



pokrov foundation

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Annual Programme Report

2006

Background

On January 1st 2007 Bulgaria became a full-fledged member of the European Union. This major factor in the country's external policy has had dramatic effects on the internal conditions and trends. The Pokrov Foundation has started re-focusing its activity from direct social service provision towards a development-oriented approach as early as 2005-2006 when a new strategy has been adopted to reflect the realities in the Bulgarian society, namely:

- The need to adapt the existing practices and legal framework in the field of social services to the common EU legislation.
- The evolving diakonial structures of the Bulgarian churches and their growing needs for systematic adoption of know how and best practices
- The need to empower the faith communities in the country to raise issues of common concern at a national and EU level, especially in the field of human rights, justice and diakonia.

In 2006, the Foundation has completed entirely the process of its restructuring and separation of some of its projects and programmes into new independently-run organizations. Both the Parish Centre and the Daycare Centre for Handicapped Children have been registered as separate NGOs and the new forms of cooperation with them have been established.

The Parish Centre (currently operated by the Joy Foundation) has become an entirely separate entity and is successfully fundraising for its activities. In 2007, the Pokrov's cooperation with the Centre will be mainly in the form of logistic and expertise support.

The Daycare Centre has set up its internal structure and is developing in the direction of complete financial independence from the Foundation. It has been successful in raising funds from private sources and is actively integrating in various national and municipal structures for child protection policies. In addition, the Centre has been active in the international field, developing cooperation with similar centres in Germany and setting up exchange programmes with them. The Foundation has provided the facility of the Centre and its mini-bus to be used for free by the new organization. In 2007, the Foundation will channel and monitor partial funding to the Centre, trying to ensure a smooth transition to financial sustainability of its services in the new situation, resulting from the EU integration.

In 2006, the Foundation has been active in the following areas:

Diakonia: Small Projects Fund, providing assistance to emerging and developing diakonial initiatives of faith-based NGOs in Bulgaria. In addition, following the separation of the Pokrov Parish Centre and the Pokrov Daycare Centre into independent organizations, limited support has been provided for these two programmes as well.

Diakonia: Own Programmes. The Foundation has continued to develop its existing diakonial programmes and has launched new ones. These include the *Art Therapy project* for institutionalized children, the *Home Care project*, *Volunteers Project* (focused on underdeveloped areas and people in need from these areas), the *Mobile Youth Work project* (a joint project with the Germany-based NGO, ISMO) and several other separate projects. The Foundation also operates a small humanitarian assistance fund, providing counselling services, legal support and sometimes medical treatment to vulnerable people.

Art Therapy Project data: project partially funded by the First Investment Bank | 30-40 children participating | 450 types of cards available for order in 15 thematic galleries | over 8 000 cards produced and sold in 2006 only | major contractors: KFC, the Bulgarian Telecom

Emergency Response and Disaster Preparedness: after devastating floods that have struck Bulgaria in 2005 and 2006, the Foundation re-established its membership in the ACT network (Action by Churches Together) and has developed a fully operational programme for emergency assistance and disaster preparedness.

Training for Development: an ongoing capacity building programme of the Foundation aiming at raising the capacity of churches and church-related organizations to develop diakonial programmes and services, as well as organizing a variety of seminars, local and international conferences, exchange visits and other events, bringing together practitioners and leaders from the local churches.

In the last few years the capacity building programme of the foundation has been implemented mostly in the framework of the project Training for Development, funded by EED, Germany. The project was completed in 2006. A successful workshop in 2006 has introduced a number of church-related NGOs to the basics of building a web-based content management system (CMS). This has resulted in the creation of a number of web sites and in an increased interest in issues like public presentation, lobbying and fundraising.

Advocacy and Lobbying

Marking the growth of the foundation and its recognition by local and other partners as an important factor in the religious map in the country, a new programmatic activity has been established to foster dialogue between the churches and faith communities, on one hand, and the civil society and the state on the other. The activities in this field are in the following directions:

Participation in the newly-emerged national **platform of development NGOs in Bulgaria**. Pokrov Foundation was among the founding members of the Bulgarian Association of Non-Governmental Development Organizations (www.mg-platform.kinyra.com). Together with ADRA, it is representing the faith-based organizations in the field of international development cooperation. The association is a partner of TRIALOG and of EU-based institutions in the development field. The goal of the new network is to prepare the country's non-profit sector for the transition from recipient to donor's role vis-à-vis the developing countries. The role of Pokrov Foundation in the network will be to speak out on behalf of the religious communities their concerns about the ethical dimensions of development work and to involve them in Bulgarian society's efforts to integrate in the international development arena.

The foundation is continuing to participate in the **National Council for the Protection of Children**, a group of NGOs that provide consultancy and public supervision over the activities of the State Agency for Child Protection. The long experience of the foundation in the integration of orphan children and children with disabilities is highly valued by the state; its participation in the Council is also regarded as a unique space for the church experience and approach in children work altogether. A number of concrete statements and policy proposals have been developed in the last year by the Council.

The foundation is actively participating in another national platform, the **NGO Families**, which is the main representative body of the NGO sector in the country, focusing on lobbying with the government for legislative and policy changes in the light of the EU integration. The Pokrov Foundation is presiding the section of the platform that is involved in social policy agenda.

The foundation has been the initiator for the establishment of the **National Civic Council for Church-State Dialogue**, which continues to serve as a focal point of expertise in the church-state relations field. The group is periodically producing public statements and is seeking for an established advisory role towards the church leadership.

Networking

Networks membership: In 2006, the Foundation has continued its membership in the following networks (local, regional and international):

- [ACT](#) | Action by Churches Together
- [BSCDN](#) | Balkan Civil Society Development Network
- [MG-Platform](#) | Bulgarian Millennium (Development) Goals-Platform

- [APRODEV](#) | Association of WCC-related development Organizations in Europe
- [SYNDESMOS](#) | The World Fellowship of Orthodox Organizations
- The National Council for the Protection of Children

The foundation is currently considering joining the [National Donors' Forum](#) in Bulgaria.

Media Programme: in addition to its publishing activities, the Foundation has started to produce and support the production of media (articles, documentaries, radio spots and shows) which promote the revitalization of churches' presence in public life through diakonia and reflection upon moral and ethical issues of today. The main media project for 2006 has been the *web portal* Pravoslavie.BG, which has become a leading national electronic media on issues of religion and society, with over 4000 registered users, 3000 daily visits and a vast pool of resources (texts, audio, video, pictures, etc.), related to the role of faith in the life of the modern man. A series of documentaries (over 30 10-minutes films) has been produced and broadcasted on one of the major national televisions (Nova TV) that covers the current situation of the national places of worship, the community life and the diakonial projects, developed by the churches.

Web portal



In 2006 the networking activities of the foundation were concentrated in the development of a new web portal, which was designed as a national internet-based communication platform, covering issues ranging from know-how on diakonia, to theological reflection, journalism and EU-integration policies.

The web portal, Pravoslavie.bg, developed far beyond our expectations and is currently positioning itself in a natural way, and as a result of a growing demand for its services, among the most important and effective projects of the Pokrov foundation.

The portal is now involving an editorial team of 5 (including news editors from 7 different languages), and is offering the following main services:

- **Daily news service**, covering national and international topics, related to religions (Christianity, Islam, Judaism mainly), including references to on-line Bulgarian and foreign media, as well as own resources (reporters from the country and abroad);
- **Comments and analyses**, provided by a pool of authors, and focusing on the political, ethical and other implications of events and tendencies, related to the churches and religions;
- A permanent **Columnist section**, with weekly articles, focusing on current issues and public agenda from a Christian perspective;
- **Library section** with on-line materials in 15 categories and 30 sub-categories. As of September 2006, the Library section holds 3,600 articles;
- **Documents** in PDF format: app. 700 units
- **Audio, video and picture** galleries, containing music, recorded interviews, films and other materials, copyrighted by Pokrov foundation, or published with the permission of the copyright holders. Over 6000 downloads from this section alone have been registered in the last 6 months.
- **Forum** for registered users to discuss theological, practical and other issues, related to their faith
- A possibility for **comments of registered users** of most published materials. One month after the launching of the service, over 600 comments have been written.
- **On-line shop** for books, post cards, and other items. Over 600 titles are available for on-line orders from the shop, located at [shop.pravoslavie.bg](#)
- **Chat service**, allowing users to exchange instant messages
- **File sharing** service, allowing registered users to share their local computer content with other users. The shared content is monitored for possible abuse (copyright violations, etc.)

- **Personal profile** service, allowing users to leave full information about themselves (incl. pictures) and thus to form a community, where people can learn about and interact with each other.
- **WAP** (wireless application protocol) service. This functionality allows people with mobile phones to access the news service of the portal from their mobile device. The address of the wap-version of the portal is wap.pravoslavie.bg
- **Electronic cards** for different religious and general occasions. Over 600 e-cards have been made available for the users to choose from. The address of the cards section is ecards.pravoslavie.bg.
- A **banner system** has been developed to ensure the management of banners of potential advertisers. This is a new service that will be developing further in 2007.
- A **Poll system** provides the possibility to measure the attitudes of our audience towards certain issues, relevant to the forming of church policies, or political issues with implications on the faith communities. (Sample poll question: How do you regard the banning of head scarves in Bulgarian universities?)
- **RSS feeds** are a news-related functionality, that allows content from the site to be "streamed" into other web-sites in real time, so that users may not even visit the site, but only read a summary of its latest added content.
- **Interviews** section: the goal is to present popular people (artists, actors, singers, etc.) by showing their spiritual searches, insights and views.
- Other services and functions include a links catalogue, contacts catalogue for Bulgarian churches and monasteries, extensive information about the history of Christianity in Bulgaria, personal profiles of church leaders, and many others.

Statistics: currently (as of Dec. 2006) the site has 1700 registered users. There is a clear tendency of increase of that number, and our expectations are that towards the end of 2006 it will reach 2000 or more. There are (as of September 2006) 870 000 hits (we expect to turn one million hits in early 2007) and a daily number of visits between 2000 and 2500 (as of September). All statistic counters show a clear tendency of growth of the interest of the public towards the site. In one year (the site opened in September 2005), Pravoslavie.BG has become the largest religious electronic media in the country, and probably in the region as well. The site has become a major point of reference for Macedonian church-related media. Its articles, news and analyses, are being translated and quoted in Russian, Macedonian, Serbian, French and other media, both religious and secular. It is becoming an official partner of most secular Bulgarian on-line media in the field of religious news. It is regarded by the "outside world" as a dynamic and fast growing media, with a definite "young face" (over 70% of our users and visitors are aged 20-35).

The following table and graph show the dynamics of the growth of the visits of the index (main) page of the portal for the last year (the site opened on September 17, 2005). Source: www.webstats4u.com (an independent counter).

September 2005	3461
October 2005	9528
November 2005	14422
December 2005	11814
January 2006	11566
February 2006	13434
March 2006	17479
April 2006	17219
May 2006	20075
June 2006	27561
July 2006	37257
August 2006	39322
September 2006	50353
Total	273491

In 2007 the portal will try to expand its audiences and to rank among the top 20 Bulgarian electronic media, by providing news and expert commentaries on the topics with religious contents or implications both on the national, and international scale.

Among the goals for 2007 are: identification of potential advertisers in the site; increasing the sales from the internet-shop; expanding the users' base, adding more functionalities and services to the site; establishing partnerships with leading secular media (about 10 major internet news sites) where Pravoslavie.BG will offer specialized religious news and resources; establishing cooperation with leading Bulgarian journalists and inviting them to write comments and analyses for the portal; introduction of a EU-integration related section in the portal, to reflect upon the implications of the integration for the religious communities; expanding of the Diakonia section of the portal by including on-line study materials, manuals and training booklets, developed by the team of the Training Programme of the foundation.



The Newspaper Pravoslavie.BG

In 2006 the foundation started to produce a weekly bulletin, reviewing the contents of the web-portal, and distributing it among readers without access to the internet (villages, or elderly people in the cities, etc.). 30 volumes of the newspaper have been published as of September 2006. The newspaper is the only weekly printed media with faith-related content and is enjoying a very warm welcome from both the Orthodox and the non-Orthodox, even the non-religious public.

It is being printed in 500-1000 copies (numbers vary from week to week), of which about 200 are being sold in the newspaper market, the rest are sent to libraries, schools, churches, state institutions, etc. There is an increase of the sales in the last months, which comes to show that the demand for such printed version of the media is real, and that its audience is not only in the churches. In 2007, the foundation will continue to publish the newspaper, investing efforts in developing an adequate distribution and sales network (thus increasing the sales portion of the circulation) and decreasing the number of free copies,

offering the recipients the option to subscribe for the newspaper. We hope to be able to reach a level of 700-1000 sold copies weekly by the end of 2007. The paper sells for 0.40 BGN (0.20 EUR) per copy. There are monthly and annual subscription options available.

Among the problems, related to the distribution of the newspaper, is the reluctance of some Orthodox churches to sell the paper. Since this is the first regular printed media to appear in the Orthodox Church after the changes, it is often regarded as a competitor media to the official Church Gazette by some parish priests. However, such refusals are more and more rare.

Although an official publication of the Pokrov foundation, the newspaper is structurally within the Networking programme and is being implemented entirely by the Pravoslavie.bg team, since its contents is based entirely on the contents of the internet site.

Web portal data (as of August 20, 2007): 5 287 217 hits | 4 204 registered users | 6 236 publications | 4 700 comments from readers | 674 PDF files | 122 answers from priests to questions from the audience | 1 046 images in the galleries | 380 e-cards to choose from | 895 items on sale in the on-line shop | Google Ranking: 5 | statistics: [webstats4u](http://webstats4u.com)

Information Centres



The foundation has continued to support and develop two library and information centres, in Sofia and Veliko Turnovo. The Sofia centre is also operating as a bookstore, offering (incl. online) over 900 titles in 7 different languages, while the Turnovo Centre is oriented mainly to the needs of the students of Theology in the local university.

The **Information and Library Centre in Veliko Turnovo**, established in cooperation with the University, will continue to provide librarian and other services to the students of all faculties. The Centre will be organizing small seminars, language courses and other events to promote students' involvement.

In 2006, the Foundation opened a similar **centre in Sofia**. It is a library, info centre and a bookstore, offering more than 600 titles from dozens of publishers. The Centre is expected to develop as a competitive Christian and religious bookstore, and a place for interaction and cultural events in downtown Sofia. The Centre organizes presentations of new books, public debates and other events that draw young audiences, mostly from the nearby Sofia University.



The foundation continues its commitment towards development and support of church-related diakonial activities. In the last years, it has focused both on developing its own diakonial services, and supporting organizations and church structures (through the Diakonia Fund) to start or develop existing social activities.

Home Care

Since 2005, this programme is entirely supported by the state programme "Assistance for Retirement", providing full coverage of the fees of home assistants close to the age of retirement. In 2007, the foundation will employ 6 such home assistants, with the expenses of the programme being fully covered by the governmental programme. A varying number of beneficiaries (15-30) will receive services from the programme.



Children Cards

In 2006, the project expanded to include as participants not only the original group of some 100 children from two Sofia orphanages, but also adults in hard economic conditions, such as single mothers and retired people. Currently the participants in the project are producing 5-7000 greeting cards per year, by pre-orders of large corporate clients. The income from the sales is divided between the participants and the foundation, that manages to cover its expenses for materials fully. In 2007, the programme will expand to include additional number of children and adults and increase its production.

Through participation in the project, children and adults are able to make between 100 and 150 EUR per month, which is of great benefit for the otherwise unemployed adults and the children raised up

without any personal means, who find it extremely hard to find a job after they leave the orphanage and to rely on any stable income in the period of their integration. The project has been very active in raising the corporate social responsibility among major Bulgarian and international companies and will continue to further develop this important network.

Ladder Project



During 2006, the project for prevention of substance abuse among school children has been successful in bringing together young adults from Sofia in numerous events and regular school courses, addressing issues of drug abuse, corruption, early sexual activity and many others. Over 8000 children from Sofia schools have participated in the programme. In late 2006, the team of the project has received a blessing from official church leadership to develop a similar programme within the official church structures (the Holy Synod or the Metropolis of Sofia). For 2007, the programme will be run as an external project within the structures of the Bulgarian Orthodox Church, with financial support from the Pokrov Foundation and other donors.

Mobile Youth Work Project

The training project for municipal and state officers in the field of child protection has been extended to run also in 2007. The project is developed in cooperation with the Germany-based organization ISMO, specializing in mobile youth work. The participants in the seminars in Bulgaria are mainly professional social workers from the state and the NGO sector. The appreciation of the skills and knowledge gained has been very high and a continuation of the project has been proven necessary. The project is supported financially by Action Mensch in Germany.



Camping and Recreational Facility

In 2004 the Foundation has started the renovation of a building in the village of Bosnek, some 30 km from Sofia. The goal of the project is to equip an adapted facility for recreation of children with special needs. The reconstruction was finished at 90% in 2005, but the floods in the summers of 2005 and 2006 have postponed the completion of the sanitation system of the facility, which made it practically unusable. In 2006, after consideration by construction experts, it was decided to install a small purification system which had to substitute the originally planned sanitation system. The construction was finalized in the summer of 2006.

Diakonia Fund

The Fund has been an important factor for the growth and sophistication of the diakonial structures of the Bulgarian churches since 1998, when the foundation started to offer project support to emerging diakonia programmes and projects.

In addition to the internal diakonial projects, the Foundation has support a number of **external diakonial initiatives**, on the basis of previously established cooperations with church-related NGOs and church structures. In 2006, several such projects were supported (i.e., the Drug Rehabilitation programme of the Varna Diocese, the equipping of the first Christian radio "Sion", and others). The policy of the foundation in supporting external projects follows the criteria, outlined in the Diakonia Fund programme document, as well as some additional requirements for established practices and reliability.

Publishing and Promotion

The oldest programme of the foundation, operating within the Omophor publishing house, continues to publish books and periodicals, exposing the Bulgarian reader to the modern and classical examples of Christian apologetics, fiction and theology. Orthodox, Catholic and Protestant authors have been published during the years, to reach a number of over 50 books published and 30 volumes of the Mirna magazine issued. The programme organizes different events, promoting its new publications.

The publishing programme is well balanced, including fiction, poetry, devotional literature, apologetic writings, as well as textbooks and high-profile theological editions. This diverse production allows us to target different readers' subgroups and to reach an optimal coverage of our audience.

In 2006 the publishing programme of the foundation indicated a substantial increase in the level of sales of its books and other publications. It was noted, that the reading audience, interested in OMOPHOR's publications, has expanded and the Christian book market can already absorb circulations of 2000 and 3000 copies within 1-2 years (these levels were unthinkable three years ago). The publishing programme managed to publish second and third editions of the most popular titles and to increase its income by more than 30% in comparison with previous years. Changes in the publishing policy also reflected upon this positive trend and a new publishing plan has been reviewed by the Board. A balance between academic and popular titles is being sought as a necessary condition for a successful marketing strategy. The publishing house OMOPHOR is already recognized as a major partner for theological publications. In 2006, a collection of papers has been published for the Theological Faculty of the Sofia University; a similar publication has been prepared for the Church and Society International Theological Conference in Russe.

A clear relation between the publishing policy, the expanded Christian book market, the number of church activists (over 400) that have participated in various trainings of the Training Programme, has been identified, to account for the general increase of the number of active and dynamic people in the Church, the rise of interest towards the information services of the Foundation (i.e. the web portal), and the necessity for balanced and informative publications.

In 2007, the foundation will continue to publish the **Mirna magazine** (30 volumes have been published since its beginning in 1996), and a number of **quality books** by Bulgarian and foreign authors, promoting tolerance, mutual understanding and profound knowledge of the Christian teaching and traditions.

The emerging of a renewed national theological tradition has called for the **support of young writers**, especially in the important academic field of research of rising nationalism and its relation to Christian values. The Foundation has supported the research of this subject and the subsequent publication of the result. A similar project will launch in 2007, supporting three researches in relevant fields, by academics not only in the theological field, but also in history, sociology and others.

Emergency Preparedness and Relief



Historically, the Pokrov foundation has always responded to emergency situations in the country, and has developed emergency appeals towards the wider European Christian agencies' community, since its establishment. More recently, there have been natural disasters in Bulgaria (floods) that have called for renewing of these practices and re-establishment of a specialized team. In 2005 and 2006 the foundation has developed and implemented 2 emergency relief projects in response to the floods in Bulgaria that have left thousands of people with ruined homes.

The Foundation has applied for a full membership in ACT (Action by Churches Together). The application will be reviewed in early 2007. In its emergency relief efforts, the foundation has mobilized a

large number of church-related partners locally, thus establishing a network for emergency response, closely linked to the faith communities in the affected areas.

Capacity Development Programme

The Training programme, evolved into a broader Capacity Development programme, will continue in 2008 in a slightly different format, namely:

Reduced staff. This has become possible after a restructuring at the Pokrov Foundation which allowed training services to be contracted out with both Pokrov-related and external trainers and experts. In 2008, the programme will be coordinated by 1 person, who will also be responsible for the Emergency Preparedness training and the Disaster Relief activities.

Changed agenda. For the last 7 years (from 2001), the programme has implemented over 40 different training events, providing training to 400-500 people from churches, church-related NGOs, church institutions, social welfare NGOs and state officers. The programme has developed extensive training modules in a variety of subjects ranging from "Interactive Methods of Teaching" to "Project Cycle Management" and "Parish Diakonia". The challenge for 2008 will be to prepare an elaborate on-line training platform, which will allow the vast audience of the existing web portal to be introduced to the accumulated experience of the Programme. In general, the focus will be on the multiplication of the experience gained and sharing it with a larger number of diakonia workers, priests and pastors, and students of Theology. In addition, the programme will continue to organize back-stopping visits and tailor-made consultancy sessions for evolving diakonia projects of ecumenical partners. Other events scheduled for 2008 include an international conference on "Churches in the EU", as well as local training events.

Pilgrimage



Pilgrimages have become an important part of church life in Bulgaria. Dozens of parishes, churches and church-related organizations, as well as private companies, are developing tour packages covering places of sacred history in the country and abroad.

The programme brings together young people from all over the country and from different ethnic and religious background to experience the day-to-day life of religious communities. The programme organizes both pilgrimage tours, and youth camps, focused on certain issues (worship, arts, etc.). In 2006 the Rehabilitation and Camping facility of the Foundation in the village

of Bosnek has been carried out. It will host children, young people and adults from all over the country within the framework of different educational, rehabilitation and training events.

The Pokrov Foundation has been organizing pilgrimage tours for Bulgarians and foreign guests since the late 1990s. We are regarding this activity as an integral part of a holistic process of integration in

the faith: hundreds of people have found Christianity and have joined different churches (Orthodox, Protestant or Catholic) after being exposed to a “spiritual journey”.

The ethos of the Pokrov foundation’s pilgrimage programme is centered around the understanding on the necessity of such tours for the spiritual growth of the person within a community-centered atmosphere. Given the reality of the difficult economic conditions in the country, the foundation has made every effort to make these trips affordable for people from vulnerable groups, especially to children from institutions. This explains the slow progress in our efforts to make the programme fully self-sustainable. Several trips have been organized in 2006 which were fully covered by the participants’ fees, but there were other pilgrimage events which the foundation covered fully or partially, due to the desire to include lower income groups in the events. Thus in 2006 the ratio between income from fees and project support has been 1:3; in 2007 it has become 1:1.

The finalization of the reconstruction of the Bosnek camping and rehabilitation facility (effective in 2007) will allow the programme to save from accommodation expenses and to implement many of its camping activities in a new facility, owned and operated by the Foundation.

Further information from the websites of the Foundation (NB: some sites are available in Bulgarian language only):

www.pokrov-foundation.org | the official website of the Pokrov Foundation
www.pravoslavie.bg | the Bulgarian Orthodox Web portal
www.omophor.com | the website of the Omophor publishing programme
www.stoiadoteb.net | the website of the “Stand By You” project for drug prevention
www.mobileyouthwork.net | the website of the Mobile Youth Work project
www.picasaweb.google.co.uk/pravoslavie.bg | web albums from Pokrov events and projects
www.dcare.org | web site of the Pokrov Daycare Centre
patrologia.pravoslavie.bg | web site on Patristics and Christian studies

AUDITOR'S REPORT

TO
POKROV FOUNDATION

We have audited the accompanying balance sheet of the Pokrov Foundation as of December 31, 2006, and the related statements of income, cash flows, shareholders' equity and notes for the year then ended. These financial statements are the responsibility of the Pokrov Foundation's management. Our responsibility is to express 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Pokrov Foundation as of December 31, 2006, and of the results of its operations 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, 2006, 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.

17 April 2007
Sofia

AUDITOR:

Ei Si Audit LTD
N 40



c.p.a. Emilia Ilieva
N 342



Programme Report of the Pokrov Foundation 2006

	In BGN	In EUR
I. Development Programme		
1. Pilgrimage Tourism		
1.1. Income		
- transfer from 2005	39.19	20.04
- DW	17 000.00	8 691.96
- Kerkinactie	13 263.93	6 781.74
Total project income.	30 303.12	15 493.74
1.2. Expenditure		
- Transport	6 901.71	3 528.79
- Daily allowances	2 628.45	1 343.91
- Fees for services	3 631.26	1 856.63
- Printed materials	3 602.69	1 842.03
- Meals and accommodation	7 934.40	4 056.79
- Entrance fees	1 010.00	516.40
- Insurance	674.64	344.94
- Mobile communications	527.58	269.75
- Other expenditure	392.39	200.63
Total project expenditure	27 303.12	13 959.86
Project balance	3 000.00	1 533.88
Total programme income	30 303.12	15 493.74
Total programme expenditure	27 303.12	13 959.86
Programme balance	3 000.00	1 533.88
II. Diakonia Programme		
1. Pokrov Medical Centre		
1.1. Project income		
- Transfer from 2005 (Home Care services and the Ladder project)	713.95	365.04
- Income from leasing of dental office	3 625.96	1 853.92
- DW	10 402.21	5 318.57
- State subsidy (Retirement assistance programme)	11 400.18	5 828.82
Total project income	26 142.30	13 366.35
1.2. Expenditure		0.00
- Fees and social insurances	11 430.34	5 844.24
- Bus passes and transportation of patients	777.00	397.27
- Electricity, water	1 214.41	620.92
- Fees for home care services	107.33	54.88
- Ladder project expenditure	12 074.40	6 173.54
- Other expenses	538.82	275.49
Total project expenditure	26 142.30	13 366.35
Project balance	0.00	0.00
2. Diakonia Fund		
2.1. Project income		
- transfer from 2005	5 256.58	2 687.65
- DW: funding for Pokrov Daycare Centre	64 518.92	32 988.00
- DW: Funding for Diakonia Fund	35 252.03	18 024.08
- Kerkinactie: Funding for Diakonia Fund	15 000.00	7 669.38
- Agency for Handicapped People	7 486.00	3 827.53
Total Project income	127 513.53	65 196.63
2.2. Project expenditure		
- Project funding:		

Equipment for the 106th Primary School, Sofia	1 892.00	967.36
Rehabilitaion of Drug Addicts, St. Boris Parish, Varna	7 000.00	3 579.04
Food delivery for retired people in Southern Bulgaria, Society and Orthodo	4 000.00	2 045.17
Prevention of Durg Use among Youth, Dobroljubie Assn, Varna	3 455.00	1 766.51
Equipment for Sion Radio station, Dove Assn.	2 000.00	1 022.58
Donation for the St. Archangel Parish	47.73	24.40
Little Christian in the New Century Magazine, Sofia City Library	300.00	153.39
Pokrov Day Care Centre foundation	70 558.15	36 075.81
Parish Centre, Radost Foundation	21 552.03	11 019.38
Total project expenditure	110 804.91	56 653.65
Project balance	16 708.62	8 542.98
3. Volunteers Projects		
3.1. Project Income		
- Transfer from 2005	295.64	151.16
- DW	12 137.74	6 205.93
- Kerkinactie	6 826.10	3 490.13
- Workshop for Civic Initiatives Foundation	3 606.00	1 843.72
Project income	22 865.48	11 690.93
3.2. Expenditure		
Art and Christianity Project	4 137.74	2 115.59
Art work with Orphan Children Project	16 727.74	8 552.76
Project expenditure	20 865.48	10 668.35
Project balance	2 000.00	1 022.58
4. Emergency and Relief		
4.1. Programme income		
- transfer from 2005	6 817.06	3 485.51
- DW	134 057.07	68 542.29
- ACT International	77 569.88	39 660.85
- Kerkinactie	1 149.59	587.78
- Other funding	86.85	44.41
Total programme income	219 680.45	112 320.83
4.2. Programme expenditure		
Small individual subsidies for humanitarian and medical assistance	3 445.00	1 761.40
Flood victims relief, incl.	172 918.96	88 412.06
- furniture	22 941.26	11 729.68
- sanitary materials	6 743.48	3 447.89
- food parcels	6 540.30	3 344.00
- transportation	2 195.24	1 122.41
- fuel	5 866.97	2 999.73
- vehicles maintainance	2 438.82	1 246.95
- daily allowances	2 416.03	1 235.30
- office supplies	1 617.54	827.04
- fees for services	8 173.28	4 178.93
- communication	3 716.37	1 900.15
- administrative expenses	2 401.52	1 227.88
- internet	462.00	236.22
- purchase of 4WD vehicle	18 922.24	9 674.79
- building materials	88 415.46	45 206.11
- bank fees	68.45	35.00
total programme expenditure	176 363.96	90 173.46
Programme balance	43 316.49	22 147.37
5. Bosnek Rehabilitation Facility		
5.1. Project income		
- transfer from 2005	727.88	372.16
- DW	40 000.00	20 451.68
- Kerkinactie	40 953.28	20 939.08

- other funding	17 797.52	9 099.73
total project income	99 478.68	50 862.64
5.2. project expenses		
3rd stage of reconstruction (last)	89 478.68	45 749.72
total project expenses	89 478.68	45 749.72
project balance	10 000.00	5 112.92
Total programme income Diakonia Programme	495 680.44	253 437.39
Total programme expenditure	423 655.33	216 611.53
Programme balance	72 025.11	36 825.86
III . Media Programme		
1. Printed Media project		
1.1. Project Income		
- Kerkinactie	11 350.26	5 803.30
- DW	24 860.68	12 711.06
Total project income	36 210.94	18 514.36
1.2. Project expenditure		
Orthodoxy Bulgaria newspaper	19 271.45	9 853.34
Mirna Magazine	15 073.04	7 706.72
Total project expenditure	34 344.49	17 560.06
Project Balance	1 866.45	954.30
2. Field Visits for Journalists Project		
2.1. Project income		
- DW	6 000.00	3 067.75
Total project income	6 000.00	3 067.75
2.2. Project expenses	3 000.00	1 533.88
Project balance	3 000.00	1 533.88
3. Library and Information Centre, Turnovo University		
3.1. Project Income		
- transfer from 2005	80.97	41.40
- DW	6 000.00	3 067.75
- Kerkinactie	1 799.96	920.30
Total project income	7 880.93	4 029.46
3.2. Project expenditure	4 880.93	2 495.58
Project balance	3 000.00	1 533.88
4. Pravoslavie.BG info Portal		
4.1. Project income		
- transfer from 2005	2 371.22	1 212.39
- DW	23 000.00	11 759.71
- Kerkinactie	15 248.64	7 796.51
Total project income	40 619.86	20 768.60
4.2. Project expenditure	34 619.86	17 700.85
Project balance	6 000.00	3 067.75
Total Income Media programme	90 711.73	46 380.17
Total expenditure Media programme	76 845.28	39 290.37
Programme balance	13 866.45	7 089.80
IV. Training Programme (Capacity Building)		
1. Church Networking Project		
1.1. Income		

- transfer from 2005	714.77	365.46
- DW	5 000.00	2 556.46
- Kerkinactie	2 579.07	1 318.66
total project income	8 293.84	4 240.57
1.2. Project expenditure	3 293.84	1 684.11
Project balance	5 000.00	2 556.46
2. Staff training		
2.1. Income		
- transfer from 2005	30.63	15.66
- DW	3 500.00	1 789.52
- Kerkinactie	300.00	153.39
total project income	3 830.63	1 958.57
2.2. Project expenditure	290.00	148.27
Project balance	3 540.63	1 810.30
3. Training for Development project		
3.1. Project income		
- transfer from 2005	17 162.57	8 775.08
- Evangelischer Entwicklungsdienst e.V. (EED)	63 116.50	32 270.95
total project income	80 279.07	41 046.04
3.2. Project expenditure		
Direct expenses for training seminars		
Training seminars and events		
Advocacy and Lobbying 15-17.02.2006 and 27-30.03.2006	13 659.27	6 983.87
Working with Media 03-05.04.2006 and 15-18.06.2006	14 774.65	7 554.16
Internet Presentations 24-28.05.2006	6 506.62	3 326.78
Trip for Journalists 27-30.06.2006	5 831.98	2 981.84
Conferences		
The Church and the Social Expectations 5-10.11.2006	8 333.37	4 260.78
Public Debate "Church, Society and Social Work" 23-24.09.2006	8 342.88	4 265.65
Consultations		
Organizational consulting	6 106.60	3 122.26
Field trips and back-stopping visits	8 043.28	4 112.46
Other expenses		
Publications	3 444.70	1 761.25
fees for services	4 453.50	2 277.04
Administrative expenses	7 305.81	3 735.40
Audit	3 545.06	1 812.56
Total project expenditures	90 347.72	46 194.06
Project balance	-10 068.65	-5 148.02
4. Balkan travel logs project		
4.1. Project income		
- transfer from 2005	398.20	203.60
- Kerkinactie	1 759.39	899.56
Total project income	2 157.59	1 103.16
4.2. Project expenditure		
Total project expenditure	2 157.59	1 103.16
Project balance	0.00	0.00
5. Mobile Youth Work Project		
5.1. Project Income		
- transfer from 2005	2 742.95	1 402.45
- ISMO	8 214.49	4 200.00
Total project income	10 957.44	5 602.45
5.2. Project expenditure	9 585.88	4 901.18
Project balance	1 371.56	701.27

6. Exchange visits		
6.1. Project income		
- transfer from 2005	173.48	88.70
Total project income	173.48	88.70
6.2. Project expenditure	0.00	0.00
Project balance	173.48	88.70
Total programme income	105 692.05	54 039.49
Total programme expenditure	105 675.03	54 030.78
Programme balance	17.02	8.70
V. Publishing programme		
Programme income		
- transfer from 2005	374.44	191.45
- DW	27 000.00	13 804.88
- Kerkinactie	26 677.88	13 640.18
Total programme income	54 052.32	27 636.51
Programme expenditure (publishing of Christian literature)	53 052.32	27 125.22
Programme balance	1 000.00	511.29
VI. Administrative expenses		
Income		
- transfer from 2005	4 107.56	2 100.16
- DW	23 500.00	12 015.36
- other funding and travel reimbursements	2 143.77	1 096.09
- interest from bank accounts	637.31	325.85
total income	30 388.64	15 537.46
Expenditure		
- administrative expenses	14 077.29	7 197.60
- bank fees and currency re-evaluation	3 102.46	1 586.26
Total expenditure	17 179.75	8 783.87
Administrative balance	13 208.89	6 753.60
TOTAL INCOME	806 828.30	412 524.76
TOTAL EXPENDITURE	703 710.83	359 801.63
TOTAL PROGRAMME BALANCE	103 117.47	52 723.12
CASH AT HAND	103 117.47	52 723.12
incl.		
bank accounts	100 882.28	51 580.29
staff advances	2 235.19	1 142.83

Chief accountant
Mihail Karamalakov

Executive director
Plamen Sivov

INCOME AND EXPENDITURE STATEMENT

Pokrov Foundation 2006

Description	Amount	Description	Amount
A. Income		B. Expenditure	
Programme income		Programme expenditure	
Diakonisches Werk	432 228.65	Development	27 303.12
Kerkinactie	136 908.10	Diakonia	423 655.33
Evangelischer Entwicklungsdienst e.V. (EED)	63 116.50	Media	76 845.28
ACT International	77 569.88	Publishing	53 052.32
Government programmes	11 400.18	Capacity Building	105 675.03
Agency for Handicapped People	7 486.00		
Workshop For Civic Initiatives Foundation	3 606.00		
Other funding	12 029.91		
Other Income		<i>Currency re-evaluation, bank fees</i>	3 102.46
transfer from 2005	42 007.09		
fees from services	19 389.91	<i>Administrative expenses</i>	14 077.29
bank interest and currency re-evaluation	637.31		
other income	448.77		
Total income	806 828.30	Total expenditure	703 710.83
		Programme balance	103 117.47
<i>All items in BGN</i>		cash at hand	100 882.28
<i>Exchange rate: 1 EUR = 1.95583 BGN</i>		staff advances	2 235.19
<i>1 USD = 1.65790 BGN</i>		total	103 117.47

Chief Accountant
Mihail Karamalakov

Executive Director
Plamen Sivov