of an international survey of the European Center for Not-for-Profit Law.

→ Developing a **methodology for studying the legal capacity of persons with disabilities** in 4 regulations – legal

status, placement under the Social Assistance Act, access to justice under the Persons with Disabilities Act, the draft of the Natural Persons and Support Measures Act (part of an international research team under Art. 12 of the Convention on the Rights of Persons with Disabilities).

→ **Re-registration of NPLEs at the Registry Agency. Questions and Answers**, 2018 – publication.

→ **The Non-Profit Legal Entities Act. Questions and Answers**, 2018 – revised edition.

→ **Non-Profit Legal Entities. Civil Legal Regime**, Poly Goleva and Krassen Stoichev, 2018, Sibi Publishing House.

→ **Personal Data Protection. Handbook for NGOs**, 2018, jointly with Access to Information Program.

## Awards



→ **Award “Human of the Year”**

NCI received the special award “Human of the Year” of the Bulgarian Helsinki Committee for contribution to human rights and the defense of human rights.

→ **Award of Sofia Municipality**

BCNL received an award in the category “Voluntary Cause of the Year” in the first edition of the annual Awards for Best Practices in the Area of Social Services.

## Programme “Entrepreneurship for NGOs” 2017-2018<sup>1</sup>

CSO	TITLE OF THE BUSINESS IDEA	DESCRIPTION OF THE BUSINESS IDEA	GRANT'S AMOUNT
Bulgarian Biodiversity Foundation	“A GIFT WITH TASTE OF TRADITION AND BULGARIAN NATURE”	Development of a product “Nature in a box” – a gift with products from small farms in Western Stara Planina, which “tells” through the food about the preserved traditions and the preserved nature.	8 000 BGN
Children's books Foundation	“DETSKIKNIGI.COM - COMPASS FOR PARENTS IN THE WORLD OF CHILDREN'S BOOKS”	Development of an online platform to easily find suitable children's books for ages 0-16, recommended according to the individual child readers' interests and needs.	8 000 BGN
Saint Nikolay Chudotvoretz Foundation	“ORANGERY FOR THE PRODUCTION OF SEEDLINGS”	Construction of an Orangery for the production of seedlings “The Wonder Garden”, which will provide suitable working conditions for people with intellectual disabilities in the production and growing of flower seedlings.	8 000 BGN
SYNERGIA Foundation	“MASSAGE STUDIO HI TOUCH”	Start of massage Studio HI TOUCH, which offers services through individual programmes and approaches, with well-trained masseurs with visual impairments in teams with sighted masseur mentors.	8 000 BGN
Community centre “SHINE - 1861”	“CHIPPANLIEVA HOUSE”	Development of “CHIPPANLIEVA HOUSE”, town of Shipka in a complete ethnographic complex.	8 000 BGN
Saint Nikolay Chudotvoretz Foundation	“ORANGERY FOR THE PRODUCTION OF SEEDLINGS”	Construction of an Orangery for the production of seedlings „The Wonder Garden”, which will provide suitable working conditions for people with intellectual disabilities in the production and growing of flower seedlings.	Additional Reward from UniCredit Bulbank: 5000 BGN

<sup>1</sup>The Programme “Entrepreneurship for NGOs” 2017/2018 is under implementation with support America for Bulgaria Foundation and UniCredit Foundation in partnership with UniCredit Bulbank and TELUS International Europe.

## Programme for support of CSO for fundraising 2018<sup>1</sup>

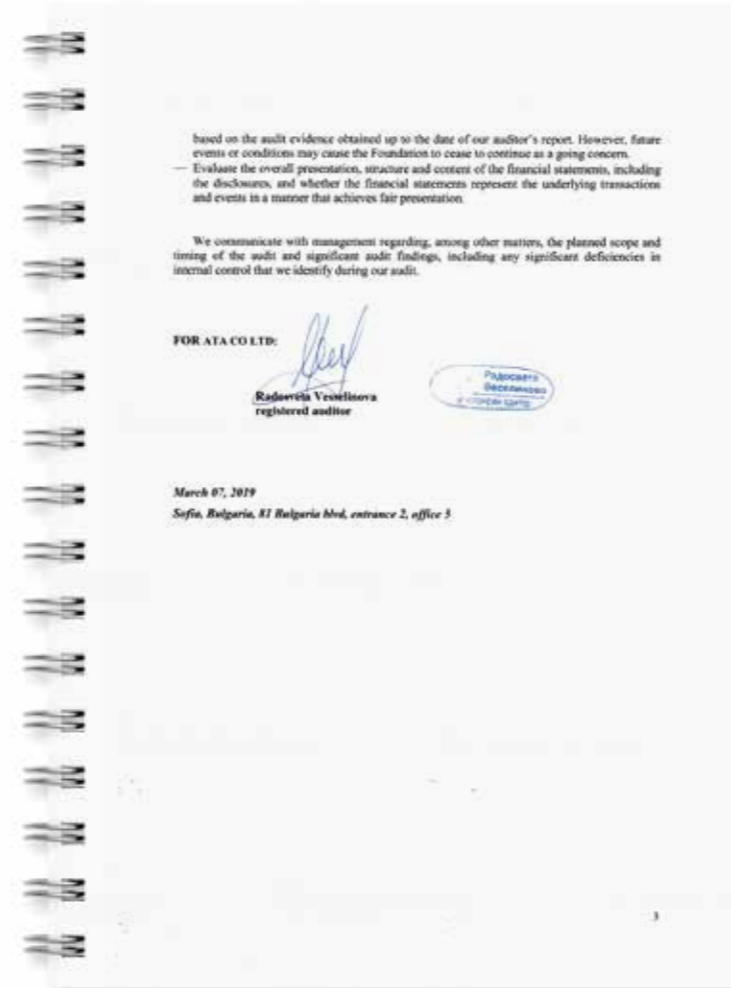
CSO	TITLE OF THE FUNDRAISING CONCEPT	DESCRIPTION OF THE CAUSE FOR WHICH DONATIONS ARE COLLECTED	GRANT'S AMOUNT
Natural Sciences Olympic Teams Association (NSOTA)	“Support the Natural Sciences Olympic Teams”	The raised funds will be used for the overall preparation of the Natural Sciences Olympic Teams for participation in national and international competitions.	2 000 BGN
Association of the Bulgarian Leaders and Entrepreneurs (ABLE)	“ABLE Mentor Program - Supporting 10th and 11th grade students in their personal and career guidance”	The raised funds are for one of the main projects of the organisation - ABLE Mentor Programme. The aim of the programme is to support students in their personal and career guidance. It is targeted at 10th and 11th grade students by connecting successful professionals with high school students with interest in their field	970 BGN
Organization of Bulgarian Scouts	“Repair and restoration activities as well as the feeding of volunteers participating in the restoration of a building of a camp centre on the Shumen Plateau”	The raised funds will be spent on repair and restoration activities, as well as on food, personal protective equipment and accommodation of volunteers, with the help of which the organisation builds the first in Bulgaria Scout Center for non-formal education in nature for children and youth.	2 000 BGN

<sup>1</sup>The Programme is under implementation within the project “Support to Civil Society Organizations Continued and Expanded” supported by America for Bulgaria Foundation.

## Creative contest for activist artists – “CIVIL ALARM CLOCK” 2018<sup>2</sup>

NAME OF THE AUTHOR, RANKED AT 1ST PLACE	ARTWORK	CATEGORY	AMOUNT OF THE REWARD
Denitsa Andreeva	Illustrations „Unity” and „187”	Category „Illustration”	300 BGN
Nikolay Iliyanov Shabarkov	Series of photographs „In search of the clean air”	Category „Photography”	300 BGN
Kaloyan Zahariev	Story „The price of the silence”	Category „Story”	300 BGN

<sup>2</sup>The Creative contest is organized within the project “Civil alarm clock – the rights through the eyes of art”, implemented by the Bulgarian Center for Not-for-profit Law with the partnership of the International platform for socially engaged art Fine Acts. The project is financed by “Culture” Programme of Sofia Municipality for 2018.



## INCOME STATEMENT for the year ended 31 december 2018

Bulgarian Center for Not-for-Profit Law

	Notes	2018 thous. BGN	2017 thous. BGN
<b>Revenue from regulated activity</b>	8	752	742
Revenue from donations conditional		752	742
<b>Financial incomes</b>		4	6
Interest income		-	1
Foreign currency exchange rate gains		4	5
<b>Expenses by regulated activity</b>	9	759	743
Other costs		759	743
<b>Financial expenses</b>		7	5
Foreign currency exchange rate loss		4	3
Other expenses from financial operations		3	2
<b>Result from non-economic activities</b>		(10)	-
<b>Profit from economic activities</b>		33	22
<b>Result for the year</b>		23	22

Manager:  
Nadia Shabani-Panova

14 February 2019

Compiler:  
Rositsa Sechkova  
for RE Account Ltd

As per auditors report:



## INCOME STATEMENT FOR ECONOMIC ACTIVITY for the year ended 31 december 2018

Bulgarian Center for Not-for-Profit Law

	Notes	2018 thous. BGN	2017 thous. BGN
<b>Operating incomes business activities</b>	10	43	26
Net sales incomes		43	26
<b>Financial incomes</b>		1	2
Interest income		1	2
<b>Expenses by economic elements</b>	11	8	3
Cost of hired services		7	1
Employee expenses		-	2
Other costs		1	-
<b>Profit from operating activities</b>		36	25
<b>Profit before income tax</b>		36	25
Income tax	12	3	3
<b>Profit after tax</b>		33	22
<b>Net profit for the period</b>		33	22

Manager:  
Nadia Shabani-Panova

14 February 2019

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As per auditors report:



## STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2018

Bulgarian Center for Not-for-Profit Law

	Reserves thous. BGN	Financial resul thous. BGN	Total equity thous. BGN
<b>Balance as at 31 December 2016</b>	267	78	345
Financial result for the period		22	22
Other changes in the reserves		(7)	(7)
<b>Balance as at 31 December 2017</b>	267	93	360
Financial result for the period		23	23
<b>Balance as at 31 December 2018</b>	267	116	383

Manager:  
Nadia Shabani-Panova

14 February 2019

Compiler:  
Rositsa Sechkova  
for RE Account Ltd

As per auditors report:



## CASHFLOW for the year ended 31.12.2018

Bulgarian Center for Not-for-Profit Law

	Notes	2018 thous. BGN	2017 thous. BGN
<b>Cash flows non-economic activities</b>		818	536
Conditional financing received		3	3
Cash flow from bank operations and currency exchange gains		8	6
Other cash-flows received		(175)	(169)
Payments to employees		(49)	(46)
Payments for social security		(281)	(425)
Payments for services		(5)	(17)
Grants paid		(4)	(6)
Payments for assets		(7)	(4)
Interest and bank tax paid		(256)	(83)
Other cashflows from operating activities		82	(205)
<b>Net cash flows from non-economic activities</b>		39	32
<b>Cash flows economic activities</b>		1	2
Received amounts on contracts		(7)	(1)
Cash flow from bank operations and currency exchange gains		(7)	(1)
Payments to suppliers		(2)	(2)
Payments for salaries and social security contributions		(1)	(2)
Tax payments		(1)	(2)
Other cashflows from operating activities		30	29
Net cash flows from economic activities		112	(176)
<b>Net change in cash and cash equivalents</b>		584	760
<b>Cash as at 01 January</b>		696	584
<b>Cash as at 31 December</b>			

Manager:  
Nadia Shabani-Panova

14 February 2019

Compiler:  
Rositsa Sechkova  
for RE Account Ltd

As per auditors report:



## NOTES TO THE FINANCIAL STATEMENTS for the year ending on December 31, 2018

### 1. Incorporation and registration.

The Foundation Bulgarian Center for Not-for-Profit Law (BCNL) was established in 2001 and is registered in accordance with the Law for the non-profit corporate bodies. The foundation works for the public benefit and is registered in the Ministry of Justice.

The Foundation is a non-governmental, non-political and non-religious organization, established to pursue the following objectives:

- to support the development and strengthening of an enabling legal and policy environment for an independent civil society, incl. non-governmental, not-for-profit organizations (NGOs), in Bulgaria;
- to promote transparency, accountability, and proper internal governance of NGOs and state institutions;
- to support better cooperation between government and NGOs;
- to support public participation in decision-making;
- to promote the development of professional skills, knowledge and capacity relating to the enabling legal environment for civil society, including NGOs, in Bulgaria;
- to provide assistance to NGOs with respect to legal problems;
- to provide assistance in civil society legal reform efforts in other countries, where appropriate, and to foster international co-operation;
- to engage in activities to achieve such other objectives as determined by the Board of Trustees not inconsistent with the purposes and the identity of the Foundation.

To achieve its objectives the Foundation implements a number of contracts. The most important ones for the year 2018 are:

- ✓ Project: **Support to Civil Society Organization Continued and Expanded**, funded by America for Bulgaria Foundation
- ✓ Project: **Business with a mission**, funded by UniCredit Foundation
- ✓ Project: **„Next Step: Fight for Irreversibility“**, funded by Foundation Open Society Institute, Switzerland
- ✓ Project: **Know-how Lab for Social Entrepreneurship 2017-2018**, funded by OP Human Resources 2014-2020
- ✓ Project **“The Civil Society Organization Sustainability Index in Bulgaria”**, funded in USAID
- ✓ Project **“Support for united action of the civic sector”**, funded by Civitatis
- ✓ Initiative **“Bulgaria gives”**, a memorandum between 12 organizations - Bulgarian Center for Not-for-Profit Law, Bulgarian Donors Forum, Bulgarian Fund for Women, Because Foundation, Bulgaria Association for Bird Protection, National Network for Children, Center for Inclusive Education, International Award of Edinburgh, Listen Up Foundation, World of Maria Foundation, WWF Bulgaria, UNICEF.
- ✓ Programme **“Entrepreneurship for NGOs”**, with the financial aid of Accenture Bulgaria, Tetra International (Call Point New Europe), America for Bulgaria Foundation and Isicredit Foundation Програма “Инициатива за икономия на НПО”
- ✓ Project **“In dialogue with citizens – public consultations as part of open governance in Sofia”** funded by Sofia municipality, programme “Europe”
- ✓ Project **“Civic alarm clock”**, funded by Sofia municipality, programme “Culture”

Financial statement as of December 31, 2018

## NOTES TO THE FINANCIAL STATEMENTS for the year ending on December 31, 2018

### 2. Description of the significant accounting policies

#### 2.1. Basis for the preparation of the financial statements

The Foundation annual financial statements for the year 2018 have been prepared in accordance with the requirements of all the National Accounting Standards applicable in 2018, as of the Balance sheet date of December 31, 2018.

The Foundation organizes and carries out the current accounting reports and prepares its financial statements in accordance with the requirements of the Bulgarian accounting, taxation and commercial legislation.

The Foundation financial statements for the year 2018 are prepared according to the requirements of the principles of accrual basis, going concern, primacy of content over form, prudence, comparability of income and expense, consistency.

These financial statements have been prepared on the basis of the accounting convention of historical price, modified in certain cases with the revaluation of some assets and liabilities in accordance with their fair value, that have been shown in the disclosures accompanying the statements.

All information disclosed for 2018 and 2017 is presented in this financial statement in thousands of Bulgarian leva (BGN in thousands).

#### 2.2. Comparative data - changes in accounting policies

With a view to achieving comparability, the balances in the respective accounts of Retained Earnings and Reserves as of December 31, 2018, have been reclassified, combined and recalculated. All adjustments have been reflected in Reserves and Retained Earnings so that they would not influence the current financial result.

#### 2.3. Use of accounting estimates and assumptions

The preparation of financial statements under the National Accounting Standards requires that the management makes some accounting estimates and assumptions, which are related to the Balance sheet reported assets and liabilities as well as to the recognized income and expenses for the period.

#### 2.4. Transactions in foreign currencies

Transactions, concluded in foreign currencies during the period, have been translated in Bulgarian leva in accordance with the exchange rate for the respective currency on the date of the transaction. Any assets and liabilities in foreign currencies have been recalculated in accordance with the closing exchange rate of the Bulgarian National Bank as of the Balance sheet date. Any profit or loss as a result of this has been presented in the Income Statement.

#### 2.5. Recognition of income and expense

The sources of this income are the grants received. Solely the disbursed parts of these grants are accounted as income during the year. The disbursed as income grants, for which there are attended clauses, are specified as financing under conditions in the Profit and Loss Account. The income from the grants for fixed assets is recognized only to the extent of the allowances for depreciation and the balance is reflected in the Balance sheet as long-term liabilities (deferred income and financing). Unrealized financial resources during the year are specified in the Balance sheet as short-term or long term financing, depending on the period for which they will be disbursed. The realized expenses, exceeding the grants received to the date of the financial statement, are recognized as income and reported as other short-term receivables in the Balance sheet.

Expenses are recognized in accordance with the principles of accrual basis and comparability with income. Most of the depreciation expenses are directly assigned to reduction of equity of the Foundation and are not recorded in the Income Statement.

Income and Expenses of economic activity are rendered according to the requirements of the principles of accrual basis and comparability.

Financial statement as of December 31, 2018

## NOTES TO THE FINANCIAL STATEMENTS for the year ending on December 31, 2018

### 2.6. Fixed assets

Fixed assets are the established non-financial resources, which have been acquired and are owned by the Foundation, and have a physical existence. It is expected that they will be used during more than one reporting period. The fixed tangible and intangible assets have been valued at acquisition cost which includes their purchase price plus all expenses in relation to their commissioning and are reduced with the accrued depreciation and impairment.

Any derecognition of fixed assets is made as a result of a sale, reject or retirement when no other economic benefit is expected.

#### 2.7. Depreciation of fixed assets and amortization of intangible assets

The Foundation accrues depreciation of fixed assets and intangible assets in view of the useful life of the individual assets, determined for each class of assets. No depreciation is accrued for lands and assets that are under construction or being supplied.

When depreciable assets of the company are depreciated, the straight-line method is used.

In 2018 the following depreciation rates have been used:

- Computers - 50%
- Office furniture - 15%

### 2.8. Receivables

The receivables have been valued at their incidence cost.

### 2.9. Cash

Any cash in BGN has been valued at face value, while cash in foreign currencies - in accordance with the closing exchange rate of the Bulgarian National Bank on December 31, 2018. For the purposes of the Cash Flow Statement, the cash includes all cash in hand and at bank as of December 31, 2018.

### 2.10. Current liabilities

Any current liabilities in BGN are valued at their incidence cost.

### 2.11. Income taxes

Under the Bulgarian tax legislation, the Foundation is liable to corporate taxation only for its economic activity. The tax percentage is 10 % of the taxable profit. In the period only the payment for technical services rendered by foreigners is liable to withholding taxation. The Foundation did not make any social expenses during the period.

### 3. Long - term financial assets

	31.12. 2018 BGN in thousands	31.12. 2017 BGN in thousands
Subsidiary company	5	5
Given loan to subsidiary company	11	11
<b>Total</b>	<b>16</b>	<b>16</b>

Financial statement as of December 31, 2018

## NOTES TO THE FINANCIAL STATEMENTS for the year ending on December 31, 2018

### 4. Receivables

	31.12. 2018 BGN in thousands	31.12. 2017 BGN in thousands
Receivables from donors	10	27
Receivables from project partners	15	25
Others	4	3
Receivables from clients	4	-
<b>Total</b>	<b>33</b>	<b>55</b>

### 5. Cash

	31.12. 2018 BGN in thousands	31.12. 2017 BGN in thousands
Cash in BGN	460	549
Cash in foreign currency	204	3
Cash pledged as collateral	32	3
<b>Total</b>	<b>696</b>	<b>584</b>

The funds pledged as collateral in FIB AD are for the needs of the established bank guarantee for the good execution of Project BG05M9OP001-4.001-0107 - Laboratory for Social Entrepreneurship Know-how funded by OPHRD 2014-2020. The funds are blocked by deposit account with a deadline of 31 May 2019

### 6. Current Liabilities

	31.12. 2018 BGN in thousands	31.12. 2017 BGN in thousands
Trade payables	1	1
Tax liabilities	3	2
<b>Total</b>	<b>4</b>	<b>3</b>

### 7. Financing

	31.12. 2018 BGN in thousands	31.12. 2017 BGN in thousands
Reminders of financed projects	372	326
<b>Total</b>	<b>372</b>	<b>326</b>

The not expended balances of the received financing for projects in realization by the end of the year. The sum of 13 thousand BGN represents the unused portion of the pre-funded sum under project BG05M9OP001-4.001-0107 - Laboratory for Social Entrepreneurship Know-how funded by OPHRD 2014-2020. The project has been successfully completed by 31.12.2018 and the unused part of the prepayment should be reimbursed to the donor in 2019

Financial statement as of December 31, 2018



## NOTES TO THE FINANCIAL STATEMENTS for the year ending on December 31, 2018

### 8. Revenues from regulated activity

	For the year ending on 31.12.2018 BGN in thousands	For the year ending on 31.12.2017 BGN in thousands
Recognized income from grants under condition-programs	752	742
<b>Total</b>	<b>752</b>	<b>742</b>

### 9. Expenses for regulated activity

	For the year ending on 31.12.2018 BGN in thousands	For the year ending on 31.12.2017 BGN in thousands
Project costs	759	743
<b>Total</b>	<b>759</b>	<b>743</b>

### 10. Income of economic activity

	For the year ending on 31.12.2018 BGN in thousands	For the year ending on 31.12.2017 BGN in thousands
Income from services rendered	43	26
Interest	1	2
<b>Total</b>	<b>44</b>	<b>28</b>

### 11. Expenses for economic activity

	For the year ending on 31.12.2018 BGN in thousands	For the year ending on 31.12.2017 BGN in thousands
Costs of hired services	7	1
Payments to employees	-	2
Other costs	1	-
<b>Total</b>	<b>8</b>	<b>3</b>

### 12. Tax expenses

	For the year ending on 31.12.2018 BGN in thousands	For the year ending on 31.12.2017 BGN in thousands
Current tax expense	3	3
<b>Total</b>	<b>3</b>	<b>3</b>

The foundation does not report temporary tax differences and respectively income and expenses from deferred tax.

Financial statement as of December 31, 2018

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## PROJECTS DURING 2018

Bulgarian Center for Not-for-Profit Law Foundation implemented during 2018 the following projects:

Programs, implemented in 2018:

**1. Contract with America for Bulgaria Foundation**  
Project: Support to Civil Society Organizations Continued and Expanded  
Source of funding: America for Bulgaria Foundation

Balance from 2017	279 174,69 BGN
Funding received	200 000,00 BGN
Total expenses	366 833,51 BGN
Purchased assets	1822,00 BGN
Balance as of 31.12.2018	110 519,18 BGN

**2. Contract with UniCredit Foundation**  
Project: Business with a mission  
Source of funding: UniCredit Foundation

Balance from 2017	6 142,65 EUR
Funding received	5 000,00 EUR
Total expenses	11 142,65 EUR
Balance as of 31.12.2018	0,00 EUR

**3. Contract with Foundation Open Society Institute, Switzerland**  
Project: Programme Next Step - Fight for Irreversibility  
Source of funding: Foundation Open Society Institute, Switzerland

Balance from 2017	3 897,43 USD
Funding received	101 993,50 USD
Total expenses	102 615,41 USD
Purchased assets	1 106,59 USD
Balance as of 31.12.2018	2 168,93 USD

**4. Contract with Foundation Open Society Institute, Switzerland**  
Project: Advancing CRPD Article 12: NEXT STEP Program in Bulgaria  
Source of funding: Foundation Open Society Institute, Switzerland

Balance from 2017	1663,72 USD
Funding received	0,00 USD
Total expenses	1663,72 USD
Balance as of 31.12.2018	0,00 USD

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**5. Contract with OP Human Resources 2014-2020**  
Project: Know-How Lab for Social Entrepreneurship 2017-2018  
Source of funding: OP Human Resources 2014-2020

Balance from 2017	-12 045,63 mkd
Funding received	149 122,61 mkd
Total expenses	123 728,15 mkd
Balance as of 31.12.2018	13 349,43 mkd

The project has been successfully completed by 31.12.2018 and the unused part of the prepayment should be reimbursed to the donor in 2019.

**6. Contract with Family Health International 360, USA**  
Project: - The Civil Society Organization Sustainability Index in Bulgaria for 2017 -  
Source of funding: USAID

Balance from 2017	0,00 USD
Funding received	10 770,00 USD
Total expenses	10 770,00 USD
Balance as of 31.12.2018	0,00 USD

**7. Contract with Family Health International 360, USA**  
Project: - The Civil Society Organization Sustainability Index in Bulgaria for 2018 -  
Source of funding: USAID

Balance from 2017	0,00 USD
Funding received	923,50 USD
Total expenses	1656,10 USD
Balance as of 31.12.2018	4 267,40 USD

**8. Contract with Sofia municipality**  
Project: "In dialogue with citizens - public consultations as part of open governance in Sofia"  
Source of funding: Sofia municipality, program Europe

Balance from 2017	0,00 mkd
Funding received	6 560,00 mkd
Total expenses	6 560,00 mkd
Balance as of 31.12.2018	0,00 mkd

**9. Contract with Sofia municipality**  
Project: "Civil Alarmclock"  
Source of funding: Sofia municipality, program Culture

Balance from 2017	0,00 mkd
Funding received	6 496,90 mkd
Total expenses	6 496,90 mkd
Balance as of 31.12.2018	0,00 mkd

**10. Contract with Civitates**

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**10. Contract with Civitates**  
Project: "Support for united action of the civic sector"  
Source of funding: Civitates

Balance from 2017	0,00 mkd
Funding received	19 500,00 mkd
Total expenses	19 500,00 mkd
Balance as of 31.12.2018	0,00 mkd

**11. Contract with Accenture Bulgaria Ltd**  
Programme "Entrepreneurship for NGOs"  
Source of funding: Accenture Bulgaria Ltd

Balance from 2017	0,00 mkd
Funding received	6 000,00 mkd
Total expenses	1 103,59 mkd
Balance as of 31.12.2018	4 896,01 mkd

**12. Contract with Tetos International (Call Point New Europe)**  
Programme "Entrepreneurship for NGOs"  
Source of funding: Tetos International (Call Point New Europe)

Balance from 2017	0,00 mkd
Funding received	15 000,00 mkd
Total expenses	5 000,00 mkd
Balance as of 31.12.2018	10 000,00 mkd

**13. Memorandum with 12 organizations** - Bulgarian Center for Not-for-Profit law, Bulgarian Donors Forum, Bulgarian Fund for Women, Because Foundation, Bulgaria Association for Bird Protection, National Network for Children, Center for Inclusive Education, International Award of Edinburgh, Listen Up Foundation, World of Maria Foundation, WWF Bulgaria, UNICEF Initiative "Bulgaria gives"  
Source of funding: partner organizations

Balance from 2017	0,00 mkd
Funding received	5 200,00 mkd
Total expenses	0,00 mkd
Balance as of 31.12.2018	5 200,00 mkd

**14. Contract with UNICEF - Bulgaria**  
Project: Protection of the social enterprises as a mechanism to meet the needs of the most disadvantaged groups of children and young people in Bulgaria  
Source of funding: UNICEF - Bulgaria

Balance from 2017	10 000,00 BGN
Funding received	0,00 BGN
Total expenses	5 000,00 BGN
Balance as of 31.12.2018	5 000,00 BGN

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**15. Contract with Anrabis**  
**Donation for the NGO web portal**

Balance from 2017	1 000,00 BGN
Funding received	0,00 BGN
Total expenses	1 000,00 BGN
Balance as of 31.12.2018	0,00 BGN

*Projects implemented in previous years, with balance funding was received or expected in 2018*

**16. Contract with Mental Disability Advocacy Center – MDAC, Budapest**  
**Project: "Innovating European lawyers to advance rights of children with disabilities" - No JUST-2014-RCH-AG-PROF/7362**  
**Source of funding: European Union**

Balance from 2017	-2 633,63 EUR
Funding received from the donor	2 665,40 EUR
Total expenses	33,86 EUR
Balance as of 31.12.2018	0,00 EUR

**17. Contract with Centre for Community Dialogues and Initiatives (CCDI), Armenia**  
**Project: Support to sustainable development through increased role and participation of Civil Society Organizations (CSOs) at democratic changes in Armenia**  
**Source of funding: European Commission**

Balance from 2016	5037,57 EUR
Funding received	0,00 EUR
Total expenses	0,00 EUR
Balance as of 31.12.2017	5037,57 EUR

According to a decision by the EC Delegation in Armenia, project implementation is temporarily suspended for reasons not related to the BCNF Foundation's project activities. At the date of preparation of the financial statements, a financial audit of the project is in progress and a possible assessment by the funding body for the continuation of the project. Pursuing the precautionary principle, the costs incurred by the BCNF Foundation in 2017 in the amount of BGN 1173,50 are considered as future expenses for 2018 and 2019.

**18. Contract with PIRGOS Association, Serbia**  
**Project: ACT – Active Citizenship Together**  
**Source of funding: EU through Bulgaria - Serbia IPA Cross-border Programme**

Balance from 2016	-5 094,97 EUR
Funding received	0,00 EUR
Total expenses	0,00 EUR
Balance as of 31.12.2017	-5 094,97 EUR

The project was completed in February 2016 and all the costs incurred were recognized by the verifying authority of IPA Cross-border Programme. The project partner has acknowledged a commitment to the BCNF Foundation at the amount specified above. The management has taken steps to collect the claim, but as of 31.12.2018 it is still due. At the reporting date, the receivable is not revalued and is not classified as uncollectible.

*Projects to be implemented in 2019 for which prepayment was received in 2018*

**19. Contract with Foundation Open Society Institute**  
**Project: Programme Next Step**  
**Source of funding: Foundation Open Society Institute**

Balance from 2017	0,00 USD
Funding received	110 000,00 USD
Total expenses	0,00 USD
Balance as of 31.12.2018	110 000,00 USD

**20. Contract with Unicredit Bulbank**  
**Programme "Entrepreneurship for NGOs"**  
**Source of funding: Unicredit Bulbank**

Balance from 2017	0,00 BGN
Funding received	10 000,00 BGN
Total expenses	0,00 BGN
Balance as of 31.12.2018	10 000,00 BGN

Prepared by: *Rosina Sechkova for RE Account LTD*  
 Director: *Nadia Shabani-Panova*

Date: 14.02.2019 r.



"Thank you for taking the side of my child.",

*statement by a mother participating in the trainings on supported decision-making in Stara Zagora*

"I am grateful to have had the honor to meet people like you! The experience you passed over to all of us in a comprehensible language and at a high level (I wonder how you combine these two) is extremely beneficial. I myself became aware of the challenges my organization is facing, and based on what I learnt from you I can take measures to address them. Thank you!",

*a participant in the Summer School, June 2018 – anonymous.*

Authors: Hristo Dachev and Maria Dacheva  
II-nd place in "Civil Alarm Clock" Contest 2018  
for the Series of photographs "Free Speech"

