



Grant Thornton

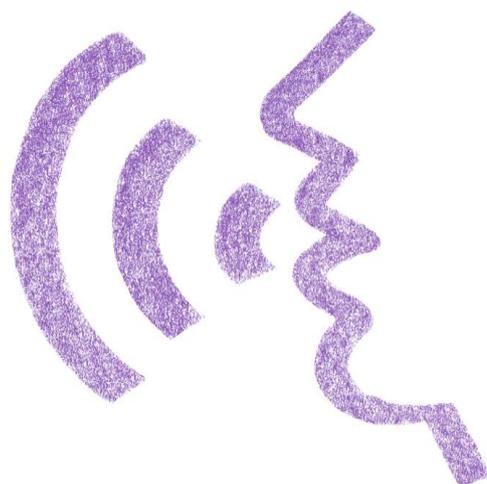
Transparency report 2010

Grant Thornton OOD

31 March 2011

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Foreword by the Managing Partner

Dear ladies and gentlemen,

This transparency report is a public statement to our clients, business partners, representatives of all regulatory bodies and the wider public of our commitment to provide quality assurance services by consistently applying the policies and procedures of Grant Thornton OOD.

The report has been produced in accordance with the requirements of the EU 8th Directive and article 40m of the Law for Independent Financial Audit. In line with our focus on public responsibility and confidence we present the main activities of Grant Thornton OOD in 2010. This transparency report describes our policies and procedures which are effective as at March 2011.

This report explains how the firm is run, how we ensure that we perform audits of the highest quality and describes the expertise, breadth and depth of our firm and of Grant Thornton International.

Mariy Apostolov
Managing partner

Grant Thornton OOD
31 March 2011



General Information, Legal Structure and Ownership

General Information and legal structure

Grant Thornton OOD is a limited liability company under the Commercial Act. The main business activities of the company include audit, advisory and accounting services including tax planning advice and any other activities permitted by law.

Grant Thornton OOD is a specialized audit company according to the Law for Independent Financial Audit and is registered under number 032 in the special register of the Bulgarian Institute of Certified Public Accountants.

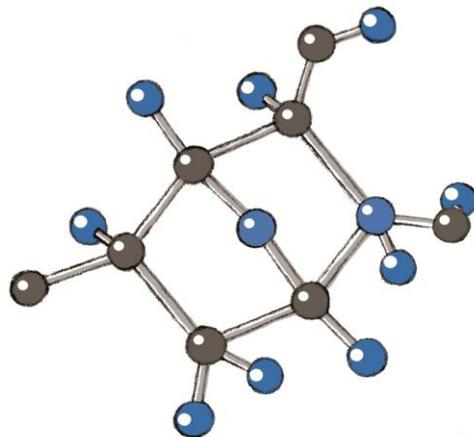
The Company performs its activities from two offices in Sofia and one office in Varna. As of 31 December 2010 we have personnel of more than 60 professionals, including the partners.

Ownership

The shareholders of the Company are the following:

1. Mariy Apostolov – registered auditor in Bulgaria;
2. Mariana Mihaylova, Ph.D. – registered auditor in Bulgaria;
3. Michael Wilhelm – registered auditor in Germany;
4. Stefan Prechtel – registered auditor in Germany.

The Company is represented and managed by Mariy Apostolov, managing partner and Stefan Daskalov, procurator.



Grant Thornton International

Grant Thornton OOD is a member firm of Grant Thornton International Ltd (Grant Thornton International).

Grant Thornton International Ltd (Grant Thornton International) is a not for profit, non practising, international umbrella membership entity. It is organised as a private company limited by guarantee, not having a share capital, incorporated in England and Wales and does not provide services to clients. Services are delivered independently by the Grant Thornton firms.

Grant Thornton International is an organisation of independently owned and managed accounting and consulting firms. Each member firm within Grant Thornton International is a separate national firm. These firms are not members of one international partnership or otherwise legal partners with each other, nor does membership within Grant Thornton International thereby make any firm responsible for the services or activities of any other. Each firm governs itself and handles its administrative matters on a local basis. Most of the member firms carry the Grant Thornton name, either exclusively or in their national practice names, facilitated by a name use agreement. As at 30 September 2010 Grant Thornton had member firms represented in 96 countries.

Grant Thornton is among the leading international organizations in the field of independent (in respect of ownership and management) companies providing assurance and advisory services to public and private entities all over the world.



You may find further information about Grant Thornton International and its member firms on www.gti.org.

Responsibilities of member firms of Grant Thornton International

Member firms are subject to periodic quality assurance and other practice reviews by Grant Thornton International.

Member firms are expected to adhere to and show commitment to Grant Thornton International policies, procedures and methodologies. This involves:

- ✓ Adopting Grant Thornton International methodologies, software and risk management requirements for assignments as appropriate;
- ✓ Adopting Grant Thornton International quality assurance and ethical policies including those related to independence;
- ✓ Adopting the Grant Thornton brand name in accordance with the procedures set forth in the name use agreement; and
- ✓ Implementing branding commitments developed by Grant Thornton International.

Resources provided by Grant Thornton International to member firms

Grant Thornton International views quality as paramount. As auditors member firms exist and grow only on the bedrock of their reputation for high quality audits.

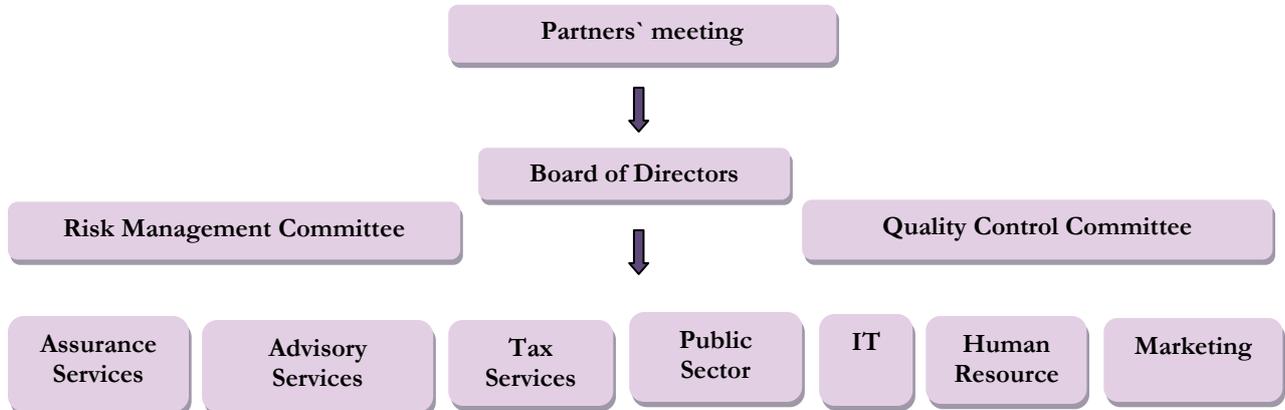
Grant Thornton International provides resources that assist member firms in delivering high quality audits. These resources include:

- ✓ the Grant Thornton global audit methodology (known as Horizon™) with supporting state of the art software, also and policies and manuals in compliance with International Standards on Auditing, International Standards on Quality Control, and the International Ethics Standards Board for Accountants Code of Ethics;
- ✓ protocols that enable member firms to consult with the Grant Thornton International auditing standards team and, if necessary, with audit specialists in other member firms;
- ✓ protocols that enable member firms to consult with the Grant Thornton International Financial Reporting Standards (IFRS) helpdesk;
- ✓ a comprehensive intranet service that includes up to date information for member firms on relevant professional standards, a worldwide restricted entity list, toward to all member firms should be independent, publications on actual topics and financial statement templates and examples.

Grant Thornton International develops and delivers worldwide training with a focus on audit risk assessment (including fraud) and response, development of specific audit approach for each client, appropriate to assessment made and impacts of the recent economic situation in specific clients circumstances.

Organization Structure

The organization structure of Grant Thornton OOD is presented in the following chart:



Partners' Meeting

The main responsibilities of the partners' meeting are setting the corporate mission and strategy, maintaining the relationship with the existing clients and acceptance of new clients, as well as making decisions in regards to the significant undertakings of the Firm.

Board of Directors

The Board of Directors is accountable for the control over the execution of the decisions made by the Partners' Meeting, the approval of the Firm's policies and procedures, the approval of the annual training plan, as well as the planning, monitoring and coordinating of the activities performed by the other departments of the Firm.

Risk Management Committee

The Risk Management Committee within Grant Thornton OOD is responsible for evaluating the risk of acceptance and continuance of clients, as well as tailoring and updating the Ethics and Quality Control Manual (EQCM) and its distribution among the members of the Firm.

Quality Control Committee

The Quality Control Committee is in charge of organizing and monitoring the execution of the quality control program and ongoing assessment of the quality control system within the Firm, as well as periodic review of completed audits.

Assurance Services Department

The Assurance Services Department is responsible for the performance of all assurance services engagements. Two committees are established within the department – International Financial Reporting Standards (IFRS) Committee and International Standards on Auditing (ISA) Committee. The IFRS Committee carries out activities such as IFRS trainings, consultations regarding the application of the standards and creation of templates for the interim and annual financial statements, as well as consultations on cases of IFRS implementation. The responsibilities of the ISA Committee include integrating the audit software products used by the Company, preparing templates of working papers and checklists, as well as organizing ISA trainings.

Advisory Services Department

The department focuses on the performance of business risk engagements (internal audit, internal control reviews, year-end closing and consolidation, strategic planning and budgeting, etc.), transactions with companies (financial, commercial and operations due diligence, financial statements of public entities, etc.) and business evaluations for compliance with the legislation, the accounting standards or any contract agreements.

Tax Department

The Tax department focuses on consultations on corporate income taxation, international taxes, individuals taxation, transfer pricing, indirect taxes and VAT. We assist our clients in solving issues related to international taxation and maintaining adequate tax policy.

Public Sector Department

The Public Sector Department is in charge of the preparation and execution of all engagements regarding services to organizations of the state and municipal administration. Due to the variety and complexity of the services for the public sector, the department works in close cooperation with the other departments of Grant Thornton OOD.

IT Department

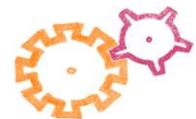
This department is responsible for maintaining the information and communication environment at Grant Thornton OOD. It also works on tasks related to the assurance and advisory services in the field of Information and Communication Technologies both as a part of larger scaled engagements or as separate independent projects.

Human Resource Department

The Human Resource Department is responsible for the introduction and implementation of the policies for management and development of human resources, the Firm's Code of Ethics and a strategy for managing the company's human capital. The processes include recruitment and hiring of employees, personnel administration, employees trainings, policy for career development, employees motivation and rewards systems, internal communications, creation of adequate company structure, corporate culture and team spirit.

Marketing Department

The main activity of the department is related to the development and presentation of the corporate vision of Grant Thornton OOD – maintenance of the business relations with Firm's partners, organization of trainings, seminars and events for the Firm, market research and analysis, creation of a unique image of Grand Thornton OOD among other organizations on the market.



Quality Control

The main priority of Grant Thornton OOD is to offer high quality services.

In addition to our own quality control procedures, as a member firm of Grant Thornton International we are required to abide by a system of quality control that encompasses, at a minimum, the following standards issued by the International Federation of Accountants (IFAC) (as supplemented by additional Grant Thornton International quality assurance policies):

- ✓ International Standard on Quality Control 1: Quality Control for Firms That Perform Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements
- ✓ International Standard on Auditing 220: Quality Control for Audits of Historical Financial Information
- ✓ International Ethics Standards Board for Accountants Code of Ethics

Leadership responsibilities for quality

In accordance with ISQC 1 and the Ethics and Quality Control Manual the Partners' meeting bears the ultimate responsibility for the quality control system of the Firm.

The Partners' meeting has delegated the representative functions to the Managing partner Mariy Apostolov and the operating activities and functions to several departments and committees.



The Assurance Department has responsibility for audit quality and for setting the assurance strategy. The Quality Control Committee is responsible for the organization, implementation and monitoring of the quality control program.

Ethical requirements

All employees recognize that their behaviors are key to the maintenance of a strong ethical environment and culture. The policies and procedures described in the Code of Conduct, Ethics and Quality Control Manual, Audit Manual, HR Policy and the internal rules of the departments and committees as well as the implemented internal control system support the ethical and professional environment, which is routinely checked and updated.

The implemented policies and procedures include, but they are not limited to the following:

- ✓ Annual independence confirmation by every staff member
- ✓ Maintenance of Global independence system, which maintains records about the financial interests of senior staff: partners, managers and heads of departments
- ✓ Maintenance of a global restricted list for which no other services, except for audit are allowed
- ✓ Rotation policy for registered auditors
- ✓ Protocols for report and documentation of suspected or alleged unethical behavior and consultations on ethical issues
- ✓ Disciplinary measures in case of noncompliance with ethical behavior
- ✓ Protocol for identification of conflict of interest and threats to independence

Acceptance and continuance of clients and engagements

As a part of the quality control program, Grant Thornton OOD has adopted a strict policy regarding the undertaking of new clients, thus guaranteeing the rendering of professional high quality services in compliance with all audit standards.

Accepting a new client requires the prior ad hoc evaluation of possible conflicts of interest or other factors threatening the independence, integrity and objectivity of Grant Thornton OOD, our employees and all other companies of Grant Thornton International network.

We accept only clients, which we can provide suitable and high quality services to, taking into account our experience in the field, the nature of the assignment and the availability of our staff.

At the conclusion of each engagement, we assess whether the company should continue to serve the respective client. This estimation involves assessment of the risks associated with the specific engagement before its acceptance and changes during the engagement if conditions indicating risks occur.

The firm has acceptance and continuance systems in place in all service areas and a final approval is made by the Risk Management Committee to ensure that each client assignment is delivered to consistently high standards of professional and technical excellence. When engagements and clients meet certain criteria approval is sought from Grant Thornton International according to the procedures in the Ethics and Quality Control Manual.

Human resources

Grant Thornton OOD has policies and procedures in place, which have been developed with the aim to provide reasonable assurance that the Firm has sufficient number of personnel with expertise, skills and ethical behavior, which are necessary for the performance of engagements in compliance with professional standards and regulatory requirements and the reports issued are adequate.

Upon appointing employees go through *an induction training* for general acquaintance with the entity and its strategic frame, as well as the practices and procedures of the firm, and its ethical requirements. The training presents an overview of the structure and organization of the company and the employee's specific duties and responsibilities. An individual training plan is prepared for each newly hired employee.

All employees, including the partners, are *regularly assessed*. Their work is reviewed to identify their strengths and weaknesses, their needs for additional training, and their interests in order to plan their professional development. The partners conduct annual appraisals, in order to be sure that the professional development of employees concurs with the main goal of the entity that is to sustain the highest level of quality in all professional services provided. In addition, after every engagement, the work of all audit team members is assessed via engagement appraisals.

The technical expertise and experience of our staff are the main advantages we offer to our clients. To ensure the overall development of these qualities the company requires its employees to reach a certain level of professional qualification in their field. All the employees involved in the audit engagements are required to have *trainings* in the areas of accounting standards, tax legislation and audit methodology and practice. Every staff member has an individual program for *continuing professional development*.

Engagement performance

We focus on the careful selection *of the members of the audit team* for the engagements. For each engagement the partner responsible for the team analyses the necessary experience and expertise of the staff and the individual needs and characteristics of the clients so that the most appropriate team is formed to perform the assurance services.

Supervision is vital to engagement planning and essential to the satisfactory accomplishment of all assignments. It involves directing and reviewing the work of subordinates by the person responsible. Those in supervisory roles review the work of the members of the engagement team and provide guidance, where necessary. In all events the proper application of the professional standards, the regulatory requirements and company's policies and procedures is reviewed in order to ensure full compliance therewith.

In order to continue offering high-quality services a needed part of the audit process is *IT*. In every stage of the engagement we work with the highest modern requirements – the whole audit process (from the mere start to its end) is conducted with the help of specially developed for the needs of Grant Thornton software package, called Voyager. In addition, we also use software products like Pentana Checker, CaseWare IDEA, etc. to assure the highest quality audit services.

For certain companies, mainly public interest entities, an engagement quality control review is performed by a second registered auditor. It encompasses review of the financial statements as well as the conclusions made especially those relevant to the significant risks of the engagement and affecting the auditor's report.

Monitoring

The Quality Control Committee is in charge of organizing and monitoring the execution of the quality control program.

The Quality Control Committee submits on an annual basis a report to the Managing Partner of the company, to the Head of the Assurance Department and to the authorized committee of Grant Thornton International.

The purpose of *the annual review* is to ensure compliance with the policies and procedures of quality control:

- ✓ compliance with the professional standards, regulatory and legal requirements
- ✓ whether the company's system of quality control is adequately designed and operating effectively
- ✓ whether the policies and procedures are applied properly, so that the reports issued by the company or its members during the audit engagements are appropriate for the circumstances.

The Quality Control Systems implemented in Grant Thornton OOD, are certified in compliance with requirements of ISO 9001:2008 (certificate number HU09/4043 with activities "Auditing, Financial, Accounting and Advisory Services")



Internal and External Review of Quality Control

Internal Quality Control Review

In October 2010 the Quality Control Committee inspected the quality control system for the period 1 January 2009 - 31 December 2009. The Quality Control Committee concluded in its report that “The Firm has implemented policies and procedures for the conduct of its audits, which are adequate to provide reasonable assurance of conforming to professional standards and Grant Thornton International policies and procedures.”

The Managing partner received this report and the necessary actions have been made in connection with the comments and recommendations for improvement of the policies and procedures and the implementation of best practices.

Grant Thornton International Audit Review

Every member firm is obliged to submit to an inspection of its audit practice by Grant Thornton International, referred to as the Grant Thornton International Audit Review (GTAR). The GTAR reviews the conduct of audit work performed by each member firm. The inspection process includes an evaluation of policies and procedures of the member firm applicable to its assurance practice, benchmarking those policies and procedures against relevant policies and procedures of the international organisation. The inspection team reviews financial statements, audit reports and engagement files. The inspection team also interviews partners and staff on various matters.

From 13 to 17 July 2009 the Grant Thornton Audit Review was conducted in Grant Thornton OOD and the control team reported its opinion on the general image of our Firm:

“In our opinion, the system of quality control for the assurance practice of Grant Thornton OOD in effect as of 17 July 2009, has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards and of complying with Grant Thornton International’s policies and procedures in all material respects.”

External monitoring by Bulgarian Commission for Public Oversight of Statutory Auditors (CPOSA) and Bulgarian Institute of Certified Public Accountants (BICPA)

Grant Thornton OOD is subject to external reviews, conducted by Bulgarian Institute of Certified Public Accountants (BICPA) and also the Commission for Public Oversight of Statutory Auditors (CPOSA) in the cases when the review covers engagements for listed companies and public interest entities. Such reviews take place at least once in every three years.

The last inspection made by CPOSA and BICPA was conducted in November 2010 and completed on 10 December 2010. The opinion, which was issued in relation to the review, was as follows “The specialized auditing company “Grant Thornton OOD”, is in compliance with the requirements for the quality of audit services and the implementation of the procedures set out in the professional standards in all material respects”.

Independence

We firmly believe that the good reputation lies on the grounds of independence, integrity and objectivity. This is why these principles are fundamental to the philosophy of each firm – member of Grant Thornton International. By understanding the importance of these values Grant Thornton OOD has built a dependable system assuring that all members of the company follow them in every aspect of the work process.

Every employee is obligated to assure that his/her objectivity is violated by no means, financial, personal or other before undertaking a new assignment.

The registered auditors of the Company can render their services to our clients for a period not longer than five years, for the public interest entities and seven years, for all others. After the expiration of this period, the registered auditor cannot offer any services to those clients for the next two years.

The registered auditors do not undertake any engagements with entities, where they held managerial positions in the last two years.

Risk management

With reference to the requirements of Grant Thornton International and its policies on quality control and ethics, Grant Thornton OOD has established a Risk Management Committee with the following responsibilities:

- ✓ To prepare and update on a regular basis the Ethics and Quality Control Manual (EQCM) and to disclose it to the members of the company;
- ✓ To set a policy for undertaking and retaining clients;
- ✓ To estimate the risk of undertaking and retaining clients;
- ✓ To communicate with Grant Thornton International on risk management issues;
- ✓ To monitor and implement the principles, regulations and procedures prescribed by Grant Thornton International for KAA (Key Assurance Assignments). KAA involve company's significant assignments that shall meet specific criteria;

The members of the Risk Management Committee are appointed by the Partners' Meeting. It is mandatory that the members are partners, senior managers or managers.

When exercising its duties, the Risk Management Committee is independent and is not hierarchically subject to any other department of the company. It is under the supervision of the Quality Control Committee.

Global Independence System (GIS)

The Global Independence System (GIS) is Grant Thornton International's automated solution (secure website) for assisting member firms and their professionals in the identification and management of potential independence threats arising from financial interests. Financial interests are defined as any income or payment arising from stock, stock options, warrants, loans or any other investment or ownership interest in a company, including rights and obligations pertaining to an acquisition of securities and derivatives directly associated to that company. All the executives of Grant Thornton International member firms are required to maintain a portfolio of their financial interests and update it on monthly basis.

GIS contains a list of public companies and their subsidiaries, which are presented as “restricted” throughout all Grant Thornton network, because a certain member firm provides assurance services to them. This procedure ensures that no member firm belonging to Grant Thornton network has financial or other interests in any company identified as “restricted”. Every member firm has the obligation to update regularly the GRL.

Non-audit Services by Grant Thornton International Member Firms

Every member firm of Grant Thornton International (GTI), prior to the provision of any kind of non-audit service to a client, is under obligation to ascertain whether another GTI member firm conducts an audit for that client or any other entity related to that client (parent or subsidiary). In such a case, it contacts the GTI member firm conducting this audit in order to observe the compliance with the independence requirements and ensure that the specific non-audit services do not threaten the independence of the member firm conducting the audit.

Confidentiality and data protection

Information and documents which the company executives have access to when performing the undertaken audit are protected in compliance with the laws concerning professional data protection and with the requirements of the auditing standards. The rules applied by Grant Thornton OOD are based the principle that information is collected with the consent of the subjects involved, while files are kept by separate divisions in accordance with the Law for Protection of Personal Data and the requirements of the regulatory bodies for data protection.

Annual internal review for compliance with independence requirements

The review of the procedures related to the Firm’s and employees’ independence is an important element of the Internal Quality Control Review. The latest internal review was conducted in October 2010. There are no findings and recommendations related to the independence in the report on this review.

The following procedures and controls for compliance with independence requirements were reviewed:

- ✓ Filling of annual independence declaration by every employee;
- ✓ Signing of independence declaration for a particular audit client by every member or the engagement team prior to the start of the audit work on this client;
- ✓ Annual independence review performed by the managing partner and a declaration signed by him that all employees have been in compliance with the independence requirements.
- ✓ Annual documentation of the procedures for compliance with independence guidelines in the client acceptance and reacceptance forms.
- ✓ Annual external confirmation on a sample basis of the partners’ and managers’ possession of shares of listed companies.



Personnel Training

Firm's policy

The training of personnel is a matter of primary importance to the Firm. The Firm's management aims to provide training, which meets the *individual needs* of each employee.

After careful consideration of the training needs an *annual program of seminars and educational events* is prepared. The main types of trainings provided to personnel are:

- ✓ Inter-corporate seminars conducted by experts from Grant Thornton Bulgaria, Grant Thornton International or external experts;
- ✓ Seminars held by Grant Thornton International for each service line;
- ✓ Professional courses leading to obtaining professional qualifications for registered auditor, ACCA, CIA, CISA trainings, etc.

Continuous Professional Development

There is an individual training plan for every employee in order to comply with the requirements for *continuous professional education*, maintain and improve their technical and professional skills, apply new techniques, identify and respond to changes in the economic environment, business responsibilities and expectations.

The minimum requirements for employee training set by the Firm are as follows:

- ✓ Every employee should have training of at least 120 hours, related to their professional development for a minimum period of 3 years; 60 hours of it must be verifiable;
- ✓ Every employee should have at least 20 hours of annual training;
- ✓ The registered auditors obey to the requirements for 40 hours minimum annual training subject to the rules of Bulgarian Institute of Certified Public Accountants;
- ✓ An annual review of the training and professional development activities carried out by the Firm is performed in order to confirm that the above requirements are met.



Our senior employees (partners and senior managers) take part in the meetings organized by Bulgarian Institute of Certified Public Accountants and the European Committee for Audit and Accounting of Grant Thornton International.

Registered Auditors' Trainings

Mariy Apostolov and Mariana Mihaylova, PhD, have participated in 2010 as lecturers and participants in all of the trainings organized by Grant Thornton OOD, several trainings and conferences organized by Grant Thornton International, the Bulgarian Institute of Certified Public Accountants and other international and Bulgarian organizations.

Externally organized trainings and conferences in which Mariy Apostolov, Mariana Mihaylova, Milena Mladenova, Gergana Mihaylova and Emiliya Marinova - Lalova participated in 2010 are:

- ✓ Annual accounting and tax reporting for 2009 and changes in the Corporate Income Tax Act in effect after 1 January 2010; 18 January 2010, lecturer: Dimitar Voynov – senior expert at “Accounting Practices Office”, “Tax Policy Department” at the Ministry of Finance;
- ✓ Changes in the Value Added Tax Act in effect after 1 January 2010, lecturer: Kalina Zlatanova;
- ✓ Changes and practical aspects on the application of social security legislation in 2010, resulting from the Act on the State Social Security Budget, the changes on Social Security Code and the regulations on its application, 23 January 2010, lecturer: Ivan Karanovski – methodologist at the National Social Security Institute.
- ✓ Measures Against Money Laundering Act, 17 May 2010, lecturer: Vasko Raichev, Bulgarian Institute of Certified Public Accountants;
- ✓ Changes in IFRS 2010, 25-26 May 2010, lecturer: Alex Fosset, Bulgarian Institute of Certified Public Accountants;
- ✓ Changes in ISA 2010, 27-28 May 2010, lecturer: Alex Fosset, Bulgarian Institute of Certified Public Accountants;
- ✓ International Conference “IFRS for Small and Medium Sized Enterprises”, organized by Bologna University.
- ✓ Latest changes in IFRS 2010, 22-23 November 2010, lecturers from KPMG Bulgaria;
- ✓ Seminars “Analytical Procedures and Substantive Procedures in the practice”, 22 December 2010.



Basis for determining the remunerations of the partners

Remunerations of the partners comprise salaries in accordance with labor contracts and dividends distribution.

Services

The portfolio of services offered by Grant Thornton OOD is streamlined in five main categories. In each of these categories Grant Thornton OOD is constantly developing and upgrading the services it provides so that its customers' needs and requirements are always met.

Assurance services

Grant Thornton OOD offers audit services, which are focused on the particular client's needs, based on the following principles that the auditor should follow:

- ✓ Focus attention not only on the financial statements but on the company as a whole;
- ✓ Use his/her knowledge of the business in order to tailor audit procedures and identify sufficient and reliable sources of audit evidence;
- ✓ Use the information, which he/she has obtained while providing services to this client in the past, in order to be able to offer valuable advice to the client's management.

The most popular assurance engagements provided by Grant Thornton OOD, and other services related to these, are:

- ✓ Audit of annual financial statements;
- ✓ Audit of consolidated financial statements;
- ✓ Review of interim financial statements
- ✓ Review of financial statements
- ✓ Agreed upon procedures
- ✓ Expressing expert opinion
- ✓ Other audits and certifications



Advisory Services

Within a business world of rapid development and turbulence advisory services are becoming increasingly important for the successful completion and effective implementation of business and corporate strategies.

The advisory services provided by Grant Thornton OOD, Bulgaria include:

- ✓ Business Risk Services (such as internal audit, review of the internal control, annual reporting and consolidation, strategic planning, budgeting, etc.);
- ✓ Advisory Services related to transactions with other companies (financial, commercial and managerial due diligence, financial statements of public entities, etc.);
- ✓ Valuation Services in accordance with legislative requirements, accounting standards and contractual agreements.

Tax consulting

Taxation issues definitely cause one of the biggest problems to every business person because taxation is subject to uncertainty and a variety of laws, which constantly change. Grant Thornton Bulgaria offers services focusing on the needs of every particular client.

Tax Department provides expert services related to Bulgarian and foreign taxation, mergers and acquisitions, investments and tax planning and prevention of taxation differences.

In particular the services offered are related to:

- ✓ Corporate income tax;
- ✓ Personal income tax;
- ✓ Transfer pricing;
- ✓ Indirect taxes, etc.

Public Sector Services

Grant Thornton OOD provides multiple services for most of the government institutions (ministries, agencies, state owned entities, etc.). Grant Thornton Bulgaria is a preferred partner in projects financed by EU, World Bank, European Bank and other international sources of funding. Among the wide portfolio of services offered by Grant Thornton OOD are:

- ✓ Valuation of the management and control systems and consultations on their adequate planning, design and functioning;
- ✓ Valuation of the internal audit and internal control systems and consultations for efficient and effective development of internal audit and internal control functions;
- ✓ Risk assessment and advisory services in the field of risk management;
- ✓ Audit on projects financed by the EU;
- ✓ Advisory services on the valuation and building of administrative capacity;
- ✓ Trainings and others.

IT Services

Grant Thornton offers a wide range of IT services. In addition to the audit of IT systems, we provide consulting in management of projects related to integration and development of information and communication solutions, consulting in technology migration, consulting in development of plans and strategies for business continuity. Other services provided by this department are risk management related to IT, consulting in implementing of IT system controls, as well as consulting the security of information and communication solutions.

Financial Performance

The following data applies to 2009 and 2010. The annual revenue of Grant Thornton OOD for 2010 amounts to BGN 4 426 thousand, compared to BGN 4 181 thousand for 2009. Annual revenue from services is presented as follows:

	2010 BGN `000	2009 BGN `000
Audit Services	3 333	2 813
Other services, including assurance assignments	1 032	1 332
Tax Services	61	36
Total	4 426	4 181



List of Public Interest Entities

The list of our audit clients in the fiscal year 2010, which are public interest entities, is presented below. The services provided to these clients include audit of annual financial statements and review of interim financial statements, where required.

Company name	Description
Balkan and Sea Properties REIT	Listed on BSE Sofia
Alfa Credit REIT	Listed on BSE Sofia
Assenova Krepost AD	Listed on BSE Sofia
Bulgargaz EAD	A Public Supplier of natural gas
Bulgaria Air AD	Exceeds the criteria of p. 11 of LIFA
Elarg Agricultural Land Opportunity Fund	Listed on BSE Sofia
Electricity System Operator EAD	An operator of the national power transmission system
ZAD Armeec	Insurer
ZEAD CCB Life	Insurer
ZOD Vseotdainost AD	Health insurer
Health Insurance Company CCB Health JSC	Health insurer
Zarneni Hrani Bulgaria AD	Listed on BSE Sofia
Kaolin AD	Listed on BSE Sofia
Capital Management SIPC	Listed on BSE Sofia
Sofia Airport EAD	Exceeds the criteria of p. 11, repealed 16.07.2010
Monbat PLC	Listed on BSE Sofia
National Electricity Company EAD	An electricity power provider
Orchid Developments Group Ltd.	Listed on AIM of London Stock Exchange
United Milk Company AD	Issuer of bonds on BSE Sofia
Parahodstvo Balgarsko Rechno Plavane AD	Listed on BSE Sofia
POAD CCB SILA AD	Pension security
POK Saglasie AD	Pension security
Oil and Gas Exploration and Production AD	Listed on BSE Sofia
Bulgarian Air Traffic Services Authority	Exceeds the criteria of p. 11, repealed 16.07.2010
Sila Holding AD	Listed on BSE Sofia
Sparky AD	Listed on BSE Sofia
Sparky Eltos AD	Listed on BSE Sofia
Chimimport AD	Listed on BSE Sofia
Holding Assenova Krepost AD	Listed on BSE Sofia
Holding Varna AD	Listed on BSE Sofia
CCB Real Estate Fund REIT	Listed on BSE Sofia
Chipita Bulgaria S.A.	Exceeds the criteria of p. 11, repealed 16.07.2010

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