

**BCAUSE FOUNDATION (FORMER NAME:
BULGARIAN CHARITIES AID FOUNDATION)**

**ANNUAL REPORT ON THE ACTIVITY,
INDEPENDENT AUDITOR'S REPORT AND
ANNUAL FINANCIAL STATEMENTS**

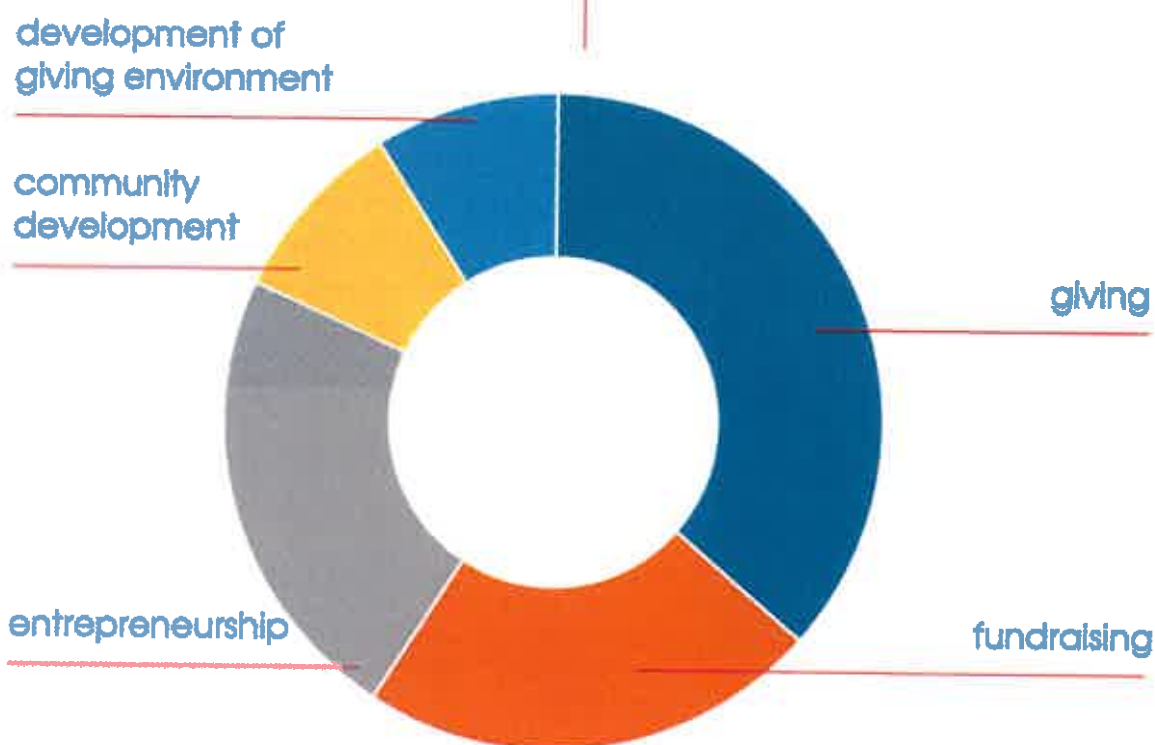
DECEMBER 31, 2016

(Translation from the original in Bulgarian)

ANNUAL REPORT ON THE ACTIVITIES

FOR 2016

BCause
Foundation
Annual Report 2016



ANNUAL ACTIVITY REPORT,
INDEPENDENT AUDITOR'S REPORT
AND ANNUAL FINANCIAL STATEMENTS

Mission

We encourage people, organizations and communities to change their lives by developing effective giving and social investments.

BCause Foundation is an expert organisation, a recognised leader with more than 20 years experience at national and international level (since 1995)

We offer people and companies a choice of causes that are important to them, safe and easy mechanisms for donating (money, effort and time) and satisfaction from the benefits for the society.

We focus donor resources and contribute to the financial and organisational strengthening of civil organisations and public institutions such as schools, public libraries, museums and parks.

We promote and support charitable causes.

We help donors and social entrepreneurs with customized services with high added value.

We influence giving policies and culture and social investment through research, government consulting, promotion of best practices and special communication projects.

Memberships

BCause Foundation is a member of Transnational Giving Europe, Euclid Network, Global Social Enterprise Network, and an associate member of the CAF Global Alliance.

In Bulgaria BCause is a founding member of the Bulgarian Donors' Forum, the UN Global Compact and the Bulgarian Network, Social Enterprise Forum in Bulgaria and a member of the American Chamber of Commerce in Bulgaria, the Bulgarian Business Leaders Forum, the Civil Participation Forum and the British- Bulgarian Business Association (BBBA).

Introduction

2016 was a year of full value – a year of hard work and celebration, taking stock, and outlining of new horizons.

In the beginning of the summer we celebrated 20 years since the establishment of the Bulgarian Charities Aid Foundation (BCAF). We are proud to be part of one of the most long-lived and influential organisations in Bulgaria and an innovator in the charitable sphere. We reported that we have risen over BGN 17.5 million in donations for charitable Bulgarian causes.

We opened a new page and announced the new name under which the foundation will continue to work - BCause.

We set our goal of BCause to raise another BGN 10 million by 2020 and invest them in sustainable initiatives.

We promised our priorities for the next 10 years to be development of the social entrepreneurship and long-term giving initiatives which generate renewable resources for social and ecological projects.

BCause will continue maintaining of all funds, giving instruments and long-term programmes of BCAAF. We will keep on supporting the significant social causes and people who move Bulgaria forward. BCause's membership in global and European networks will bring ever new benefits to the Bulgarian giving causes.

In the 20th birthday celebration, friends, colleagues and partners from companies and non-profit organisations, journalists, "Ready-for-Success" scholarship fellows joined. Special congratulations were made by the Mayor of Sofia Yordanka Fandakova and John Law, Executive Director of the British foundation CAF, one of founder of our organisation. Partnerships are one of the greatest treasures we have.

The past obliges us, the future inspires us.

Supporting Corporate Giving

We support individual and corporate donors by offering them easy and secure ways to donate, meet them with appropriate causes, advise them in the process of selection, monitor the effectiveness of the donations made, and give regular reports.

1. CSR programmes

BCause supports companies in choosing and planning specific social and ecological programmes consistent with their environment, employees, and corporate goals. We help employee engagement through workplace giving and corporate volunteering, and analyzing the results achieved and setting new development goals.

The total amount of company programmes in 2016 is BGN 304 107,20

Being a consultant and implementer of company programmes, we have a goal for more companies not just to donate but to achieve sustainable results. Regardless of the volumes of corporate CSR budgets, BCause draws companies' attention and efforts to increase the efficiency of their resources.

As a result, in 2016, the volume of programmes that invest in change, look for effects and plan carefully and in the long run increased.

For the eighth consecutive year we implemented the Mtel Eco Grant Programme and for the second year MTalent - for supporting young talents. Four more companies trusted us to develop and manage on their behalf programmes investing in the development of people and environment - Philip Morris Bulgaria, TBI Bank, Decart and CIBANK.

For the ninth time in a row, we participated in the charitable dinner and auction for the Thanksgiving Day of the American Chamber of Commerce in Bulgaria, and this year we helped to buy related cause items.

We are proud that in 2016 a unique project initiated by the BCause Foundation started - IT companies have united resources, time and efforts in the RodITeli Fund to help elderly lonely living people in remote villages.

More than 50 companies reached BCause for consultation, meetings, and exchange of ideas in search of their CSR identity or specific NGO sector guidance and issues in a socially relevant area. Among them are Aurubis, Sopharma, Overgas.

"Summer for Joy, Autumn for Care" programme by Philip Morris Bulgaria EOOD

The programme is funded by Philip Morris International and is supported by the local Philip Morris Bulgaria EOOD. It is part of the company's CSR initiative, supporting the communities in the tobacco growing regions.

The Summer Academy for Children is implemented by BCause Foundation in partnership with "Future Now" Cultural centre. For more than 358 children aged 6-14, the summer of 2016 was unforgettable and full of emotions. Some of them for the first time became part of the children's adventure camps, in which they got to know themselves and others, protect environment, collect waste separately, eat healthy, and experience nature.

The second part of the programme is carried out in partnership with "Make Good-Alexandrovska" Foundation at Alexandrovska University Hospital. Hospital specialists - cardiologists, endocrinologists, urologists, ophthalmologists, orthopedists and neurologists - conducted more than 4600 free medical checks for 1159 elderly people in 13 towns and villages. Four medical students also took part in the examinations, who are BCause Foundation's "Ready for Success" scholars. In two of the villages, at the initiative of the doctors, examinations were also made for the preschool groups in the kindergartens.

Results:

- Upon completion of the academy, 94% of the participating children improved their skills and about 90% not only acquired new knowledge but are more motivated to learn and work better in a team.

- As a result of the medical check ups, 50% of people were diagnosed with diseases they had not known they had; 30% were directed for additional examinations and treatment in nearby hospitals. Several cases of life-threatening illness were also reported.

- 15 children were diagnosed with a high chance of developing vertebral distortion or flat feet; follow up and prevention was recommended - healing gymnastics, orthopedic insoles to avoid an irreversible process.

Programme value: BGN 140 000

TBI Bank's "Sports for Better Life for Children" programme provided riding and swimming activities for nearly 200 disabled children from seven cities - Sofia, Plovdiv, Varna, Ruse, Bansko, Sliven and Pleven. Part of the therapists and parents received additional training. "The World of Maria" Foundation - Sofia; "Tabora Equestrian Club" Association - Sliven; "BALIS" Association - Pleven, "Spina Bifida and Hydrocephalic - Bulgaria" Association - Varna, EQUILIBRIUM Association - Ruse, "Choice" Association - Bansko, "Parallel World" Association - Plovdiv participated in the programme.

The funds for the projects were provided by the summer marketing campaign of TBI Bank.

According to parents and coaches, children improved their movements, balance, body balance and self-care, became more focused, more capable of performing instructions. Additional effects were good mood, positive emotions and self-esteem of the participants from the contact with the animals, water and game.

Value of the programme: BGN 18 000.

"My Finances" - financial literacy programme of CIBANK EAD

The programme was developed with the help of BCause as part of CIBANK's long-term financial literacy programme - a major corporate policy priority for corporate social responsibility. The purpose of "My Finances" programme was to provide basic knowledge on fundamental financial topics to disadvantaged young people.

The first training in December was "Crediting". Young people from different specialties - medicine, law, speech therapy, social activities, environmental biotechnology, European projects took part in it and they said they learned a lot about what services banks offer, what are the main types of loans, how to use their credit cards, the best way manage your personal finances. The programme continues in 2017.

Programme value: BGN 3650

Mtel Eco Grant competition

Five projects covering 20 schools and kindergartens across the country won funding from the eighth edition of Mtel Eco Grant. 68 projects were submitted to the competition.

- Young people from the Municipal School Club of Ecology and Environmental Protection in Lom trained voluntarily about 250 children from 5 kindergartens in environmental behavior.
- Balkan Wildlife Society developed the site "Childhood in Nature" www.balkani.org/detstvo-priroda for preschool children and elementary classes with 10 accessible and understandable themes, easy to use by lecturers.
- The Wildlife Rescue Center "Green Balkans" - Stara Zagora has helped the students in the four specialized schools in veterinary medicine in Stara Zagora, Lovech, Kostenets and Dobrich to rehabilitate and treat injured wild animals by providing video connection during operations, which they could watch live.
- The Eco-Community Foundation trained 38 students from Varshets and Berkovitsa for guides in NATURA 2000 protected areas "Vrachanski Balkan" and "West Stara Planina" to introduce tourists to the biodiversity in the region.
- The Public Center for Environment and Sustainable Development - Varna organized an information campaign in schools and kindergartens in Varna, Shabla and Kavarna on the damages from the use of chemical household products and what harmless bio alternatives they have.

"Mtel Eco Grant" - "Nature with Future" is an annual programme that funds small but valuable ideas in the field of ecology, since its launch in 2008 it has funded 49 projects with over BGN 550 000. It is implemented in cooperation of BCause Foundation.

Programme value: BGN 25 000.

2. Companies donate together for charity causes

The American Chamber of Commerce in Bulgaria donated more than BGN 55,000 for two long-term programmes of BCause Foundation, which is a member of the Chamber - for the "Ready-for-Success" Fellowship Programme and "We Can" fund, which supports young people who have left institutions to live alone and self-sufficiently.

The funds were collected during the 14th traditional charity dinner with an auction on Thanksgiving and other charity activities during the year. Among the biggest donors of the charity event were Contour Global Maritsa Iztok - 3 with its donation of BGN 15 000 and Amgen Bulgaria with BGN 12 000. AES, Congress Engineering and Telenor were among the most active and successful bidders in the auctions.

For the first time, the objects offered for charity auctions were products and services of social entrepreneurs - a collection of Christmas soaps and a catering voucher from the World of Maria Center, decoration candles by the Concordia Foundation, Christmas designer lamps from Lights On brand of BCause Foundation, a collection of magnets from "Magnetic Bulgaria". The snowboard triggered extreme excitement, it was produced specially for the event by Cloudnine, a workshop for custom ski and snowboards, winner in Entrepreneurs Rinker's Challenge. The snowboard was purchased by Michael Foley, Chief Executive Officer of Telenor Bulgaria.

Parents Fund – a union of IT companies for the benefit of the elderly people

Within BCause's initiative IT companies united resources, time and efforts to help people living lonely in remote villages. The companies and their employees participate in the initiative by donating funds, labour, food vouchers, etc. BCause coordinates the initiative. BCause, BASCOM, eCommera, SAP, Experian, Seeburger, Bulgarian Food Bank already participate in the Parents Fund.

During the year BGN 11,160 were collected, 3 domestic assistants in the villages of Gorna Beshovitsa, Tsakonitsa and Kalen, caring for 25 elderly men and women were hired. 20 volunteers helped in the village of Tsarevets. We expect the volume of volunteering and donations to triple in 2017.

<http://itroditeli.bcause.bg/>

Giving from the workplace

We created the first Bulgarian professional payroll giving scheme - an easy way for employees to donate a small amount each month directly from the salary. With payroll giving employers and employees can work together for a common cause.

For 15 years, employees of more than 102 companies have donated to more than 80 charity causes.



Katya, home assistant to the elderly: "Almost everyone is sick. I help with what they need. I buy, impart wood, coal, clean, bring water and talk to them. Whatever is from me, I try to do it. Ginka grandmother (Baba Ginka) lives at the end of the village. We talk about the past when she was young, how they raised their children and worked. Every day she asks me the next day I'll go again. My answer is yes. The grandmother shines with joy! She tells me: "It is good that there is a woman who loves the elderly and that you come to see and help us".

In 2016 the programme enjoyed the support of 48 employers. The annual payroll donations were over BGN 430 000 for 73 organisations and funds. The programme had a small growth of 2.4% compared to last year.

Employees of Contour Global Maritza East 3 are among the most active payroll givers . They joined the programme two years ago. The company doubles the donations of its employees. In 2016, together with the doubling by the company, the workers in the thermal power plant and the administration donated BGN 56 087.

Coca-Cola HBC and Coca-Cola IT Services and the consultancy company HILL International Bulgaria joined the companies whose employees give through payroll. The VivaHelp Fund of Vivacom employees continued to be the largest for the second consecutive year.

At the beginning of the year, BCause and Junction Bulgaria announced the results of a survey of workplace donation practices.

3. Volunteering

BCause organizes volunteer days on company requests - from choosing hosts and activities to the overall plan of the event. We partner with agencies in organizing events and team-buildings with a cause.

Custom made volunteering

In 2016 we organized volunteer days at Bulstrad Vienna Insurance Group, Mondelez, Provident, Mobiltel and Experian - in these companies, volunteering is a tradition and employees have one or two days per year to participate in volunteer activities during business hours. The companies provide both volunteers and the materials they need to work. In addition to physical work, volunteers also help with their professional skills.

In November 2016, volunteers from the Marketing Department of Mondelez Bulgaria consulted members of the Bulgarian Association of People with Intellectual Disabilities in 9 cities for the organisation and participation in Christmas charity bazaars, advising them on how to determine what products to produce and offer, how to present themselves to potential hosts and clients.

For the fifth consecutive year, Bulstrad Life's and Bulstrad's Social Activity Day was organized with the professional assistance of BCause, with priority being given to helping children, young people and the elderly with disabilities. In 2016, the companies supported over 200 Bulgarian families of people with disabilities, who have to deal with prejudices and challenges on a daily basis. At BCause, we are proud that, in addition to giving our time and labour to disadvantaged people, our volunteers manage to see them in a different light - knowing, capable, talented and fulfilling people, and convey this message to their families, colleagues and entourage.

Volunteering Days

Together with the American Chamber of Commerce in Bulgaria (AmCham), we traditionally organize Volunteering Days. In 2016, over 475 volunteers from 18 Bulgarian and international companies, members of the Chamber, took part. In addition to supporting their employees' willingness to be volunteers, companies buy the necessary materials - paints, gloves, seedlings.

The hosts, whom the volunteers helped, were the National Museum of Military History - Sofia, State Agency for Archives, Alexandrovska University Hospital for Active Treatment, Botanical Garden of BAS, Sofia Zoo, Vitosha Natural Park, Boyana Church, National Polytechnic Museum, Home for Old people in Darvenitsa district, St. Vrach Day Care Center, Day Center of Association "We Exist Too", Green Balkans - Stara Zagora, Concordia Bulgaria Foundation, AGROLINK Association, "Children" Foundation.

Efforts, time and talent were donated by the teams of Komvers Bulgaria Ltd (Amdox), CEZ Bulgaria, Contour Global Maritza East 3 AD, Law firm Dimitrov, Petrov & Co., Japan Tobacco International Bulgaria, Marsh EOOD, Microsoft Bulgaria, Mobiltel, Philip Morris Bulgaria EOOD, Provident, Radisson Blue Grand Hotel, Sanofi-Aventis Bulgaria EOOD, Insurance Joint Stock Company, Sorealife Bulgaria, Stanton Chase International Bulgaria, Telenor Bulgaria EAD, the Atlantic Club in Bulgaria and VMWear Bulgaria EOOD.

4. ANNUAL AWARD CEREMONY "RESPONSIBLE COMPANY – RESPONSIBLE EMPLOYEES" (since 2014)

Over BGN 500 000 donated through payroll and over 12 000 hours of voluntary work

In February 2016, at a solemn ceremony, we presented for the second time the annual award "Responsible Company - Responsible Employees". The prize was awarded to 18 companies promoting employee engagement in socially significant causes as part of their corporate social responsibility policy.

The annual award was established by BCause Foundation in cooperation with Bulgarian Public Relations Association and Bulgarian Association for People Management. It is in four categories - Award, Bronze Award, Silver Award, and Golden Award. The level of award is determined by criteria related to the number of employees participating in the initiative (as a percentage of the total number of employees), the mechanisms by which the company promotes, encourages and develops regular donation programmes and the opportunities it gives the employees to donate work in working hours.

A Golden Award was given to Contour Global Maritsa East 3 (for the second year) and Vivacom.

A Silver Award was given to eComera, Investbank, City Bulgaria, Telenor Bulgaria, SAP Bulgaria.

Mobiltel, AIMS Human Capital, Mondelez Bulgaria, Actavis, OmegaSoft, Aurubis Bulgaria, DHL Express Bulgaria, Sofiyka Voda, Atos IT Solutions and Services were awarded a Bronze Award.

An Anniversary Award was also given for the contribution of the employees in the Bulgarian National Radio and Bianor Holding.

This year, a special prize was also awarded to professionals developing donation from the workplace in the companies where they are working in a creative, professional, and efficient way. The "engines" in Investbank were awarded, and the Grand Prize was awarded to the team of the eComera.

Increasing access to resources for charitable organisations and causes

(Fundraising and grant-making)

1. Fundraising tools

For 20 years, the Foundation has raised over BGN 17.5 million for charity causes.

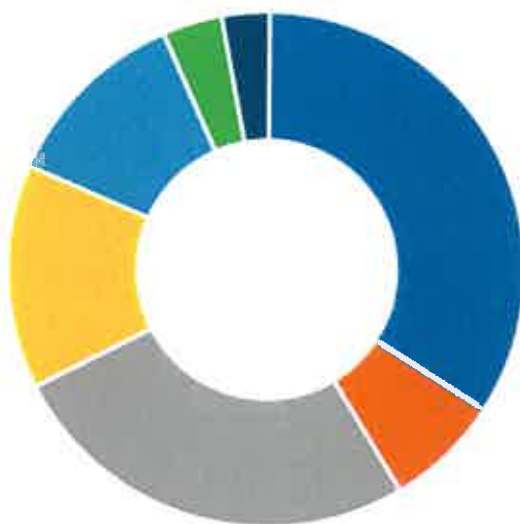
In support of active people and organisations seeking funding for their activities, the Foundation develops and maintains a variety of fundraising tools.

1.1. Payroll giving

We created the first Bulgarian professional payroll donation scheme - an easy way for employees to donate each month a small amount directly from their salary. Through payroll giving employers and employees can work together for a common cause.

With the payroll giving mechanism, organisations receive via BCause funding which is the result of monthly donations of dozens, sometimes hundreds of people. Payroll giving for them means regular and predictable revenue with which they can plan their core activities.

In 2016 the received salary donations are over BGN 430 000 in favour of 73 organisations and funds.



Pay-roll giving - expenses in areas (BGN)

- medical treatment of children and adults - 78853,54
- education - 16759,13
- care for children without parents - 60692,39
- services for people with disabilities - 32661
- services for the elderly - 27485,88
- environmental projects - 8623
- cultural and other projects - 6960

“Children” Foundation is among the organisations that receive the most generous payroll donations. With nearly BGN 2900 a month, the Foundation maintains its Club, where

children from the family-type residential centres meet, learn their lessons and have fun together and with the volunteers of the organisation. Another 10 organisations receive monthly over BGN 500, which contributes to the security of their core business.

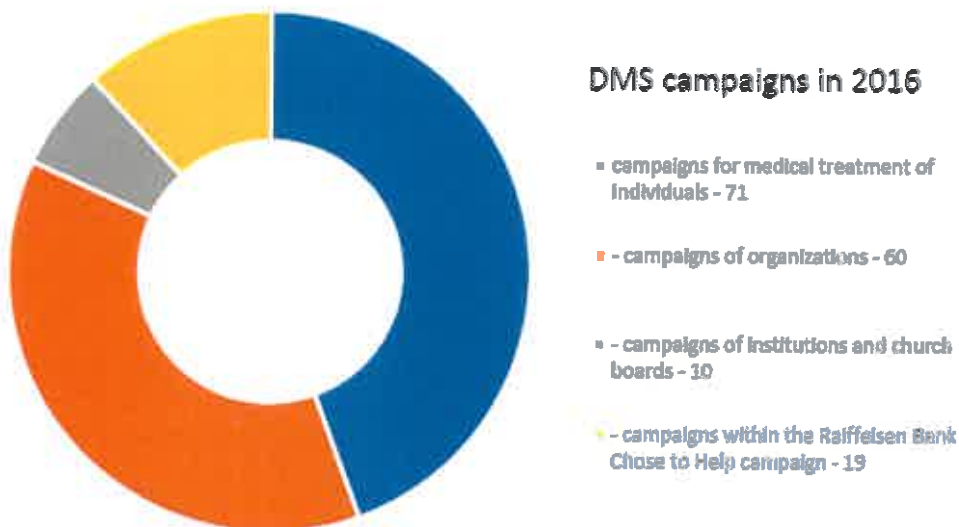
Children's Rehabilitation Fund and Ready for Success Scholarships Fund continued to receive most payroll donations. The engaging of Coca-Cola resulted in the inclusion of 5 new recipients in the BCause project - four Bulgarian Red Cross Funds and "Give a Book" Foundation.

1.2. UNIFIED DONATION NUMBER DMS 17777

DMS is a platform for sending donation SMS-s and online donations to support people's treatment campaigns and initiatives by organisations and institutions in Bulgaria. We have created and run it together with the Bulgarian Donor's Forum and in partnership with the three mobile operators in Bulgaria: Telenor, VIVACOM and Mtel; the administrator of the value-added service Terra Communications AD and UBB and e-Pay AD, which provide online donations.

The campaigns apply and are approved by the DMS Board, which consists of representatives from all project partners, PR experts, public figures.

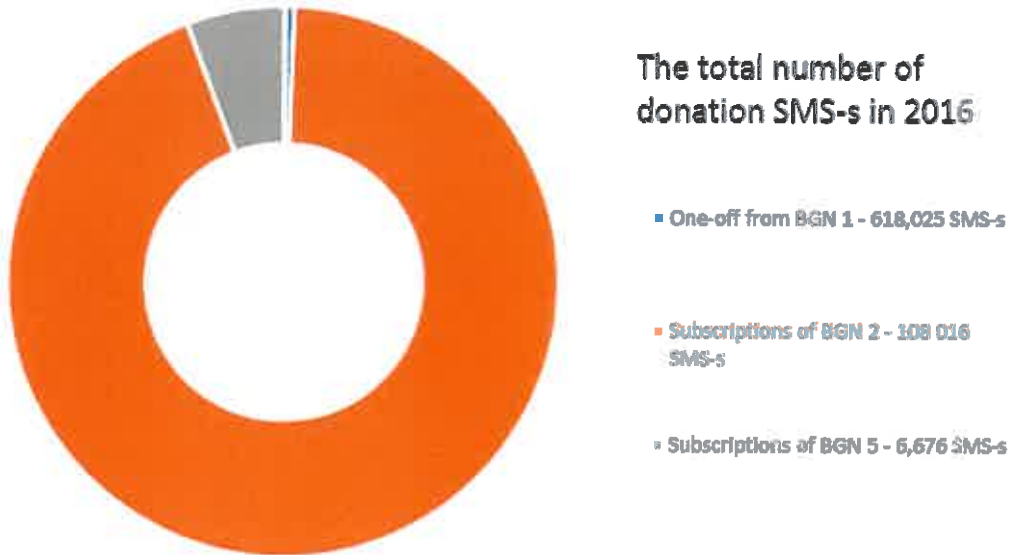
In 2016, 160 campaigns were organized; the completed campaigns are 54.



In 2016, the number of campaigns in the platform remained unchanged compared to the previous year - a total of 160. However, the campaigns of organisations (70) and the treatment campaigns for people (71) are in balance, which brings us closer to the aim to attract more organisations in DMS.

Organisations' campaigns continue to gather more support through SMS subscriptions than treatment campaigns.

In 2016, DMS's activities reflected the negative consequences of the forced and demonstrative change of the director of the governmental Children's Medical Treatment Fund, which led to a collapse in trust in the Fund and a sharp increase in the number of campaigns of children run independently and without DMS. During the months of June and July, we recorded the lowest number of SMS-s sent over the last 3 years.



Finances:

The total number of donation SMS-s is 732,717, of which:

- One-off from BGN 1 - 618,025 SMS-s;
- Subscriptions of BGN 2 - 108 016 SMS-s;
- Subscriptions of BGN 5 - 6,676 SMS-s.

Additionally, online through UBB and e-Pay terminals BGN 131,682 were donated.

A total of BGN 925,991.01 is the revenue from the project for participating charity campaigns during the year.

From the treatment campaigns, the most donations during the year received Nikolay Popov (for bone marrow transplantation) - BGN 59 178,61, from organisations - the DMS DOG campaign of the Animal Rescue Foundation - BGN 84 414,69, and from the institutions - Municipality of Nevestino for the DMS ZOGRAF for the reconstruction of the chapel "St. Prophet Elias"- BGN 7 326.

Animal Rescue Foundation built and maintained the Farmhouse, the only private shelter for stray dogs in Sofia. Here unwanted former homeless animals receive medical care, socialization and find their future owner. In 2016, 1394 new dogs were accepted and 974 dogs found a new home, of which 277 - in Bulgaria.

The Municipality of Nevestino and a local initiative committee launched a campaign for the renovation of the chapel "St. Prophet Elias" in the village of Elias, which has over 100 years of history built on an ancient place. Up to now, the interior and exterior plastering of the chapel has been done, concrete is cast on the floor and tiled, a bell tower has been built and almost all the painting is done. The campaign continues until the collection of another BGN 5,000 for the purchase of a bell and iconostasis.

DMS has contributed to the success of many diverse causes:

- It gave to round about 1,000 deaf users the possibility to use video gesture translation application today. Between 20 and 30 video gestures translations are performed daily to support deaf people. It gave the possibility to over 250 people to train in the Volleyball School "Vladimir Nikolov" and the interest continues to grow.
- It saved from destruction the church of St. Spas in the village of Cherven breg.
- The donation campaign of the White Swallow Foundation contributed to the state's spending of the much needed amount for a complete repair of Second Pediatric Surgery in Pirogov.
- DMS donations purchased airline tickets for participants in the national team of astronomy and astrophysics at the International Olympiad in Bhubaneswar, India. 5 participants - 5 awards!
- Visually impaired will have much greater autonomy and freedom in urban environment with a mobile application that gives voice information about their location. The app is under construction.
- The total number of animals treated in 2016 by the Four Paws Foundation is 5024.
- It made possible the repair and furnishing of the second "Opportunity Home" in Sofia. The apartment is fully occupied and 5 young people (4 boys and one girl) are accommodated.

- Mobility teams from Caritas Home Care Centre provided care directly in the homes of 353 needy sick adults from 13 settlements.
- DMS purchased food products to enable more than 5,000 families in difficulty to meet Easter and Christmas.

And for another 13 successful treatment campaigns:

- Tourhan Kyamilov needed endoprosthetic hip and knee joints and was already operated;
- Svetlana Karpacheva and Ivan Zdravkov raised money for neurosurgical operations at INI Germany and went to treatment;
- Lyubomila Angelova and Nikolay Popov needed a bone marrow transplant, through which both passed successfully;
- Stanislav Iliev and Ivan Stefanov were raising funds for kidney transplants in Turkey and successfully achieved the goals of their campaigns;
- A modular prosthesis had to be laid on Denislav Dimitrov, the funds for which had been raised in May 2016;
- Petya Mihaylova raised the funds necessary for an intramedullary tumor surgery and was successfully operated in Turkey;
- Victoria Dinkova used the funds to treat her neurological illness in Germany after the Children's Medical Treatment refused to fund the procedures.
- Tanya Markova needed an orthopedic surgery and subsequent rehabilitation and raised the funds in September 2016.
- Two campaigns - to help Natalia Gurneva and Stefan Krastev - were suspended, since during the fundraising the Ministry of Health approved the applications for financing their treatments.

SMS-s donation continues to be the preferred way to support DMS causes - 85% of the total amount for 2016 is from charity SMS-s, and the online donation share is 15%. The positive trend from 2015 for growth of online donations continued.

The opportunities for SMS subscription successfully benefit organisations that manage to keep long-term regular donors. We expect an annual increase in SMS subscriptions.

Trust in the platform continues to be high. The number of donors who are looking for direct contact with campaign beneficiaries is growing; they are interested in their development or offer assistance in promoting them.

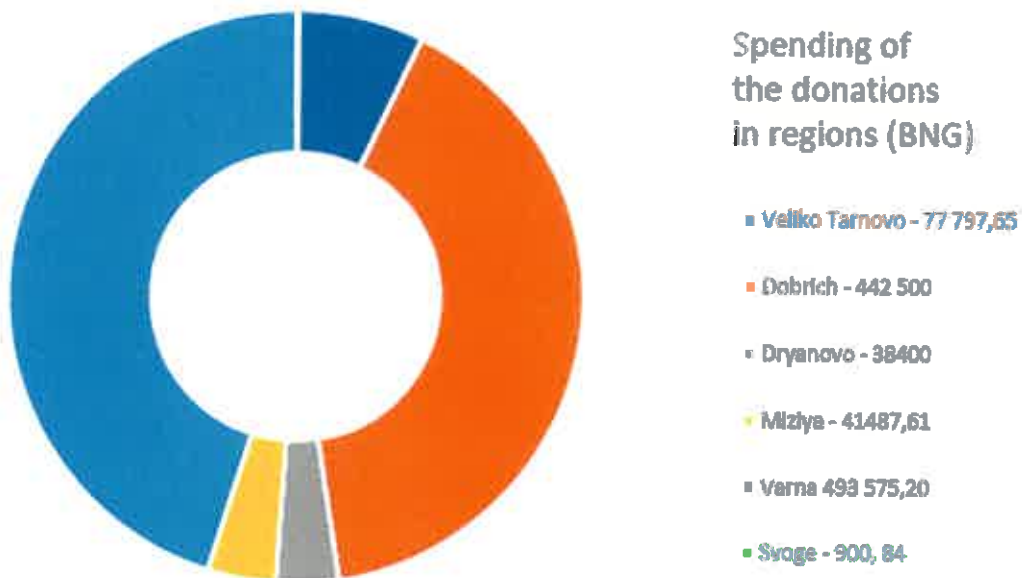
The vision and functionalities of the site www.dmsbg.com will be improved, which will facilitate the donors and improve the effectiveness of the campaigns.

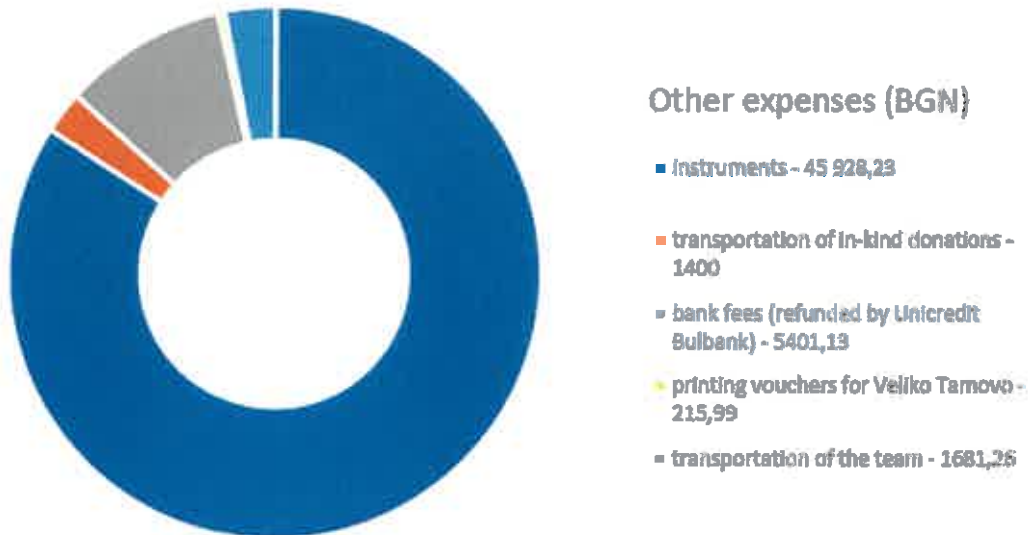
Together In the Disaster

The largest DMS campaign "Together in the Disaster" initiated by the Bulgarian Donors' Forum and the BCause Foundation (then Bulgarian Charity Aid Foundation) to help the victims of the floods in the 2014 floods was completed.

Total money donated during the campaign is BGN 1 213 818,29 and the value of the in-kind donations - over BGN 71 000.

Final spending of campaign funds by settlements:





Mlziya. A total of BGN 41 487,61 was used to cover 6 months' costs for heating and water for more than 90 people without home accommodated in wagons and in the social dormitory, and 200 households or 350 people received food packages with donations in food and vouchers with the assistance of the Bulgarian Food Bank.

Varna. A total of BGN 493 575,20 was used for the purchase of 8 apartments in Asparuhovo district. With the help of the district administration, we identified and accommodated 8 families with severe social and health status - disabled, elderly, and families with school-age children.

In June 2017, the Public Council of the Campaign decided the ownership of the apartments and the remaining money after the payment of annual fees, taxes and notary fees to be provided to the Shelter for Humanity Bulgaria Foundation. The organisation has been working since 2001 to eliminate housing poverty and has supported more than 7,000 families.

1.3. Platformata.bg - Social Network for Givers

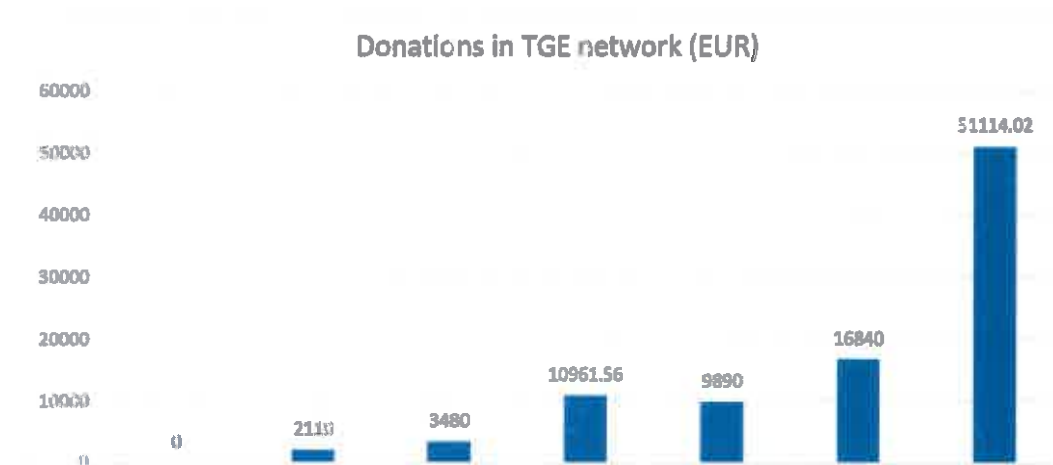
Platformata (The Platform) is a tool for collecting donations from Bulgaria and abroad - online, with a credit or debit card via the Borika system, with PayPal or via bank transfer through the donation account of BCause. Every user registered in the Platformata.bg receives a personal donation account. Through it the user can monitor and manage the campaigns he has created, as well as the donations made.

28 campaigns chose Platformata.bg for a fund raising instrument in 2016. Donated funds are BGN 60 717. The success of the campaigns is due mainly to the activity of the initiators - the Sofia Mathematical High School made two successful campaigns - the first one dedicated to the 45th anniversary of the school and the second one - the creation of a modern library, which continued in 2017. The total amount exceeded BGN 28 000.

The fifth charity ultramaraton "1000 Balkan Charity Challenge" used the payment system of Platformata.bg for giving to two Bulgarian causes - the MultiKulti and "Children" Foundation. They were able to raise online BGN 2220 and BGN 3070 respectively. Altogether about EUR 14,000 were attracted to the Bulgarian and Romanian causes.

1.4. Donation in Europe without borders

BCause is the Bulgarian partner of Transnational Giving Europe (TGE), a network of 19 European countries that facilitates cross-border giving. The givers from these countries have the opportunity to benefit from tax relief for donations in the country where they pay taxes. Throughout 2016, BCause had the chairmanship of TGE through its Executive Director, Elitsa Barakova, and in October, hosted of the TGE Management Committee Annual Meeting. Highlights of the meeting were the communication strategy and the new technological opportunities for donation. Representatives of 15 Bulgarian organisations and museums participated in the meeting with the network leadership, at which Ludwig Forest of King Baudouin Foundation's presented the benefits of the Transnational Giving Europe beneficiary status and explained the mechanism for cross-border donation.



The results of the TGE network show that the most popular cross-border support sectors are education (30.1% of all donations) and cultural heritage (15.8%). Four Bulgarian organisations received through the network EUR 51 114 donations from other European countries. The American University in Bulgaria received the most donations.

During the two-day meeting, the participants from Europe visited the Bulgarian beneficiary "Embrace Me" Foundation and bought pictures and souvenirs made by the children and young people with whom the Foundation worked. Coffee breaks and lunches were provided by another beneficiary – "The World of Maria" Foundation.

1.5. "Pro Bono Professionals" Club

We mediate between people with expertise in different fields wishing to provide professional pro bono services on the one hand and organisations and public institutions that need professional help on the other.



Stoyan D.Tunkov, founder and owner of Five sense, is a coach and mentor at the Rinker's Challenge in 2014. In 2016 he is supported Beta! Association.

2. Thematic funds of BCause

BCause manages several thematic giving funds. The funds are supported by individual and corporate donations.

"It is a great pleasure for me to share my experience and skills to help people who face extremely serious difficulties in their lives. It is also a serious challenge to work in a new and unfamiliar environment different from your usual environment and to gain the trust of people rejected by their families or society, or sometimes both.

The money from 2 of the funds are allocated for scholarships and medical treatment of children, and the rest provide support to non-profit organisations, schools, kindergartens, community centres .

Financial results::

The total revenue for the BCause funds has grown by 6% in comparison with 2015

Fund	Starting Balance (BGN)	Income (BGN)	Expenditure (incl. management fee) (BGN)	Final balance (BGN)
"Get Ready to Succeed" Scholarships	169 000,19	224 576,00	208 374,88	185 201,31
"Medical Treatment and rehabilitation of children" Fund	33 525,38	29 335,00	40 522,75	22 337,63
"Sports for children with disabilities" Fund (Part of the "Children's Treatment" Fund)	4 012,62	0,00	0,00	4 012,62

"We Can" Fund	22 374,14	7 305,53	21 523,50	8 156,17
"Organisations for People with Disabilities" Fund	8 387,48	908,00	1 545,40	7 750,08
"Our Parents" Fund	5 113,95	40 715,50	38 448,81	7 380,65
"Environmental Protection" Fund	4 924,77	291,00	1 014,55	4 201,22
"Charity Bazaars and Events" Fund	363,89	240,00	12,00	591,89

Besides the traditionally highly supported funds for scholarships and medical treatment of children, during 2016, "Our Parents" Fund (for activities in benefit of the lonely-living elderly people in small settlements) and "We can" Fund - supporting the youth employment was also attractive for the donors. The cause of "Sports for Disabled Children" inspired TBI Bank for their corporate social programme "Sports for Better Children's Life"

The funds allow for better performance of smaller donations, and many donors can "adopt" a scholarship or a project and be closer to it by supporting it.

2.1. Scholarships

"Get Ready to Succeed" programme

In 2016, the "Get Ready to Succeed" scholarship programme celebrated its 11th birthday. Another 120 young people with excellent academic records, who have lost one or both of

For 11 years together, we have provided more than 1140 scholarships worth more than BGN 1.7 million.

their parents, joined the programme during the school year 2016/2017. Among them are 14 future doctors, 4 future lawyers, 7 economists, 2 journalists, 4 biotechnology specialists, 5 computer specialists, 4 teachers, artist, and archaeologist. The annual scholarship is BGN 2000 for university students and BGN

1000 for high school pupils. The funds are provided entirely by private – corporate and individual donors.

6 new companies joined the donors' society this year: Behr-Hella Thermocontrol, Investbank, First Online Solutions, Ferratum, Telus International Europe and Global Group.



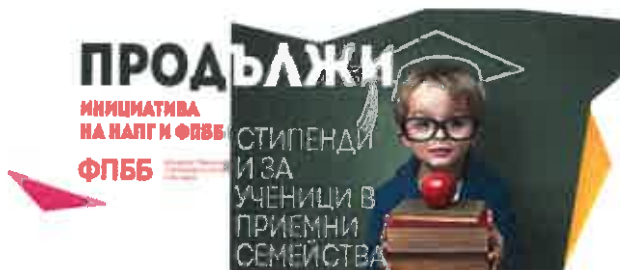
Not long ago, I myself was one of the scholarship holders of this programme and now it is an honour for me to be on the side of the donors tonight, turned to the guests Yanko Dimitrov from Behr-Hella Thermocontrol.

Donors of "Get Ready to Succeed" in 2016 were also Contour Global Maritza East 3, eComera, Amgen, Intracom, PPD, Vega Medical, World Bank Representation in Bulgaria, Acta Verba, Danex 2002, Holding Zagora. The cause is also supported by hundreds of employees of different companies who donate each month a small sum from their salary. The scholarship programmes for excellent students without parents started first as a cause for the payroll giving scheme in Mobiltel in the distant 2003. Since 2006, the initiative has already been called "Get Ready to Succeed" and with the partnership of the SIRAK Foundation has become the scholarship programme we know today.

You could support the Programme via SMS at DMS 17 777, key word USPEH or on-line at Platformata.bg.

"Go On" scholarship for pupils from foster families

The programme was established by BCause and National Association for foster care in 2014. It supports children from foster families to continue and improve their school results.



12 children received the scholarship in 2016/17.

In 2016, BCause received the "Saviour of Childhood" award for scholarships "Go on". The award is part of the annual awards of the National Association for Foster Care for Contributing to the Development of Foster Care in Bulgaria.

Association for Foster Care for Contributing to the Development of Foster Care in Bulgaria.

Among the current donors of the programme are Mtel, eComera and others. For the first two years, the programme showed that these scholarships were a great incentive for children - all of which improved their results.

2.2. "We Can" Fund supporting young socially disadvantaged people for vocational training and career start

In 2016 BCause funded 5 projects that will help underprivileged youth acquire new professional skills and will receive support for their first employment. Courses are carefully selected following specific employers' queries and respond to young people's wishes to develop and work in the specific field.

- "Concordia Bulgaria" Foundation, "Support for the realization of young people from vulnerable groups through participation in the activity of a workshop" project includes support for the atelier manager, materials and fees for exhibitions - BGN 5220.
- "Agapedia Bulgaria" Foundation - Plovdiv Branch, Happiness Pursuit Project - provides 7 young people with the opportunity to complete professional courses in bakery, cookery, massages, also driving and language courses - BGN 4500.
- "Protected Home TOGETHER" Foundation, Together project - 7 young people attend driving courses, cookery courses and a welder course, and receive professional support - BGN 4540.
- "Re-act" Association, the Barista project provided professional training for barista to 15 young people and helped to finish the equipment of the training center - BGN 4490.
- "Positive Skills of the Personality in the Society" Foundation - Pernik, Together We Can More - The Job Realization, a Road to Independent Life - 10 young people participate in motivation activities for job search and four have been qualified as tailor, landscaper/gardener, baker - BGN 4310.

2.3. "Our Parents" Fund

Health examinations of elderly people in North-western Bulgaria, villages in the municipalities of Mezdra, Boychinovtsi, Varshets, Roman, Mizia and Belogradchik were funded. Medical experts from the "Alexandrovska" University Hospital - cardiologist, endocrinologist, urologist, gynaecologist, orthopedic and ophthalmologist examined 750 elderly people from remote villages in the area. The average age of the examined is 78 years.

Elderly people in small villages rarely have access to such healthcare. Medical specialists find that many people have not been attending specialists for 20 years or more, there are diseases that were found which dramatically impair the quality of life, including congenital anomalies that people do not even suspect.

The funds for the initiative of "Our parents" were donated by the company Paladin, the International Women's Club - Sofia and individual donors.

2.4. "Medical Treatment and Rehabilitation of Children" Fund

63 children received funding in 2016 from the Fund, which, thanks to the payroll givers and the givers from the Platformata.bg, has been providing small but timely assistance to the families of sick children for more than 15 years.

A total of BNG 39,056 is the money donated for medical treatment, rehabilitation and medical products to children with cerebral paralysis, epilepsy, internal hydrocephalus, autism, obstetric pain, speech disorder, mental development disorder, muscular dystrophy, congenital abnormalities, deafness, stroke.

We continue to work with large health centres, but also with very small therapeutic practices for speech therapist, psychological and kinesitherapeutic work with children in Ruse, Plovdiv, Varna, and Dobrich.

We are pleased that the Sanus DD Individual Rehabilitation Medical Practice Centre has started a contract with the NHIF to fund the therapies, which will significantly alleviate the parents of the children with whom the dedicated Dilena Balabanova is working!

Under the programme "Sports for children with disabilities" 5 children benefited from water rehabilitation at "Voden Path" Foundation and hypo-therapy in horse-riding facilities "Ustrem" and "Riding Sofia". For 14 children was provided treatment by intramuscular application of botulinum toxin in the Specialized Hospital for Rehabilitation of "St. Sofia, Sofia. Three children are helped to buy aids: rails and shoes, a mattress, a sanitary chair and a decubitus pillow.

2.5. Fund for organisations of people with disabilities

With BGN 4400, the Fund supported a project of the "Maria's World" Foundation for the financing of supervision and other activities, supporting the team of the SVETOVE Day Centre to increase the quality of their work with clients and their relatives. Work began in 2017.

2.6. "Environmental Protection" Fund

With BGN 1000 in 2016 the project of the Balkan Wildlife Society for the repair and renewal of the wooden bridges in the Visitor Centre of the Dragoman marsh was supported. Though a small part of the BGN 10000 needed for completion of the work, these 1000 leva have encouraged other donors to build their thrust in the organisation that managed to recruit them and will carry out the repairs in the summer of 2017.

Entrepreneurship

Social enterprises will play an important role in the development of the Bulgarian economy because they have the potential for sustainable growth, involving different social groups. BCause is actively discussing the place, shape and appropriate incentive measures for social entrepreneurship in the Bulgarian context through our *Coalition Forum of Social Enterprises in Bulgaria* and as its representative in the permanent Group for Social Economy at the Ministry of Labour and Social Policies.

We implement and develop our understanding of social enterprises in our own programmes through the Rinker Center for training and entrepreneurship (since 2014). Its mission is to promote education, lifelong learning and to support entrepreneurship and business development in Bulgaria.

1. Rinker's Challenge - Challenge for Entrepreneurs

Rinker's Challenge (from 2014) is a unique programme for Start-up Entrepreneurs in Bulgaria that includes application competition and modular training for the selected participants. The winners receive a grant of up to BGN 20 000 and one-year pro bono mentorship from recognised experts.

In the beginning of 2016, the second edition of the challenge for start-up social and traditional entrepreneurs was completed, and in July we announced the launch of the third edition.

Rinker's Challenge 2.0

The Jury of Rinker's Challenge 2.0 awarded 5 business projects.

The BakerBrothers won BGN 20,000 of start-up funding for a craft school for bread-making, confectionery and fermentation, and a one-year mentorship from the economic expert Julieta Hubenova.

"BlindSpot" - Synergy Foundation won BGN 15,000 start-up funding for a mobile dark room. Their social enterprise creates jobs for blind people by organizing events, team buildings and trainings in shadowy darkness, their mentor is Emil Georgiev, DeConi Bulgaria.

The **"Sunny Farm"** won a start-up funding of BGN 10,000 to create conditions for children and youth education at the farm in the village of Tankovo, Eastern Rhodopes. Their mentor is the economist Stanislav Georgiev.

Cloudnine Skis & Snowboards - Workshop for custom high-quality ski and snowboard boards, which won BGN 10 000 of start-up funding and one-year support from entrepreneur Nikolay Filipov.

Bulgarian Carriers Fair with the project **Innovate.me** (Open Innovation Platform) won BGN 5 000 of start-up funding and one-year support from mentor **Sasha Bezuhanova** to start building a platform through which Bulgarian students and professionals abroad will decide on case studies to help employers from Bulgaria. Subsequently, the candidates refused funding and postponed the project.

Thus, for the two editions of the competition, seven projects are financially supported. 2 of them work mostly with donations and projects, 4 mainly trade and 1 is stagnant.

Stories of 4 projects for which the real difficulties started after the ceremony.

"Taratanci" by **Iva Todorova** and a team have shown their dance puzzle of many events and have challenged hundreds of people to dance together Bulgarian folk dances. They won funding and awards from **Fintrade Business Awards**, the **Moto-Pfohe** donation programme and reached the top 100 entrepreneurs at the international contest **Global Good Fund**. **Taratanci** sells the music puzzle through their website and offers non-traditional teambuildings. Now the team prepares a second puzzle - the theme this time is "embroidery".

In Varna, for the second year, **Mapache Cafe & Bakery** - a Vegan coffee-bakery is offering a large selection of vegan products, as well as chocolates, pastries, pasta, etc. The second floor of the cosy bakery is a space for debates, workshops and other forums on environmental and social topics important to young and old. Their earnings for one year rose 762%!

BakerBrothers opened a light bakery on **Rakovski Street** in Sofia. Each month diversified products with leaven; equipped the "school" for bakery and confectionery and started the training of the baker- candidates with participants sent by foundations and social services. Organisations of disadvantaged youth can turn to the Brothers for training and apprenticeship. And their bread is still wonderful! Sales revenue increased by 300%!

CloudnineSkis & Snowboards registered a trademark, refurbished their workshop, and placed orders. Their test models of ski and snowboards travelled around the world with famous Bulgarian freestyle skiers and snowboarders **Niki Naydenov** and **Tosho Toshev** and even "took" the second prize in a European competition. The new products again impress with their graphics - the night sky over **Pirin** embellishes the board provided by **Cloudnine** at the charity auction of the **American Chamber of Commerce**. Their sales grew by 42%!

Rinker's Challenge # 3

In the third year of the competition, we were able to convince people with impressive biographies in the business sphere but personally engaged in significant social causes to accept the challenge of being a jury: **Mihail Boyadjiev** - Chairman of the Board of Directors of **BCause Foundation**, and board members **Georgi Nikolov**, **Sasha Bezuhanova** - founder of **MoveBG** and **Stanislav Georgiev**, General Manager of **TRI.Art**. **Violina Marinova** - Chief Executive Officer of **DSK Bank**, **Egbert Wurman** - CEO of **ING Bank**, **Nikolay Filipov** - owner of **Handy-Tel EOOD**, **Julita Hubenova** - Manager of **SmartA Group Ltd.**, **Emil Georgiev** - creator

and Executive Director of DeConi Marketing Agency, Nikolay Yarmov - Founder and CEO of CEED Bulgaria, Ioanna Nikolova - TV Journalist, Bloomberg TV Bulgaria and Alexander Hinkov - co-founder of The Successful also helped with the choice.

Three projects were selected in a very intensive competition: Bread for Life, Sire-NECA and Anallzator.bg. They received a grant of BGN 20 000 each. All seven finalists will be receive pro bono mentorship by experts for one year.



Sire-NECA

The product became known as cheese made from cashew. The recipe is created by the family company of Nikolay and Stiliana Todorovi and Maria Dimitrova. They are constantly looking for options for a good and really tasty meal for lactose intolerant people, vegans, or simply culinary experimenters. Crumbled cashew fermented like milk cheese,

has a fine and palatable taste and can be included in the recipe of a variety of dishes in national and foreign cuisine. With the prize of BGN 20,000, the production will be transferred to a separate workshop; will be in larger volumes to meet the needs of consumers in Sofia and to look at markets in the country and abroad. For one year the entrepreneurs will be supported by the financial expert Stanislav Georgiev, a member of the Management Board of the BCause Foundation.



Bread for life

Vanya Gosheva from Bankya began to make "living" bread to cope with the severe migraine of her 8-year-old son. Friends encouraged her to devote herself to this craft, and only a few months later, she already produces an average of 60-70 loaves a day, a great Easter cake, and regularly supplies kindergartens. Her purpose is for every child to eat living bread, because "the harmony in the belly arranges the head".

With funding, she plans at least to triple the production. "When I have not prepared the bread with sufficient fermentation, my son's migraine returns. I make bread like for my child! ". Vanya received BGN 20,000 and one-year mentoring from Mariana Pavlova - Expert, Business Development Bank DSK, and Alexander Hinkov - Founder of the "USPELITE.BG".



Anallzator.bg

Dobrin Yordanov is the founder of an online marketing research tool that can provide targeted market research at affordable prices

for small and medium size businesses. Analizator.bg uses an online platform where you are responsible for entertainment or looking for a "soul mate" and friends. Among the issues of the world of sports, music, everyday life, politics are also questions whose answers, distributed in demography, geography, etc., are of interest to companies. The entrepreneur receives BGN 20 000 and one-year support from Nikolay Filipov - owner and manager of the chain of mobile phones and electronic equipment "Handi-Tel" EOOD.

2. Participation and support for entrepreneurial forums

The Ideas - This is Us # 5

For another year BCause Foundation supported **The Ideas - This is Us 5**- a forum for social entrepreneurship, organized by United Ideas for Bulgaria. As a main partner of the event, BCause provided experts from the Rinker Centre, who provided training in fundraising and project management, and were part of the jury. One of the awards that BCause provided was a direct participation in Rinker's Challenge # 3, won by the Pishman Tourist Environment Team. The Foundation also provided accommodation and travel expenses for the participants from the country.

Ideas for tackling unemployment in the Sredna Gora region

At the invitation of the Srednogorie Industrial Cluster, Rinker Centre actively participated in the implementation of the DIALOSIS project (Dialogue - Industry - Active - Lobbying - Municipalities - Employment - Initiatives) under the Erasmus + programme. A series of interactive discussions led by Pavel Panayotov, Director of Entrepreneurship Programmes at Rinker Centre, inspired the young people with examples of successful people from their community. They looked from a different angle the opportunities offered by the Srednogorie region and presented their ideas for realization there.

Master class and presentations

In February, Elitsa Barakova and Penka Tsvetkova led a master class at the International Meeting "Building Civil Society and Prospects for Social Entrepreneurship with a Glimpse of 2020 and beyond", organized by the European Network Euclid in Zagreb. The forum gathered more than 200 representatives of active citizens' organisations from all over Europe who discussed the future of CSR and social entrepreneurship on a European scale. The theme of the master class was the development of social entrepreneurship in Bulgaria and the formula of success in raising funds.

Share Learning

In April, Yana Rupeva and Maya Koseva, part of the team that participated in a study trip to the Mecca of the Social Cooperatives - Italy, shared knowledge and experience with the civil activists interested in the subject. Host was the House of Civil Organisations in Sofia. Experts from the Bulgarian Centre for Not-for-Profit Law also took part.

3. Strengthening the Forum "Social Enterprises in Bulgaria" Information campaign on social entrepreneurship

The Forum "Social Enterprises in Bulgaria" is an informal group of people and organisations working in the sphere of social entrepreneurship in Bulgaria. It promotes the exchange of information and policy-making, and puts the problems of social entrepreneurs on a national level. It was created on the initiative of the BCause Foundation and is coordinated by it.

In 2016 the BCause Foundation and the Bulgarian Centre for Not-for-Profit Law worked for the strengthening of the Forum with the financial support of the NGO Support Programme in Bulgaria under the Financial Mechanism of the European Economic Area 2009-2014 www.ngogrants.bg

The team participated in a study tour of Northern Italy, Emilia Romagna, where they met with successful social enterprises and social cooperatives.

We dedicated the whole month of March to the theme of social entrepreneurship and the popularization of the Forum "Social Enterprises in Bulgaria" (<http://socialenterprise.bg>)

The information campaign included real and virtual contact with people - discussion meetings at universities, handing out promotional materials - wipes for cleaning smart phones and tablets, distributing videos on social networks.

Our messages:

Behind the provocative "There is such an animal!" hides the logo of the Forum - the animal crabfish. It is a symbol of social entrepreneurship, whose protagonist is a businessman, and has noble motives, profit-seeking, and working for a cause.

"Start Socially!" Is a message to the young people who are now choosing their way, dreaming of a successful career and having ideas how to change the world. Now they can start as social entrepreneurs.

"Participate in social evolution!" Is a challenge for career-oriented people who dream of changing their lives and have ideas for how to change the world. If the time has come to change something in their lives, perhaps the answer is social entrepreneurship.



Special thanks to Donny and Netty, who provided their song "A Great Day" to our information campaign.

4. Support through the Erasmus for young entrepreneurs programme

In 2016 our participation in Cycle 5 of the Erasmus programme for young entrepreneurs ended. In partnership with 7 organisations from 6 countries, we consulted about 50 business plans, sent 7 Bulgarian entrepreneurs to exchanges, and 3 experienced entrepreneurs welcomed younger colleagues from Europe.



The united work of the Consortium with 9 partners from 9 countries will continue in 2017 with the SEEDplus project.

BCause provides consulting and travel funding to start-up young entrepreneurs who want to exchange experiences with colleagues from their branch in Europe.

More about <http://www.erasmus-entrepreneurs.eu/>

Organizational and Community Development

We support and encourage active organisations and citizens to raise funds for major causes - social, education, culture, local development, environment, human rights, and treatment. We help organisations, parent groups, school trustees, alumni organisations, museums, community centres, libraries to increase their resources and efficiency. Within our programmes we provide consultancy, training, funding or partnership in long-term projects.

1. Net4Work (Net for work)

In mid-2016, the Net4Work project, funded by the Trust for Social Alternatives, was completed. Its main objective was to provide employment and integration of young people from vulnerable groups by promoting a dynamic partnership between business, non-governmental sector, universities, local authorities and communities.

The project extended the 100 Jobs project - a joint initiative of BCause and the American Chamber of Commerce in Bulgaria.

With the help of non-profit organisations (as mediators), we organized the process of involving young people in the project. The selected candidates participated in training in communication and social skills.

We organized individual interviews and speed-dating meetings of candidates with interested companies, striving to find a cross point between the needs of the market and the

skills, interests and qualities of the young people. Individual mentors were provided to support them during the search, and after recruiting.

The NET gathered:

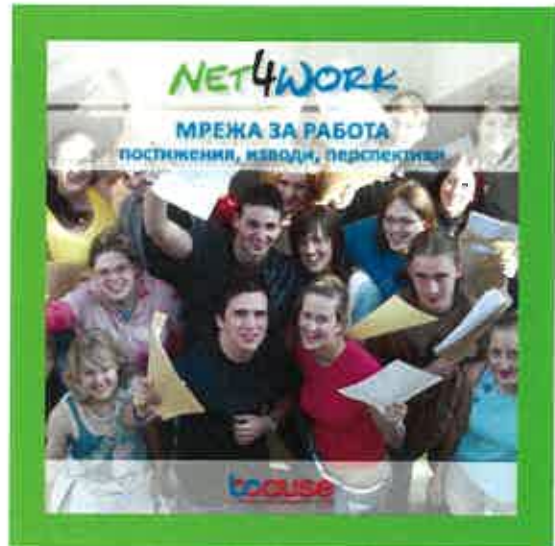
- Over 200 girls and boys from vulnerable groups who applied for the programme;
- 60 young people participated in 18 days of training and received more than 150 hours of mentoring;
- 7 organisations worked with the youngsters - Concordia Bulgaria, Animus, FSCI, SSDID, ARETE, Equal Opportunities, The Parti-coloured House;
- 43 companies.

As a result:

- 43 young people received job offers or work;
- 25 young people started work or work experience in the companies that partner us;
- More than 20 people found work with other employers, thanks to the skills they had acquired during an interview and increased motivation.

At the end we prepared a book "Network for Work - Achievements, Outcomes, and Perspectives". The e-publication presents the objectives and the course of the project, implemented by the BCause Foundation in 2015 and 2016. The authors Penka Tsvetkova and Anna Milanova present the main pillars in the work, the difficulties and the achievements. Opinions of trainers, employers and job seekers are quoted. Young people who have found work with Net4Work were presented, too. Download the electronic edition ([pdf](#)).

Total budget 2015/16: BGN 54 653



2. "The change Begins with Us"

The project "The change begins with us" had a duration of 10 months - from May 2015 to March 2016, and the funding is from the NGO Support Programme in Bulgaria under the Financial Mechanism of the European Economic Area 2009-2014. Our partner was the "C.E.G.A "Start for Effective Civil Alternatives". The project received active support from Titan Zlatna Panega Cement AD.

The project was the first of its kind in three locations - Zlatna Panega, Brestnitsa and Oreshene with the aim of activating the local community, promoting civic inclusion and youth volunteerism.

Rumyan Sechkov from C.E.G.A. Foundation and Lyudmila Atanasova from BCause Foundation held a series of workshops with proactive young people and the mayors of the three villages included in the project. The young people from the three villages made initial steps towards joint actions to solve specific problems identified by them. They realized that time and efforts were needed to achieve results. The village Mayors supported the realization of the ideas of the civic groups because they were convinced that together with local people they could achieve more, especially when the ideas for solving problems came from the community itself. In the spring, volunteers built an open-air gym in Oreshene, new facilities were put on the playground in Zlatna Panega and the old ones were repainted, the cleaning and renovation of the park in Brestnitsa began. The final meeting of the project, which took into account the achievements, was attended by representatives of the Yablanitsa Municipal Administration, mayors, school principals, youths. Participants in the initiative groups stated their intention to continue and complete what was started.

More about the project see: <http://promyanata.bcaf.bg>

Total budget 2015/16: € 27,351 and BGN 5,000

3. National Forum "Libraries Today"

The BCause Foundation was a partner and participant in the "Libraries Today" National Forum, held at the National Palace of Culture in late November. The two-day international event was the first of its kind. It presented the new possibilities of libraries in the information society of the 21st century.

Special guests and participants in the Libraries today conference were representatives of the institutions, local authorities, academics, businesses and non-governmental organisations that are involved in shaping and implementing policies for the development of libraries, information technologies and modern services for citizens. Participation was made by 700 representatives of the regional, municipal and community libraries from all over the country, equipped with computer equipment for free access to the citizens.

The forum was organized by "Global Libraries - Bulgaria" Foundation with the support of the Bill and Melinda Gates Foundation and is part of a comprehensive programme for the

development of public libraries and the creation of conditions for equal access to information and electronic services.

More on: <http://www.glbulgaria.bg/nationalforum2016>

4. Trainings for teachers

BCause Foundation has started the support programme for elementary teachers in the Popovo region. There are many bilingual children in the municipality who are not fluent in Bulgarian, who have difficulties to learn the school material, and therefore their motivation to attend school is diminishing.

Together with a team of "Future Now 2006" Chitalishte, we held a five-day training seminar "Accelerated literacy" for teachers. The schools which took part in the project were: Lyuben Karavelov Primary School, Nikola Vaptsarov from Popovo and Otets Paisiy in the village of Voditsa and Anton Strashimirov School in the village of Svetlen.

Laws, principles and means of work in the suggestopedic pedagogical system, studying the type of intelligence of the students and directing learning activities to each of them, developing learning skills, developing thinking skills that elevate the learning process to the highest levels of The Bloom Taxonomy, were part of the topics discussed.

During the training each teacher sought and rethought his own practice before the start of the new school year 2016-2017. Many games and practical lessons have been learned about the development of reading and writing, the functional literacy of children with mother language other than Bulgarian. Despite the difficulties and challenges, teachers and their trainers planned to implement the programme in school as early as this school year. New state educational standards have been discussed, with which the programme is adapted to and extends the knowledge of children beyond the requirements of the first grade.

All of the participating teachers shared their inspiration and gratitude from the development of their practice, enriched with didactic games, stories, roles and boards that they created together during the course as a preparation for the school year.

"These are methods and tools applicable in practice from the first school day of the 2016/17 school year," said the participants at the end of the training.

Since the beginning of the new school year, teachers who have passed the training continued to receive ongoing support. As a result, at Lyuben Karavelov School in Popovo they decided to start with two classes in the next 2017. Thanks to our work, they wished to make more literacy lessons and planning for the whole school year so that they could continue the innovation after the 4th grade. The programme continues to include 5 rounds of training, online training and mentoring, amounting to BGN 6000, of which BGN 4000 are provided by the school.

The colleagues from Future Now chitalishte have started a process of creating an accelerated literacy programme by restoring didactic operas, textbooks, tables and methodical materials for teachers and materials for working with children.

Developing a favourable Giving environment

We are working for an encouraging environment for effective giving and social investment and sustainable development of civil society organisations.

We make efforts and make a distinctive contribution towards improving the legal and tax environment for donations, for the formation of national policies and practices in relation to NGOs, health care, social assistance and social entrepreneurship.

We develop special projects that inform, analyze, inspire and celebrate giving and philanthropy.

The BCause Foundation enjoys an excellent reputation among Bulgarian non-profit organisations, businesses, individual donors and state authorities.

1.Policies

The BCause Foundation is making efforts and making a distinctive contribution to improving the legal and tax environment for giving, policy-making and national practices in relation to NGOs, healthcare, social assistance and social entrepreneurship.

During the year we prepared a position regarding the change of management, the departure of members of the Public Council and the consequences thereof on the activities of the State Fund for the medical treatment of children - unhealthy campaign increases and transfer of responsibility to donors.

We supported the statements of organisations in which we are members - the **Civil Participation Forum** and the **Bulgarian Donors Forum**. With the **Bulgarian Centre for Not-for-Profit Law** we have regular advocacy actions on **social entrepreneurship** and state measures to promote it. We developed opinions on the particular funding operation and are partially satisfied with the changes that have occurred, although the main problem of competition between private and public organisations (municipalities) remains.

We participated in all working meetings of the **Working Group on Social Economy** at the MLSP and we gave opinions on the draft Social Economy Law, the Regulation on Social Innovation Awards and other topics discussed.

We were happy about the changes in the regulation of food donations and in 2017 we strengthened our partnership with **Bulgarian Food Bank**.

We will continue to monitor development and participate in discussions on the definition of social entrepreneurship; The minimum help and the obstacles they create for the activities of NGOs; Specifying the names of the donors in the media, the fund under the Gambling Act, the participation of NGOs and citizens in the formulation of policies and financial instruments, etc.

2. Forum "Social enterprises in Bulgaria"

The forum held its regular annual meeting, where we discussed the draft of social economy law, existing obstacles to social service providers, etc. As a coordinator of the Forum BCause continues to maintain the specialized website www.socialenterprise.bg

In addition to the campaign to promote the Forum, at the end of the year we created a **Catalogue of the products with cause** to bring together information about goods and services permanently or temporarily linked to good causes. Currently, there are 18 participating "manufacturers" with more than 100 items in the Catalogue.

3. Practices of giving from the workplace - sociological survey

At the beginning of 2016, our sociological survey of giving practices from the workplace among the 100 largest Bulgarian companies in 2014, conducted by Junction Bulgaria on behalf of BCause, was completed.

76 percent of the leading companies in Bulgaria have an internal donation system.

Employees of 25 per cent of the largest employers and advertisers in Bulgaria donate through their payroll.

Support by the top management in the company; legitimate charitable causes; good feedback on achievements and full transparency - these are the conditions for successful functioning of the workplace giving.

According to the survey, for 2/3 of these companies, workplace giving is a sustainable practice rather than an ad hoc solution. More accurate data shows that 25 per cent of surveyed companies donate funds each month (payroll giving), 38.9 per cent - more than twice a year, and 16.7 per cent - twice a year at special events. Only 24 per cent of the largest employers and advertisers in Bulgaria do not have an internal system of regular donations. 85% of the companies in which there is a giving practice, match the amounts collected by the employees.

For international companies, philanthropy is an integral element of corporate practices, but there are many Bulgarian enterprises where workplace giving has emerged as part of their inner culture. In agribusiness, though profitable, there are many weak donor traditions, while sectors such as telecommunications and finance are at the other pole.

We discussed the results with representatives of VIVACOM, Mobiltel, Investbank, Aurubis, Coca Cola, Citibank, Overgas, Sopharma and others, who had participated in the survey and with representatives of the American Chamber of Commerce, the UN Global Compact and Bulgarian Mining Chamber.

4. Philanthropy through the Lens - Grant Competition Programme

The Photo Contest and the Grant Programme were created by the BCause Foundation and the Bulgarian Donors' Forum. We are looking for a new, different look at causes, projects

and people related to philanthropy, and the opportunities to change the life around us. The awarded participants participate in a travelling exhibition.

In 2016 for a fifth consecutive year we organised the photography competition. For a second time there was a grant programme to support the best photo projects. The three winners of the grant programme for photography are Miroslava Mircheva, Dennis Buchel and Denislav Stoychev, and their mentors were Nadezhda Pavlova, Nadezhda Chipeva and Temelko Temelkov.



All three of the distinguished projects were implemented in Bulgaria in the summer of 2016, but each of the artists has been linked to the subject for a long time, personally and deeply. Their lens is aimed at various public places - a dog shelter, a drug commune therapy and the Church, not as an institution but as a community that helps. It connects empathy in reflecting the problem and looking beyond it - to the support that gives possible solutions.

The photo exhibitions from 2015 and 2016 travelled to more than 15 Bulgarian cities and visited galleries, museums, municipalities, schools.

Sponsors and photographers appreciate the development of "Philanthropy through the Lens" very much. They define it not only as the only grant programme for photography in Bulgaria, but also as the "most meaningful photography competition", "extremely important" for the professional community and for our entire society because it shows and educates values.

Jury of "Philanthropy Through the Lens" 2016: Boris Misirkov, Elitsa Barakova, Krasimira Velichkova, Nadezhda Pavlova, Nadezhda Chipeva, Temelko Temelkov.

"Philanthropy through the Lens" is being held for the fifth consecutive year with the support of the America for Bulgaria Foundation. Partners: Bulgarian Photographic Academy "Yanka Kyurkchieva", Bulgarian Photographic Association, Photo Forum, PhotoSintesis Art Centre, National Palace of Culture. Sponsors: Aurubis Bulgaria, Contour Global Maritza East 3, Abvi, Raiffeisenbank. Media Partners: Vesti.bg, Information Portal for NGOs in Bulgaria, Manager Magazine, Obekti magazine, Offnews.

5. CAF World Giving Index

Like every year as a member of the CAF Global Alliance, BCause presented the results of the CAF World Giving Index 2016 in Bulgaria.

It puts Bulgaria in 129th place in the world (out of 140) and in 9th place among the 10 countries of Eastern Europe included in the Index. The giving index in Bulgaria is slightly falling from 23% to 21%.

More than 42% said they helped a stranger in 2015, and this is a remarkable increase over the previous 2014 when it was 38%. However, the number of people who donated money has fallen from 27% to 13%. The highest levels of money donation in Bulgaria were recorded in 2014, when our country suffered from floods not seen before. Volunteers in Bulgaria have grown to 7% (compared with 4% in 2014).

The number of young people aged 15-29 in Bulgaria who helped a stranger (51% in 2015, 37% in 2014) has grown markedly. The growth in this age group is much higher, compared to the 30-49 age group, the increase is from 43% to 51%.

In the world, the number of people who helped strangers peaked in 2015. For the first time since the study, more than half of people in the 140 countries around the world say they have helped a stranger, and the number of volunteers has risen steadily. Global donating money has increased slightly.

The most generous people in the world for the third year are the inhabitants of Myanmar. Second is the United States of America, which is the most generous country in the Western world. Third among the 140's is Australia. The rest of the Top 10 is: New Zealand (4), Sri Lanka (5), Canada (6), Indonesia (7), Great Britain (8), Ireland (9), and United Arab Emirates (10).

The CAF World Giving Index is based on data from the Gallup's World Poll conducted among 148,000 people in over 140 countries, which together account for about 96% of the world's population (about 5, 1 billion people). The giving index is an average of three aspects of donor behaviour - helping a stranger, donating money and volunteering.

1000 people were interviewed in Bulgaria during the period July 7 - August 24, 2015

6. Public information campaigns

6.1. Giving Tuesday

This is the global initiative dedicated to charity, the day when all - entrepreneurs and experts, families, companies, public organisations, students and employees can donate a little of their talent, money, services, food or just a time to someone who needs that.

BCause Foundation celebrates Giving Tuesday since 2014. As a member of the CAF Global Alliance, the Foundation seeks to popularize donor causes and facilitate the donor's way to them. For this purpose there is a specially created site <http://givingtuesday.bcause.bg>

In 2016, we created a handbook for companies who would like to celebrate Giving Tuesday with their employees. The holiday was on November 29, but for nearly a month we spread its messages through the social networks Facebook and Twitter.

6.2. "Week of foundations and donors"

For the first time in 2016, the Bulgarian Donors 'Forum launched the "Week of foundations and donors" initiative on 1 October the European day of foundations and donors, and we from BCause have been actively involved in the campaign.

From 1 to 9 October, the members of the Forum together with dozens of other Bulgarian and international organisations and companies, events and campaigns told stories about philanthropy, donation and the change that foundations and donors wear in Bulgaria under the logo of the European Day of Foundations and Donors and the Hash tag # zapali.

BCause has distributed video clips with the addresses of the loyal donors.

6.3. "Angels Work also after Christmas"

Campaign BDF and foundation BCause "Angels work after Christmas as well" won two awards at the prestigious competition BAPRA Bright Awards 2016, judged entirely by an international jury PR and communication experts decided that this is the strongest among all the nominations in the category "Campaign for Sustainable development "and awarded the Grand Prize to it. The project also won second place in the category "Communication campaign of the year".

"Angels work after Christmas as well" is a campaign of Intelday Solutions implemented for Bulgarian Donors Forum and Foundation BCause – for the platform DMS 17 777. The aim of the campaign was to promote new technological capabilities of the system - except with single SMS, the platform can now is also donated via online subscription.



Programme "GO ON" of BCause Foundation - scholarships for students in foster families. "Saviour of Childhood" award - to contribute to the development of foster care in Bulgaria

It is presented by the National Foster Care Association.



"The Angels Work After Christmas As Well" - a campaign of the BDF and the BCause Foundation BAPRA Bright Awards 2016
 First place in the "Sustainable Development Campaign" category
 Second place in the category "Communication campaign of the year"

It is presented by the Bulgarian Association of PR Agencies (BAPRA).



10 Years Ready for Success - BCause Foundation Campaign. Prize PR - category CSR project - non-profit sector

It is presented by the Bulgarian Public Relations Society (BDA).



Iva Todorova with "Taratanci" is among the top 100 of the 2400 entrepreneurial candidates from all over the world for the prestigious programme.

Stage Three of the 2017 The Global Good Fund Fellowship

This is a 15-month scholarship programme that supports the development of social entrepreneurs from around the world. It is presented by The Global Good Fund.



Mtel Eco Grant 2016 - MobilTel's Corporate Programme, implemented with BCause's partnership in 2016

Annual awards for responsible business 2016

First place in the category "Investor in the environment" for the project
 It is presented by the Bulgarian Business Leaders Forum



"Summer for Joy, Autumn for Care" - a corporate programme of Philip Morris Bulgaria, implemented with the partnership of BCause.

Annual awards for responsible business 2016

3rd place in the category "The best social policy of a small and medium-sized enterprise"

It is presented by the Bulgarian Business Leaders Forum

**INDEPENDENT AUDITOR'S REPORT AND
ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2016**

This document is a translation of the original Bulgarian text and in case of divergence the Bulgarian text shall prevail.

INDEPENDENT AUDITOR'S REPORT

To the Council of Founders of BCause Foundation (Former name: Bulgarian Charities Aid Foundation)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of BCause Foundation (Former name: Bulgarian Charities Aid Foundation) (the "Foundation"), which comprise the balance sheet as at December 31, 2016, the statement of income and expenses from non-profit activity, the statement of income and expenses from profit activity, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with National Accounting Standards ("NAS"), applicable in Bulgaria.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Independent Financial Audit Act (IFAA) that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the requirements of IFAA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Council of Founders, the Board of Directors (BD), the President of BD and the Executive Director ("Management") are responsible for the other information. The other information comprises the annual report on activities, prepared by the management in accordance with Chapter Seven of the Accountancy Act, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, unless it is not specifically stated in our auditor's report and to the extent it is specifically stated.

Делойт се отнася към едно или повече дружества - членове на Делойт Туш Томацу Лимитид, частно дружество с ограничена отговорност, регистрирано в Обединеното кралство („ДТТЛ“), както и към мрежата от дружества - членове и свързаните с тях дружества. ДТТЛ и всяко дружество - член са юридически самостоятелни и независими лица. ДТТЛ (наричано също „Делойт Глобал“) не предоставя услуги на клиенти. Моля, посетете www.deloitte.com/bg/about, за да научите повече за нашата глобална мрежа от дружества-членове.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NAS applicable in Bulgaria, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional matters, required to be reported by the Accountancy Act

In addition to our reporting responsibilities according to ISAs described in section “Information Other than the Financial Statements and Auditor’s Report Thereon”, with respect to the annual report on activities, we have also performed the procedures, together with the required under ISA, in accordance with the “Guidelines regarding new extended reports and communication by the auditor” of the Professional Organization of Registered Auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). These procedures include tests over the existence, form and content of the other information in order to assist us in forming an opinion as to whether the other information includes the disclosures and reporting as required by Chapter Seven of the Accountancy Act, applicable in Bulgaria.

Opinion under Article 37, paragraph 6 of the Accountancy Act

Based on the procedures performed, in our opinion:

- The information included in the annual report on the activities for the financial year for which the financial statements have been prepared, is consistent with the financial statements.
- The annual report on the activities has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

The original auditor's report was signed by Momchil Chergansky, Proxy of the Statutory Manager Assen Dimov and Registered Auditor at Deloitte Audit OOD on July 16, 2018.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

BALANCE SHEET

AS OF DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Note	As of 31.12.2016	As of 31.12.2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	3	4
Intangible assets		2	3
Total non-current assets		5	7
Current assets			
Cash	4	1,575	1,566
Inventories	3	433	120
Short-term receivables	6	64	166
Total current assets		2,072	1,852
TOTAL ASSETS		2,077	1,859
EQUITY AND LIABILITIES			
Equity			
Share capital		10	10
Other reserves		398	368
Profit for the year		24	30
Total equity		432	408
Current liabilities			
Short-term payables	7	1	1
Deferred income	8	1,644	1,450
Total current liabilities		1,645	1,451
TOTAL EQUITY AND LIABILITIES		2,077	1,859

These financial statements were approved on July 11, 2018 by:

/signed/
Mihail Boyadjiev
Chair of the Board of Directors



/signed/
Prepared by
Consulting company „Strategies“



The financial statements were signed by Momchil Chergansky, Registered Auditor at Deloitte Audit OOD, on July 16, 2018.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

BALANCE SHEET

AS OF DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

The accompanying notes are an integral part of these financial statements.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

STATEMENT OF INCOME AND EXPENSES FROM NON-PROFIT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian leva unless otherwise stated

	Note	Year ended 31.12.2016	Year ended 31.12.2015
OPERATING INCOME			
Income from conditional donations	9	2,196	2,085
Income from unconditional donations	9	108	60
TOTAL OPERATING INCOME		2,304	2,145
OPERATING EXPENSES			
Expenses for donations	10	(2,053)	(1,727)
Expenses for projects implementation	10	(143)	(329)
Administrative expenses	11	(108)	(100)
TOTAL OPERATING EXPENSES		(2,304)	(2,156)
FINANCE INCOME (NET)	12	39	41
EXTRAORDINARY EXPENSES		(15)	-
RESULT FROM NON-PROFIT ACTIVITY		24	30

These financial statements were approved on July 11, 2018 by:

/signed/
Mihail Boyadjiev
Chair of the Board of Directors



/signed/
Preparer
Consulting company "Strategies"



The financial statements were signed by Momchil Chergansky, Registered Auditor at Deloitte Audit OOD, on July 16, 2018.

The accompanying notes are an integral part of these financial statements.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

STATEMENT OF INCOME AND EXPENSES FROM PROFIT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Year ended 31.12.2016	Year ended 31.12.2015
OPERATING INCOME		
Income from sale of services	26	9
TOTAL OPERATING INCOME	26	9
OPERATING EXPENSES		
Goods and hired services	(5)	(1)
Remunerations	(14)	(7)
Social security contributions	(7)	(1)
Amortization/depreciation	-	-
TOTAL OPERATING EXPENSES	(26)	(9)
RESULT FROM PROFIT ACTIVITY	-	-

These financial statements were approved on July 11, 2018 by:

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Mihail Boyadjiev
Chair of the Board of Directors



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Prepared by
Consulting company "Strategies"



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The accompanying notes are an integral part of these financial statements.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Year ended 31.12.2016	Year ended 31.12.2015
CASH FLOWS FROM NON-PROFIT ACTIVITY		
Proceeds from non-profit activity		
Received conditional donations	2,461	1,966
Received unconditional donations	108	60
Proceeds from banking and currency operations	39	43
Other cash flows from operating activity	-	-
Total proceeds from non-profit activity	2,608	2,069
Payments for non-profit activity		
Paid donations	(2,053)	(1,707)
Paid salaries	(160)	(170)
Paid security contributions	(49)	(46)
Payments on banking and currency operations	(1)	(1)
Payments for services	(42)	(213)
Other payments	(294)	(120)
Total payments for non-profit activity	(2,599)	(2,257)
Net cash flow from non-profit activity	9	(188)
CASH FLOWS FROM PROFIT ACTIVITY		
Proceeds from sale of assets and services	26	9
Total proceeds from profit activity	26	9
Payments for profit activity	(26)	(9)
Total payments for profit activity	(26)	(9)
Net cash flow from profit activity	-	-
CHANGE IN CASH DURING THE PERIOD	9	(188)
CASH AT THE BEGINNING OF THE PERIOD	1,566	1,754
CASH AT THE END OF THE PERIOD (note 4)	1,575	1,566

These financial statements were approved on July 11, 2018 by:

/signed/
Mihail Boyadjiev
Chair of the Board of Directors



/signed/
Preparer
Consulting company „Strategies“



BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

The financial statements were signed by Momchil Chergansky, Registered Auditor at Deloitte Audit OOD, on July 16, 2018.

The accompanying notes are an integral part of these financial statements.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

	Share capital	Reserves	Total
BALANCE AS OF JANUARY 1, 2015	10	368	378
Result from profit activity for 2015	-	-	-
Result from non-profit activity for 2015	-	30	30
BALANCE AS OF DECEMBER 31, 2015	10	398	408
Result from profit activity for 2016	-	-	-
Result from non-profit activity for 2016	-	24	24
BALANCE AS OF DECEMBER 31, 2016	10	422	432

These financial statements were approved on July 11, 2018 by:

/signed/
Mihail Boyadjiev
Chair of the Board of Directors



/signed/
Prepared by
Consulting company „Strategies“



The financial statements were signed by Momchil Chergansky, Registered Auditor at Deloitte Audit OOD, on July 16, 2018.

The accompanying notes are an integral part of these financial statements.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

All amounts are in thousands of Bulgarian levs unless otherwise stated

1 Legal status

BCause Foundation (former name: Bulgarian Charities Aid Foundation (BCAF)), the Foundation, is an expert organization which works for modern charity and strong and effective non-profit sector.

The Foundation is part of the world network of organizations Charities Aid with head office in Great Britain.

The Foundation is established on November 16, 1995. Registry № 20021107001 in the Central Registry of judicial persons with non-profit activity for performing community service.

The Foundation is with seat and management address Sofia, 65 Vitosha Blvd., fl. 3.

The main objective of the Foundation is to promote civil society in Bulgaria by supporting the development of the resources of charitable organizations in the non-profit sector by increasing the donor culture and by improving the management and efficient use of resources to charitable organizations in Bulgaria.

The Foundation encourages donations to charities by individuals, business organizations and the government by providing information to donors about the activities of potential recipients of donations and to the latter – about the policy of potential donors; facilitates and supports the implementation of the government of the tax system, improving the activities of charities and giving the motivation for potential donors.

Scope of activity: Publication and distribution of specialized literature; formation and participation in companies according to the Law on Non-Profit Organizations (LNPO) and the carrying out of economic activity is subject to the terms and conditions laid down by the laws governing the respective type of business; organization of paid trainings, seminars and awareness programs and research on problems within the scope of the Foundation; consultancy and information services.

The Foundation has a two-tier management system consisting of Council of Founders and Board of Directors.

2 Basis of preparation of the financial statements and accounting principles

The Foundation keeps its accounting records and prepares its financial statements in accordance with the requirements of the Bulgarian legislation. The Foundation's financial statements have been prepared in accordance with the National Accounting Standards (NAS), applicable in Bulgaria.

These financial statements have been prepared on accrual basis in accordance with the historical cost convention and the going concern assumption.

Functional and presentation currency

In accordance with the Bulgarian accounting legislation the Foundation keeps its accounting records and prepares its financial statements in the national currency of the Republic of Bulgaria – Bulgarian Lev (BGN). As of January 1, 1999 the Bulgarian Lev is fixed to the EUR at BGN 1.95583 for EUR 1. These financial statements are stated in thousand Bulgarian Levs (BGN'000).

2 Basis of preparation of the financial statements and accounting principles (continued)

Foreign currency

The transactions in foreign currency are accounted initially in levs by applying the central exchange rate of the Bulgarian National Bank (BNB) to the amount in foreign currency as of the date of the transaction. The exchange rate differences, arising from the settlement or from the reporting of such monetary positions at exchange rates, different from the initial rates, are reported as financial income or expenses for the period when they arise. Monetary positions in foreign currency as of December 31, 2016 are valued in the present financial statements at the closing exchange rate of BNB.

Accounting assumptions and accounting estimates

The application of the National Accounting Standards requires from management to apply some accounting assumptions and accounting estimates in the annual financial statements preparation and valuation of some assets, liabilities, income and expenses. All assumptions are made on the basis of the best estimate, made by the management as of the date of the financial statements preparation. Actual results could differ from those stated in these financial statements.

3 Definition and valuation of the Items of the financial statements

Property, plant and equipment

Property, plant and equipment are reported at acquisition cost which comprises purchase price or the cost of self- construction of the asset less accumulated depreciation and impairment loss, if any.

Depreciation of property, plant and equipment is calculated based on the straight-line method over the expected useful life, determined as of the moment of asset acquisition.

The depreciation rates for the main groups of property, plant and equipment are as follows:

	<u>Annual depreciation rate</u>
Machinery and equipment	20%

Inventories

Inventories represent apartments purchased under a program with the purpose to be donated to people, affected by floods. Inventories are presented in the balance sheet at their delivery value. Inventories are disposed using the first-in, first-out valuation method.

Short-term receivables

Short-term receivables present receivables on donation agreements, receivables from employees and other receivables.

Cash

Cash comprise cash on hand and at banks in Bulgarian levs and in foreign currency.

For the purpose of the statement of cash flows preparation, cash equivalents include cash on hand, cash at banks which bear an insignificant risk of changes in value.

3 Definition and valuation of the Items of the financial statements (continued)

Short-term payables

Current payables are measured at the value at which they are expected to be settled in the future.

Deferred income and financing

Deferred income and financing represent conditional donations including donations related to depreciable property, plant and equipment, as well as income which are expected to be realized in future reporting periods. Donations are reported if the Foundation has sufficient assurance that it will keep the conditions and donations will be received.

Donations are reported as financing which is recognized as income in the current period as follows:

- Donations related to non-depreciable assets – during the periods in which are reported the expenses for performing conditions for donations;
- Donations related to depreciable assets – proportionally to the accrued for the respective period depreciation of assets acquired as a result of donations.

Income and expense recognition

Income from conditional donations are recognized to the amount of the expenses incurred during the period.

Income from conditional donations for acquisition of non-current assets is recognized to the amount of the incurred depreciation costs of acquired through donation assets during the period.

Income from unconditional donations is recognized at the moment of their occurrence.

Expenses for donations are accrued at the moment of their occurrence.

Other income and expenses are accrued at the moment of delivering the good and rendering the service regardless of cash proceeds and payments.

Financial Instruments

The Foundation's financial instruments comprise cash on hand and at banks, current receivables and payables. Management considers that the fair value of financial instruments is approximate to their carrying amount. Fair value is regarded as the price which would be received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market participants as of the evaluation date.

Currency risk

Currency risk is the risk that the assets and liabilities of the Foundation denominated in foreign currency will change in value as a result of changes in the currency exchange rates of the respective currency to the Bulgarian lev. The Foundation's management considers that the effect from possible change of currency rates is insignificant.

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

3 Definition and valuation of the items of the financial statements (continued)

Taxation

The Foundation's main activity is non-profit and its result is not subject to taxation with corporate income tax according to the Bulgarian tax legislation. Income tax on profit is a result from economic activity only.

Deferred tax assets and liabilities occur for all temporary differences between tax amount of assets and liabilities and their carrying amount as of the date of the financial statements. For determining the deferred tax assets and liabilities are applied expected tax rates effective at their future realization.

Deferred tax asset is recognized to the extent to which it is probable that there will be future taxable profit against which deductible temporary differences are used. The Foundation has no recognized deferred tax assets and liabilities as of December 31, 2016 and 2015.

4 Cash

As of December 31, 2016 and 2015 cash are as follows:

	As of 31.12.2016	As of 31.12.2015
Cash at current bank accounts	571	407
Cash at bank deposits	1,000	1,146
Cash on hand	4	13
TOTAL	1,575	1,566

5 Non-current tangible and intangible assets

	Machinery and equipment	Intangible assets	Total
COST			
Balance as of 01.01.2015	5	4	9
Acquired assets	1	-	1
Sold/disposed	(2)	-	(2)
Balance as of 31.12.2015	4	4	8
Balance as of 31.12.2016	4	4	8
DEPRECIATION AND AMORTIZATION			
Balance as of 01.01.2015	-	1	1
Balance as of 31.12.2015	-	1	1
Charged	1	1	2
Balance as of 31.12.2016	1	2	3
NET BOOK VALUE AS OF 31.12.2015	4	3	7
NET BOOK VALUE AS OF 31.12.2016	3	2	5

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

6 Short-term receivables

	As of 31.12.2016	As of 31.12.2015
Receivables under donation agreements	61	163
Other receivables	3	3
TOTAL	64	166

7 Short-term payables

	As of 31.12.2016	As of 31.12.2015
Payables to personnel	1	1
TOTAL	1	1

8 Deferred Income

	Amount
Amount of received conditional donations as of 01.01.2015	1,538
Received conditional donations in 2015	2,068
Expenses for conditional donations in 2015	(2,156)
AMOUNT OF RECEIVED CONDITIONAL DONATIONS AS OF 31.12.2015	1,450
Received conditional donations in 2016	2,608
Expenses for conditional donations in 2016	(2,414)
AMOUNT OF RECEIVED CONDITIONAL DONATIONS AS OF 31.12.2016	1,644

9 Income from donations

	Year ended 31.12.2016	Year ended 31.12.2015
Income from conditional donations	2,196	2,085
Income from unconditional donations	108	60
TOTAL	2,304	2,145

10 Expenses for donations and on projects

	Year ended 31.12.2016	Year ended 31.12.2015
Expenses for donations	2,053	1,727
Expenses on projects	143	329
TOTAL	2,196	2,056

BCAUSE FOUNDATION (FORMER NAME: BULGARIAN CHARITIES AID FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

All amounts are in thousands of Bulgarian levs unless otherwise stated

11 Administrative expenses

	Year ended 31.12.2016	Year ended 31.12.2015
Salaries	53	44
Social security	13	9
Other administrative expenses	42	47
TOTAL	108	100

12 Finance income (net)

	Year ended 31.12.2016	Year ended 31.12.2015
Currency exchange rate gains	22	3
Interest income	17	38
TOTAL	39	41

13 Key management personnel

The key management personnel comprises the members of the Council of founders of the Foundation, the Board of Directors of the Foundation and the Executive Director. The members of the Board of Directors and the Council of founders have accepted to work without receiving consideration to achieve the Foundation's goals. The remuneration and social security benefits for the Executive Director have been reported as expenses for salary and social security and for 2016 they amount to BGN 27 thousand.

14 Events after the reporting period end

In January 2017, at a joint meeting of the Board of Directors and the Council of Founders a decision was taken to change the name of the Foundation from Bulgarian Charities Aid Foundation to BCause Foundation. The organisation has completed legal action and obtained Sofia City Court resolution for the change at 19 April 2017. In 2018 the foundation re-registered in the Commercial Register and Register of Non-profit Legal Entities in accordance with the new amendments in the Law on Non-profit Legal Entities. There are no other significant events after the reporting period end, which require additional adjustments and/or disclosures in the Foundation's financial statements.