



**BULGARIAN CENTER
FOR NOT-FOR-PROFIT
LAW**

ANNUAL REPORT

2019



front cover:

"We are the hero" – Milena Simeonova,
award winner in the category "Illustration" of the 2019 competition "Civil Alarm Clock"

"This piece of work reflects the powerful impact of civil association for common causes and the energy of the protests and the people involved in them. The heroes in my illustration create their own superhero. Being together they have superpower."

ANNUAL REPORT 2019



**BULGARIAN CENTER
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LAW**

Heroes Now

2019 Annual Report of BCNL

The year 2019 was different. The usual problems facing the sector – lack of funding, a variety of topics and concerns, arguments with the institutions – did not seem to be topical. The reality is that we were confronted with by far more serious issues and challenges, as we like to refer to them in the NGO slang. The questions asked (including by serious media and journalists) in the public space were: Are NGOs helpful to the society and in what ways; Don't they just act as channels for foreign interests; Are they indeed "non-governmental", etc. The propaganda reached an important point – an attack against NGOs as such (not against NGOs for reasons of their specific activity – green, child-oriented, gender-oriented, etc. – as it had been over recent years, but against NGOs as a public construction).

The question should not be WHY? It is obvious! Civil society organizations are the guardian of last resort for the democratic values in a state where the other actors have increasingly refused to ensure them – the court, the institutions, the media, etc. If we are real actors in defending the national interests of a state with democracy and the rule of law; if we fight to be the platform where the rights and freedoms of each individual are protected, where human dignity is a high value and the guiding principle is the rule of law; if this is our version of development – it would be a pity if we were not a target of attacks. BECAUSE we are the guarantors who will always believe in these values, and will seek ways to ensure that they are further rooted in our public culture and behavior. Are we prepared to show that we act as a

guarantor? Needless to ask this question. We are ready.

As long as confrontation is imposed on us, we will aim at a constructive discussion and dialogue; as long as we are vilified, our thoughts will be about those who are really vulnerable and our minds will be devoted to helping them; as long as the divide is being deepened, we will build up communities.

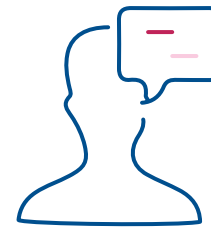
This will be our line of action, as we know that in a democratic society the lack of freedom for one individual implies the lack of freedom for all its members; that dialogue is the way for us to go forward; that there is space for everyone. And first and foremost, we know that those working in the Bulgarian civil society sector are individuals who volunteer and support some of the most talented people in Bulgaria, and who believe that our country is a nice place, with a lot of potential and goodness which are worth developing.

It is with this confidence that we are starting the year 2020 and the new decade.



Nadya Shabani, Director of BCNL

BCNL In Figures For 2019



CONSULTATIONS

over **450**



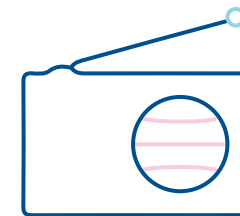
OPINIONS

25



NUMBER OF NEWS PUBLISHED

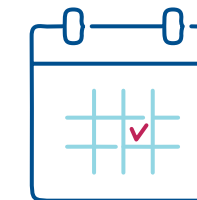
75



PARTICIPATIONS IN THE MEDIA

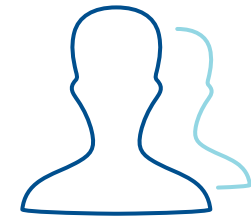
205

(of which 40 in TV and radio)



EVENTS ORGANIZED BY US

48



PARTICIPANTS IN EVENTS

5,941

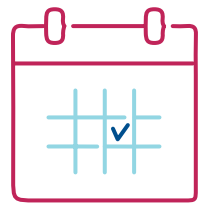
The House Of NGOs

“ [...] it all started with one Person. The Person who has the eyes to see the issued within the society. The person who has an idea. The Person who has a voice and wants this voice to be heard by everybody. [...] the deeds of that Person can awaken the idea about change amongst the public.”
 Mirian Marinova, participant in the competition “Civil Alarm Clock” 2019



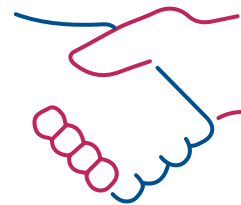
We believe that civil society organizations in Bulgaria can set an example for a community which is helpful and allows us to share our values, seek common crossing points and inspiration for change.

The House of NGOs is a small projection of this idea. It is the fourth consecutive year when we have derived a feeling of satisfaction from our community alongside our shared initiatives.



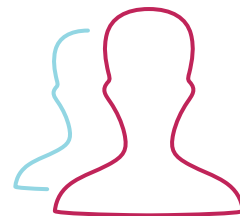
EVENTS

141



COLLABORATIONS

over 40



PEOPLE INVOLVED
IN EVENTS

1,390

In October we started the **Vihrogontsi** (vortex) **sequence** at the House of NGOs: a series of motivational presentations by fans of movement – travelers, nature lovers, adventurers, athletes – in which they tell their stories and inspire others to be active and search for a cause in everything they do.

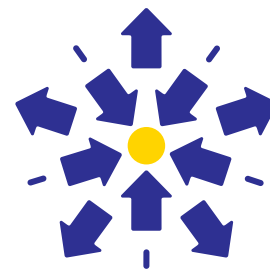
The sequence started with **4 vortex story tellers** who guided **60 guests**, on foot or on bikes, to the mountain ranges in the USA, the cycling routes in Eastern Africa, the exotic customs in Southeastern Asia, and the challenge – 1,000 km of charity.





In an unusual talk show format in the House, the trio of treasure hunters – **Iva Doichinova**, **Elena Rosberg**, and **Evgenia Pavlova** – presented their joint media project **Triple E.Y.E Project** to civil society organizations; they spoke about their personal motivation in developing the project; the mission behind this initiative, and the

(non-)accidental meeting with inspiring people. In order to also allow the guests to discover new treasures, a couple of attending organizations took “the hot seat” and introduced themselves and told the valuable stories about the good they do.



THE HUB of civic organizations



Workshop “Introduction into first aid” with Stanimir Tepavski – national trainer in first aid with the Bulgarian Red Cross Youth – who volunteered to conduct the training for the community of the House and the Alumni Club with the NGO Summer School.

What Have We Changed In The Legal Framework

“ I believe in having various civil society organizations: unions, associations, initiatives.”- “The need for change cannot be just the dream of intellectuals, the whole society has to strive for change.”

Vaclav Havel

In 2019 we continued **providing support to CSOs by means of consultations** on preparing their documents for registration and re-registration with the Registry Agency, as well as on general compliance in order to maintain a perfect status.

- NGOs receiving consultations – over 300
- Citizens receiving consultations – over 50
- Consultations rendered – over 450
- New registrations – 3

An important development in 2019 was **the entry into force of the Regulation for the application of the new Measures against Money Laundering Act**. As a result of an initiative by BCNL, amendments were made to the law which significantly alleviated the task for many non-profit legal entities to enter data about the real owner (there is no need to additionally enter data about the real owner registered beforehand on different grounds). In relation to this topic, the State Agency for National Security issued special instructions making this obligation of non-profit legal entities clearer and preventing controversial application of the law.

Following a 5-year debate, the Social Services Act was passed by the National Assembly in early 2019. Regrettably, the Ministry of Labor and Social Policy missed the opportunity to conduct an appropriate awareness-raising campaign. Thus, the autumn of 2019 witnessed growing attacks on the law that had already been passed and, as a whole, on the role of NGOs in the process of social consultations. **An informal coalition of NGOs involved in the social area** responded by publishing open letters on the topic. Regrettably, due to the absence of an impact assessment and large-scale public consultations, in the last days of 2019 the National Assembly postponed the entry into force of the law till July 2020, which resulted in a failure to use the opportunity for launching the social reform.



At the end of November in 2019 the Bulgarian legal community organized a meeting in Sofia to mark the 30th anniversary of the adoption of the Convention on the Rights of the Child. This anniversary was an occasion to review and assess the extent to which the Convention is properly understood in Bulgaria, accepted and implemented in the spirit of its legal provisions, as intended by the State Parties to the Convention. The event was attended by 120 representatives of various legal professions from Bulgaria and from abroad – magistrates, lawyers, academia, human rights activists – and civil society representatives. The organizers of this large-scale forum were the Bulgarian Center for Non-Profit Law (BCNL), the National Institute of Justice, the Supreme Bar Council, the Institute for the State and the Law with the Bulgarian Academy of Science. The event was organized with the support of UNICEF.

An important change in the legislation concerning people with disabilities was the **entry into force of the Persons with Disabilities Act, the supported decision-making (SDM) concept being introduced in the section “Access to Justice”**. This was a significant step forward in ensuring equality before the law for all people with



The teams from BCNL, GIP and BAPID, together with their Israeli counterparts during the workshop on supported decision-making in the context of access to justice

disabilities, including individuals with intellectual difficulties and mental health problems. BCNL, GIP (Global Initiative on Psychiatry) and BAPID (Bulgarian Association for Persons with Intellectual Disabilities) continued working hard with the aim to change the practice whereby persons with mental disabilities participate in court proceedings. In addition to the exchange of experience and ideas with other states, we also applied some new approaches to court cases concerning forced medical treatment of persons under full guardianship with the aim ensure their access to a fair trial.

We were very happy with the internship of Samantha Beckmann – a student from McGill University, Canada – who produced an extremely interesting **comparative report** on jurisdictions across the world where guardianship has been revoked and replaced with SDM. In 2019 we started a 3-year joint project with the Global Initiative on Psychiatry-Sofia and the Union of Judges **“Ex iure ad iustatium (From justice to fairness); principles of a fair trial for persons with disabilities”** – the objective of the project is uniting the efforts of judges, lawyers, civil society organizations in developing and implementing an innovative algorithm for applying procedures which safeguard the rule of law in conformity with the latest international human rights acts.

We are happy to point out that we will intensify our activity related to a very important topic for NGOs – improving the access to employment for people with disabilities. We started a new joint project with Maria’s World Foundation **“I can work! Employment support for people with intellectual difficulties”** with a focus on implementing an efficient model to support access to employment for persons with special needs.

Developing Skills

"We wish you to be successful librarians! To help us let you know what is available and where, to help us take action and be successful in achieving what we need"

A participant in the 2019 Summer School for NGOs

"Entrepreneurship for Non-Profit Organizations"

is an important program for us. The successes of the participating organizations prove that NGOs who have mission-related entrepreneurship activities:

- **Generate confidence** – civil society organizations are organizations of the people;
- **Bring the community together** – this is a model with the involvement of everybody;
- **Provide sustainable support to people** – in a way tailored to the needs, as entrepreneurship can adapt to people's needs.

12 organizations which were involved in the initial training period participated in the 8th edition of Entrepreneurship for Non-Profit Organizations; 11 of them took part in the competition "The Best NGO Business Plan", and the five best ideas ensured financing in the amount of 8,000 BGN for the relevant organizations.

The finalists received mentorship support during the first 6 months for implementing their ideas – they had meetings with the 22 experts from businesses and social entrepreneurs who offered them individual counseling and guidance for a successful start-up.



The annual Bazar of Social Enterprises, which is part of the Program, started a life of its own, with a new name: **Bazar "A Little means a Lot"** and 4 new editions – in addition to the traditional edition in Serdika Center in February, the Bazar had an edition in the town of Montana during the Festival of Social Entrepreneurship, and another one for Easter at the National Assembly where decision-makers received a very clear message that any cause aiming at fairer solutions for the others is worthwhile; as well as 2 Christmas editions hosted by Accenture Bulgaria and Telus International Bulgaria – partners of the Program. The 2019 Bazar "A Little means a Lot" had over 5,000 visitors.



A crucial development for the Program and its progress is a project we started in December 2019 – a project uniting organizations and businesses which became part of the supporting environment for social enterprises. This is **www.DarPazar.bg** – a place where you will find products and services with a cause offered by civil society organizations and other social enterprises in Bulgaria.

- 24 social enterprises have been registered in DarPazar
- Over 250 products and services with a cause have been uploaded on the platform



Christmas edition of the Bazar at Accenture Bulgaria



"A Little means a Lot" in Serdika Center



Bazar "A Little means a Lot" during the Festival of Social Entrepreneurship, Montana 2019



Interactive installation at the opening of the exhibition "Awakening: The rights through the prism of art" – idea and implementation by Destructive Creation

Civil Alarm Clock is our program encouraging young creators who use the power of socially engaged art to tell us about their rights and show them through their works. The special focus in 2019 were the children workshops within the framework of the 2019 Civil Week of Culture which we organized together with ALOS Center. The three workshops involved 50 school children from the 3rd to the 5th grade (aged between 9 and 11) who illustrated their understanding of rights through their creation. An exhibition with the children's paintings and collages was organized at School No 120 "G. S. Rakovski".

- **Participants – 85 authors with 171 creations:**



PHOTOS

77



TEXTS

58



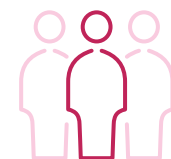
ILLUSTRATIONS

36

- **Works receiving awards - 35**

Special gratitude to the competition jury: Marin Bodakov, Silvia Choleva, Stefan Ivanov, Zarina Vassileva, Velina Mavrodinova, Rozalina Burkova, Nikolay Dimchevski, Mincho Todorov, Vesselina Nikolaeva, Miroslav Marinov, Hristina Tasheva.

The fourth edition of the NGO Regional Grant allowed implementing initiatives from all over the country, which contributed to changing the places where the authors live and create.



APPLICANTS

259



ORGANIZATIONS AWARDED

14



TOTAL FINANCING

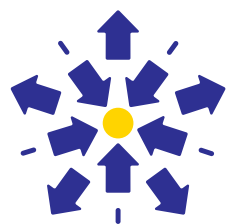
65,328 BGN

The community meeting with the Regional Grant in 2019 took place in the form of an interactive game **VIVA Lab/Challenges**. Four teams had the mission to invent and propose to Vivacom ideas that will make it a company with happier workplaces, more environmentally friendly, more socially responsible and better connected to local communities.



The Summer School for NGOs Arkutino 2019 had its 8th edition! One again a terrific group of inspiring young activists ready to learn everything in order to lift the mountains of civic change.





THE HUB of civic organizations

The House of NGOs has been affirmed both as a place for learning and as a place for inspiration:

Training program



PARTICIPANTS

81



MAIN TOPICS

6



SESSIONS

18

In the spring and autumn of 2019 the House was once again revived, with people seeking knowledge and skills in the civil sector. The topics in the Training program of the House – personal data protection, campaigns in the social media, financial management, marketing for NGOs, etc. attracted not only people from civil society organizations but also active citizens seeking new development opportunities.

The sequence “Vihrogontzi” fueled the House with new energy from people seeking adventure, united by the common cause of acting as ambassadors of good by means of their deeds.

Making Organizations Active

In 2019 we put efforts into launching several new initiatives with the aim to generate **new civic energy and support for the organizations**:

Bulgaria donates – a coalition of 12 organizations united by the idea to encourage donorship and support for civic causes – had its first edition in March 2019. BCNL was the coordinator of the first edition within which:

- Over 120 causes were registered on the platform
- Over 50,000 BGN were donated within one week

Another promising initiative is aimed to **support volunteering**. 10 organizations signed a memorandum whereby they committed to conducting a national campaign in support of volunteering in 2020.

Our partnership with Sofia Municipality was important within the framework of the coalition of over 30 organizations with which we organized a **forum for the quality of social services**. The voice of consumers and their families played the leading role in the forum.

In late 2019 we started a new project aimed at creating **civic hubs at Sofia University and Plovdiv University** which will serve to galvanize the energy of students and organizations to the benefit of the society.

Together with the Program and Analytical Center for European Law, we launched a new initiative “**For the citizens and their organizations**” which will contribute to improving the legal culture of NGOs and will raise awareness about NGOs and their activity.

Jointly with the Citizen Participation Forum, we will improve **the Portal for citizens in 2020** – public consultations and the tools used by the community in decision-making at the local level.



Partnerships

“ I am very happy about standing together behind good causes. We are privileged to work with you!”

Representative of a partner company with which we have advocated social entrepreneurship

Special gratitude to our partners:

**OPEN SOCIETY
FOUNDATIONS**



accenture

UniCredit Bulbank

VIVACOM



Iceland
Liechtenstein
Norway
**Active
citizens fund**

cepe:
Centrul de Resurse
pentru participare publică

TELUS® Internationa



3
CRC30
ГОДИНИ
КОНВЕНЦИЯ ЗА
ПРАВАТА НА ДЕТЕТО

BULGARIAN CENTER FOR NOT-FOR-PROFIT LAW

Board of trustees:

1. Velina Stancheva Todorova – Chairperson
2. Tsveta Evgenieva Popova
3. Tsvetana Ivanova Chukleva
4. Lyuben Gurkov Panov
5. Stanislav Maximov Sirakov
6. Nadya Rabhat Shabani-Panova

Team:

- Nadya Shabani, Director
- Pavleta Alexieva, Program Director
- Anna Adamova, Program Director
- Elena Kalinova, Financial Director
- Plamen Todorov, Administrative Director
- Aylin Yumerova, Legal Advisor
- Zdrava Vodenicharova, Social Entrepreneurship Coordinator
- Zahari Yankov, Legal Advisor
- Radina Banova, Legal Advisor
- Penka Panamska, Office Manager
- Nadya Hristova, Associate, House of NGOs

Awards


BCNL received the jubilee award of the National Alliance for Social Responsibility for its overall contribution to the development of national partnerships, social policies and services in Bulgaria.

Beneficiaries of financing

“Entrepreneurship for Non-Profit Organizations” Program

WW F- World Wildlife Fund	8,000
Initiative for Social Development Foundation	8,000
Operation Teddy Bear Association	8,000
Future for the Children Association	8,000
Our Premature Children Foundation	8,000
Total	40,000

Financial Reports



INDEPENDENT AUDITOR'S REPORT

To the management of
Bulgarian Center for Not-for-Profit Law
Sofia

Opinion

We have audited the financial statements of Bulgarian Center for Not-for-Profit Law (the Foundation), which comprise the balance sheet as at 31 December 2019, and the income statement, equity statement and cash flow statement for the year then ended, and note to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Foundation as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with National Accounting Standards (NAS) applicable in Bulgaria.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements of the Independent Financial Audit Act (IFAA) that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NAS 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

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based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Radosveta Vesselinova
 registered auditor
 


April 15, 2020
Sofia, Bulgaria, 81 Bulgaria Blvd, entrance 2, office 5

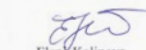
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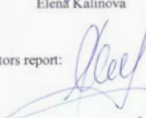
BALANCE SHEET
as at 31 December 2019


Bulgarian Center for Not-for-Profit Law

ASSETS	Notes	31.12.2019 thous. BGN	31.12.2018 thous. BGN
Non-current assets, net			
Equipment		-	1
Computer technique	3	3	4
Shares and portion in subsidiary company	3	5	5
Loans granted to subsidiaries		11	11
		<u>19</u>	<u>21</u>
Current assets			
Receivables from financing	4	17	33
Cash and cash equivalents	5	351	696
		<u>368</u>	<u>729</u>
Deferred expenses		3	9
Total assets		<u>390</u>	<u>759</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Other reserve		331	383
		<u>331</u>	<u>383</u>
Current liabilities			
Current liabilities	6	-	4
Unspent from financed project	7	58	372
Future income from profit-making activities	7	1	-
		<u>59</u>	<u>376</u>
Total equity and liabilities		<u>390</u>	<u>759</u>

Manager: 
Nadia Shabani-Panova

Compiler: 
Elena Kalinova

09 March 2020 As per auditors report: 



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INCOME STATEMENT
for the year ended 31 december 2019

Bulgarian Center for Not-for-Profit Law

Notes	2019 thous. BGN	2018 thous. BGN
Revenue from regulated activity		
Revenue from donations conditional	491	752
Other income	440	752
	51	-
Financial incomes	4	4
Foreign currency exchange rate gains	4	4
Expenses by regulated activity		
Other costs	489	759
	489	759
Financial expenses	6	7
Foreign currency exchange rate loss	4	4
Other expenses from financial operations	2	3
Result from non-economic activities	-	(10)
Profit from economic activities	-	33
Result for the year	-	23

Manager:
Nadia Shabani-Panova

09 March 2020

Compiler:

Elena Kalinova

As per auditors report:

0317 Радосвета Веселинова
Регистриран одитор

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INCOME STATEMENT FOR ECONOMIC ACTIVITY
for the year ended 31 December 2019

Bulgarian Center for Not-for-Profit Law

Notes	2019 thous. BGN	2018 thous. BGN
Operating incomes business activities		
Net sales incomes	31	43
	31	43
Financial incomes		
Interest income	0	1
	-	1
Expenses by economic elements		
Cost of hired services	31	8
Employee expenses	17	7
Cost of insurance	12	-
Other costs	1	1
	1	1
Profit from operating activities	-	36
Profit before income tax	-	36
Income tax	-	3
Profit after tax	-	33
Net profit for the period	-	33

Manager:
Nadia Shabani-Panova

09 March 2020

Compiler:

Elena Kalinova

As per auditors report:

0317 Радосвета Веселинова
Регистриран одитор

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STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019

Bulgarian Center for Not-for-Profit Law

	Reserves thous. BGN	Financial resul thous. BGN	Total equity thous. BGN
Balance as at 31 December 2017	267	93	360
Financial result for the period		23	23
		-	-
Balance as at 31 December 2018	267	116	383
Financial result for the period			
Other changes in the reserves	(52)		(52)
Balance as at 31 December 2019	215	116	331

Manager:
Nadia Shabani-Panova

09 March 2020

Compiler:

Elena Kalinova

As per auditors report:

0317 Радосвета Веселинова
Регистриран одитор

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CASHFLOW
for the year ended 31.12.2019

Bulgarian Center for Not-for-Profit Law

Notes	2019 thous. BGN	2018 thous. BGN
Cash flows non-economic activities		
Conditional financing received	144	818
Cash flow from bank operations and currency exchange gains	3	3
Other cash-flows received	4	8
Payments to employees	(180)	(175)
Payments to social security	(41)	(49)
Payments for services	(164)	(281)
Grants paid	-	(5)
Payments for assets	(2)	(4)
Interest and bank tax paid	(2)	(7)
Other cashflows from operating activities	(105)	(226)
Net cash flows from non-economic activities	(343)	82
Cash flows economic activities		
Received amounts on contracts	33	39
Cash flow from bank operations and currency exchange gains	-	1
Payments to suppliers	(17)	(7)
Payments for salaries and social security contributions	(13)	-
Tax payments	(4)	(2)
Other cashflows from operating activities	(1)	(1)
Net cash flows from economic activities	(2)	30
Net change in cash and cash equivalents	(345)	112
Cash as at 01 January	696	584
Cash as at 31 December	351	696

Manager:
Nadia Shabani-Panova

09 March 2020

Compiler:

Elena Kalinova

As per auditors report:

0317 Радосвета Веселинова
Регистриран одитор

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NOTES TO THE FINANCIAL STATEMENTS
for the year ending on December 31, 2019

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 organisation, 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 2019 are:

- ✓ **Project: Support to Civil Society Organizations Continued and Expanded**, funded by America for Bulgaria Foundation
- ✓ **Project: „Next Step: Fight for Irreversibility“**, funded by Foundation Open Society Institute
- ✓ **Programme “Enterpreneurship forNGOs”**, with the financial aid of Accenture Bulgaria, Telus International (Call Point New Europe), America for Bulgaria Foundation and Unicredit Bulbank
- ✓ **Project “International conference “Bulgarian Child Justice Thirty years after the Convention on the rights of the child”**, funded by OAK Foundation and Unicef Bulgaria
- ✓ **Project “The Civil Society Organization Sustainability Index in Bulgaria”**, funded in USAID
- ✓ **Project “Civic alarm clock”**, funded by Sofia municipality, programme “Culture” and Black Sea Trust for Regional Cooperation
- ✓ **Project „Civil Hubs at Universities: Activating Civil Energy in Support of Civil Society**, funded by the Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021
- ✓ **Project Citizens’ Entrance - FCP for Improving Public Consultation in Municipalities, in partnership with Forum Citizen Participation**, funded by the Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.
- ✓ **Project “Ex iure ad iustatium (from right to justice); principles of fair trial for people with disabilities”, in partnership with Global Initiative in Psychiatry**, funded by the Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.
- ✓ **For citizens and their organizations, - in partnership with PACEL** funded by the Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.
- ✓ **CAN WORK! Labor Market Support for People with Intellectual Disabilities, in partnership with Maria’s world foundation**, funded by the Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021
- ✓ **Initiative ‘Bulgaria gives’, a memorandum between 12 organizations - Bulgarian Center for Not-for-Profit law, Bulgarian Donors Forum, Bulgarian Fund for Women, Because Foundation,**

Financial statement as of December 31, 2019

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NOTES TO THE FINANCIAL STATEMENTS
for the year ending on December 31, 2019

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.

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 2019 have been prepared in accordance with the requirements of all the National Accounting Standards applicable in 2019, as of the Balance sheet date of December 31, 2019.

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 2019 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 2019 and 2018 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, 2019, 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

Financial statement as of December 31, 2019

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NOTES TO THE FINANCIAL STATEMENTS
for the year ending on December 31, 2019

of accrual basis and comparability.

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 2019 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, 2019. For the purposes of the Cash Flow Statement, the cash includes all cash in hand and at bank as of December 31, 2019.

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. 2019 BGN in thousands	31.12. 2018 BGN in thousands
Subsidiary company	5	5
Given loan to subsidiary company	11	11
Total	16	16

Financial statement as of December 31, 2019

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NOTES TO THE FINANCIAL STATEMENTS
for the year ending on December 31, 2019

4. Receivables

	31.12. 2019 BGN in thousands	31.12. 2018 BGN in thousands
Receivables from donors	13	10
Receivables from project partners	1	15
Others	3	4
Receivables from clients	-	4
Total	17	33

5. Cash

	31.12. 2019 BGN in thousands	31.12. 2018 BGN in thousands
Cash in BGN	348	460
Cash in foreign currency	3	204
Cash pledged as collateral	-	32
Total	351	696

6. Current Liabilities

	31.12. 2019 BGN in thousands	31.12. 2018 BGN in thousands
Trade payables	-	1
Tax liabilities	-	3
Total	-	4

7. Financing and differed income from profit-making activity

	31.12. 2019 BGN in thousands	31.12. 2018 BGN in thousands
Reminders of financed projects	58	372
Differed income from profit-making activity	1	-
Total	59	372

The not expended balances of the received financing for projects in realization by the end of the year.

8. Revenues from regulated activity

	For the year ending on 31.12. 2019 BGN in thousands	For the year ending on 31.12. 2018 BGN in thousands
Recognized income from grants under condition-programs	440	752
Other incomes	51	-
Total	491	752

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NOTES TO THE FINANCIAL STATEMENTS
for the year ending on December 31, 2019

Other incomes is the sum, used from the reserve of the organization to cover current expenses through the year

9. Expenses for regulated activity

	For the year ending on 31.12.2019 BGN in thousands	For the year ending on 31.12.2018 BGN in thousands
Project costs	489	759
Total	489	759

10. Income of economic activity

	For the year ending on 31.12.2019 BGN in thousands	For the year ending on 31.12.2018 BGN in thousands
Income from services rendered	31	43
Interest	-	1
Total	31	44

11. Expenses for economic activity

	For the year ending on 31.12.2019 BGN in thousands	For the year ending on 31.12.2018 BGN in thousands
Costs of hired services	17	7
Payments to employees	12	-
Cost of insurance	1	-
Other costs	1	1
Total	31	8

12. Tax expenses

	For the year ending on 31.12.2019 BGN in thousands	For the year ending on 31.12.2018 BGN in thousands
Current tax expense	-	3
Total	-	3

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

Financial statement as of December 31, 2019

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PROJECTS DURING 2019

Bulgarian Center for Not-for-Profit Law Foundation implemented during 2019 the following projects:

Programs, implemented in 2019

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 2018	110 519,18 BGN
Funding received	0,00 BGN
Total expenses	110 519,18 BGN
Purchased assets	0,00 BGN
Balance as of 31.12.2019	0,00 BGN

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

Balance from 2018	2 168,93 USD
Funding received	0,00 USD
Total expenses	2 168,93 USD
Purchased assets	0,00 USD
Balance as of 31.12.2019	0,00 USD

3. Contract with Foundation Open Society Institute
Project: Programme Next Step - program for year 2019 and 2020
Source of funding: Foundation Open Society Institute

Balance from 2018	110 000,00 USD
Funding received	0,00 USD
Total expenses	100 751,09 USD
Balance as of 31.12.2019	9 248,91 USD

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

Balance from 2018	4 267,40 USD
Funding received	4 846,50 USD
Total expenses	9 113,90 USD
Balance as of 31.12.2019	0,00 USD

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5. Contract with Family Health International 360, USA
Project: „ The Civil Society Organization Sustainability Index in Bulgaria for 2019 “
Source of funding: USAID

Balance from 2018	0,00 USD
Funding received	0,00 USD
Total expenses	1 532,30 USD
Balance as of 31.12.2019	(1 532,30) USD

6. Contract with Black Sea Trust for Regional Cooperation

Project: “Civil Alarmclock”

Source of funding: Black Sea Trust for Regional Cooperation

Balance from 2018	0,00 лв.
Funding received	772,50 лв.
Total expenses	772,50 лв.
Balance as of 31.12.2019	0,00 лв.

7. Contract with Sofia municipality

Project: “Civil Alarmclock”

Source of funding: Sofia municipality, program Culture

Balance from 2018	0,00 лв.
Funding received	4 000,00 лв.
Total expenses	4 000,00 лв.
Balance as of 31.12.2019	0,00 лв.

8. Contract with Civitates, in partnership with Forum for Civic participation

Project: “Coalition for defence of the civil space “

Source of funding: Civitates

Balance from 2018	0,00 лв.
Funding received	6 800,00 лв.
Total expenses	1 183,06 лв.
Balance as of 31.12.2019	5 616,94 лв.

9. Contract with Accenture Bulgaria Ltd

Programme “Entrepreneurship for NGOs”

Source of funding: Accenture Bulgaria Ltd

Balance from 2018	4 896,01 лв.
Funding received	16 000,00 лв.
Total expenses	20 253,54 лв.
Balance as of 31.12.2019	642,47 лв.

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10. Contract with Telus International (Call Point New Europe)
Programme “Entrepreneurship for NGOs”
Source of funding: Telus International (Call Point New Europe)

Balance from 2018	10 000,00 лв.
Funding received	10 000,00 лв.
Total expenses	12 071,97 лв.
Balance as of 31.12.2019	7 928,03 лв.

11. Contract with Unicredit Bulbank

Programme: „ Entrepreneurship for NGOs “

Източник на финансиране: Unicredit Bulbank

Balance from 2018	10 000,00 лв.
Funding received	10 000,00 лв.
Total expenses	10 000,00 лв.
Balance as of 31.12.2019	10 000,00 лв.

12. 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 Edinbrough, Listen Up Foundation, World of Maria Foundation, WWF Bulgaria, UNICEF

Initiative “Bulgaria gives”

Source of funding: partner organizations

Balance from 2018	5 200,00 лв.
Funding received	2 000,00 лв.
Total expenses	7 200,00 лв.
Balance as of 31.12.2019	0,00 лв.

13. Contract with UNICEF - Bulgaria

Project: Promotion 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 2018	5 000,00 BGN
Funding received	0,00 BGN
Total expenses	5 000,00 BGN
Balance as of 31.12.2019	0,00 BGN

14. Contract with UNICEF - Bulgaria

Project: International conference “Bulgarian Child Justice Thirty years after the Convention on the rights of the child

Source of funding: UNICEF - Bulgaria

Balance from 2018	0,00 лв.
Funding received	8 320,00 лв.
Total expenses	8 320,00 лв.
Balance as of 31.12.2019	0,00 лв.

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15. Contract with Foundation OAK

Project: International conference "Bulgarian Child Justice Thirty years after the Convention on the rights of the child"

Source of funding: Foundation OAK

Balance from 2018	0.00 USD
Funding received	25 000,00 USD
Total expenses	25 000,00 USD
Balance as of 31.12.2019	0,00 USD

16. Contract with Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Project: Civil Hubs at Universities: Activating Civil Energy in Support of Civil Society

Source of funding: Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Balance from 2018	0.00 EUR
Funding received	10 910,00 EUR
Purchased asset	1181,08 EUR
Total expenses	5221,00 EUR
Balance as of 31.12.2019	4507,92 EUR

17. Contract with Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Project: Project Citizens' Entrance - FCP for Improving Public Consultation in Municipalities, in partnership with Forum Citizen Participation

Source of funding: Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Balance from 2018	0.00 EUR
Funding received	0.00 EUR
Total expenses	333.50 EUR
Balance as of 31.12.2019	(333.50) EUR

18. Contract with Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Project: "Ex iure ad iustatium (from right to justice); principles of fair trial for people with disabilities", in partnership with Global Initiative in Psychiatry

Source of funding: Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Balance from 2018	0.00 EUR
Funding received	2474.25 EUR
Total expenses	471.51 EUR
Balance as of 31.12.2019	2002.74 EUR

19. Contract with Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Project: For citizens and their organizations, - in partnership with PACEL

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Source of funding: Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Balance from 2018	0.00 EUR
Funding received	2737.00 EUR
Total expenses	2207.18 EUR
Balance as of 31.12.2019	529,82 EUR

20. Contract with Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Project: CAN WORK! Labor Market Support for People with Intellectual Disabilities, in partnership with Maria's world foundation

Source of funding: Active Citizens Bulgaria Fund under the EEA Financial Mechanism 2014-2021.

Balance from 2018	0.00 EUR
Funding received	798.03 EUR
Total expenses	81.56 EUR
Balance as of 31.12.2019	716.46 EUR

21. Donations from individuals and legal entities

Donations received for the fundraiser club - 850 BGN in total - Ivaylo Gyurov (50 BGN), Rosalina Lachkova (50 BGN), Bulgarian Red Cross (50 BGN), Foundation For Our Children (100 BGN), Foundation Bicus (100 BGN), Trust for Social Alternative (50 BGN), Center for Inclusive Education (100 BGN), Museko (50 BGN), Ashod Derrandonyan (50 BGN), International Award of the Duke of Edinburgh in Bulgaria (50 BGN), Diana Trifonova (50 BGN), Education Without Backpacks Association (50 BGN), Institute for Market Economics Foundation (50 BGN), Foundation Together in Hour (50 BGN)

Donations received during the Bulgaria Donates campaign - BGN 770 in total - Iva Doychinova (BGN 50), Gergana Zareva (BGN 50), NEA Consult EOOD (BGN 300), ELDI Consulting EOOD (BGN 370)

Projects, implemented in previous years, with balance funding was received or expected in 2019

22. 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 2018	5037,57 EUR
Funding received	(5037,57) EUR
Total expenses	0,00 EUR
Balance as of 31.12.2019	0,00 EUR

After conducting a financial audit, the EC Delegation decided to terminate the project. Only expenses incurred up to the date of the last financial statement are recognized as an expense. The remaining funding was returned to the financing organization and the expenses incurred in the amount of BGN 1583 were borne by the organization.

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23. Contract with PIRGOS Association, Serbia

Project: ACT – Active Citizenship Together

Source of funding: EU trough Bulgaria - Serbia IPA Cross-border Programme

Balance from 2018	-5 094,91 EUR
Funding received	0.00 EUR
Total expenses	0.00 EUR
Balance as of 31.12.2019	-5 094,91 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 BCNL Foundation at the amount specified above. The management has taken steps to collect the claim, but as of 31.12.2019 it is still due. At the reporting date, the receivable is not revalued and is not classified as uncollectible.

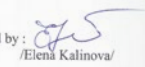
24. Contract with OP Human Resources 2014-2020

Project: Know-How Lab for Social Entrepreneurship 2017-2018

Source of funding: OP Human Resources 2014-2020

Balance from 2018	13 349,43 BGN
Not verified expenses	512,59 BGN
Returned financing	13 862,02 BGN
Balance as of 31.12.2019	0,00 BGN

The project was successfully completed as of December 31, 2018 and has a balance of unused funding of BGN 13 349,43. Due to this the percentage of administrative and promotional expenses was reduced by the verifier by BGN 512,59.

Prepared by: 
/Elena Kalinova/

Director: 
/Nadia Shabanova/

Date: 15.04.2020 r.



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“ I wish you a lot of never-ending enthusiasm, immune to external (in particular, political) influences, and persistence in the difficult mission of defending the rights of the most vulnerable and helpless individuals. Success to the whole team. You embody change, and the results are visible.”

Participant in the conference “Justice for Children – 30 years after the adoption of the Convention on the Rights of the Child”

