

ANNUAL REPORT 2018



SOS CHILDREN'S
VILLAGES
BULGARIA



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GENERAL INFORMATION ABOUT THE ACTIVITY OF SOS CHILDRENS' VILLAGES BULGARIA IN 2018

MISSION

SOS Children's Villages Bulgaria is a non-governmental association focused on guaranteeing every child's right to have a family and to grow up in a loving, respectful and safe environment and home.

ABOUT US

SOS Children's Villages Bulgaria Association is the first civil human rights organization in the country which provides direct care for children at risk. For the first time after the democratic changes in the country, the Association provided an alternative to the institutional care for children – care in the SOS family.

SOS Children's Villages Bulgaria Association is part of the big international family SOS Children's Villages International which provides care for almost 2 500 000 children in 135

countries worldwide. In Bulgaria the Association began its activity in 1990.

For more than a quarter of a century SOS Children's Villages Bulgaria has been ensuring family and healthy environment for development and raising of children that were deprived of parental care or at risk of losing the protection of their parents. The Association has been offering family-like care and support to the family and has been actively advocating for the rights of children and young people.



SOCIO-ECONOMIC SITUATION

The positive development of the short-term economic indicators that started in 2016 and 2017 delayed its rate in 2018. This predetermined the relative hold-up of the economic situation in Bulgaria on the level of the previous year and in some aspects there was even a decline. Conditions on the labor market continued to improve but at the same time in several industries there was a very clear deficiency of qualified workforce.

The increase of GDP for the last quarter of 2018 is 3.1% according to last year but along with this good indicator, at the end of the year the level of inflation increased with 2.7% in comparison with the end of 2017. According to data from the National Institute of Statistics the level of unemployment in the country for 2018 is 6.2% but there is an imbalance between the professional qualifications of people who are needed for employment and those that are available. During the year there was a reported increase of the average payroll but this increase managed only to compensate for the inflation level and the increased prices of electricity and heat supply and could not cause an increase of the living standards of the bigger part of population.

In the social sphere in 2018 there were no essential changes of the legislation that could affect directly the work of the Association. The process of deinstitutionalization continues to develop and the most important part of this process is the establishment of foster care. In parallel to this, municipalities began searching more actively for partnerships with different NGOs in order to find more adequate ways to solve the social problems in the country.



ACTIVITY OF THE ASSOCIATION IN STRATEGIC OBJECTIVE PROGRAM DEVELOPMENT

Activities within the strategic objectives of program development

The activities in the development of the programs, based on international and national strategic objectives and directed towards children and young people from our target group are implemented in 4 major directions:

- Development of social services provided by our Association and identification of new opportunities;
- Implementation of thematic projects related to children and youths at risk, including: prevention of the trafficking of children aimed at sexual exploitation; and support to care leavers at the start of their independent life, among others;
- Public funding – identification of opportunities for public funding and elaboration of project proposals;
- Advocacy for children's rights – work in partnerships with other NGOs and state institutions to improve the legislative frame in regard to social services for children and families, health and educational services. We work with the main goal to make it possible that children's voices are heard and they are enabled to stand up for their rights.

SOS Children's Villages Bulgaria manages two SOS Children's Village Programs:

- **SOS Children's Village Program Veliko Turnovo-Gabrovo-Tryavna** – includes 10 program facilities which manage also the 5 types of social services, which the Association is licensed to provide.
- **SOS Children's Village Program Sofia-Pernik** – includes 7 program facilities that manage the 4 types of state-licensed social services.

The four types of state-licensed social services, provided by the Association are:

- Foster care – support to communities of SOS foster families;
- Residential family-like care – running of SOS youth homes and small family homes (registered by the state as Family-like placement centers for young people);
- Family consulting – family strengthening programs (registered by the state as Social support centers);
- Support for young people who are leaving care – Semi-Independent Living Programme.

In the summer of 2018 the Association won a tender for the management and provision of another new social service that is partially funded by a state delegated budget – Mother and Baby Facility in Gabrovo town.

Sustainable development and financial self-sufficiency strategy

In accordance with the strategy for sustainable development SOS Children's Villages Bulgaria continued its targeted efforts to ensure state funding for all of its structural facilities. In the spring of 2018 the contract with Veliko Turnovo Municipality for the management of the Small family home "Nadezhda" was renewed for another 5 years. This guarantees the respective funding for the home as a placement center for children for the same period.

In the summer of 2018 Gabrovo Municipality announced a tender for the procurement and management of 3 social services: the Small Family Home "Chardafon", managed until the moment by SOS Children's Villages Bulgaria; Center for Social Support and Mother and Baby Facility. The Association applied and won the competition and thus secured partially funding for the 3 services in the next 3 years.

As a result of the good joint work between the Association and Veliko Turnovo Municipality the capacity of Center for Social Support, managed by us, was increased twice during the year: in May – from 20 to 30 beneficiaries and once again in December – from 30 to 40 beneficiaries. This guarantees a bigger share from state funding in the total funding of the activity of the Center.

The long-term successful work of the Association with Sofia Municipality made it possible at the end of 2018 to sign a social service delegation contract for the management of Center for Social Support Sofia and to receive the respective funding through the state delegated budget. In this way SOS Children's Villages Bulgaria over succeeded in implementation of the plan for 2018 for securing state funding for all of its structural facilities.

In 2018 a renovation project was realized in SOS Children's Village Tryavna with a targeted funding from the SOS CV International with the goal to renovate and improve the working environment in part of the buildings by adapting them to provide new social services. The project planned an entire renovation of 2 of the family houses so that they can provide placement conditions for foster families from other regions of the country or specialized foster families. For other 2 of the family houses the plans were to convert them into Crisis centers for children and families, victims of violence. Unfortunately, this idea did not find support among local authority and as per present moment it is abandoned while searching for other options. As part of the renovation project the multi-functional hall and the guest rooms were entirely renovated which ensured available conditions to organize different professional and training activities including ones that could secure financial income. A whole re-construction of the Complex for work with children was done and it became a Center for social support. The pedagogical team of the SOS CV was transformed into a support team and the establishment of the Center for Social Support Tryavna found the support of the municipality which gave us well-founded hope that in 2019 there is a chance to receive its partially funding from the state delegated budget.

A profound analysis of the work of our Youth homes in Sofia and Veliko Turnovo was carried out, after which a decision was made to decrease the capacity of every youth home from 15 to 10 youths. In this way we aim at increasing the quality of the service and providing more adequate care to the entirely changed target group, placed in the homes. The change of the capacity was agreed with the respective municipalities and the contracts were re-signed.

Other important aspects of the activities

In October 2018 we celebrated 25 years from the establishment of the first SOS Children's Village Trayvna. Recognition about the importance of the anniversary was the presence of hundreds of guests among whom were the Minister of Labor and Social Policy, all directors of Regional social assistance departments, Central social assistance department and Child protection departments from both provinces, the mayor and the municipal management of Tryavna Municipality, members of Parliament, present and former employees and children. The celebration received wide media coverage and made possible many partnerships.

In 2018 we celebrated also the 10th anniversary from the opening of the Center for Social Support Veliko Turnovo and the Small Family Home "Nadezhda" in Veliko Turnovo, which also turned into an exciting occasion for a meeting of former and present children living there, families and employees.





In the autumn of 2018 the first in the country Foster Parent Club was established in Veliko Turnovo. This is an interesting form of cooperation and partnership between both the foster parents from the city and with the Regional foster care team. The goal of the club is to organize periodical meetings and trainings on requested topics, related to child development and dealing with problems related to raising children.



Short introduction of separate structural facilities of the Association

Family-like care programs

Our family-like care programs work in the following directions: 1) foster care which includes our work in development of our networks of foster parents; 2) youth residential care, provided in our Youth Homes and Small Family Homes; 3) support for young people, who are leaving care. In all those directions the Association provided care for 188 children and youths in total.

Foster care

In 2018 within the national foster care project “Accept me 2015” SOS Children’s Villages worked actively with foster parents in Tryavna, Gabrovo, Veliko Turnovo, Sofia, Pernik and Breznik. Through our participation in the Consultative Expert Council we also supported the realization of the project on national level.

The foster parents network, supported in both SOS Children’s Village Programs considerably expanded as per end of 2018 the number of foster parents for the Program Veliko Turnovo-Gabrovo-Tryavna is 40 with 58 children in them and for the Program Sofia-Pernik - 29 with 40 children in them.

Youth care

The youths who were supported as per end of 2018 in our facilities for youth care were as follows: in total 20 youths in both youth homes “Ohrid“ and “Ilio Voivoda“ in Veliko Turnovo, 5 – in the Small Family Home “Nadezda“ in Veliko Turnovo, 4 – in the Small Family Home “Chardafon“ in Gabrovo and in total 20 youths in both youth homes “Friends“ and “Dreamers“ in Sofia. Considerable changes were implemented in the work of the teams in those homes with the main goal to provide more quality in the care for the children placed there.

Support for young people who are leaving care

In 2018, a new concept for youth care was developed and adaptation of the Semi-Independent Living Program began. In both programs, two new social workers were hired who are directly responsible for implementing the new version of the program and supporting the youths in their trainings, job hunting, finding places to live, etc. In total, 17 youths were supported through the program in Veliko Turnovo and 24 in Sofia.

Family strengthening programs

During 2018 in the Family Strengthening Programs registered as Centers for social support in Sofia, Gabrovo, Pernik and Veliko Turnovo we supported in total 513 children and parents. In more than 60% of the families-beneficiaries there was a positive development and the families reached self-dependence by the end of the program stay.

In 2018, the work of our Centers for social support was related to: prevention of school drop-out; prevention of violence between and against children; support of children who are victims of violence; training candidates for foster parents and adoptive parents. The services provided to children and families are based on evaluation of their needs and include: psychological consulting – individual and group; trainings for children and their parents; accompanying and mediation work for the beneficiaries in their contacts with different state institutions; advocacy for access of children at risk and their families to health care and education; material support for children and their families that are in difficult social situation.



Thematic projects

In February 2018, we launched the project “Firefly: Prevention of Trafficking of Children for Purposes of Sexual Exploitation”, in partnership with SOS CV Sweden. The project features the development and testing of a multimedia educational module for classes in the regular schools, aimed at children aged 10-14. We developed the module consisting of four interactive lessons, including a teacher manual, a website and a mobile application, and tested it in 12 schools throughout the country. The project also contains capacity building events for 300 foster parents and 300 professionals on the prevention of child trafficking. The project’s budget is €199 847 and it will be completed in summer 2019.

In April 2018, in partnership with six SOS associations from other countries, we started the project „Leaving Care: Integrated Approach to Developing the Capacity of Care Leavers and Professionals Supporting Them” funded by the European Commission. The project focuses on creating a moderated youth platform (YouthLink) and building the capacity of social service professionals to support young people who are leaving any form of alternative care. The budget for our part in this international project is €117 000 and it will run until mid-2020.

Public Funding

During 2018, a number of project proposals were submitted to a variety of potential funders. The Programme team developed nine applications, of which two were successful, two - unsuccessful, and the remaining five are pending.

Advocacy activities

The activities of the Association in the field of advocacy are realized in partnership with other NGOs in three major civil structures – “National Network For Children”, “Bulgarian Platform for International Development” and “Childhood 2025 Coalition”, as well as in partnership with central and local state institutions.

The Association was represented in the official Working Group at the Council of Ministers which drafted a new social services bill. The bill was introduced in parliament in December 2018 and adopted in early 2019.

In February 2018 with a round table “From Alternative Care to Independent Life: Rights and Needs of Young People Leaving and Already Left Care Facilities in Bulgaria” we announced to all stakeholders and the public the start of the advocacy project with the same name, whose objective is to ensure equal opportunities and start for all young people in Bulgaria through strong commitment of the state and civil society.

We participated in a number of meetings to discuss the future development of the foster care as a social service in Bulgaria. We presented our concept with structured proposals for changes in the legislative frame and for the future development of the service in Bulgaria. All of our proposals were accepted and became official positions of the members of NNC organization. The work still continues and the next step would be to support the necessary changes in the state institutions and agencies.

As members of the Bulgarian Platform for International Development we participated in the project “Civil Dialogue for Development” with the financial support of the European Commission and organized 4 informative meetings to present the sustainable development goals of UN in Blagoevgrad, Gabrovo, Vidin and Montana.



ACTIVITIES OF THE ASSOCIATION IN STRATEGIC OBJECTIVE FUND DEVELOPMENT AND COMMUNICATIONS

As a result of fundraising activities in 2018 the amount of BGN 2 784 795 or 90% of the planned annual FR income (BGN 3 102 191) was raised. Although the planned FR income was not reached by 100%, it should be noted that in 2018 we raised the highest amount ever. For comparison, the generated income in 2017 amounted to BGN 2 031 222, which means an increase of 37% in 2018.

Traditionally SOS Children's Villages Bulgaria works with two target groups - companies and individual donors. The proportion of income from companies to income from individuals in 2018 is 75:25%. In comparison, the proportion in 2017 is also in favor of companies - 76:24%. One main goal in 2019 and the years to come should be to achieve a balance between the income from individual donors and corporate partners.

Individual Donors

The income, generated from individual donors in 2018, represents 25% of the total local FR income. The income from individuals amounts to BGN 688 571 or 51% of the planned annual income from individuals (BGN 1 347 191). The raised amount in 2018, compared to the income from individuals in 2017 (BGN 589 209), shows an increase by 17%.

The number of active committed givers at the end of 2018 is 4,454 the new donors are 1,459. The active one-off donors are 656 and the number of newly recruited - 300.

The focus in attracting individual donors in 2018 was on the face-to-face channel (F2F) and the digital channels. The donors acquisition via the F2F channel was done by in-house team of 7 people. 1423 new committed givers were recruited throughout the year. The annual value of their donations amounts to BGN 114 280.

The in-house team worked mainly in two types of locations - business locations and shopping centers. In the shopping centers there is a constant human flow, which is a precondition for recruiting many visitors as donors. On the other hand, business locations (company offices, mainly in the IT sphere) imply more positive potential donors. The number of recruited donors is significantly higher than the number of donors, recruited in shopping malls. A major problem explaining the lower number of individual donors, planned per year, is the long process of searching and negotiating of new locations, the waiting period for permission and frequent refusals.

The main channels for attracting individual donors in 2018 were also the digital channels. Throughout the year, SOS Children's Villages Bulgaria's website received constant donations through ePay, PayPal and SMS channels. Accordingly, each of them has options for one-off and regular monthly donations. Two new online donation channels have been added, reaching employees of big companies - Benevity (individual + corporate donations) and GlobalGiving (individual donations).



The planned online fundraising campaigns started with a significant delay in September 2018 due to technical problems, connected with the integration between the website, the Salesforce database and the ePay payment system.

The PayPal channel generated in 2018 donations amounting to BGN 14 326, the ePay Channel "Utility Bills" - BGN 66 642. The ePay channel is also used by one-off individual donors. In 2018 the generated amount is BGN 10 680. The SMS channel generated in 2018 a total amount of BGN 69 859.

Corporate Partnerships

The income, generated from corporate partners in 2018, represents 75% of the total local FR income. The income from corporates amounts to BGN 2 096 224 or 119% of the planned annual income from companies (BGN 1 755 000). The raised amount in 2018, compared to the income from companies in 2017 (BGN 1 444 013), shows an increase by 45%.

The three top corporate partners in 2018, that donated a total of over BGN 1 250 000, are DSK BANK, SOCIETE GENERALE EXPRESSBANK and FANTASTICO RETAIL CHAIN.



The most successful mechanism in the Corporate fundraising is the Cause Related Marketing, that generated an annual income of BGN 1 330 093 throughout the year. Here we count the income from the ATMs of DSK Bank and Société Générale Expressbank, as well as the successful campaigns with the customers of Fantastico retail chain, OMV Bulgaria, UniCredit Consumer Financing, Beiersdorf Bulgaria, MBM and others. For comparison - the planned amount from CRM campaigns in 2018 was BGN 1 080 000, and it was exceeded by 23%.

The income from significant long-term corporate partners we work on specific projects with, amounts to BGN 345 578. The donations come from their CSR budgets. In this segment, the amounts planned for 2018 were exceeded by 15%.

The group of major corporate partners for 2018 includes companies like PROGRESS, DEBT COLLECTION AGENCY, UNICREDIT CONSUMER FINANCING, BEIERSDORF BULGARIA, OMV BULGARIA, MM SOLUTIONS, TED BED, BORICA BANK SERVICES, CEZ BULGARIA, EUROINVESTMENT HOLDING, TIVA PLUS, ECOMAT, MBM, KBS AGRO. To the long-term corporate partners belong companies like RAIFFEISENBANK BULGARIA,

BILLA BULGARIA, UNICA INSURANCE COMPANY, DB SCHENKER BULGARIA, L'OREAL BULGARIA, SOFTWARE GROUP, SOFIA WATER AND WASTE WATER SERVICES AD. For us, these companies are valuable as they have consistently supported the cause of SOS Children's Villages over the years.

The Direct mailing to SMEs is sent 4 times a year - for Easter, June 1, Back to school and Christmas, and brings traditionally good results. The Direct mailing generated in 2018 the total amount of BGN 250 444.

For first time in 2018 we launched an online store for selling SOS Christmas cards to corporate and individual clients. The sales process was considerably relieved, and the result - BGN 41 456.

The donations in kind, raised in 2018, reached BGN 124 413 compared to the planned BGN 50 000.

The retention of current corporate partners and the expansion of the corporate donor network is essential to ensure the achievement of the high goals in 2019. Conducting the traditional event to award the significant and long-term corporate partners of the organization is the key for establishing and maintaining relationships with them. The event was held on February 12, 2019.



PR & Communications

The broad public and the professional groups in the Social sector were informed throughout the year about events, campaigns and projects through a series of communication activities.

Special events marked important anniversaries and dates during 2018:

- 10th anniversary of FSP Veliko Tarnovo - with a special edition of PO Box for Stories with lots of celebrities - Geri Turijska, Mariana Vekilska (TV host and journalist), Rositsa Dimitrova (Deputy Minister of Labor and Social Policy), Bashar Rahal (famous actor and TV host) and Kamen Alipiev (journalist).
- 25 years of the foundation of SOS Children's Village Tryavna - "25 Moments of Childhood" exhibition in front of the National Palace of Culture - Sofia; a photo album "25 Moments of Childhood", sponsored by Uniqa Insurance company; Filming and broadcasting of the Bulgarian National Television of two documentaries - "The First Family" and "The Suns of Tryavna"; an official event in the SOS Children's Village Tryavna in the presence of the Minister of Labor and Social Policy, Bisser Petkov, SOS Good will ambassador Krasimir Balakov, corporate and institutional partners





- June 23 - International Day of SOS Children's Villages – interviews, broadcasted on BTV, with Krasimir Balakov, Ivan Hristoforov - Director of SOS Children's Village Tryavna and a former SOS child from SOS Children's Village Tryavna – Martina Bakarova.

Broadly announced, mainly among the professional circles, were the projects of the Program Development Department:

- “From Care to Self-reliance: Support for the Youngsters, who are leaving or have already left care in Bulgaria” project - round table with participation of the Deputy Minister of Labor and Social Policy and the Deputy Minister of Youth and Sports, as well as representatives of many NGOs.
- “Be Aware Be Safe” - Child Trafficking Prevention project.

- “Leaving Care” project - the first steps in the independent life of SOS young people - a press conference announcing the start of the project was held at the Ministry of Youth and Sports.

The activities of the Family Strengthening Centers, SOS foster care, SOS youth homes and Semi-Independent Living Programme were announced and popularized throughout the year. The visit of Richard Pichler, representative of SOS Children's Villages International, in Bulgaria, was also announced through interviews at the Bulgarian National Television and Manager Magazine.



Announcing the fundraising campaigns among selected target groups is critical to their success. The campaign “1 out of 10 children goes to school unattended” was carried out from September 15 until the end of October 2018. Its goal was to recruit committed givers through online and SMS channels. The campaign was widely advertised thanks to the media partnerships with BTV Media Group, BNT, BNR, FM + radio, Jazz FM bTV radio, Njoy radio, as well as purvite7.bg and noviteroditeli.bg. The good results of the second campaign “It is hard to get a second chance, but it is easy to give” for recruiting committed givers are due to the media support of the websites purvite7.bg and noviteroditeli.bg



The SOS Children's Villages Bulgaria corporate partnerships in 2018 were also announced through various communication channels:

- Hand-over of a donation check from Nivea for SOS Bulgaria with the raised amount of BGN 52 267. The famous singer Orlin Pavlov participated in the closing event.
- “No Child Should Grow Up Alone” campaign (22 March-30 June 2018) took place in the supermarkets of Fantastico Retail Chain. The customers had the opportunity to make a donation of BGN 1 before finalizing the bill. The owner and General manager of Fantastico decided to double the amount, donated by the clients, and the total donation reached BGN 253,138. The campaign was promoted through the Association's own channels - website, Facebook, via press releases and radio interviews at Radio Sofia and BTV Radio. The retail chain also held a second campaign at the end of 2018 under the moto “Let's all have our cozy Christmas together!” which was very successful. It was announced through press releases, news on the Association's website and on Facebook.

This November SOS Children's Village Tryavna turned into a fabulous shooting set. The reason - Stana Katic - the star from “Castle” and her shooting crew from “Absentia” organized a cinema workshop for the kids from the SOS foster families in the village - a real master class on performing, visual effects, stage makeup and stunts.

- In December 2018 we started the partnership with Domino's Pizza. The actor Naum Shopov became the face of the campaign. BGN 2 of each sold “Pizza Naum” were allocated in favor of the SOS organization. The campaign was mainly announced through social media.



- Corporate Partnerships with Borika Bankservice, Raiffeisenbank, General Expressbank, Tiva Plus, Remix, UniCredit Consumer Financing, OMV Bulgaria, Billa Bulgaria were announced throughout the year.
- The visit of Sofia motorbikes in the SOS Youth Home “Dreamers” on the Christmas Eve was also reflected by various media channels

The communication activities throughout the year were mainly aimed at supporting fundraising campaigns in order to achieve self-sufficiency, but also at promoting program activities and at affirming the good image of the Association.



ACTIVITIES IN STRATEGIC OBJECTIVE ORGANIZATIONAL DEVELOPEMNT

The work in the field of organizational development and human resources during 2018 had the following aspects:

- During the year the management team of the Association placed a serious priority in their work on the further consolidation of a common vision for the future development of the organization.
- Numerous discussions and workshops were held with members from the management team, the board and external consultants with the goal to achieve a clear and single vision, based on the principles of the accepted Sustainable development and financial self-sufficiency strategy, and on the dynamics of the socio-political context and needs of our target group.
- An analysis was done of the consequences from the organizational changes that happened in recent years as a result of our efforts to achieve the strategic objectives. The conclusions required special attention and analysis on behalf of the Association:
 - Ambiguity in the understanding and perception of the strategic objectives by the employees;
 - A need to improve the systems of internal communication;
 - Increased trend of turnover among employees working directly with children;
 - Changes in the essence and work conditions in the two major professional groups (foster parents and educators in the youth homes);
 - Increase of the relative weight of the activities, performed by the National office and increased expectations to achieve the financial goals and the goals, related to the development of the provided social services.

With the aim to overcome the above mentioned challenges, increase the effectiveness and achieve synchronicity in the work of the different departments of the Associations, the following particular actions were undertaken:

- We held meetings with the teams from facilities with the goal to introduce employees to the level of implementation of strategic objectives and also to receive feedback about their attitudes and extent of satisfaction.
- We hired an external expert who made a research of the internal dynamics of the relations in the team of National office and in the National management team, followed by evidence based group dynamic training.

During the year in the Association there were structural changes and optimization of some of the program facilities and the respective personnel.

- In the middle of 2018 Gabrovo Municipality delegated to the Association the management of a package of 3 services in its territory (Small family home, Mother and baby facility, Center for social support) which required taking actions in the field of human resources such as: transformations and adaptation of the organizational structure, joining 12 new employees to the permanent employee composition of the SOS CV Program.
- Following an initiative of the Association and based on

analysis of the needs of Tryavna town, a municipal decision was taken to establish a new Center for social support in the town. This center is established on the territory of the children's village and is part of the strategic plan for its renovation and full usage of the buildings. The Association made transformations in the staffing pattern and after the respective changes in the job descriptions and qualification activities of three employees, in September the Center for social support Tryavna began its work.

- In practice during 2018 the Association began working as completely financially self-sufficient. This fact made it even clearer that the optimal structure and distribution of functions and duties in the Fundraising department are guarantee and precondition for success. Because of that in 2018 the needed structural changes in the department were made with the goal to achieve better results.

Tendencies in the development of the professional group educators in Youth homes and small family homes

The professional group of educators in the Family-like placement centers for young people during last years is an object of increased attention by the management of the Association due to several reasons:

- This is the biggest professional group (27% from the total personnel composition of the Association) and has especially important role in the development of the organization;
- Significant changes are observed in the essence of the work and in the characteristic of the target group;
- A high turnover is registered and there is relatively high dissatisfaction of employees from the work conditions during last years.

Having in mind those observations, certain actions were taken, meetings were held with each of the 6 Centers.

After thorough analysis and discussions between the national management team including extraordinary meetings of the Board, the main reasons were stated and measures to overcome the critical moments were offered:

- A decision was taken to decrease the capacity of youth homes with the goal to improve the quality of the work and increase the motivation of the employees.
- The national management team made the decision in the middle of the year to make an extraordinary change in the starting salaries of the newly appointed employees from this professional group so that we can provide an adequate reply to the requirements of the labor market.
- Activities were done to make individual changes in the structure of each center to adapt to the particular needs and specifics.

Inquiry among part of the representatives of this professional group at the end of the year showed changes in the attitude and level of satisfaction in positive direction, which we accept as a sign that the taken measures are in the right direction.

Tendencies in the development of the professional group foster parents

During last years this professional group is in a continuous and smooth transforming process. From the perspective “human resources management” the main characteristics of this transformation are in the changed relations between the foster parents themselves and the Association:

- On one side the Association is no longer employer but a supporting organization, providing different types of social services, aiming at increase of the quality of the work of foster parents;
- And on another side – the foster parents are no longer employees hired with a contract, but clients of the services offered to them.

Development of personnel

The quality of work enabled by regular trainings for all professional groups, supervisions, professional consultations, etc. continues to be major focus and objective as this is the guarantee for the good positioning in a competitive environment of the social service providers.

Several internal trainings were conducted to further develop knowledge about Child protection policy. Special training session was organized also for the Board members.

The development of employees from the management team of the Association also continued in the direction of strengthening the leadership skills and building skills for change management through different forms of qualifications, trainings and workshops.

General information about the composition of the Association during 2018

- The numeral composition of the Association as per 31/12/2018 is 134 as this number includes 14 foster parents that live and work in premises, owned by the Association, and care for more children but does not include 56 foster parents that are managed by Child protection department from the municipalities of Sofia, Pernik, Breznik, Gabrovo, Tryavna and Veliko Turnovo with whom the Association has a contract for support, contributing to the increase of the quality of the care towards foster children.
- During the year 25 new employees were hired. 12 of them were joined to the personnel of the Association together with the activities delegated by Gabrovo Municipality.
- In 2018 the tendency of having high percent of personnel turnover is kept. Statistics from last years: 2015 – 7%, 2016 – 12%, 2017 – 14%, 2018 – 15%. In absolute numbers those are in total 20 employees – 10 that left of their will (7% voluntarily turnover). Unfortunately, the tendency is of having high percent of left employees who were directly working with children (18%). The very high percent of turnover in management team (14%) significantly affected the management.
- 65% from all employees work for more than 5 years in the Association and the average work duration in the Association is a bit less than 10 years.
- 95 people or 71% are employees directly working with children and families.

Interim national executive director
Petya Andonova:

Date: 27.02.2019
Sofia

BALANCE SHEET

SOS Children's Villages Bulgaria
Financial Report
for the year ended on 31st December 2018

BALANCE SHEET AS OF 31.12.2018			
ASSETS			
Section, groups, articles a	Attach. b	Amount in thousand BGN	
		current year 1	previous year 2
A. Subscribed but not fully paid-up capital			
B. Non-current (fixed) assets			
<i>I. Intangible assets</i>			
1. Products of development activities			
2. Concessions, patents, licences, trademarks, software products and other similar rights and assets		-	-
3. Goodwill		165	45
4. Prepayments and intangible assets under construction		-	-
Total for group I	4	165	45
<i>II. Fixed material assets</i>			
1. Lands and buildings, incl.:		2,318	2,401
Lands		4	4
Buildings		2,314	2,397
2. Plant and machinery and manufacturing equipment		49	27
3. Facilities and others		103	69
4. Prepayments and fixed material assets under construction		-	-
Total for group II	5	2,470	2,497
<i>III. Fixed financial assets</i>			
1. Shares and interest in companies of the same group		-	-
2. Loans to companies of the same group		-	-
3. Shares and interest in associated and joint ventures		-	-
4. Loans to associated and joint ventures		-	-
5. Long-term investments	6	1,861	1,986
6. Other loans		-	-
7. Own shares purchased back nominal value		X	X
Total for group III		1,861	1,986
<i>IV. Deferred tax</i>			
Total for section B		4,496	4,528
C. Current (short-term) assets			
<i>I. Material inventory</i>			
1. Raw materials		169	163
2. Work in progress		3	7
3. Production and finished goods Production Finished goods		-	-
4. Prepayments		3	7
Total for group I	7	172	170
<i>II. Receivables</i>			
1. Receivables from customers and suppliers including over 1 year		47	65
2. Receivables from companies of the same group including over 1 year		-	-
3. Receivables related to associated and joint ventures including over 1 year		-	-
Other receivables including over 1 year		357	411
Total for group II	8	404	476
<i>III. Investments</i>			
1. Shares and interest in companies of the same group		-	-
2. Own shares purchased back nominal value		X	X
3. Other investments		-	-
Total for group III		-	-
<i>IV. Cash</i>			
- cash amounts		7	11
- unlimited accounts (deposits)		2,855	2,102
Total for group IV	9	2,862	2,113
Total for section B		3,438	2,759
D. Deferred expenses		19	21
Amount of asset (A+B+C+D)		7,953	7,314

LIABILITIES

Sections, groups, articles a	Attach. b	Amount in thousand BGN	
		current year 1	previous year 2
A. Equity capital			
<i>I. Subscribed capital</i>		-	-
<i>II. Emission premiums</i>		-	-
<i>III. Revaluation reserve</i>		-	-
IV. Reserves			
1. Legal reserves		-	-
2. Reserves related to purchase of own shares		-	-
3. Reserves as per articles of incorporation		-	-
4. Other reserves		608	643
Total for group IV	10	608	643
<i>V. Accumulated profit (loss) from previous years</i>			
- Retained profit		-	-
- Loss not covered		-	-
Total for group V		-	-
VI. Current profit (loss)		32	(35)
Total for section A		640	608
B. Provisions and similar liabilities			
1. Retirement provisions and other similar liabilities		107	65
2. Tax provisions - including deferred tax		-	-
3. Other provisions and similar liabilities		-	-
Total for section B	11	107	65
C. Payables			
1. Bond loans with individual statement of convertibles, incl.:			
Up to 1 year		-	-
Over 1 year		-	-
2. Payables to financial institutions, including:			
Up to 1 year		-	-
Over 1 year		-	-
3. Prepayments received Up to 1 year		-	-
Over 1 year		-	-
4. Payables to suppliers Up to 1 year		49	45
Over 1 year		49	45
5. Payables under policies, incl.:			
Up to 1 year		-	-
Over 1 year		-	-
6. Payables to companies of the same group, incl.:			
Up to 1 year		-	-
Over 1 year		-	-
7. Payables related to associated and joint ventures Up to 1 year		-	-
Over 1 year		-	-
8. Other payables, incl.:		457	511
Up to 1 year		113	114
Over 1 year		344	397
- to staff, incl.:		108	112
Up to 1 year		108	112
Over 1 year		-	-
- Social security payments, incl.:		2	-
Up to 1 year		2	-
Over 1 year		-	-
- Tax obligations, incl.:		3	2
Up to 1 year		3	2
Over 1 year		-	-
Total for section C, incl.:	12	506	556
Up to 1 year		162	159
Over 1 year		344	397
D. Funding and deferred revenue			
Funding	13	6,700	6,085
Deferred revenue		-	-
Amount of liabilities (A+B+C+D)		7,953	7,314

This financial report was approved for publication by the Management of SOS Children's Villages Bulgaria OOD on 12.03.2019.

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Petya Andonova
National Director

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Rosen Kolarov
Chairman of the Management Board
[Seal of Children's Villages Association
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Prepared by:
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Milena Nentcheva-Ivanova

STATEMENT of revenue and expenditure for the year ending 31 December 2018

Expense name a	Attach. b	Amount in thousand BGN	
		Current year 1	Previous year 2
I. OPERATING EXPENSES			
A. Expenses on regulated activity			
1. Donations		-	-
2. Other expenses	14	3,941	3,757
Total A:		3,941	3,757
B. Administrative expenses	15	767	735
Total I:		4,708	4,492
II. FINANCIAL EXPENSES			
3. Interest expenses		-	-
4. Negative differences from operations with financial assets and instruments		-	-
5. Negative differences from exchange rate fluctuations		92	139
6. Other expenses for financial operations		1	2
Total II:		93	141
III. EXCEPTIONAL EXPENSES			
IV. LOSS FROM BUSINESS ACTIVITY			
V. TOTAL EXPENSE		4,801	4,633
VI. RESULT		32	-
Everything (V + VI)		4,833	4,633
Revenue name a	Attach. b	Amount in thousand BGN	
		Current year 1	Previous year 2
I. OPERATIONAL REVENUE			
A. Revenue from regulated activity			
1. Revenue from conditional donations		-	-
2. Revenue from unconditional donations		-	-
3. Membership fee		1	1
4. Other revenue	16	4,697	4,480
Total I:		4,698	4,481
II. FINANCIAL REVENUE			
5. Interests revenue		-	-
6. Participation revenue		-	-
7. Positive differences from transactions in financial assets and instruments		-	-
8. Positive differences from exchange rate fluctuations		106	96
9. Other revenue from financial operations		-	-
Total II:		106	96
III. EXTRAORDINARY REVENUE			
IV. PROFIT FROM BUSINESS OPERATIONS			
V. TOTAL REVENUE		4,833	4,598
VI. RESULT		-	35
Everything (V + VI)		4,833	4,633

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STATEMENT OF REVENUE AND EXPENDITURE

PROFIT AND LOSS REPORT (for the results from the economic activity) for the year ended on 31st December 2017			
TYPE OF EXPENSE	Attach.	Amount (in thousand BGN)	
		Current year	Previous year
a		1	2
A. Expenses			
1. Reduction in finished goods and work in progress		-	-
2. Cost of raw materials and hired services, incl.:			
		5	5
a) Raw materials		-	-
b) Hired services		5	5
3. Staff expenses, incl.:		2	7
a) Salaries and wages		2	6
b) Social security expenses, incl.:		-	1
aa) social security for pension benefits		-	1
4. Depreciation and impairment expenses, incl.		-	-
a) Expenses for depreciation and impairment of tangible and intangible fixed assets, incl.:		-	-
aa) Depreciation expenses		-	-
bb) Impairment expenses		-	-
b) Expenses for impairment of current (short-term) assets		-	-
5. Other expenses, incl.:		8	13
a) Book value of assets sold		7	9
b) Provisions		-	-
<i>Total expenses for operating activity (1+2+3+4+5)</i>	18	15	25
A. Expenses			
6. Expenses for impairment of financial assets, including investments recognised as current (short-term) assets, incl.:		-	-
a) loss from foreign exchange		-	-
7. Expenses for interests and other financial expenses, incl.:		-	-
a) Expenses for companies in the same group		-	-
b) Loss from transactions with financial assets		-	-
<i>Total for financial expenses (6+7)</i>		-	-
B. Revenue from operating activities		-	-
<i>Total expenses (1+2+3+4+5+6+7)</i>		15	25
9. Accounting profit (total revenue – total expenses)		32	23
10. Expenses for tax on profit	19	3	2
11. Other taxes alternative to corporate tax		-	-
12. Profit (9-10-11)		29	21
Total (Total expenses + 10+11+12)		47	48
TYPE OF REVENUE	Attach.	Amount in thousand BGN	
		Current year	Previous year
A		1	2
B. Revenue			
1. Net revenue from sales, incl.:		47	48
a) Production		-	-
b) Goods		41	39
c) Services		6	9
2. Increase in finished goods and work in progress		-	-
3. Expenses for the commercial acquisition of assets		-	-
4. Other revenue, incl.:		-	-
a) Revenue from funding		-	-
<i>Total revenue from operating activities (1+2+3+4)</i>	17	47	48
5. Revenue from interest in daughter, associated or joint ventures, incl.:		-	-
a) revenue from interest in companies from the same group		-	-
6. Revenue from other investments in loans recognised as non-current (fixed) assets, incl.:		-	-
a) revenue from companies from the same group		-	-
7. Other interests and financial revenues, incl.:		-	-
a) Revenue from companies from the same group		-	-
b) Gains from transactions with financial assets		-	-
c) Gains from foreign exchange		-	-
<i>Total for financial revenues (5+6+7)</i>		-	-
8. Loss from operating activities		-	-
<i>Total revenue (1+2+3+4+5+6+7)</i>		47	48
9. Accounting loss (total revenue – total expenses)		-	-
10. Loss (9+lines 10 and 11 from section A)		-	-
Total (Total revenue + 10)		47	48

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OWN EQUITY REPORT

OWN EQUITY REPORT for the year ended on 31st December

Indicators	Registered capital	Emission premiums	Reserve from future revaluations	RESERVES				Financial result from previous years		Current profit/loss	Total own equity
				Legal	From purchase of own shares	As per Articles of Assoc.	Other	Retained Profit	Loss not covered		
a	1	2	3	4	5	6	7	8	9	10	11
1. Balance as of the beginning of the reporting period	-	-	-	-	-	-	643	-	-	(35)	608
2. Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
3. Omissions	-	-	-	-	-	-	-	-	-	-	-
4. Balance after changes in accounting policy and omissions	-	-	-	-	-	-	-	-	-	-	-
5. Changes at the expense of owners, incl.	-	-	-	-	-	-	-	-	-	-	-
- increase	-	-	-	-	-	-	-	-	-	-	-
-decrease	-	-	-	-	-	-	-	-	-	-	-
6. Financial result for current period	-	-	-	-	-	-	-	-	-	32	32
7. Distribution of profit, incl.:	-	-	-	-	-	-	-	-	-	-	-
- for dividends	-	-	-	-	-	-	-	-	-	-	-
8. Covered loss	-	-	-	-	-	-	-	-	-	-	-
9. Revaluation of assets and liabilities	-	-	-	-	-	-	-	-	-	-	-
- increase	-	-	-	-	-	-	-	-	-	-	-
- decrease	-	-	-	-	-	-	-	-	-	-	-
10. Other changes in own equity	-	-	-	-	-	-	(35)	-	-	35	-
11. Balance at the end of the reporting period	-	-	-	-	-	-	608	-	-	32	640
12. Changes from translations of the annual financial reports of companies abroad	-	-	-	-	-	-	-	-	-	-	-
13. Own equity as of the end of the reporting period (11 +/- 12)	-	-	-	-	-	-	608	-	-	32	640

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CASH FLOW REPORT

CASH FLOW REPORT for the year ended on 31st December

Type of cash flow	Current year	Previous year
	1	2
I. Cash available at the beginning of the period	2,113	2,163
II. CASH FLOWS FROM NON-PROFIT ACTIVITIES		
A. Proceeds from non-profit activities		
1. Conditional donations	-	-
2. Unconditional donations	-	-
3. Proceeds from membership fees	1	1
4. Proceeds from insurance companies	-	-
5. Insurance compensations received	2	2
6. Proceeds from banking and foreign exchange transactions	37	15
7. Other proceeds	5,074	3,915
Total proceeds from non-profit activities	5,114	3,933
B. Payments for non-profit activities		
1. Donations paid	-	-
2. Salaries paid	1,744	1,540
3. Social security contributions paid	709	626
4. Payments for banking and foreign exchange transactions	24	59
5. Payments for services	412	263
6. Other payments	1,534	1,523
Total payments for non-profit activities	4,423	4,011
C. Net cash flow from non-profit activities	691	(78)
III. CASH FLOWS FROM ECONOMIC ACTIVITIES		
A. Proceeds from economic activities		
1. Proceeds from the sale of assets and services	-	1
2. Proceeds from customers	73	47
3. Proceeds from banking and foreign exchange transactions	-	-
4. Other proceeds	-	-
Total proceeds from economic activities	73	48
B. Payments for economic activities		
1. Payments for services and acquisition of assets	5	5
2. Payments to suppliers	4	4
3. Tax paid	2	4
4. Payments for banking and foreign exchange operations	-	-
5. Other payments	4	7
Total payments for economic activities	15	20
C. Net cash flow from economic activities	58	28
IV. Cash available at the end of the period	2,862	2,113
V. CHANGE IN CASH FOR THE PERIOD	749	(50)

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LIST OF BOARD MEMBERS

Rossen Kolarov - President

Vesselin Komitov - Vice President

Nikola Nikolov - Member

Anelia Dimitrova - Member

Teodor Karayonchev - Member

Silvia Tzvetanska - Member until January 2019

Momchil Vassilev - Member until January 2019

Ela Janczur - Representative of SOS Children's Villages International

Damir Coric - Representative of SOS Children's Villages International

The Association is represented by the Board President.