

*Translation from Bulgarian*

**Georgi Georgiev**

**Registered auditor No. 0063**

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**TO ASSOCIATION  
TRANSPARENCY INTERNATIONAL –  
BULGARIA  
Sofia**

### **INDEPENDENT AUDITOR'S REPORT**

We audited the enclosed financial statements of Association “TRANSPARENCY INTERNATIONAL – BULGARIA”, SOFIA, comprising the balance sheet as at 31 December 2010, as well as the income and expenditure statement, the equity statement and the cash flow statement for the year ending on that date, as well as the summary disclosure of the important accounting policies and the other notes.

#### *Responsibility of the Management for the Financial Statement*

The responsibility for the preparation and reliable presentation of the financial statement, in accordance with the Accountancy Act and the National Financial Reporting Standards for Small and Medium-sized Enterprises, lies with the management. This responsibility includes: setting up, introducing and maintaining an internal control system related to the preparation and reliable presentation of financial statements which are free from material inaccuracies, deviations and inconsistencies, regardless of whether they are due to fraud or error; selection and implementation of

appropriate accounting policies; and making reasonable accounting estimates which are reasonable in the specific circumstances.

*Responsibility of the Auditor*

Our responsibility is to express an audit opinion on these financial statements, based on the audit conducted by us. Our audit was conducted in compliance with the professional requirements of the International Auditing Standards. These standards require compliance with the ethical requirements and stipulate that the audit shall be planned and performed in such a way that we can obtain reasonable assurance that the financial statement does not contain material inaccuracies, deviations and inconsistencies.

The audit includes examination on a test basis for the purpose of obtaining evidence of the amounts and disclosures presented in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material inaccuracies, deviations and inconsistencies in the financial statement, regardless of whether they are due to fraud or error. In the course of carrying out these risk assessments the auditor takes into account the internal control system related to the preparation and reliable presentation of the financial statement by the company in order to develop audit procedures appropriate under the circumstances, but not for the purpose of expressing an opinion on the efficiency of the internal control system of the company. The audit also covers an assessment of the relevance of the accounting policies applied and the rationality of the accounting estimates made by the management, as well as the overall presentation of the financial statement.

We believe that the audit conducted by us gives sufficient and reasonable grounds for the audit opinion expressed by us.

*Audit Opinion*

In our opinion, the financial statement gives a true and fair view, in all material aspects, of the financial situation of the company as at 31 December 2010, as well as of the financial results from its operations and its cash flows for the year then ended, in compliance with the National Financial Reporting Standards for Small and Medium-sized Enterprises.

REGISTERED AUDITOR: [*Signature illegible*]

/GEORGI GEORGIEV/

*An oval stamp of Registered Auditor Georgi Georgiev,*

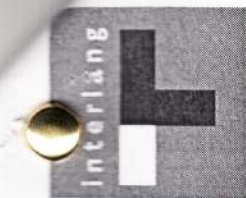
*No. 0633, is affixed on the signature*

14 June 2011

Sofia

*Translation full, true and correct in accordance with the original.*

*Zlatina Yaneva*  

*Translation from Bulgarian*

**BALANCE SHEET**

of Transparency International - Bulgaria, UIC 121752288, Sofia, 3, "Bistritsa" Street  
as at 31 December 2010

**ASSETS**

Sections Groups Items a	Amount (BGN '000)	
	Current year	Previous year
	1	2
<b>A. REGISTERED CAPITAL NOT PAID IN</b>		
<b>B. NON-CURRENT (LONG-TERM) ASSETS</b>		
<b>I. Intangible assets</b>		
Group I total:	0	0
<b>II. Long-term tangible assets</b>		
• Plant, production equipment and apparatuses	1	2
Group II total:	1	2
<b>III. Long-term financial assets</b>		
Group III total:	0	0
<b>IV. Deferred tax</b>		
<b>SECTION B TOTAL:</b>	<b>1</b>	<b>2</b>
<b>B. CURRENT (SHORT-TERM) ASSETS</b>		
<b>I. Inventories</b>		
Group I total:	0	0
<b>II. Receivables</b>		
• Other receivables, including:	129	3
over 1 years		
Group II total:	129	3
<b>III. Investments</b>		
Group III total:	0	0
<b>IV. Cash, including</b>	<b>215</b>	<b>194</b>
• in hand	17	11
• in accounts (deposits) without a fixed term	198	183
Group IV total:	215	194
<b>SECTION C TOTAL:</b>	<b>344</b>	<b>197</b>
<b>D. DEFERRED EXPENSES</b>	<b>188</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>533</b>	<b>199</b>

**BALANCE SHEET**  
of Transparency International - Bulgaria, UIC 121752288, Sofia, 3, „Bistritsa“ Street  
as at 31 December 2010

Sections Groups  Items  a	LIABILITIES	
	Amount (BGN '000)	
	Current	Previous
	year	year
	1	2
<b>A. EQUITY</b>		
<b>I. Registered capital</b>		<b>3</b>
<b>II. Premiums on issues</b>		
<b>III. Revaluation reserve</b>		
<b>IV. Reserves</b>		
• Other reserves	70	
<b>Group IV total:</b>	<b>70</b>	<b>0</b>
<b>V. Accumulated profit (loss) from prior years, including</b>		
<b>Group V total:</b>	<b>0</b>	<b>0</b>
<b>VI. Current profit (loss)</b>	<b>1</b>	
<b>SECTION A TOTAL:</b>	<b>71</b>	<b>3</b>
<b>B. PROVISIONS AND SIMILAR LIABILITIES</b>		
<b>SECTION B TOTAL:</b>	<b>0</b>	<b>0</b>
<b>C. BORROWINGS</b>		
• Payables to suppliers, including:		
up to 1 year	11	12
over 1 years	11	12
• Other payables, including:		
up to 1 year	10	62
over 1 years	10	62
•• payables to staff, including		
up to 1 year	7	
over 1 years	7	
•• payables for social security contributions, including:		
up to 1 year	3	2
over 1 years	3	2
<b>SECTION C TOTAL, INCLUDING:</b>		
up to 1 year	<b>21</b>	<b>74</b>
over 1 years	21	74
<b>D. FINANCING AND DEFERRED INCOME, INCLUDING</b>	<b>441</b>	<b>122</b>
• financing	441	
• deferred income		
<b>TOTAL LIABILITIES</b>	<b>533</b>	<b>199</b>

Date: 24/03/2011

Prepared by:

Chairman:

**STATEMENT**  
**of income and expenditure (non-profit activities)**  
**of Transparency International - Bulgaria, UIC 121752288, Sofia, 3, "Bistritsa" Street**  
**as at 31 December 2010**

Expenditure	Amount (BGN '000)		Income	Amount (BGN '000)	
	current year	previous year		current year	previous year
a	1	2	a	1	2
<b>I. OPERATING EXPENDITURE</b>			<b>I. OPERATING INCOME</b>		
<b>A. Expenditure on regulated activities</b>			<b>A. Income from regulated activities</b>		
1. Donations			1. Income from conditional donations	206	730
2. Other expenditure			2. Income from unconditional donations	5	
<b>Total A:</b>	<b>0</b>	<b>0</b>	3. Membership fees		
<b>B. Administrative costs</b>	<b>136</b>	<b>731</b>	4. Other income		
<b>Total I:</b>	<b>136</b>	<b>731</b>	<b>Total I:</b>	<b>211</b>	<b>730</b>
<b>II. FINANCIAL EXPENDITURE</b>			<b>II. FINANCIAL INCOME</b>		
3. Interest expenditure	3		5. Interest income		
4. Negative differences on transactions involving financial assets and instruments			6. Income from participations		
			7. Positive differences on transactions involving financial assets and instruments	2	
5. Negative differences from exchange rate fluctuations	6		8. Positive differences from exchange rate fluctuations		

6. Other costs on financial transactions	1		9. Other income from financial transactions		1
<b>Total II:</b>			<b>Total II:</b>	<b>2</b>	<b>1</b>
<b>III. EXTRAORDINARY EXPENDITURE</b>			<b>III. EXTRAORDINARY INCOME</b>		
<b>IV. LOSS FROM BUSINESS OPERATIONS</b>			<b>IV. PROFIT FROM BUSINESS OPERATIONS</b>	<b>1</b>	
<b>V. TOTAL EXPENDITURE</b>	<b>146</b>	<b>731</b>	<b>V. TOTAL INCOME</b>	<b>214</b>	<b>731</b>
<b>VI. RESULT</b>	<b>68</b>	<b>0</b>	<b>VI. RESULT</b>	<b>0</b>	<b>0</b>
<b>Total (V+VI)</b>	<b>214</b>	<b>731</b>	<b>Total (V+VI)</b>	<b>214</b>	<b>731</b>

Date: 24/03/2011

Prepared by: Evelina Tsvetkova

Chairman: Ognyan Minchev