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Independent Auditor's Report

To the Owner of POKROV FOUNDATION

Report on the Financial Statements

We have audited the financial statements of Pokrov Foundation, which comprise the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Pokrov Foundation's Responsibility for the Financial Statements

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

Auditors' 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors 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 give a true and fair view of the financial position of Pokrov Foundation as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with National Standards on Financial Reporting for Small and Medium Enterprises.

The accompanying Annual Program Report of Pokrov Foundation as December 31, 2009, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole.

Emilia Ilieva - CPA

Sofia, Bulgaria

28.04.2010

**Emilia Ilieva - Manager
AC Audit OOD**



Accounting balance of the Pokrov Foundation

As of Dec. 31, 2009

ASSETS

chapter, group, article a	Amount in thousand BGN	
	current year 1	previous year 2
A. LONG-TERM ASSETS		
I. Material Assets		
Buildings and constructions	102	109
Machines and Equipment	33	31
expenses for acquisition and liquidation of assets	352	352
Total for group I	487	492
TOTAL FOR CHAPTER A	487	492
B. SHORT-TERM ASSETS		
I. Short term debtors		
Debts from clients and suppliers	6	1
Other short-term debts	30	26
Total for group I	36	27
II. Monetary assets		
Cash at hand	3	1
monetary assets in savings bank deposits	10	18
Total for group II	13	19
Total for chapter B	49	46
ASSET VALUE (A+B)	536	538


LIABILITIES

chapter, group, article a	Amount in thousand BGN	
	current year 1	previous year 2
A. OWN CAPITAL		
I. Main capital	0	109
II. Reserves		
Ear-marked reserves		
- other reserves	7	7
Total for group II	7	7
Total for chapter A	7	116
B. LONG-TERM LIABILITIES		
II. Income from future periods and fundings	527	422
Total for chapter B	527	422
C. SHORT-TERM LIABILITIES		
I. Short-term liabilities		
Liabilities towards clients and suppliers	2	0
Total for group I	2	0
II. Income for future periods and fundings	0	0
Total for chapter C	2	0
LIABILITIES (A+B+C)	536	538

Date 30.03.2010

Author: Mihail Karamalakov

Director: Plamen Sivov

Auditor: 
28.04.2010



INCOME AND EXPENDITURE STATEMENT

POKROV FOUNDATION

INCOME		
Income item	Amount in thousand BGN	
	current year	previous year
a	1	2
I. Income from activity		
A. Income from non-profit activity		
Conditional donations	356	326
Other income	0	97
Total for group I	356	423
II. Financial income		
Income from interests	0	0
Total for group II	0	0
III. Total income	356	423
IV. Result	0	0
V. Total (III + IV)	356	423
EXPENDITURE		
Expenditure Item	Amount in thousand BGN	
	current year	previous year
a	1	2
I. Expenditure for activity		
A. Expenditure for non-profit activity		
1. Donations	335	401
Total A	335	401
B. Administrative expenditure		
Total for group I	355	422
II. Financial expenditure		
2. negative differences from currency rate changes	0	1
3. other expenditure from financial operations	1	0
Total for group II	1	1
V. Total expenditure	356	423
VI. Result	0	0
Total (V + VI)	356	423

Date 30.03.2010

Prepared by:



Mihail Karamalakov

Director:



Plamen Sivov

Auditor: 
22.04.2010



**CASHFLOW REPORT FOR 2009
POKROV FOUNDATION**

in thosand BGN

Item	Current period	Previous period
a	1	2
I. Cash available at the beginning of the period	19	42
II. Cash flow from non-profit activity		
A. Income from non-profit activity		
Conditional donations received	303	311
Income from insurance eterprises	1	3
Income from bank and currency operations	0	1
Other income	69	99
Total income from non-profit activity	373	413
B. Payments for non-profit activity		
Donations	10	26
Fees and salaries	63	61
Social insurances paid	26	41
Payments for bank and currency operations	1	1
Payments for services	217	214
Other payments	62	93
Total payments for non-profit activity	379	436
C. Net cashflow from non-profit activity	-6	-23
IV. Cash available at the end of the period	13	19
V. Cash flow change for the period	-6	-23

date : 30.03.2010

Plamen Sivov

Director:	Plamen Evgeniev Sivov	
	(name, middle name, family name)	(signature)
Prepared by:	Mihail Nikolov Karamalakov	<i>MK</i>
	(name, middle name, family name)	(signature)

Auditor: *[Signature]*
28.04.2010



OWN CAPITAL REPORT 2009

thousand BGN

Indicators	Main capital	reserves			Total own capital
		reserves from concurrent re-evaluations of assets and liabilities	dedicated reserves		
			total reserves	other reserves	
a	1	2	3	4	5
Saldo at beginning of period	109.00	0.00	0.00	7.00	116.00
Other changes in own capital	(109)				(109)
Saldo at the end of reported period	0.00	0.00	0.00	7.00	7.00

Date 30.03.2010

Prepared by:

Mihail Karamalakov

Director:

Plamen Sivov



Pokrov Foundation

**Income and Expenditure Statement by Programs
2009**

Description	Amount	Description	Amount
A. Income		B. Expenditure	
Program income and other subsidies		Program expenditure	
Diakonisches Werk	195,123.29	Diakonia	109,935.76
Europe Desk of Dutch Protestant Churches	117,165.00	Media	64,590.01
Assistance for Retirement (Govt. Program)	1,653.67	Publishing	94,445.66
STICHTING ORTODOX	8,127.87	Capacity Building	25,319.42
Other subsidies	3,880.00	Info centres	25,885.07
Other income			
transfer from 2008	39,452.39	<i>Currency re-valuation,</i>	
sales of post cards	10,403.26	<i>bank fees and commissions</i>	911.86
lease property	7,691.07	<i>staff medical insurances</i>	8,455.43
bank interest, re-evaluation	94.84	<i>administrative expenses</i>	22,007.69
other	7,837.30		
Total income	391,428.69	Total expenditure	351,550.90
		Program Balance	39,877.79
		cash at hand, bank deposits	13,431.10
		staff advances, pending payments	14,182.41
		customs deposit (icon exhibition)	12,264.28
		<hr/>	
		total	39,877.79

All amounts in BGN
Exchange rate: 1 EUR = 1.95583 BGN.

Accountant:
Mihail Karamalakov



Director:
Plamen Sivov




Income and expenditure report by Programs

Pokrov Foundation, 2009

	in BGN	in EUR
I. Pilgrimage tourism		
1. Pilgrimage tourism project		
1.1. Income		
- transfer from 2008	52.48	26.83
total funding	52.48	26.83
1.2. Expenditure		
Total expenditure	0.00	0.00
Project balance	52.48	26.83
Total program income	52.48	26.83
Total program expenditure	0.00	0.00
Program balance	52.48	26.83
II. Diakonia		
1. Home care services		
1.1. Income		
- transfer from 2008	1,555.04	795.08
- property lease	7,691.07	3,932.38
- international donors	5,000.00	2,556.46
- state subsidy	1,653.67	845.51
- other income	1,555.00	795.06
Total project income	17,454.78	8,719.97
1.2. Expenditure		0.00
staff fees and social insurances	9,068.10	4,636.45
buss passes for home care assistance and transport of patients	922.00	471.41
electricity, water	3,525.33	1,802.47
food supplies and sanitary	435.24	222.53
Total project expenditure	13,950.67	7,132.86
Project balance	3,104.11	1,587.11
2. Diakonia Fund		
2.1. Project income		
- transfer from 2008	3,541.85	1,810.92
- international donors	7,500.00	3,834.69
- private funding	1,795.00	917.77
Total project income	12,836.85	6,563.38

2.2. Project expenditure		
- project funding		
Prison Ministry Exchange Visit	2,000.00	1,022.58
Youth Camp for Hearing Impaired Children	2,000.00	1,022.58
Christian Art Conference	1,200.00	613.55
Prof. Totyu Koev Scholarships	2,000.00	1,022.58
emergency social assistance	3,977.37	2,033.60
Total project expenditure	11,177.37	5,714.90
Project balance	1,659.48	848.48
3. Artistic Activities for Disadvantaged Children and Families (Post cards)		
3.1. Project income		
- Transfer from 2008	13,286.31	6,793.18
- international donors	6,000.00	3,067.75
- income from sales of postcards	10,403.26	5,319.10
- other income	750.00	383.47
Total project income	30,439.57	15,563.51
3.2. Expenditure		
- amounts paid to beneficiaries	2,472.27	1,264.05
- materials	1,572.63	804.07
- staff fees and insurance	9,044.86	4,624.56
- communication costs	50.00	25.56
Total project expenditure	13,139.76	6,718.25
Project balance	17,299.81	8,845.25
4. Renovation of Pokrov Office Facility		
4.1. Project income		
- transfer from 2008	23.86	12.20
- international donors	45,000.00	23,008.13
Total project income	45,023.86	23,020.33
4.2. Project expenditure		
- renovation and repairs	44,152.65	22,574.89
Total project expenditure	44,152.65	22,574.89
Project balance	871.21	445.44
5. Bosnek Recreational Facility		
5.1. Project income		
- transfer from 2008	3,073.84	1,571.63
- international donors	26,000.00	13,293.59
Total project income	29,073.84	14,865.22
5.2. Expenditure		
- renovation and repairs	27,515.31	14,068.35
Total project expenditure	27,515.31	14,068.35
Project balance	1,558.53	796.86

Total program income	134,428.90	68,732.41
Total program expenditure	109,935.76	56,209.26
Program balance	24,493.14	12,523.14
III . Christian Media		
1. Printed Media		
1.1. Project income		
- Transfer From 2008	3,818.62	1,952.43
- international donors	8,000.00	4,090.34
Total project income	11,818.62	6,042.76
1.2. Expenditure		
Svet magazine: printing expenses	5,336.34	2,728.43
Fees and services	5,528.44	2,826.65
Total project expenditure	10,864.78	5,555.07
Project balance	953.84	487.69
2. Journalist Study Trips		
2.1. Project income		
- international donors	15,000.00	7,669.38
- Other Income	585.00	299.11
Total project income	15,585.00	7,968.48
2.2. Project expenditure	15,191.66	7,767.37
Project balance	393.34	201.11
3. Christian Web Portal		
3.1. Project income		
- transfer from 2008	4,213.44	2,154.30
- international donors	34,000.00	17,383.92
- other income	0.00	0.00
Total project income	38,213.44	19,538.22
3.2. Project expenditure		
fees for news, articles and translations	4,390.74	2,244.95
staff fees and social insurances	7,089.32	3,624.71
site maintainance	9,660.00	4,939.08
internet and phone communications	2,629.79	1,344.59
office supplies	586.06	299.65
collocation, hosting and SEO	1,342.20	686.26
materials and equipment	5,358.22	2,739.61
other expenses	1,200.00	613.55
Total project expenditure	32,256.33	16,492.40
Project balance	5,957.11	3,045.82

4. Promotion		
3.1. Project income		
- transfer from 2008	1,482.08	757.78
- international donors	5,000.00	2,556.46
Total project income	6,482.08	3,314.23
3.2. Project expenditure	6,277.24	3,209.50
Project balance	204.84	104.73
Total program income	72,099.14	36,863.70
Total program expenditure	64,590.01	33,024.35
Program balance	7,509.13	3,839.36
IV. Capacity Building		
1. Church Networking		
1.1. Income		
- Transfer From 2008	1,729.27	884.16
- international donors	5,000.00	2,556.46
Total project income	6,729.27	3,440.62
1.2. Project expenditures	5,742.08	2,935.88
Project balance	987.19	504.74
2. Staff Training		
2.1. Income		
- Transfer From 2008	2,737.61	1,399.72
Total project income	2,737.61	1,399.72
2.2. Project expenditure	0.00	0.00
Project balance	2,737.61	1,399.72
3. Seminars and conferences		
3.1. Income		
- international donors	20,000.00	10,225.84
Total project income	20,000.00	10,225.84
3.2. Expenditure		
International conference in Veliko Turnovo on Family Values	9,358.80	4,785.08
fees and services, social insurances	10,218.54	5,224.66
Total project expenditure	19,577.34	10,009.73
Project balance	422.66	216.10
Total program income	29,466.88	15,066.18
Total program expenditure	25,319.42	12,945.61
Program balance	4,147.46	2,120.56

V. Publishing (books)		
Program income		
- Transfer From 2008	1,005.94	514.33
- international donors	80,000.00	40,903.35
- other income	15,560.17	7,955.79
Total program income	96,566.11	49,373.47
Expenditure		
- printing costs	40,924.60	20,924.42
- desktop publishing	6,306.38	3,224.40
- copyrights and translations	15,113.81	7,727.57
- staff fees and insurance	23,288.48	11,907.21
- office supplies	1,602.07	819.13
- post expenses	1,549.18	792.08
- communication costs	1,144.43	585.14
- advertisement, participation at the National Book Fair	1,140.50	583.13
- transportation costs	3,156.06	1,613.67
- awards	220.15	112.56
Total program expenditure	94,445.66	48,289.30
Program balance	2,120.45	1,084.17
VI. Library and Information centres		
1. Info Centre at the Veliko Turnovo University		
1.1. Project income		
- transfer from 2008	179.80	91.93
- international donors	20,000.00	10,225.84
Total project income	20,179.80	10,317.77
1.2. Project expenditures	19,510.52	9,975.57
Project balance	669.28	342.20
2. Info Centre in Sofia		
1.1. Income		
- transfer from 2008	1,699.57	868.98
- international donors	5,000.00	2,556.46
Total project income	6,699.57	3,425.44
1.2. Project expenditures (incl. book presentations)	6,374.55	3,259.26
Project balance	325.02	166.18
Total program income	26,879.37	13,743.20
Total program expenditure	25,885.07	13,234.83
Program balance	994.30	508.38
VII. Administration		

Income		
- Transfer From 2008	1,052.68	538.23
- international donors	30,788.29	15,741.80
- income from bank interest	94.84	48.49
Total income	31,935.81	16,328.52
Expenditure		
- administrative costs	22,007.69	11,252.35
- medical insurances, food vouchers for staff	8,455.43	4,323.19
- bank fees, currency re-evaluation	911.86	466.23
Total expenditure	31,374.98	16,041.77
Balance	560.83	286.75
TOTAL INCOME	391,428.69	200,134.31
TOTAL EXPENDITURE	351,550.90	179,745.12
TOTAL BALANCE	39,877.79	20,389.19
CASH AT HAND	39,877.79	20,389.19
incl.		
customs deposit for icon exhibition	12,264.28	6,270.63
cash	13,431.10	6,867.21
staff advances and pending payments to suppliers	14,182.41	7,251.35

Accountant:

Mihail Karamalakov

Director

Plamen Sivov

Auditor:

28.04.2010

