



AC Audit LTD – Specialized audit company No40

address: Bulgaria, Sofia 1202, Rakovski str. No28

Telephone: +3592 9633386; 9633389 Fax +3592 9634878 mobile +359888 452008

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 2014 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 2014 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, 2014, 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.

Pokrov Foundation has internal control implemented by their personnel which is in compliance with all legal norms and legislation. Bank transactions are authorized by the respective accountant and the executive director. Incomes are recorded when received, and expenditures related to the accounting period but which are not paid yet are presented as liabilities. All economic transactions are documented fully and are available in both electronic and paper format. The job descriptions of the personnel are kept up to date. Bookkeeping has been kept by the same accountant since 2003.

Emilia Ilieva - CPA

Sofia, Bulgaria

23.06.2015

Emilia Ilieva - Manager
AC Audit OOD



Financial Report									
Project Number and Title:		H-BGR-2013-7009 - Strengthening Christian communities in post-communist Bulgaria							
Project Partner:		Pokrov Foundation							
Reporting Period:		1 Jan 2014 - 31 Dec 2014							
Project Period:		1 Jan 2014 - 30 Jun 2016							
I. INCOME / Receipts									
Sources of Income	Total Budgeted Income of whole project	Total Budgeted Income of whole project	Income (in National Currency)						TOTAL Income Period 1 to 6
	(in EURO)	(in National Currency)	1. Reporting period	2. Reporting period	3. Reporting period	4. Reporting period	5. Reporting period	6. Reporting period	
Period covered									
1. Funds from other Sources than Financing Partner									
1.0 Remaining Funds of Previous Project									
1.1 Monetary Contribution of Target Groups	3 000,00	5 865,00	2 520,54						2 520,54
1.2 Own Means of Project Partner	34 000,00	66 470,00	25 992,00						25 992,00
1.3 Funds by National Churches									
1.4 Further National Funds									
1.5 Funds by International Churches									
1.6 Further International non-church Funding									
1.7 KZE-Funding (provided by Misereor)									
1.8 Further Funding by German Federal Sources									
1.9 Further Funding by German Churches									
1.10 Interest and exchange rate gains from other sources than Financing Partner									
Total Funds provided by other Sources	37 000,00	72 335,00	28 512,54	0,00	0,00	0,00	0,00	0,00	28 512,54
2. Funds provided by the Financing Partner									
2.1 Transfer #1 of 2 (remaining funds ChC previous project)	170 000,00	332 350,00	3 502,10						
2.2 Transfer #2 of 2			70 000,00						
2.3 Transfer #3 of 2			69 862,08						
Total Transfers			143 364,18	0,00	0,00	0,00	0,00	0,00	143 364,18
2.2 Interest			12,01						12,01
2.3 Exchange-rate gains			0,00						0,00
Total Income Financing Partner	170 000,00	332 350,00	143 376,19	0,00	0,00	0,00	0,00	0,00	143 376,19
3. TOTAL	207 000,00	404 685,00	171 888,73						171 888,73
Notes (if necessary):									
List of debit notes (considered in project account of financing partner as income). Debit Note N° Amount (in National Currency)									
Debit notes are also mentioned in footnote as project expenditure. (refer to Expenditure sheet)									



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Project Number and Title:		H-BGR-2013-7009 - Strengthening Christian communities in post-communist Bulgaria							
Reporting Period:		1 Jan 2014 - 31 Dec 2014							
II. Expenditure / Payments									
Budget Item	Total budgeted expenditure	Total budgeted expenditure	Expenditure /payments (in National Currency)						TOTAL - Expenditure Period 1 to 6
	(in EURO)	(in National Currency)	1. Reporting period	2. Reporting period	3. Reporting period	4. Reporting period	5. Reporting period	6. Reporting period	
Period covered:									
Investments	9 000,00	17 595,00	6 130,59						6 130,59
Equipment and furniture	4 600,00	8 993,00	3 091,00						3 091,00
Office devices upgrade	4 400,00	8 602,00	3 039,59						3 039,59
Personnel	51 000,00	99 705,00	42 688,83						42 688,83
3 project coordinators	35 500,00	69 402,50	29 911,97						29 911,97
Director	15 500,00	30 302,50	12 776,86						12 776,86
Non-personnel project costs	87 700,00	171 453,50	77 956,90						77 956,90
Resource centre for religious education	8 700,00	17 008,50	938,12						938,12
Annual conference on systematic theology	2 300,00	4 496,50	2 226,25						2 226,25
Seminars on pastoral psychology & diakonia	3 100,00	6 060,50	3 197,78						3 197,78
Pokrov scholarships	3 100,00	6 060,50	1 100,00						1 100,00
Inter-Christian cooperation (Christianity and	8 100,00	15 835,50	3 432,04						3 432,04
Internet-based activities	16 100,00	31 475,50	14 559,73						14 559,73
Short documentaries + birdhouse shorts	3 900,00	7 624,50	4 746,10						4 746,10
Omophor books series	22 400,00	43 792,00	29 069,96						29 069,96
Income generating (post cards + I see you)	12 500,00	24 437,50	9 560,94						9 560,94
Diakonia camps	3 100,00	6 060,50	4 150,68						4 150,68
Tourist service promotion + EU courses	4 400,00	8 602,00	4 975,30						4 975,30
Non-personnel administrative costs	47 300,00	92 471,50	30 252,04						30 252,04
Security	5 400,00	10 557,00	1 338,61						1 338,61
Utilities (water, electricity, heating)	9 500,00	18 572,50	10 032,34						10 032,34
Communication (phone, internet)	7 700,00	15 053,50	2 583,97						2 583,97
Office supplies	2 200,00	4 301,00	1 717,92						1 717,92
Rent Birdhouse	9 200,00	17 986,00	4 812,26						4 812,26
Car (fuel, maintenance)	5 800,00	11 339,00	5 135,16						5 135,16
Taxes, insurance, fees	7 500,00	14 662,50	4 631,78						4 631,78
Services	5 000,00	9 775,00	4 701,88						4 701,88
External consultancy	2 000,00	3 910,00	2 354,88						2 354,88
Audit	3 000,00	5 865,00	2 347,00						2 347,00
Subtotal									
Reserve*	7 000,00	13 685,00	3 870,00						3 870,00
TOTAL	207 000,00	404 685,00	165 600,24						165 600,24
Comments (if necessary):									
List of debit notes (not included in expenditure), as informed by Financing Partner				Debit Note N°	Amount (in National Currency)			Budget item N°	
Debit notes are also mentioned in footnote as income from the Financing Partner (refer to Income sheet).									

* If expenditure is booked under budget item "Reserve", the auditor shall consider nature and document of authorization in an explanatory note within the audit report.

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Project Number and Title: H-BGR-2013-7009 - Strengthening Christian communities in post-communist Bulgaria

III. Balance of Project Funds and Cash Status

Reporting period: 1 Jan 2014 - 31 Dec 2014

		<u>NC</u>	
1. Balance of Project Funds at start of reporting period		0,00	
2. Add: Total income during the reporting period	+	171 888,73	
3. Less: Total expenditure during the reporting period	-	165 600,24	
4. Balance of Project Funds at the end of the period		<u>6 288,49</u>	(A)
5. Cash Status:			
Cash at hand:		<u>0,00</u>	
Cash at bank:		<u>6 288,49</u>	
		<u>6 288,49</u>	(B)
Reconciliation of difference between (A) and (B), if any:		0,00	

6. Details of major prepayments and liabilities:

This is to confirm that the contents of the report are in accordance with the Budget and the Agreement of Cooperation entered into by the Project Partner and the Financing

Notes
(if necessary):

23/06/2015 Sofia
(Place, Date)

[Signature]
(Name and Signature of authorised Signatory)



Auditor: *[Signature]*
AC Audit LTD

