

**Bulgarian Center for  
Not-for-Profit Law**



**ANNUAL  
REPORT**

**2010**

***Mission of the Bulgarian Center for Not-for-Profit Law  
is to provide legal & policy support for the development  
of civil society, public participation and good governance in Bulgaria.***

## **ABOUT US**

The Bulgarian Center for Not-for-Profit Law (BCNL) was established in July 2001 as a public benefit foundation and registered with the Central Register at the Ministry of Justice.

BCNL has established itself as the leading indigenous expert on non-profit organizations (NPO) legal and financial issues and an important resource center for NPOs throughout Bulgaria. BCNL focuses on legislative assistance to NPO-related issues, the implementation of NPO legislation, and capacity-building, as well as providing legal support services to NPOs.

### **Our activities include:**

- Consultations on the general legal and tax framework of foundations and associations;
- Maintenance of an online database with updated NPOs legislation, a specialized NPO news section and e-newsletters, maintenance of an internet based forum as well as an accounting services database;
- Registration and amendments to associations and foundations;
- Preparation of legal surveys, analyses and documentation;
- Organization of training dealing with the legal and the tax framework of NPOs their management, economic activity, social services provision, advocacy;
- Preparation of strategies and development plans for non-profit organizations

## Dear friends and colleagues,

The past 2010 was a good year for the Bulgarian Center for Not-for-Profit Law. We created something new which for the few months of its existence, gathered supporters and became an important part of the civic life in the country. I have in mind the Information Portal of NGOs in Bulgaria - [www.ngobg.info](http://www.ngobg.info) launched in February. In addition to providing information about the active organizations in the country, the site aims to become a platform for civic initiatives and up-to-date information about events in the civil sector. We very much hope to turn it into such a place and we will work hard in the coming years.

If I have to choose one word with which to mark last year, I would choose the word «informal». Informal alliances were created by organizations that have achieved formal results. The Civic Participation Forum - informal association of over 50 civil society organizations - has supported the adoption of Standards for public consultations by the administration. Another informal alliance of organizations has adopted Ethical standards for management and operation of civic organizations in Bulgaria.

For this purpose, the time is ripe for a very formal Act of the state - adopting a strategy by which to settle the relations between the state and civil society organizations. Such a strategy should include a number of important issues for the civil sector.

Until that time comes, we will continue to participate and support the good informal ideas and will stand for their formal implementation.

I started with the fact that the year was good for BCNL. It was good because of the meaningful projects that we have worked on and the things that we have contributed with - the Information Portal for NGOs, the evaluation for the activities of the Central Register of non-profit organizations, The Standards for public consultations, the evaluation and the analysis of how to allocate state subsidies for NGOs, promoting the «without conflicts» interaction between local authorities and NGOs and other activities and initiatives which are described below.

In conclusion, I want to thank our partners, the organizations that supported us financially, to realize our ideas and the team of BCNL, which is the basis of our successful development!

**With best wishes for a successful 2011**

**Ralitsa Velichkova**  
Director

## Information Portal for NGOs in Bulgaria

In 2010, the Bulgarian Center for Not-for-Profit Law focused its efforts on creating an Internet database of active Bulgarian NGOs. With the help of a network of 26 regional coordinators we collected information for almost 5000 organizations that we published in Internet. In addition to the database we also developed a special Internet website where the information for active organizations is available - [www.ngobg.info](http://www.ngobg.info). The webpage has various useful services which are used free of charge by the registered organizations such as the possibility for creating free websites. On [www.ngobg.info](http://www.ngobg.info) people can find any information related to the NGO sector - news, funding opportunities, announcements for volunteers and others. That is why we called the webpage **Information Portal for NGOs in Bulgaria**.

The screenshot shows the homepage of the Information Portal for NGOs in Bulgaria. The browser address bar displays <http://www.ngobg.info/>. The page features a navigation menu with links for HOME, REGISTRATION, and various services. A search bar is located at the top right. The main content area is divided into several sections:

- ТЪРСЕНЕ НА ОРГАНИЗАЦИЯ**: A search form with fields for name, region (dropdown), and activity sphere (dropdown).
- Включете се в обсъждането на механизми за набор на представители на НПО в Националния съвет за закрила на детето**: A highlighted announcement.
- Събитията днес**: A list of events including:
  - 10.03.2010 Ден на младостта в България
  - 10.03.2010 Имен ден Галица, Гала, Гергевка, Гален
  - 10.03.2011 Фондация Лале организира обучение "Борса на проекти и идеи"
  - 10.03.2011 Кръгла маса за представяне на резултатите от работите на първене в България
  - 10.03.2011 Световен ден за профилактика на бичевите заболявания
  - 10.03.2011 Дискуси за провайдъството на правото на паре
- Научи повече и кандидатствай!**: A blue banner.
- Новини и пресъобщения**: A section with news items, including:
  - 10.03.2011 Ангелите на София, или един работен ден в сдружение "Каритас София"
  - 10.03.2011 Българско юридическо дружество кани представители на организации с правна насоченост за участие в работна среща
  - 10.03.2011 Специалисти нефролози алармират за висок процент бъбречни болни и нуждата от ранно откриване и превенция
- Матери обяви**: A section with various announcements and links.

On the left side, there is a calendar for March 2011, a section for "Включи събитие в календара", a "Моля, попълнете въпросника" button, and a "Създай пресъобщение" button. At the bottom left, there is a logo for the European Year of Microfinance 2011.

For the initial launch of portal we attracted Mediapool, the Program and Metromedia as media partners. In order to promote the portal we prepared promotional materials and with the help of our partners circulated them throughout the country. We presented [www.ngobg.info](http://www.ngobg.info) at the fourth PR Festival of the Bulgarian Public Relations Society. We became media partners at the annual conference of Bulgarian Donors' Forum and the Competition „Agora 2010“ for the most successful citizen initiatives implemented by community centers. We organized presentations of the portal for students in 18 of the largest universities in the country.

Almost 250 NGOs were registered additionally at the portal for the first 10 months of its existence. For the same period, [www.ngobg.info](http://www.ngobg.info) attracts an average of 250 unique visits a day, and the total number of visits is nearly 100 000 and the average length of stay in the portal is over 3 minutes. More than 50 organizations have benefited by the opportunity to create their own website through the portal and the newsletter of [www.ngobg.info](http://www.ngobg.info) is received to over 3600 subscribers.

#### **We plan to:**

- **To transform [www.ngobg.info](http://www.ngobg.info) from an online database into an influential web-portal;**
- **To strengthen [www.ngobg.info](http://www.ngobg.info) by integrating specific analytical knowledge of BCNL and attract more NGOs to become active content-providers;**
- **To better serve NGOs by promoting their civic positions, assisting their campaigns and offering a rich resource library;**
- **To increase the visibility of the website to NGOs, decision-makers, the media and the general public;**
- **To ensure the sustainability of [www.ngobg.info](http://www.ngobg.info) by integrating the website into BCNL's activities and strategy.**

## Legal and financial framework for NGOs in Bulgaria

### Central Registry at the Ministry of Justice

Another very important activity for us in 2010 was to assess the activities of the Central Register of Non-Profit Organizations (CR) at the Ministry of Justice.

We prepared methodology for the assessment (which was provided to the employees of the CR for subsequent internal assessments) and we analyzed the legislation and the jurisprudence relating to the operation of the register. We gathered information from various sources – we conducted a survey to which nearly 100 NGOs from around the country responded and we received information through formal requests for access information from various state institutions, including the CR itself. In addition, we held meetings - interviews with officials in the Register and representatives of district courts, the National Revenue Agency and the prosecutor's office. We also organized meetings with NGOs to present to them the evaluation results and discuss the recommendations for improving the activity of the CR.

The assessment showed that the Central Registry does not fulfill completely the its three main tasks:

- To register on time organizations for public benefit;
- To maintain a publicly accessible and up-to-date database of information for these organizations;
- To exercise effective control over the activities of the organizations registered in it.

In order to discuss and make recommendations for improving the operation of the CR, BCNL in co-operation with the Department of Registers at the Ministry of the Justice, held a working meeting with representatives of NGOs and government institutions, at which were discussed the key problems of the register and the possible ways to solve them.

**The main recommendations to overcome these problems in the work of the register are in several directions:**

- **The information for the procedures before the CR, the address and telephone contacts as well as the mechanisms for obtaining information and advice should be clear and published on the website of the register;**
- **The CR should comply with the statutory time limits for consideration of the submitted as register applications for registration;**
- **The CR should keep up to date public register of the NGOs in public benefit and to improve the access to it;**
- **The CR should make changes in the legislation, which should provide for electronic submission of documents to the register and reduce the number of the filed documents.**

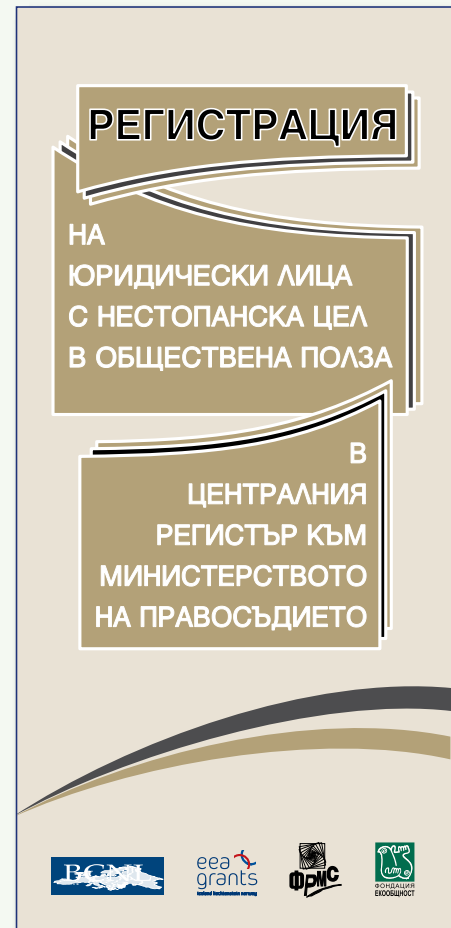
We prepared a brochure that presents the most important practical information on the registration procedures before the CR. With the assistance of the district courts in Bulgaria, the brochure is provided free of charge to individuals and organizations.

### Budget subsidies to NGOs

Due to serious economic and financial crisis and the shift from budget surpluses to budget deficits, the idea of establishing a fund for financing NGOs was left temporarily in the background. On the other hand, we prepared a study of the effectiveness of the existing mechanism for granting budget subsidies (directly or after a competition) and the European practice of government financing of NGOs.

The analysis of the Bulgarian NGO subsidies shows several important facts:

1. There is no clear government policy for cooperation with NGOs to outline the main objectives of the state funding for NGOs.
2. Despite the increase in funds available for NGOs from over 4 million to over 10 million BGN in the period 2005-2010, the percentage of funds allocated after a competition has decreased from over 17% in 2005 to less than 1,5 % in 2010
3. There are no clear rules how the volume of funds provided for direct subsidized organizations is increased – for three organizations the amount of subsidy in that period has increased over 20 times.
4. No institution does control the projects, the real performance of organizations and their effectiveness. With the current method of application that in almost all cases would be impossible, as funds are made available for generally described activities.



The analysis made proposes four scenarios for changes in the granting of state subsidies to NGOs. They were developed in the context of the general recommendation that these funds should be used to implement the objectives set out in a State strategy for development of the civil society sector:

- **Scenario 1** provides for a complete elimination of direct subsidies and granting of funds only through competition. Since in this scenario, the financing of the traditional activity of directly subsidized organizations becomes impossible for most of them, in case the State wants to continue their funding, it should provide funds in the budgets of the relevant ministries.
- **Scenario 2** provides elimination of direct subsidies by maintaining preferences for nationally represented NGOs.
- **Scenario 3** provides retention of the existing funding model by changing the ratio of the funds distributed directly and through competition. The percentage of the total amount that should be used for the NGO competition is fixed at 20% as a minimum, with a tendency towards equalization 50:50 in the medium term (up to 5 years) and predominantly competitive funding in the long term.
- **Scenario 4** provides retention of direct subsidies to fund only the administrative costs of the representative organizations. The percentage of the total amount to be determined for the financing of NGOs through a competitive process is fixed at 50%, as a minimum with a tendency to predominant competitive financing in the medium term (up to 5 years).

## Other initiatives

During the year we continued to insist for the abolition of the VAT on donated short messages (DMS). A representative of BCNL attended a meeting with the three mobile operators, discussing options for solving this problem. In connection with the charitable campaigns started by various televisions, together with the Bulgarian Donors' Forum and UNICEF, we sent a letter to the Ministry of Finance with a proposal to solve the problem of VAT. In 2011 we will focus our efforts of the real abolition of the VAT on DMSs. In 2010 we also developed an analysis of the possibility of NGOs to organize charitable lotteries in Bulgaria.

Within our efforts to improve transparency and accountability of NGOs in Bulgaria we have supported the Standards of good governance of NGOs initiated by the "Workshop of Civic Initiatives" Foundation and joined the idea for their promotion. The aim is to promote self-regulation and enforcement of the good governance as a standard in the sector.



## Interaction between NGOs and government agencies

In the past year we participated actively in the activities of the “Civic Participation Forum. We prepared rules for public consultations which were discussed and supported by the Forum. In meetings with various institutions, representatives of the Forum highlighted the necessity of adoption of clear rules and procedures, which should be followed when discussing draft laws, other regulations and strategies will. As a result of the combined efforts of civil society organizations standards for public consultation were adopted by the Council for Administrative Reform with the Council of Ministers at its meeting of the 26 October 2010. The standard will ensure the involvement of stakeholders - individuals and organizations in the consultation process of relevant for them acts.

We looked at the interaction between institutions and NGOs from the perspective of the Act on preventing and detecting conflicts of interest. The importance of the Act and the practical problems in its implementation motivated BCNL to study the matter more thoroughly. The result was a manual that presented the forms of the interaction without conflict of interests between representatives of local authorities and NGOs by commenting the Act and describing practical cases .



## International initiatives

### Cooperation with the European Center for Not-for-Profit Law

In 2010 continued our cooperation with the European Centre for Non-Profit Law (ECNL), Budapest. A representative of BCNL participated in the strategic planning of ECNL in June 2010. In addition, Luben Panov, together with Nilda Bullain, director of the ECNL, worked on the preparation of a Handbook on Non-State Social Service Delivery Models with a focus on the former Soviet Union. It is written based on study visits to Armenia, Kazakhstan and Ukraine. In addition to the Handbook, we prepared practical Guidelines for Municipalities on Cooperation and Contracting with NGOs. Both materials were developed under a contract with the Regional Office of the United Nations Development Program in Bratislava. Their editing and publication is pending.

The cooperation between ECNL and BCNL continued with a joint preparation of an assessment of the fiscal framework for NGOs in Albania. After reviewing the legislation and the visit of Luben Panov in the country in November 2010, we evaluated the current legislation in terms of the good international practices and prepared recommendations to improve it in order to solve the specific problems which exist in Albania.



### Participation in international conferences

BCNL experts were invited to present the Bulgarian and European experience at several conferences related to the legal framework for NGOs - in April 2010 in Georgia (on financial sustainability of NGOs), in May 2010 in Turkey (on administrative and financial regulations for NGOs) and in November 2010 in Azerbaijan and Hungary (on development of civil society and public funding).

## Black Sea Fellowship Program

In March 2010 ended the Black Sea Fellowship Program of BCNL. The total number of fellows throughout the program was 13 people from 8 Black Sea countries: Armenia, Azerbaijan, Georgia, Moldova, Romania, Russia, Turkey and Ukraine. They were acquainted with the European principles and trends in the development of the legal and financial framework of NGOs, and participated in meetings with representatives of various Bulgarian organizations to exchange experience and contacts.

A report was prepared for each of the countries, which provided updated and detailed information about the legal and financial framework for NGOs in the country. Reports and other useful information relating to the countries - participants are published on the Internet at <http://blacksea.bcnl.org/>.



## Meeting of experts in the field of the legal framework for NGOs from Black Sea countries

On June 3-4, 2010 as a continuation of the Black Sea Fellowship Program, we organized a conference in Nessebar, attended by over 20 experts from countries from the Black Sea region. At the event were presented the existing problems in the field of legislation concerning NGOs in the region. International experts from the European Center for Not-for-Profit Law and The Network of Estonian non-governmental organizations (NENO) shared their experiences and acquainted the participants with successful practices for improving the legislation for NGOs in Central and Eastern Europe.



## Study tour to Estonia

In early December 2010, with support from the East East Program of the Open Society Institute - Sofia, we organized a study tour for several experts from Bulgaria to Estonia, where they can get acquainted with the collaboration between state and civil society organizations.

With the assistance of the Network of Estonian nonprofit organizations (NENO) participants met with government representatives, with the management authorities of the European operational programs, with the National Foundation for Civil Society Development, as well as other leading experts in the field of civil society. Participants were acquainted with the existing mechanisms for funding of NGOs by the state and with the management of the Structural Funds of the European Union.

Good practices were presented for the inclusion of NGOs in the processes of the decision making and were discussed the possibilities for their implementation in Bulgaria.



## Resource Centre for NGOs

### Support to NGOs

In 2010 BCNL experts provided over **340 legal consultations** related to NGOs.

The most frequently asked questions were related to taxation of NGO activities, conflict of interest, funding of NGOs under the operational programs, providing social services. On our website we published **41 news on topics related to NGOs**.

### Social initiatives

BCNL worked on two analyses in the social sphere. The first one outlines the legal framework that regulates access to medical, social and educational services of children suffering from CP (cerebral palsy). The other analysis examines the legislation in force with a view of the opportunities of implementing pilot social services and modification of existing models.

Both analyses can serve as a basis for future legislative changes, to improve the situation of children with CP and in general the implementation of pilot social services, resting on a new integrated approach for their implementation. The analyses were a product of our cooperation with Bulgarian Charity Aids Foundation and the Dutch organization De Passarel.

## Events

On February 22nd we presented officially the Information Portal for NGOs in Bulgaria [www.ngobg.info](http://www.ngobg.info) in the presence of over 100 people and a special guest of the event was Mrs. Tsetska Tsacheva - Chairperson of the National Assembly. The presentation of the portal took place in nine cities across the country during the period February 23d - March 18th - Kardzhali, Smolyan, Blagoevgrad, Vratsa, Rousse, Shumen, Varna, Dobrich and Burgas. The presentations were attended by over 240 representatives of local communities, NGOs and local media.

In the course of two months in the beginning of the year we conducted 6 regional trainings for representatives of local authorities and NGOs, where using concrete examples were presented the ways of cooperation between these two groups without conflict of interest. The trainings were very successful and were attended by 120 participants from across the country. We received assistance for the good organization from the regional associations of municipalities in Plovdiv, Varna, Stara Zagora, Smolyan, Pleven and Lovech.

Following the adoption of standards for public consultation, we organized a workshop for representatives of different ministries directly involved in conducting consultations with interested groups. During the meeting the representatives of the portal for public consultations [www.strategy.bg](http://www.strategy.bg) were actively involved. The main purpose of the meeting was to synchronize the practices in conducting public consultations, but mostly to activate the representatives of the administration to use real consultative process for selection and implementation of policies and adoption of adequate laws.



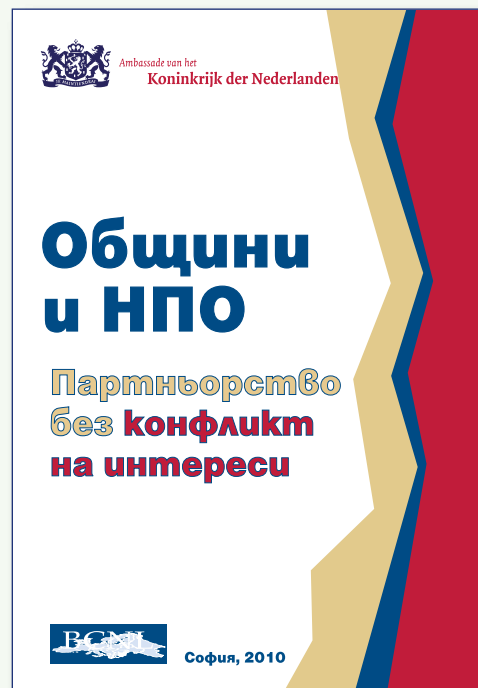
On October 26th at a roundtable discussion we presented the assessment of the activities of the Central Register of non-profit organizations. There were discussed the main conclusions and recommendations to improve the performance of the CR at the Ministry of Justice. The event was attended by over 30 representatives of NGOs and representatives of the prosecutor's office, the National Revenue Agency and the Central Register.

## Publications

### Conflict of interest

The publication presents the patterns of collaboration between municipalities and NGOs, discussed from the perspective of the Law for preventing and detecting conflicts of interest. In the general part of the Handbook are explained the basic legal concepts. Specific cases from the practice are presented there as well.

The Handbook was developed to serve as a manual for representatives of local authorities and NGOs in order to avoid conflict of interest in the collaboration between them.



### Evaluation report on the activities of the Central Register for Non-Profit Organizations at the Ministry of Justice

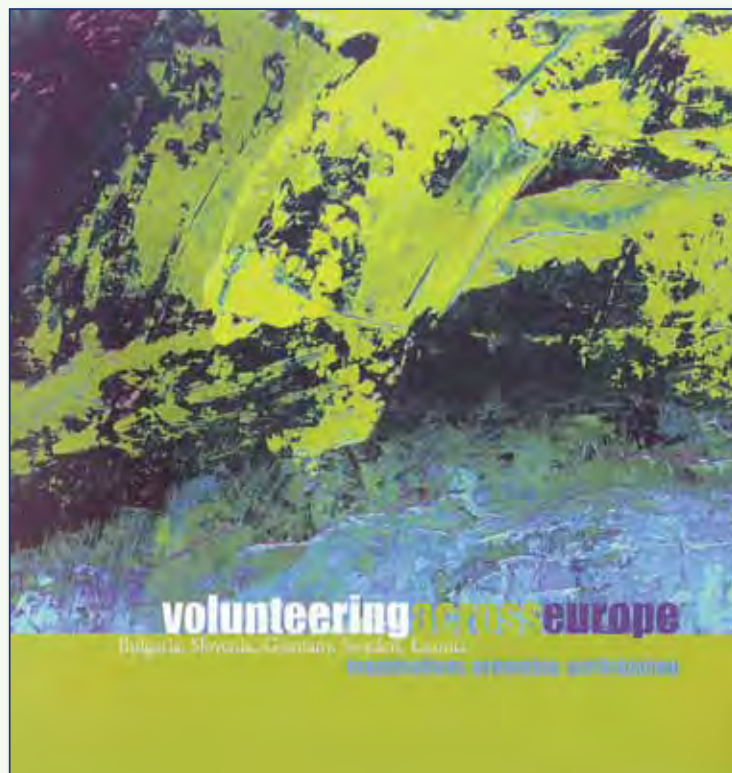
The report was prepared by experts of the Bulgarian Center for Not-for-Profit Law in 2010 and contains an analysis of the Central Register of NGOs in public benefit, and an evaluation of its activities. It contains detailed recommendations for improving the operation of the Register.

## Volunteering across Europe

In March 2010 the Italian organization SPES - Centro di Servizio per il Volontariato del Lazio published a report on volunteering in Bulgaria, developed by BCNL.

The main problems described are the lack of infrastructure for voluntary organizations and individuals who are willing to volunteer, as well as the lack of a law on volunteerism. The main reasons to volunteer were presented as well as the basic reasons for this not to happen.

In the report are shown recommendations to develop and stimulate volunteerism by public bodies, schools and civic organizations.

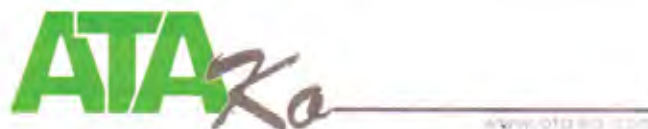




## Funding

2010 would have looked very different without the support and trust we received from our donors. These are the projects which the Bulgarian Center for Not-for-Profit Law carried out in 2010:

Donor	Project Name	Duration	Total amount of funding contract
Trust for Civil Society in CEE	Legitimacy through visibility - an online database from active Bulgarian NGOs	January 2009 – December 2010	191 180 USD
America for Bulgaria Foundation	Profits for Non-Profits: Unleashing the Hidden Potential of Bulgarian NGOs	October 2010 – April 2012	245 000 BGN
Open Society Institute Foundation, Switzerland	Capability and Responsibility: True Prospects for People with Disabilities	December 2010 – May 2012	110 278 USD
Trust for Civil Society in CEE	Key Strategy Directions for BCNL 2007-2010	May 2007 – April 2010	99 920 USD
Open Society Institute - Sofia, East-East Program: “Partnerships without borders”	Civil Society Law Fellowship	February 2009 – December 2010	40 474 USD
NGO Fund Bulgaria as part of FM of EEA	Monitoring and Evaluation of the Activities of the Central Register of legal entities with not for profit activities (NGOs) at the Ministry of Justice	November 2009 – October 2010	16 240 EUR
Balkan Trust for Democracy	Empowering civic dialogue: towards improved cooperation between NGOs and public administration	December 2009 – November 2010	21 439 USD
MATRA/KAP Program	“NGOs and local authorities - Partnership without conflict of interests”	October 2009 – April 2010	25 150 BGN
Open Society Institute, Sofia	Governmental subsidies to NGOs - analysis and recommendations	May 2010 – December 2010	20 400 BGN
Trust for Civil Society in CEE Partnership project	Transparency for a better disability policy process – Participation of Disabled People in the Policy Process	November 2010 – April 2012	6480 USD
Open Society Institute, Sofia Partnership project	For qualitative and affordable service for children suffered by cerebral palsy	August 2010 – February 2011	2040 USD



## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of Bulgarian Center for Not-for-Profit Law (the Foundation), which comprise the balance sheet as at December 31, 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes (from page 8 to page 12).

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Bulgarian Financial Reporting Standards for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects the financial position of "Bulgarian Center for Not-for-Profit Law" as of December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with the Bulgarian Financial Reporting Standards for Small and Medium-sized entities.

**FOR AND ON BEHALF OF  
ATA CONSULT LTD**



**Radosveta Vesselinova**  
**Certified public accountant**



*February 04, 2011*  
*Sofia, Bulgaria*

**BALANCE**  
of Bulgarian Center for Not-for-Profit Law as at 31.12.2010

**ASSETS**

Sections, groups, items	Notes	Amount	
		Current year	Previous year
		thous.BGN	thous.BGN
<b>A. Non-current assets</b>			
<b>I. Tangible</b>			
1. Equipment, computers		2	
<b>Group I Total:</b>		2	
<b>III. Intangible financial assets</b>	3		
Available-for-sale investments		10	11
Subsidiary company		5	5
<b>Group III Total:</b>		15	16
<b>Section A Total</b>		17	16
<b>B. Current assets</b>			
<b>I. Receivables</b>			
1. Advance payments for project		21	3
2. Receivable for trade debtors and creditors		2	
<b>Group I Total</b>		23	3
<b>II. Cash</b>	4		
1. Cash		187	233
2. Demand deposits		223	164
<b>Group II Total</b>		410	397
<b>III. Deferred expenses</b>			
<b>Section B Total (I+II+III)</b>		433	400
<b>Total assets (A+B)</b>		450	416

**LIABILITIES**

Sections, groups, items	Notes	Amount	
		Current year	Previous year
		thous.BGN	thous.BGN
<b>A. Equity</b>			
<b>I. Registered capital</b>			
<b>II. Reserves</b>			
1. Purposive reserves		187	168
general reserves incl.		125	120
<b>Group II Total:</b>		187	168
<b>Section A Total (I+II)</b>		187	168
<b>B. LONG-TERM LIABILITIES</b>			
<b>I. Financing</b>			
<b>Section B Total (I+II)</b>			
<b>C. SHORT-TERM LIABILITIES</b>			
<b>I. Short-term payables</b>	5		
1. Payables to the budget		1	4
2. Receivable for trade debtors and creditors		2	
<b>Group I Total:</b>		3	4
<b>II. Financing</b>	6	260	244
<b>Section C Total (I+II)</b>		263	248
<b>Total liabilities (A+B+C)</b>		450	416

Date: 31.01.2011

Director:

Ralitsa Velichkova

Chief Accountant:

Donka Ivanovska

As per auditor's report



Людмила  
Богданова  
Регистратор-папир




**PROFIT AND LOSS ACCOUNT**  
of Bulgarian Center for Not-for-Profit Law for the year ended 31.12.2010

				thous.BGN			
EXPENSES	Notes	Current Year	Previous Year	REVENUE	Notes	Current Year	Previous Year
		thous.BGN	thous.BGN			thous.BGN	thous.BGN
<b>I. OPERATION EXPENSES</b>				<b>I. OPERATING REVENUE</b>			
<b>A. Cost of regulated activities</b>	8			<b>A. Income from regulated activities</b>	7		
1. Programs costs		312	268	1. Financing		312	268
<b>TOTAL A:</b>		<b>312</b>	<b>268</b>	<b>TOTAL I</b>		<b>312</b>	<b>268</b>
<b>B. Administrative expenses</b>				<b>II. FINANCIAL INCOMES</b>	9		
<b>TOTAL I:</b>		<b>312</b>	<b>268</b>	1. Interest incomes		14	15
<b>II. FINANCIAL EXPENSES</b>	9			2. Gains from currency exchange rates		56	46
1. Losses from currency exchange rates		56	40	<b>TOTAL II:</b>		<b>70</b>	<b>61</b>
<b>TOTAL II:</b>		<b>56</b>	<b>40</b>	<b>III. PROFIT FROM ECONOMIC ACTIVITIES</b>		<b>5</b>	<b>33</b>
<b>III. TOTAL EXPENSES</b>		<b>368</b>	<b>308</b>	<b>IV. TOTAL REVENUES</b>		<b>387</b>	<b>362</b>
<b>IV. RESULT</b>		<b>19</b>	<b>54</b>	<b>GRAND TOTAL</b>		<b>387</b>	<b>362</b>
<b>GRAND TOTAL</b>		<b>387</b>	<b>362</b>				

Date: 31.01.2010

As per auditor's report



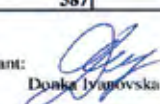

Director:

Ralitsa Velichkova



Chief accountant:

Donka Ivanovska



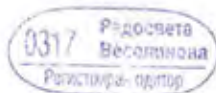
**PROFIT AND LOSS ACCOUNT ECONOMIC ACTIVITY**  
of Bulgarian Center for Not-for-Profit Law for the year ended 31.12.2010

**EXPENSES**

EXPENSES ITEMS	Notes	Current Year	Prior Year
		Thous.Lev	Thous.Lev
<b>A. Operation Expenses</b>	11		
<b>I. Operation Expenses</b>			
1. Costs of materials		1	
2. Cost of hired services		3	6
3. Payments to employees		7	2
4. Costs of amortizations		1	
5. Other costs		3	4
<b>Total I</b>		<b>15</b>	<b>12</b>
<b>II. Financial Expenses</b>	9		
1. Negative value adjustments resulting from financial investments		1	
2. Losses from currency exchange rates		11	3
<b>Total II</b>		<b>12</b>	<b>3</b>
<b>B. Total operation expenses</b>		<b>27</b>	<b>15</b>
<b>C. Profit before taxation</b>		<b>6</b>	<b>37</b>
<b>II. Tax</b>	12	<b>1</b>	<b>4</b>
<b>D. Profit</b>		<b>1</b>	<b>33</b>
<b>Total</b>		<b>33</b>	<b>52</b>

Date: 31.01.2011

As per auditor's report

**INCOMES**

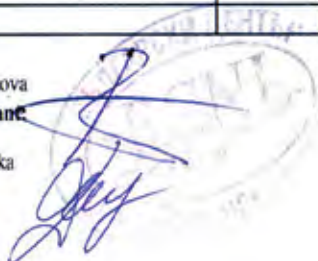
REVENUE/ INCOME ITEMS	Notes	Current Year	Prior Year
		Thous.Lev	Thous.Lev
<b>A. Operation revenue</b>	10		
<b>I. Net income from sales of:</b>			
1. Services		21	47
<b>Total I</b>		<b>21</b>	<b>47</b>
<b>II. Financial income</b>	9		
1. Positive results from transactions with financial investments			
2. Interest income		1	3
3. Foreign exchange gains		11	2
<b>Total II</b>		<b>12</b>	<b>5</b>
<b>B. Total operation revenue</b>		<b>33</b>	<b>52</b>
<b>C. Total Incomes</b>		<b>33</b>	<b>52</b>
<b>Total</b>		<b>33</b>	<b>52</b>

Director:

Ralitsa Velichkova

Chief accountant:

Donka Ivanovska

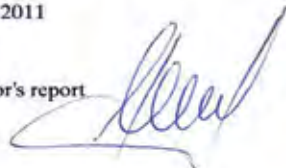


**Cashflow**  
**of Bulgarian Center for Not-for-Profit Law for the year ended 31.01.2010**

Items	Current year thous.BGN	Prior Year thous.BGN
<b>I. CASH AT THE BEGINNING OF THE PERIOD</b>	397	235
<b>II. CASH FLOWS FROM NON-ECONOMIC ACTIVITIES</b>		
<b>A. CASH INFLOWS FROM NON-ECONOMIC ACTIVITIES</b>		
Financing received	330	382
Interest received	14	15
Foreign exchange gain		
Other		4
<b>TOTAL CASH INFLOW FROM NON-ECONOMIC ACTIVITIES</b>	<b>344</b>	<b>401</b>
<b>B. CASH OUTFLOWS FROM NON-ECONOMIC ACTIVITIES</b>		
Wages and other remuneration	123	91
Social insurance payments	19	12
Foreign exchange loss	11	
Payments for services rendered	139	121
Reimbursed financing	2	
Other	38	48
<b>TOTAL CASH OUTFLOWS FROM NON-ECONOMIC ACTIVITIES</b>	<b>332</b>	<b>272</b>
<b>C. NET CASH FLOW FROM NON-ECONOMIC ACTIVITIES</b>	<b>12</b>	<b>129</b>
<b>III. CASH FLOW FROM ECONOMIC ACTIVITIES</b>		
<b>A. CASH INFLOWS FROM ECONOMIC ACTIVITIES</b>		
Sale of services	21	47
Bank services	12	4
Other		5
<b>TOTAL CASH INFLOWS FROM ECONOMIC ACTIVITIES</b>	<b>33</b>	<b>56</b>
<b>B. CASH OUTFLOWS FROM ECONOMIC ACTIVITIES</b>		
Provisor	28	1
Foreign exchange loss		3
Purchase of goods and services		6
Corporate tax paid	4	8
Other		5
<b>CASH OUTFLOWS FROM ECONOMIC ACTIVITIES</b>	<b>32</b>	<b>23</b>
<b>C. NET CASHFLOW FROM ECONOMIC ACTIVITIES</b>	<b>1</b>	<b>33</b>
<b>IV. CASH AT THE END OF THE PERIOD</b>	<b>410</b>	<b>397</b>
<b>V. CHANGE IN CASH DURING THE PERIOD</b>	<b>13</b>	<b>162</b>

Date: 31.01.2011

As per auditor's report




Director:  
Ralitsa Velichkova

Chief accountant:  
Donka Ivanovska



of Bulgarian Center for Not-for-Profit Law for the year ended 31.12.2010

Items	Reserves		Total Equity
	General Reserves	Others	
<b>Balance at the beginning of the period</b>	120	48	168
1. Result for the year	5	14	19
2. Other changes in equity for the period			
<b>Balance at the end of the period</b>	125	62	187

Date: 31.01.2011

As per auditor's report

0317 Радостина  
Веселинова  
Генерален директор



Director:

Ralitsa Velichkova

Chief Accountant:

Donka Ivanovska

