

# ANNUAL REPORT 2017



SOS CHILDREN'S  
VILLAGES  
BULGARIA





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# ANNUAL REPORT 2017

## MISSION

SOS Children's Villages Bulgaria builds families for children in need and gives them protection and hope.

## VISION

- Every child belongs to a family;
- Every child grows in an environment of love;
- Every child grows in an environment of respect;
- Every child grows in an environment of security.

## HISTORY

Established in 1990, SOS Children's Villages Bulgaria is the first civil human rights organization in the country which provides direct care to children at risk. For the first time after the democratic changes in Bulgaria, the association has provided an alternative to the institutional care to children - the family based care in a SOS family.

SOS Children's Villages Bulgaria is a part of the big international family of SOS Children's Villages International, which is taking care of approximately 2,500,000 children in 135 countries worldwide. In Bulgaria the association started its activity in 1990.

For over a quarter century SOS Children's Villages Bulgaria has been providing family and a healthy environment for the development and growth of children deprived of parental care and children who are at risk of losing the protection of their parents. The association offers family-based care, support of the family and actively advocates for the rights of children and young people.



## SOCIAL AND ECONOMIC BACKGROUND

The continued in 2017 positive development in short-term economic indicators suggests a sustainable improvement of the economic environment in Bulgaria. At the same time, labor market also continues to improve, as reflected in the recovery of employment and increased compensation per employee. Additional factors, expected to support the creation of conditions for improving investment activity and private consumption, are the increasing domestic and external demand for goods and services and still relatively low oil prices and interest rates.

### **The real GDP increased by 1.0 per cent on a quarterly basis.**

At the beginning of 2018, the balanced risks in the external environment and the expected increase in private consumption and government investment create conditions for achieving higher than expected economic growth.

According to NSI research the attitude of companies and households towards business climate in Bulgaria and trust indicators of consumers continued to improve further in 2017. In 2018 expectations about the economic activity are also favorable. All sectors report a higher share of enterprises planning to increase the number of their employees in 2018.

In general, this was the economic situation in Bulgaria where SOS Children's Villages Bulgaria operated in 2017.





# STRATEGY FOR LONG-TERM SUSTAINABLE DEVELOPMENT AND FINANCIAL SELF-SUFFICIENCY

In the period February - May 2017 an external evaluation of the strategic relocation process of the SOS foster families from CV Dren to Sofia and Pernik was conducted. The key conclusions are that the relocation had a positive effect over the children and the SOS foster parents. The majority of them have felt the benefits and the opportunities at the new place and have adapted well.

During the period May - December 2017 a draft project proposal for re-innovation of CVP Veliko Tarnovo-Gabrovo-Tryavna was developed. The project was approved and it is supposed to start in 2018. The main objectives in the re-innovation project are focused on achieving a better synergy of the offered services in order to have a more effective respond to the target group's changing needs.

## ACTIVITIES IN THE FRAME OF STRATEGIC OBJECTIVES PROGRAMME DEVELOPMENT

The SOS programme development activities are based on the international and national strategic directions and are developed for children and youths from the target group of SOS Children's Villages Bulgaria. They cover three main areas:

- **Social Services** - development and identification of new opportunities;
- **Public Funding** – identification of new opportunities, preparation and implementation of project proposals;

- **Children's Rights Advocacy** - partnerships with other NGOs and state institutions in order to improve the legislative framework, regarding social services for children and their families, health and education. The aim is to have children and young people's voice heard and teach them advocate for their rights.



## SOS Children's Villages Bulgaria manages two SOS Children's Village Programmes (CVP):

- **The CVP Veliko Tarnovo-Gabrovo-Tryavna** has eight programme facilities. It manages all four social services for which the Association is licensed as provider.
- **The CVP Sofia-Pernik** has seven programme facilities. They manage all four social services in the location.

## Each SOS Children's Village Programme is specialized in providing four different types of social services for children and young people:

- **Foster Care** – family-based care provided by SOS foster families;
- **Family Type Residential Care** - includes SOS Youth Homes and Small Family Homes. They are registered as Family Type Placement Centers;
- **Family Counseling** – includes Family Strengthening and Prevention Programmes. They are registered as Centers for Public Support;
- **Youth Support Programme** – Semi-Independent Living Programme.

## FAMILY BASED CARE

During the entire 2017 SOS Children's Villages Bulgaria provided care for 200 children and young people in family based care services. This includes SOS foster families and SOS youth homes and small family homes in Sofia, Pernik, Gabrovo and Veliko Tarnovo (Table No.1)

## Foster Care

In the beginning of 2017 SOS Children's Villages Bulgaria signed a partnership agreement with three municipalities - Sofia, Gabrovo and Vratsa in consortium with two other NGOs within the framework of "Accept Me" National Foster Care Project. The Association supports the realization of the project on national level by participating in the Consultative Experts' Council.

### Enlarging the Foster Parents Network

During 2017, in both SOS Children's Villages programmes, the foster parents network was significantly expanding. The community of SOS foster parents in Tryavna was enlarged with 17 new foster families from Tryavna town. In Sofia the SOS foster parents community was expanded with 7 new families. In Pernik the community of SOS foster parents network consists of 9 families, 6 of which were included in the already existing network.

### Youth Care

In 2017 the National Programme Team analyzed the work of the Youth Homes and made significant and necessary changes in their work. The goal was to ensure higher quality of care by adopting a new vision. This also includes the updating of the "Semi-Independent Living" Programme.

A new approach in the work of the SOS Youth Homes in Sofia is implemented. Care is provided for refugee children and youths. Since October 2017, an Afghan boy has been placed in one of youth homes in Sofia. The team was trained and supported to provide adequate care for the representatives of the particular target group.

Table No.1

	SOS foster families Tryavna	SOS Youth Homes V. Tarnovo	Semi-Independent Living Programme V.Tarnovo	SOS Small family home V.Tarnovo	SOS Small family home Gabrovo	SOS foster families Sofia-Pernik	SOS Youth homes Sofia	Semi-Independent Living Programme Sofia	Total
Total number during the year	42	27	8	5	13	41	33	31	200
Newly admitted	24	3	1	0	3	16	8	3	58
Left the care during the year (reunification, adoption, other)	13	4	4	1	4	16	10	9	61
From them: reunified	4	0	0	0	0	0	0	0	4
From them: adopted	3	0	0	0		5	4		12



## FAMILY STRENGTHENING PROGRAMMES

During 2017 SOS Children's Villages Bulgaria provided support to **491 children, 207 families and 302 parents** in the FS Programmes, registered as Public Support Centers in Sofia, Pernik, Gabrovo and Veliko Tarnovo.

**There is a positive development in 62% of the families** that benefited from the Association's services and these families became self-reliant as a result.

In 2017, the strategic direction of the Public Support Centers' work included:

- Prevention of separation of children from their families;
- Prevention of school drop-out;
- Prevention of violence against children and women;
- Support to children, victims of violence;
- Training of candidates for foster parents and adoptive parents.

The services provided for children and families are based on an assessment of their needs and include:

- Psychological counseling - individually and in groups;
- Training for children and their parents;
- Intermediation and representation in different institutions;
- Advocacy of children at risk to access health care and education;
- Material support to families based on their needs.

## Methodological support and good practices of the FS Programme teams

During 2017, SOS Children's Villages Bulgaria updated its Methodology of providing the Public Support Centers social service. It is based on the policies of SOS Children's Villages International and the legal framework in Bulgaria.

Give a Hand – Mobile Teams for Support of Children and Families in the Communities Project was awarded as the most successful by the Bulgarian-Swiss Cooperation Programme. The successful practice of the social centers was filmed and broadcasted by the Bulgarian National Television.

## PUBLIC FUNDING

During 2017 SOS Children's Villages Bulgaria executed different projects with public and corporate funding:

- **Health Is For Everyone Project** – funded by Johnson & Johnson (€ 78 847).
- **Emergency Relief Programme For Unaccompanied Refugee Minors In Bulgaria Project** – funded by SOS Children's Villages International (BGN 17 747).

During 2017 in cooperation of other NGOs we developed various projects:

- **"Childhood Without Violence"**;
- **"Social Entrepreneurship"**;
- **"Ready For Self-Reliance"**;
- **"Parents' Academy"**;
- **"Youths Exchange Erasmus+"**;
- **"Be Informed, Be Protected"**.



## Advocacy Activities

SOS Children's Villages Bulgaria has been elected again as a member of the National Council for Child Protection. This position enables the Association to be firmly established as part of the Child Protection System in Bulgaria and to participate in the process of reforming the legislative framework. SOS Programme Development Department's experts actively participate in the working groups of the Council.

The Association is an active member of a working group created by the State Agency with the task to prepare proposals for the changes in the legislative framework, referring to violence against children.

The activities of the Association in the field of advocacy are realized in partnership with other NGOs in three large civil structures - „National Network for Children“, „Bulgarian Platform for International Development“ and „Childhood Coalition 2025“, as well as in partnership with central and local government institutions.

In September and October 2017, SOS Children's Villages Bulgaria participated in a series of meetings in BNC. The focus was on the future development of the „Foster Care“ as a social service in Bulgaria. At these meetings the Association presented its concept. It covers structured proposals for changes in the legal framework and the future development of the „Foster Care“ service in Bulgaria. All proposals were accepted and became official positions of the organizations members in the National Network for Children. The work in that area continues and the next stage is to advocate the necessary changes towards the government institutions and agencies.





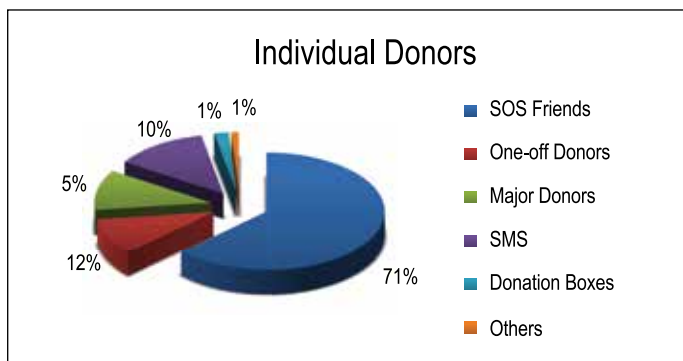
# ACTIVITIES IN THE FRAME OF STRATEGIC OBJECTIVE FUND DEVELOPMENT AND COMMUNICATIONS

As a result of fundraising activities in 2017 the raised funds are BGN 2,031,222 (EUR 1,038,547) or **75% from the planned** in the FR Business plan local income of BGN 2,725,200 (EUR 1,393,373). In comparison with the raised funds in 2016 – BGN 2,294,155 (EUR 1,172,983) - we have an income decrease of **11.46% on annual base**. The proportion of income from companies to income from individuals in 2017 is 71:29%. In comparison, the proportion in 2016 is also in favor of companies - 76:24%.

## Individual Donors

The income from individuals amounts to **BGN 589,209**. The raised amount in 2017, compared to the income from individuals in 2016, shows an increase by **6.5%**.

The income from individual donors is distributed as follows (in %):



## Gross income segments comparison 2016-2017 (BGN):

Gross income segment	2016 г.	2017 г.
SOS Friends	347,121	416,626
One-off donors	56,238	69,563
Major donors	60,501	30,889
SMS	71,972	58,012
Donation boxes	13,263	3,469
Others	2,754	10,650

### Legend

Increase	
Decrease	

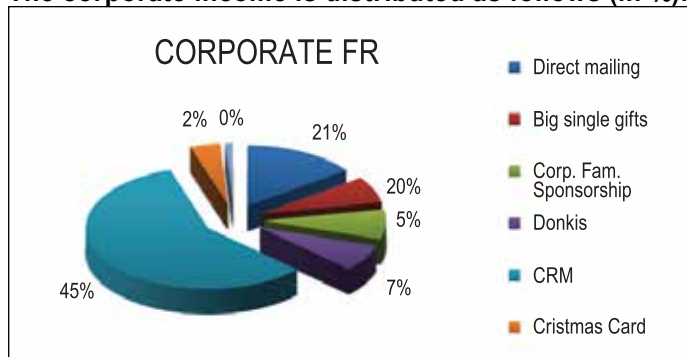
The focus on „Committed Givers“ is showing promising results in 2017. In F2F the shift to in-house team on Labor Law contract instead of freelancers brought the expected increase. From the total of 879 active CGs through F2F since the start of the project in 2014, 676 are the active CGs recruited in 2017. The total number of CGs or SOS Friends by the end of 2017 is 2,373, compared to 1,344 in 2016.



## Corporate Partnerships

The income from companies amounts to **BGN 1,442,013**. The raised amount in 2017, compared to corporate income from 2016, shows a **decrease by 17%**. This is due mainly to the late start of the Societe Generale Expressbank partnership, which was scheduled to begin in April/May instead of the real start day – December 22.

**The corporate income is distributed as follows (in %):**



**Gross income segments comparisson 2016-2017 (BGN):**

Gross Income Segment	2016 г.	2017 г.
Direct Mailing	265,020	299,147
Big Single Gifts	153,001	283,797
Corp. Family Sponsorship	139,571	67,523
Christmas Cards	52,456	39,150
CRM	1,006,233	644,259
Donkis	124,922	108,087
Events	103	50

Legend

Increase	
Decrease	

The shift from CSR to CRM based partnerships is finding new formulas and variations through 2017. A two-week campaign with OMV, providing the possibility for the customers to donate with every transaction on the cash desks of the gas stations, generated EUR 25,000. Based on this experience we are not only planning to organize the same campaign with OMV, but we are about to start a massive 100-day campaign with the biggest Bulgarian supermarket chain FANTASTICO.



Still our biggest moneymaker is the ATM project. DSK Bank secures a steady income of EUR 20,000 per month two years after the start of the partnership. Our plans were slowed down with 8 months delay of the partnership with the second bank, Societe Generale Expressbank due to technical reorganization of the bank software. Yet since the start of the campaign on December 22, 2017 until the end of February 2018 the amount generated by the clients of Societe Generale is EUR 50,000, proving our optimistic expectations for the partnership with a second bank.



One of the most visible increases in the Corporate Partnerships segment is the Big Single Gifts. The good results are due to the development of Project Cycle Management partnerships with big companies willing to invest in specific and very concrete activities in our programmes. The biggest contributor to this trend is the

international partnership with Johnson & Johnson, but we developed PCM based partnerships with The Adecco Group, Raiffeisen Bank (Bulgaria), Billa Bulgaria and Borika Bankservice.



## EXTERNAL COMMUNICATIONS

The communication was mainly in support of fundraising, as well as strengthening the Association's positive image and raising the level of recognition of the SOS brand. The brand was developed by storytelling and integrated marketing communications. We negotiated media partnerships with [purvite7.bg](http://purvite7.bg), [noviteroditeli.bg](http://noviteroditeli.bg) and [mamaninja.bg](http://mamaninja.bg), where we published stories for promoting various aspects of our work – SOS foster care, family support, and support for young people.



SOS Children's Villages Bulgaria held its first Annual Corporate Partnership Awards. Mrs. Violina Marinova, Executive Director of DSK Bank received the most prominent corporate partnership award. Host of the ceremony was Desi Stoyanova (journalist, TV host and face of our F2F campaign). Her talk show "Before Noon" was awarded a special prize for the most loyal media partner.



SOS Children's Villages Bulgaria launched a campaign under the slogan „Alone Against the Wall“ for recruiting CGs at the cash desks of EasyPay as well as through ePay. The first wave of the campaign was August 1–September 15. The second wave was September 15–October 30. The third wave was in December. The campaign was supported by integrated marketing communications - PR, advertising, direct mailing. It relied on various channels - radio, TV, social media and numerous media partnerships.

In 2017 the Belgian tennis player, Maxime Braeckman broke a Guinness record in support of SOS Bulgaria cause. In June 2017 he visited SOS CV Tryavna for the official opening of the playground and the sports facilities at the village, which was renovated with the raised money with the help of SOS CV Belgium. The event had wide media coverage from TV, radio and press.





# ACTIVITIES IN THE FRAME OF STRATEGIC OBJECTIVE HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT

The impact of the Association's organizational changes in the last years is a result of the efforts to achieve our strategic goal - financial autonomy and sustainable growth.

The Association's main strategic goal in Human Resources and Organizational Development's fields is having an optimal number of qualified staff and competent leadership team in a good working organizational structure. The goal is achieved by introducing and maintaining high quality work standards.

In October 2017, these standards' level and quality was thoroughly analyzed and evaluated through an expert audit, conducted by the international organization's standardized system.

The conclusions and the summarized results of the audit allow us, on one hand, to be extremely satisfied with the high evaluation of the achieved results in Human Resources and Organizational Development fields so far and, on the other hand, to plan improvement activities by incorporating in our future work plan the recommendations made.

One of the conclusions drawn by the auditors is a particularly interesting and indicative. It gives a summarized picture of how organizational changes in the recent years are reflected and perceived by our co-workers:

***„The Association has undergone dramatic changes, something that still has a serious impact and repercussions on co-workers and teams. There are dedicated and very stable teams and co-workers committed to constantly seeking and finding solutions to the various challenges. The interviews reveal that SOS Children's Villages Bulgaria is accepted and recognized as a strong brand, but there is a different understanding by the co-workers on how the further strategy will be pursued. This creates uncertainty and stress among co-workers.“***

The auditor's conclusion about co-workers' anxiety shows how important internal communication to change and strategic goals is. Therefore, despite all the efforts made in this regard in the recent years, improvement of internal communication must continue to be a Management's priority. Based on this conclusion we realize the need to find other ways of reducing stress among co-workers in the future.

Development and transformations of the professional groups, departments and structural units of the Association in the year 2017 can be briefly characterized by the following important tendencies:

- **Expansion of SOS foster parents'** community by attracting new foster families and creating prerequisites for their integration into the structures of the two SOS Children's Villages Programmes. A task with strategic importance for our Association is to find an optimal form of alignment of the new families' work conditions with the conditions for the existing foster families.
- In 2017, there was a **sensible change in the work of another group of employees - the Family Assistants**. Currently, they only provide a day care and do not replace foster parents for a longer period. There was also a necessity to make another change during the year - two positions for Family Assistants had been cut due to the reduced workload.
- We continue to worry about the **rising turnover tendency**, with a record high in 2017, and a low motivation among the educators in the youth homes. Therefore, one of the main tasks during the year and in the future is to look for different forms and ways of stimulating, motivating and optimizing the working conditions of this professional group.

The work in the direction of our strategic goal - financial autonomy and sustainable growth has **influenced and increased the complexity of the National Office staff's work**. The increased expectations of reaching the financial goals, as well as those related to the development of new and adequate activities in the Social services market in 2017, resulted in increase of the workforce and optimized structure of the National Office.

## Association's employees general statistics for 2017

- As per 31 December 2017 the number of the Association's employees was 134.
- The coworkers directly working with children and families were 66%.
- The average working duration at the organization is 10 years and 68% of the employees work for more than 5 years for SOS Children's Villages Bulgaria.
- 18 new employees were hired in 2017.
- The tendency of the increasing turnover continues. It is 14% for 2017 that is equal to 16 left co-workers. The part of left co-workers who work directly with children is the highest. In 2017, three foster parents, 8 educators left the organization, and the positions for 2 family assistants from SOS Children's Village programmes Sofia-Pernik were cut off due to reduced workload. The turnover among the Management is 9%.

## RESPONSIBILITIES OF THE MANAGEMENT

Under Bulgarian law, the management should prepare a financial report for each financial year that will give an accurate picture of the state of SOS Children's Villages Bulgaria at the end of the year and its accounting results. The financial statements are prepared in accordance with Accounting Standard (AS) 9 - Presentation of Financial Statements of Non-Profit Businesses, and the applicable National Accounting Standards (NAS).

The management confirms that it has consistently applied an adequate accounting policy and that the preparation of the financial statements as at 31 December 2017 complied with the prudential principle in the valuation of assets, liabilities, revenue and expenses.

14.03.2018 г.  
Sofia

The management also confirms that it has adhered to current accounting standards, with the financial statement being prepared following the active enterprise principle.

The management is responsible for the correct keeping of the accounting registers, for the proper management of the assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

PLAMEN STOYANOV  
National Executive Director  
SOS Children's Villages Bulgaria

# REPORT BY THE INDEPENDENT AUDITOR

## Translation from Bulgarian language

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## REPORT BY THE INDEPENDENT AUDITOR

To the General meeting of  
SOS Children's Villages Bulgaria Association

### Opinion

We have audited the attached Financial Report from page 14 to page 47 of SOS Children's Villages Bulgaria Association (the Association) which comprises of the Balance Sheet as of 31<sup>st</sup> December 2017 and the Profit and Loss Report, the Profit and Loss Report (resulting from commercial activities), the Equity Report and the Cash Flow Report for the year ended on said date, as well as an appendix to the Financial Report containing a summary of significant accounting policies and other explanatory information.

It is our opinion that the attached Financial Report presents a true and fair view of the financial standing of the Association as of 31<sup>st</sup> December 2017, of the financial results from their activities and of their cash flows for the year ended on said date, in compliance with Accounting Standard (AS) 9 Presentation of financial statement of not-for-profit entities, as well as with the relevant National Accounting Standards (NAS) applicable in Bulgaria.

### Grounds for the opinion

We have performed our audit in compliance with the International Audit Standards (IASs). Our responsibilities pursuant to these standards are further described in the section of our report "Auditor responsibilities regarding the financial report audit". We are independent from the Association as required under the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), in compliance with the ethical requirements of the Law on the Independent Financial Audit (LIFA) applicable for our audit of financial reports in Bulgaria and in compliance with our other ethical responsibilities as required under LIFA and the IESBA Code. We consider the audit evidence we received provides sufficient and appropriate grounds for our opinion.

### Information other than the financial report and the report from its audit

The Management bear all responsibility regarding other information. The other information comprises of an Activity Report, prepared by the Management in compliance with Chapter Seven of the Accountancy Act but does not include the Financial Report and our Audit Report.

Our opinion on the financial report does not cover the other information and we do not state any form of opinion regarding its reliability unless otherwise stated explicitly in our report and in as much as so stated.

Regarding our audit of a financial statement, our responsibilities involve reading the other information and thus forming an opinion whether there is fundamental inconsistency between said other information and the financial report and the information in our knowledge acquired during the audit or whether it may in any other way seem that it contains substantially incorrect reporting. In the event that on the basis of our work we establish that there are substantial misstatements in this other information, we are required to report so.

We have nothing to report in this respect.

### Additional issues to be reported under the Accountancy Act

In addition to our responsibilities and report obligations in compliance with the IAS, as regards the Activity Report we have fulfilled the procedures added to IAS requirements as well, pursuant to the "Guidelines on new and expanded audit reports and communication by the auditor" provided by professional organisation of certified registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA). These procedures concern availability checks as well as inspection of the form and content of said other information which is done to assist us in forming an opinion regarding

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whether that other information includes all disclosures and reports provisioned in Chapter Seven of the Accountancy Act applicable in Bulgaria.

### Opinion with respect to art. 37, para. 6 of the Accountancy Act.

On the grounds of the performed procedures, we have formed the opinion that:

a) the information included in the Activity Report for the financial year of the Financial Report corresponds to the Financial Report;

b) the Activity Report is prepared in compliance with the requirements stipulated in Chapter Seven of the Accountancy Act.

### Responsibilities of the management and the persons in charge of the general management of the financial report

The management bears the responsibility to prepare and accurately present the financial report in compliance with the AS 9 and the relevant NAS applicable in Bulgaria and appropriately for such internal control system as the management deems as necessary to ensure that the executed financial report contains no significant misstatements regardless of whether due to fraud or omission.

When preparing the financial report the management bears the responsibility to assess the potential of the Association to continue operating on a going concern basis by stating, if applicable, any issues related to the assumption of a going concern and using the accounting database based on the assumption of a going concern, provided that the management does not intend to liquidate the Association or cease its activity and except where the management has no other alternative other than to do so.

The persons in charge of the general management bear the responsibility to survey the financial reporting process of the Association.

### Responsibilities of the Auditor regarding the financial report

Our aim is to establish with a reasonable degree of certainty whether the financial report as a whole contains significant misstatements, regardless of whether they are due to fraud or omission, as well as to issue an audit report stating our audit opinion. A reasonable degree of certainty is a high degree of certainty but it is not a guarantee that an audit performed in compliance with IAS will always reveal significant misstatements when such exist. Misstatements may occur as a result of fraud or omission and are considered as significant if it could be reasonably expected that they could influence separately or jointly the economic decisions of users taken based on the financial statement.

As part of the audit in compliance with IAS we use our professional judgement and maintain professional scepticism throughout the entire audit. We also:

- identify and assess risks and significant misstatements in the financial report, regardless of whether they are due to fraud or omission; we design and implement auditing procedures to respond to said risks and we collect sufficient and appropriate audit evidence to serve as grounds for our opinion. The risk that a certain significant misstatement which is the result of fraud may not be revealed is higher than the corresponding risk for omissions as a fraud may involve collusion, counterfeiting, deliberate omissions, misleading information to the auditor and negligence or avoidance of internal control.

- gain understanding of internal control with respect to the audit in order to design audit procedures suited to the specific circumstances and not in order to state an opinion on the efficiency of the internal control of the Association;

- assess the appropriateness of used accounting policies, the prudence of the accounting estimates and the advisability or related disclosures made by the Management;

- state an opinion regarding the appropriateness of the management use of the accounting database based on the assumption of a going concern and regarding whether based on the collected audit evidence there is material uncertainty as regards events or conditions which could lead to significant doubt in the ability of the Association to continue functioning as a going concern. If we establish that there is material uncertainty, we are required to draw attention in our audit report to those disclosures in the financial report related to said uncertainty or, provided that the disclosures are inadequate, to modify our opinion. Our opinion is based on audit evidence collected as of the date of the audit report. Future events or conditions, however, may cause the Association to cease operating as a going concern.

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- assess the overall performance, structure and content of the financial report, including disclosures and whether the financial audit represents the underlying events and transactions in a manner which ensures reliability.

We communicate with the persons in charge of the common management along with other issues, planned scope and timeframe of the audit and material findings from the audit, including significant deficiencies in internal control identified during our audit.

KPMG Audit OOD

Maria Peneva  
Manager  
[sgd. illegibly]

Sevdalina Dimova  
Registered auditor  
[sgd. illegibly]

45A Bulgaria Bld.  
1404 Sofia, Bulgaria

30<sup>th</sup> April 2018

[Seal of KPMG Audit OOD, Sofia, Reg. no. 045, Auditing company]

# BALANCE SHEET AS OF 31.12.2017

2. Own shares purchased back		-	-
nominal value		X	X
3. Other investments		-	-
<b>Total for group III</b>		-	-
<b>IV. Cash</b>			
- cash amounts		11	10
- unlimited accounts (deposits)		2,102	2,153
<b>Total for group IV:</b>	9	2,113	2,163
<b>Total for section B</b>		2,759	2,795
<b>D. Deferred expenses</b>		27	22
<b>Amount of asset (A+B+C+D)</b>		7,314	7,669

LIABILITIES			
Sections, groups, articles	Attach.	Amount in thousand BGN	
		current year	previous year
a	b	1	2
<b>A. Equity capital</b>			
<i>I. Subscribed capital</i>		-	-
<i>II. Emission premiums</i>		-	-
<i>III. Revaluation reserve</i>		-	-
<i>IV. Reserves</i>			
1. Legal reserves		-	-
2. Reserves related to purchase of own shares		-	-
3. Reserves as per articles of incorporation		-	-
4. Other reserves		643	621
<b>Total for group IV</b>	10	643	621
<i>V. Accumulated profit (loss) from previous years</i>		-	-
- Retained profit		-	-
- Loss not covered		-	-
<b>Total for group V</b>		-	-
<b>VI. Current profit (loss)</b>		(35)	22
<b>Total for section A</b>		608	643
<b>B. Provisions and similar liabilities</b>			
1. Retirement provisions and other similar liabilities		65	54
2. Tax provisions		-	-
- including deferred tax		-	-
3. Other provisions and similar liabilities		-	-
<b>Total for section B</b>	11	65	54
<b>C. Payables</b>			
1. Bond loans with individual statement of convertibles, incl.:		-	-
Up to 1 year		-	-
Over 1 year		-	-
2. Payables to financial institutions, including:		-	-
Up to 1 year		-	-
Over 1 year		-	-
3. Prepayments received		-	-
Up to 1 year		-	-
Over 1 year		-	-
4. Payables to suppliers		45	40
Up to 1 year		45	40
Over 1 year		-	-
5. Payables under policies, incl.:		-	-
Up to 1 year		-	-
Over 1 year		-	-
6. Payables to companies of the same group, incl.:		-	-
Up to 1 year		-	-
Over 1 year		-	-
7. Payables related to associated and joint ventures		-	-
Up to 1 year		-	-
Over 1 year		-	-

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8. Other payables, incl.:		511	525
Up to 1 year		114	71
Over 1 year		397	454
- to staff, incl.:		112	66
Up to 1 year		112	66
Over 1 year		-	-
- Social security payments, incl.:		-	1
Up to 1 year		-	1
Over 1 year		-	-
- Tax obligations, incl.:		2	4
Up to 1 year		2	4
Over 1 year		-	-
<b>Total for section C, incl.:</b>	12	556	565
Up to 1 year		159	111
Over 1 year		397	454
<b>D. Funding and deferred revenue</b>	13	6,085	6,407
Funding		6,085	6,407
Deferred revenue		-	-
<b>Amount of liabilities (A+B+C+D)</b>		7,314	7,669

The appendix on pages 25 to 47 is an integral part of this financial report.  
This financial report was approved for publication by the Management of SOS Children's Villages Bulgaria OOD on 14.03.2018.

[sgd. illegibly] [sgd. illegibly] Prepared by:  
Plamen Stoyanov Rosen Kolarov [sgd. illegibly]  
National Director Chairman of the Management Board Petya Andonova  
[Seal of Children's Villages Association Bulgaria]

In accordance with the Report by the Independent Auditor KPMG Audit OOD:

[sgd. illegibly] [Seal of Auditing Company KPMG Audit OOD, Sofia, Reg. no. 045] [sgd. illegibly]  
Maria Peneva Sevdalina Dimova  
Manager Registered auditor

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SOS Children's Villages Bulgaria  
Financial Report  
for the year ended on 31<sup>st</sup> December 2017

BALANCE SHEET AS OF 31.12.2017			
ASSETS			
Section, groups, articles	Attach.	Amount in thousand BGN	
		current year	previous year
a	b	1	2
<b>A. Subscribed but not fully paid-up capital</b>			
<b>B. Non-current (fixed) assets</b>			
<i>I. Intangible assets</i>			
1. Products of development activities		-	-
2. Concessions, patents, licences, trademarks, software products and other similar rights and assets		45	68
3. Goodwill		-	-
4. Prepayments and intangible assets under construction		-	-
<b>Total for group I</b>	4	45	68
<i>II. Fixed material assets</i>			
1. Lands and buildings, incl.:		2,401	2,553
Lands		4	4
Buildings		2,397	2,549
2. Plant and machinery and manufacturing equipment		27	33
3. Facilities and others		69	88
4. Prepayments and fixed material assets under construction		-	-
<b>Total for group II</b>	5	2,497	2,674
<i>III. Fixed financial assets</i>			
1. Shares and interest in companies of the same group		-	-
2. Loans to companies of the same group		-	-
3. Shares and interest in associated and joint ventures		-	-
4. Loans to associated and joint ventures		-	-
5. Long-term investments	6	1,986	2,110
6. Other loans		-	-
7. Own shares purchased back		X	X
nominal value		X	X
<b>Total for group III</b>		1,986	2,110
<i>IV. Deferred tax</i>			
<b>Total for section B</b>		4,528	4,852
<b>C. Current (short-term) assets</b>			
<i>I. Material inventory</i>			
1. Raw materials		163	130
2. Work in progress		-	-
3. Production and finished goods		7	9
Production		-	-
Finished goods		7	9
4. Prepayments		-	-
<b>Total for group I</b>	7	170	139
<i>II. Receivables</i>			
1. Receivables from customers and suppliers		65	23
including over 1 year		-	-
2. Receivables from companies of the same group		-	-
including over 1 year		-	-
3. Receivables related to associated and joint ventures		-	-
including over 1 year		-	-
Other receivables		411	470
including over 1 year		-	-
<b>Total for group II</b>	8	476	493
<i>III. Investments</i>			
1. Shares and interest in companies of the same group		-	-

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# STATEMENT of revenue and expenditure for the year ending 31 December 2017

STATEMENT of revenue and expenditure for the year ending 31 December 2017			
Expense name	Attach.	Amount in thousand BGN	
		Current year	Previous year
a	b	1	2
<b>I. OPERATING EXPENSES</b>			
<i>A. Expenses on regulated activity</i>			
1. Donations		-	-
2. Other expenses	14	3,757	3,967
<b>Total A:</b>		3,757	3,967
<i>B. Administrative expenses</i>	15	735	681
<b>Total I:</b>		4,492	4,648
<b>II. FINANCIAL EXPENSES</b>			
3. Interest expenses		-	-
4. Negative differences from operations with financial assets and instruments		-	-
5. Negative differences from exchange rate fluctuations		139	80
6. Other expenses for financial operations		2	4
<b>Total II:</b>		141	84
<b>III. EXCEPTIONAL EXPENSES</b>			
<b>IV. LOSS FROM BUSINESS ACTIVITY</b>			
<b>V. TOTAL EXPENSE</b>		4,633	4,732
<b>VI. RESULT</b>		-	22
<b>Everything (V + VI)</b>		4,633	4,754
Revenue name			
	Attach.	Amount in thousand BGN	
		Current year	Previous year
a	b	1	2
<b>I. OPERATIONAL REVENUE</b>			
<i>A. Revenue from regulated activity</i>			
1. Revenue from conditional donations		-	-
2. Revenue from unconditional donations		-	-
3. Membership fee		1	1
4. Other revenue	16	4,480	4,636
<b>Total I:</b>		4,481	4,637
<b>II. FINANCIAL REVENUE</b>			
5. Interest revenue		-	-
6. Participation revenue		-	-
7. Positive differences from transactions in financial assets and instruments		-	-
8. Positive differences from exchange rate fluctuations		96	80
9. Other revenue from financial operations		-	-
<b>Total II:</b>		96	80
<b>III. EXTRAORDINARY REVENUE</b>			
<b>IV. PROFIT FROM BUSINESS OPERATIONS</b>		21	37
<b>V. TOTAL REVENUE</b>		4,598	4,754
<b>VI. RESULT</b>		35	-
<b>Everything (V + VI)</b>		4,633	4,754

The attachment of pages 25 to 47 is an integral part of this Financial Report.  
The Financial Report was approved for publication by the Management of SOS Children's Village Bulgaria on 14.03.2018.

[sgd. illegibly] [sgd. illegibly] Prepared by:  
Plamen Stoyanov Rosen Kolarov [sgd. illegibly]  
National Director Chairman of the Management Board Petya Andonova  
[Seal of SOS Children's Village Bulgaria Association]

In accordance with the report by the independent auditor KPMG Audit OOD:  
[sgd. illegibly] [Seal of Auditing Company KPMG Audit OOD, Sofia, reg. no. 045] [sgd. illegibly]  
Maria Peneva Sevdalina Dimova  
Manager Registered Auditor



## BOARD OF DIRECTORS, TEAM

**Prof. Dr. Rossen Kolarov** - President

**Veselin Nikolov Komitov** - Vice President

**Nikola Atanasov Nikolov**

**Totko Misrobov Tatsozov**

**Natashka Dakeva Danova**

**Prof. Silvia Ilieva Tzvetanska**

**Momchil Vasilev Anastasov**

**Tom Malvet** - Representative of SOS Children's Villages International

**Ela Janczur** - Representative of SOS Children's Villages International

The Association is represented by the Board President.

## TEAM

According to Art. 10 of the Statute of the Association and the Regulation for organization of the work of the Board, the operational activity of SOS Children's Villages Bulgaria is conducted by the National office and the National Executive Director.

**Plamen Stoyanov** - National Executive Director

**Ivailo Gurov** - Director of Fundraising and Communications

**Dimitrina Petrova** - Director of Programme Development Department

**Anelia Rogelova** - Head of Human Resources Department

**Petia Andonova** - Head of Finance and Accounting Department

**Sonia Zhivkova** - Head of Corporate Partnerships

## HEADS OF FACILITIES

**Ivan Hristoforov** - Director of SOS Children's Village Programme Veliko Turnovo - Gabrovo – Tryavna

**Mariyan Dyankov** - Director of SOS Children's Village Programme Sofia-Pernik

**Milka Ilieva** - Head of SOS Youth Homes Veliko Turnovo

**Marin Zarkov** - Head of SOS Youth Homes Sofia

**Boriana Rashkova** - Head of SOS Public Support Center Sofia

**Mariana Racheva** - Head of SOS Public Support Center Gabrovo

**Albena Dobрева** - Head of SOS Public Support Center Veliko Turnovo

**Dimitrina Dimitrova** - Head of SOS Public Support Center Pernik