

INDEPENDENT AUDITOR'S REPORT

**TO THE GENERAL ASSEMBLY
OF TRANSPARENCY INTERNATIONAL BULGARIA
SOFIA**

Report on the financial statements

We audited the enclosed financial statements of Transparency International Bulgaria, Sofia, comprising of the balance sheet at 31.12.2015, the income and expenditure statement, the equity statement, the cash flow statement for the year ending on that date and the summary disclosure of the important accounting policies and the other explanatory 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.

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 implementation of procedures aiming to obtain evidence of the amounts and disclosures presented in the financial statement. The selected procedures depend on the auditor's judgment, including the risks assessment 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 organization with the purpose to elaborate appropriate audit procedures without expressing an opinion on the efficiency of the internal control system of the organization. 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 organization at 31.12.2015, 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.

Others

The financial report of TI-Bulgaria for the year of 2014 was audited by another auditor who has expressed an unmodified opinion about it on May 25, 2015.

Report on other law and regulation requirements

In accordance with requirements of Article 40 of Law for Non-profit Organizations, Transparency International Bulgaria has prepared an Annual Activity Report, which was also presented to us. According to us the historical financial information, presented in the Annual Activity Report of the Association, prepared by its Management, corresponds in all aspects to the financial information, included in the financial reports audited by us. The management of Transparency International Bulgaria bares the responsibility for the preparation of the Annual Activity Report.

May 9, 2016
Sofia
2 Nikolay Pavlovich Street

VERIFIED BY: [signature and stamp]

/registered auditor Vladimir Hristov/

BALANCE SHEET

of Transparency International Bulgaria
as at 31.12.2015

ASSETS			LIABILITIES		
SECTIONS GROUPS ITEMS	Amount (BGN '000)		SECTIONS GROUPS ITEMS	Amount (BGN '000)	
	Current year	Previous year		Current year	Previous year
a	1	2	a	1	2
A. REGISTERED, BUT NOT PAID IN CAPITAL			A. OWN CAPITAL		
B. NON-CURRENT (LONG-TERM) ASSETS			I. Registered capital		
I. Intangible assets			II. Premiums on issues		
1. Research and development products			III. Revaluation reserve		
2. Concessions, patents, licenses and similar rights and assets	19	23	IV. Reserves		
3. Trade reputation			1. Statutory reserves		
4. Advances and intangible assets under construction			2. Reserve relating to Redeemed own shares		
Group I total:	19	23	3. Reserve under statutes		
II. Long-term tangible assets			4. Other reserves	25	48
1. Land and buildings, including:	-	-	Group IV total:	25	48
-land			V. Accumulated profit (loss) form prior years, including	-	-
-buildings			- retained earnings		
2. Machines, production equipment and apparatuses			- uncovered loss		
3. Equipment and other tangible fixed assets	4	9	Group V total:	-	-
4. Advance payments and fixed assets under construction			VI. Current profit (loss)	2	2
Group II total:	4	9	SECTION A TOTAL:	27	50
III. Long-term financial assets			B Provisions and Similar Liabilities		
1. Shares and stocks in group companies			1. Provisions for pensions and similar obligations		
2. Loans to companies in group			2. Provisions for taxation, including:		
3. Stocks and shares in associates and joint ventures			- deferred tax		
4. Loans related to associates and joint ventures			3. Other provisions and similar obligations		
5. Long-term investments			SECTION B TOTAL:	-	-
6. Other loans			C. BORROWINGS		
7. Redeemed own shares: par value (BGN'000)			1. Bonds with separate indication of the the convertible, incl:	-	-
par value (BGN'000)	X	X	up to 1 year		
Group III total:	-	-	over 1 year		
IV. Deferred tax			2. Liabilities to financial companies	-	-
SECTION B TOTAL:	23	32	up to 1 year		
B. C. NON-CURRENT (LONG-TERM) ASSETS			over 1 year		
I. Inventories			3. Liabilities to financial lising	-	-
1. Raw Ingredients and Materials			up to 1 year		
2. Unfinished projects			over 1 year		
3. Goods and production	-	-	4. Advances received	-	-
- production			up to 1 year		
- goods			over 1 year		
4. Advances granted		389	5. Payables to suppliers, including:	29	11
Group I total:	-	389	up to 1 year	29	11
II. Receivables			over 1 year		
1. Receivables from customers and suppliers		-	6. Payables to group enterprises incl :	-	-
over 1 year			up to 1 year		
2. Receivables from group companies			over 1 year		
over 1 year			7. Bill of exchange payable	-	-
3. Receivables related to associates and joint ventures			up to 1 year		
over 1 year			over 1 year		
4. Receivables from loans			8. Liabilities on borrowings, incl:	-	-
over 1 year			up to 1 year		
5. Tax claims			over 1 year		
over 1 year			9. Other liabilities, including	97	6
6. Other receivables	574	917	up to 1 year	97	6
over 1 year			over 1 year		
Group II total:	574	917	- payables to staff, including:	6	6
III. Investments			up to 1 year	6	6
1. Shares and stocks of group enterprises			over 1 year		
2. Redeemed own shares:			- payables for social security	4	-
par value (BGN'000)	X	X	up to 1 year	4	
3. Other investment			over 1 year		
Group III total:	-	-	- tax liabilities	2	-
IV. Cash			up to 1 year	2	
1. in hand	1	2	over 1 year		
2. in accounts (deposits) without a fixed term	179	317	SECTION C TOTAL, INCLUDING:	126	17
Group IV total:	180	319	up to 1 year	126	23
SECTION B TOTAL:	754	1 625	over 1 year	-	-
G DEFERRED EXPENSES			D FINANCING AND DEFERRED INCOMES, INCLUDING	624	1 590
			- financing	624	1 590
			- deferred incomes		
TOTAL ASSETS	777	1 657	TOTAL LIABILITIES	777	1 657

Date: 31.03.2016

Prepared by:
Dimo Mindov

Chairman:
Ognyan Minchev

Certified by audit report

.....
/Vladimir Hristov/

STATEMENT of income and expenditure (non-profit activities)

of Transparency International Bulgaria
for 2015

Expenditures	Amount (BGN ' 000)		Incomes	Amount (BGN ' 000)	
	Current Year	Previous Year		Current Year	Previous Year
a	1	2	a	1	2
I. OPERATING EXPENDITURES			I. OPERATING INCOME		
A. Expenditure on regulated activities			A. Income form regulated activities		
1. Donations			1. Income form conditional donations	1 203	127
2. Other expenditures	1 171	131	2. Income form unconditional donations		27
Total A	1 171	131	3. Memebership fees		
B. Administrative costs	37	21	4. Other incomes		
Total I	1 208	152	Total I:	1 203	154
II. FINANCIAL EXPENDITURES			II. FINANCIAL INCOME		
3. Interest expenditure			5. Interest income		
			6. Income form participations		
4. Negative differences on transactions involving financial assets and instruments			7. Positive differences form financial assets and instruments		
5. Negative differences form exchange rate fluctuations	1	1	8. Positive differences form exchange rate fluctuations	10	3
6. Other costs on financial transactions	2	2	9. Other incomes form financial transactions		
Total II.	3	3	Total II:	10	3
III. EXTRAORDINARY EXPENDITURES			III. EXTRAORDINARY INCOMES		
IV. LOSS FORM BUSINESS OPERATIONS			IV. PROFIT FORM BUSINESS OPERATIONS		
V. TOTAL EXPENDITURES	1 211	155	V. TOTAL INCOMES	1 213	157
VI. RESULT	2	2	VI. RESULT		
Total (V+VI)	1 213	157	Total (V+VI)	1 213	157

Date: 31.03.2016

Prepared by:.....
Dimo Mindov

Chairman:
Ognyan Minchev

Certified by audit report

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/Vladimir Hristov/