ANNUAL FINANCIAL STATEMENTS OF TEACH FOR BULGARIA FOUNDATION 2020

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I.

Annual Activity Report of Teach For Bulgaria Foundation

Separate Activity Report of *Teach for Bulgaria* Foundation for 2020

INTRODUCTION

Teach for Bulgaria Foundation (the "Organisation", the "Foundation") was initiated in July of 2010 with the generous financial support of the America for Bulgaria Foundation. The mission of the Organization is to provide equal access to quality education for every child in Bulgaria, regardless of where they live, which school they go to, their ethnic background, and their family's socioeconomic status. *Teach for Bulgaria* trains and supports new teachers and school staff and builds partnerships in order to introduce a variety of good practices to our education system. The Organization maintains a strong Community of current participants and educators of its programs and key partners from all sectors to support sustainable access to quality education for every Bulgarian child. *Teach for Bulgaria* is part of the international network *Teach for All*, whose approach is successfully applied in more than 60 other countries on six continents.

KEY ACTIVITIES AND RESULTS FOR 2020

1. *A New Way to Teaching* Program

A New Way to Teaching Program for professional and leadership development is *Teach for Bulgaria*'s first program, which started in 2010. It supports and trains highly motivated professionals and students to become teachers and to support the success of school pupils across the country. Within two years, participants would receive support and training to teach and get a first hand idea of the challenges in the education system.

1.1.1. Recruitment campaign for new *Teach for Bulgaria* participants

In 2019/2020 *Teach for Bulgaria* completed its 10th recruitment campaign for new participants in the two-year *A New Way to Teaching* leadership and professional development program. The recruitment and selection of all participants took eight months and as a result 84 of *Teach for Bulgaria*'s tenth class of program graduates started teaching in September of 2020.

Teach for Bulgaria received 2,700 applications over the course of the campaign. After an exceptionally rigorous selection process 230 candidates received offers to participate in the program. These numbers indicate unwavering interest in *Teach for Bulgaria*'s program over the past few years. They also show that the organization is highly selective and that no compromise should be made when selecting the future participants in the program. Even the Covid-19 pandemic and

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the extraordinary switching entirely to online selection did not stop the team's work in the spring of 2020.

Participants who needed teaching certification were enrolled either in a two-year master's program at the Plovdiv University, or Shumen University, or in a two-semester teacher qualification program at Veliko Tarnovo University. A total of 79 participants from the class of 2020-2022 are in the process of getting their certification. Some of the participants in the process of getting their qualification postponed their participation in the program by one year and will be part of the next class of 2021-2023.

1.2. Maintaining and growing the network of partner schools

Alongside the 2020 recruitment campaign, *Teach for Bulgaria* launched an information campaign targeting potential partner schools where the new teachers could start working. A large part of our partner schools serve disadvantaged students who come from families with low socioeconomic status and often underperform at school. School placement is done after detailed interviews with every participant and principal of a partner school.

In 2020 *Teach for Bulgaria* managed to establish partnerships with 70 schools in 18 regions of Bulgaria. Thirty of them are new partners. In the school year of 2020/2021 *Teach for Bulgaria* worked for the first time with schools in Varna, Dobrich, Burgas, Targovishte, Shumen, Sliven and Yambol.

The other regions with participants in *A New Way to Teaching* were Veliko Tarnovo, Vratsa, Lovech, Pazardzhik, Pernik, Pleven, Plovdiv, Razgrad, Sofia (Capital), Sofia Region and Stara Zagora.

1.3. Summer Institute – 2020

Teach for Bulgaria's 10th class of *A New Way to Teaching* started its intense summer training on 6 July 2020. For the first time in the history of the Organization, the Summer Institute was conducted entirely online due to the Covid-19 pandemic. Nearly 120 people started the training, which was a kind of a record for *Teach for Bulgaria*.

The training program of *A New Way to Teaching* has been specifically designed to effectively teach pupils at the heart of the learning process and includes methods that help all students to progress independently of their initial level. It relies on proven educational models and pedagogical approaches. The training is adapted to the Bulgarian context, but also draws on *Teach for Bulgaria*'s 10-year experience.

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The new teachers were able to implement with students what they have learned at the 10th Summer Academy for Fun and Success, which took place from 3 to 14 August, again online, due to the pandemic. The online format has made it possible to open the Academy for the first time for students from all over the country and abroad, where the time difference allowed for that. In total, more than 650 students enrolled in the Academy in 2020. The Summer Academy received media coverage and, in addition to providing teachers with a practice opportunity, it also helped many students catch up with lessons and progress more confidently to the new school year, especially after the surprise switch to distance learning during the second term. In order to reach the students who needed and would benefit the most from the activities, *Teach for Bulgaria* established partnership with *Todor Kableshkov* School 75 and thanks to team teachers children from the *Fakulteta* Neighbourhood in Sofia took part in the lessons through devices provided by the school and partners of *Teach for Bulgaria*.

1.4. *Motivated Teachers* National Program

During the school year 2020/2021, the Motivated Teachers consortium, with partners from *Teach for Bulgaria* and the Syndicate of Bulgarian Teachers implemented a part of the activities of Ministry of Education and Science's *Motivated Teachers* National Program. The consortium was selected following a public tender.

The program offers schools in the country the opportunity to attract motivated and well-prepared specialists from a variety of professional fields in their teams – with or without a teacher's professional qualification – to help secure the human resources needed for a competitive and successful Bulgarian education. They have been carefully selected and are ready to work at a school for competitive and successful Bulgarian education. The consortium between *Teach for Bulgaria* and the Syndicate of Bulgarian Teachers is responsible for the implementation of Module 1 and Module 3 of the program, dedicated precisely to the training, preparation and support of new recruits for the education system.

In this context, the participants in *A New Way to Teaching* during the school year 2020/2021 also participated in the *Motivated Teachers* National Program.

The *Motivated Teachers* Program was built on the results of the successful European project *A New Way for New Talents in Teaching* (NEWTT). It was implemented between 2016 and 2019 in 5 European countries, including Bulgaria. The project aimed to identify innovative ways to attract new talents to teaching and lay the foundations for effective and flexible alternative pathways in teacher training programs.

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Teach for Bulgaria was a leading partner in NEWTT and worked on it together with the Ministry of Education and Science and the Plovdiv University Paisii Hilendarski. Two innovative master's programs for acquiring the professional qualification of "teacher" were implemented within the project, which helped attract and train specialists from different professional fields to the teaching profession.

1.5. *Teach for Bulgaria* class of 2018-2020 joins the alumni community

Teach for Bulgaria's eighth class of participants officially completed the leadership and professional development program in June of 2020. Fifty-three participants successfully completed two challenging years as teachers in 11 regions of Bulgaria where they worked towards strengthening their students' motivation, improving their results, and providing them with more opportunities for development. Thus, the program's alumni community grew to 361 people.

The class of 2018-2020 had the opportunity to share all lessons learned, celebrate their accomplishments, and map out future plans in the education sector at a special event on 27 June 2020. More than half of the alumni of the 2018-2020 program still work in the education sector (as of October 2020).

2. *Model Schools* Program

In its 10th year *Teach for Bulgaria* launched a new *Model Schools* Program for full support and professional development of school teams. It aims to support schools in developing and implementing sustainable and effective teaching and management practices that contribute to the success of each pupil.

It is a two-year program, consisting of two integral parts: *Instructional Leadership* and elective courses about various teaching methods, based on the specific needs of the school. Each course includes working on a part of a specific school project, training upgrades and mentorship.

The program follows in the tracks of America for Bulgaria's successful Education Leadership Academy and builds on the experience gained over the years in the training of the team of *Teach for Bulgaria*. On safety grounds, the 2020 training program is conducted entirely online, with video-conferencing sessions and self-training scheduled every day.

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The participants in the first class of the *Model Schools* Program were 26, chosen following an open call for applications and a precise selection among 72 schools from all over the country. The selected schools come from 15 regions of the country, with a diverse profile and operating in various contexts – different in size settlements, number of teachers and results of external evaluations. Within the two years and with the evolution of the program, this will allow monitoring the impact of the practices applied and their effectiveness for the different schools.

In parallel with the 26 schools in the first batch to complete the program, 20 schools were also selected to be included as part of a control group when assessing the impact of the program's effectiveness from 2020 to 2023.

2.2. Trainings and mentorships of school teams under the *Model Schools* Program

The first training for school teams took place within two weeks from 24 August to 4 September. More than 100 representatives of the management teams of the 26 schools took part in it. This includes principals, deputy principals, chief and senior teachers and other teachers chosen by the schools to attend. The principles of distributed leadership or how more people can think and take responsibility for the quality of teaching and learning at school, were among the topics of the first training. School teams will also work on developing their understanding of professional learning communities, such as teacher leadership groups, discussing together and supporting the sharing and improvement of teaching practices throughout the school.

In addition to training for leadership teams, schools will receive further mentorship from experienced teachers, principals and educational experts under the program. Mentors will visit and help them meet their objectives throughout the program. All of them are alumni of *Teach for Bulgaria*'s *A New Way to Teaching* Program and America for Bulgaria's Education Leadership Academy with experience in teacher mentoring.

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3. Strategic projects and partnerships

3.1. FIERST European Project

From *Inclusive Education to Real Scale Transfer* (FIERST) is a three-year project funded under Erasmus+/Key Action 3, which aims to disseminate good inclusive learning practices, created by innovative teachers and educational experts working with students from vulnerable communities at the local level, to a wider range of teachers and experts at regional and national levels.

A total of 7 partners from Bulgaria, Estonia, Romania, Great Britain and Sweden participate in the consortium led by *Teach for Bulgaria*. The project partners in Bulgaria are *Teach for Bulgaria*, the Ministry of Education and Science and New Bulgarian University, while the Syndicate of Bulgarian Teachers is an associate partner.

During the 2019/2020 school year, 18 Bulgarian schools and more than 150 teachers participated in the project. During the course of a school year, their school teams have been trained in topics such as the development of professional learning communities and strategies for developing 21st century skills in pupils. Each school chooses one skill to work on with its students throughout the year, committing to share the results with a wide range of colleagues and experts at the end of the year.

Due to the Covid-19 pandemic, some of the training sessions under the project were online, but this did not prevent them from being effectively conducted.

The final conference under the 2020 project was held on 22 June 2020 and was attended by more than 300 teachers, principals and educational experts.

Here are some of the conclusions of the final conference:

From individual missionaries to collective visionaries

"The most valuable resource that all teachers have is each other."

These words by the US pedagogue Robert John Meehan were reminded by Amide Draguteva, a teacher at *St. Kliment Ohridski* School in the village of Debren, Blagoevgrad Region. What was the most valuable thing for the teachers in Debren, was that through the work in the professional Learning Community they have learned to accept feedback and the opinion of their colleagues as a source of useful information, and not as criticism. They also managed to attract parents to their common goal – to have happy children succeeding in life.

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According to Irene Kalvacheva of *Geo Milev* School in the village of Belozem, the team's journey started timidly, but over time teachers gained the courage to openly share their professional challenges, achievements and good experience. As a result, the team became cohesive and united around a common mission and vision. Ms. Kalvacheva provoked the conference guests to create professional learning communities in their school too, if they want to grow from "individual missionaries to collective visionaries".

The principal of the *Anton Strashimirov* School in the village of Bohot (Pleven Region) Temenhzka Hristova said that the work in the Professional Learning Community is only effective when it is built on the basis of mutual trust. The teachers from Bohot have realized the importance for a teacher to develop constantly, as personal example is the most effective for students.

The other panelists also supported this statement, explaining that they even preferred to be called a Professional Continuous Learning Community to focus on the continuous and dynamic development process. The panelists also underlined that one learns best when placed in an active position, with a level playing field, and with an opportunity to share in the experience.

Distance learning undoubtedly affected the work in the Professional Learning Community, but teachers showed flexibility and creativity to overcome the challenges. Lidia Bakalska of *Lyuben Karavelov* School in Plovdiv shared, for example, details of the impressive strategy of the school, including the creation of a special site dedicated to the project, where all materials, resources and operational information are uploaded, FIERST Viber Group, Google Calendar for keeping track of the timetable and organizing meetings, Google Meet to hold meetings and files shared in Google Drive for preparation. Fatme Uruk of *Peyo Kracholov Yavorov* School in the village of Gyovren, Devin Municipality, explained how they organized open online lessons in Mathematics and History with the help of Google Classroom.

The good practices shared at the conference are also available on prepodavame.bg.

How are skills for the future built?

In addition to the work required for the establishment and effective functioning of the Professional Learning Community at school, this school year teachers also focused on developing their 21st century skill of choice in the classroom.

The skill chosen for their school, why and through what activities it was developed, can be seen in this interactive gallery with posters and presentations.

Apart from providing an illustration of the best practices through posters and presentations, four of the schools under the project also organized workshops for the guests of the conference.

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The workshops allowed the public to participate actively in the process and experience the good practice via the "learning through doing" method. Here are some details:

Emotion Explorers Workshop by *Georgi Bakalov* School No. 1, Stara Zagora – teachers presented some of the strategies for developing emotional intelligence in class. The workshop participants could learn about these practices through their experience and gain access to valuable insight and interesting resources, which have proved to be effective in integrating activities developing emotional intelligence in class.

How to Develop Emotional Intelligence in Students Workshop by *Anton Strashimirov* School, Bohot Village – participants in this workshop "experienced" several emotional intelligence techniques, which the teachers in Bohot applied in their classrooms during the current school year and discussed how their techniques could be adapted to working in different environments.

Developing Students' Team Working Skills Workshop of *Hristo Botev* High School in the town of Kubrat – the workshop presented the practice of "Cinquain" suitable for both the students up to IV grade and the foreign language classes. In the Cinquain practice, team work is seamlessly integrated into the normal learning activities without compromising the mastering of the learning content. Cinquain simultaneously develops reading and writing, creative thinking and teamwork. And all of this while students are having fun and studying.

Professional Learning Communities during E-learning Workshop by *Lyuben Karavelov* High School – the participants in the workshop took home good practices to implement at their school. The team presented the work of the Professional Learning Community, placing participants in different situations. By resolving the respective cases, the development of the skills of the members of the professional community themselves was demonstrated.

The teams of the 18 schools in the project were unanimous they would not have made it without the support of the project trainers, the resources provided, and the opportunity to exchange experience with their colleagues in other schools. The project trainers are alumni of *Teach for Bulgaria*'s *A New Way to Teaching* Program with extensive experience as teachers and experts in different educational organizations.

Please see prepodavame.bg for more information on the 21st century skills, how they are developed in the classroom, and many other useful resources. The site was created as a platform for sharing good practices around the project, but will continue its development even afterwards so that it can be of maximum use for teachers in Bulgaria.

3.2. *From Vision to Results* Program – Phase 2

From Vision to Results, a joint project of Sofia Municipality and *Teach for Bulgaria*, was piloted during the 2018-2019 school year. The program's objective was to approbate and study a specific approach to improving a school's performance. At its core, it focuses on the specific context of each individual school. The schools that took part in the project are *Gen. José de San Martín* School No. 90; *Grigorii Tsamblak* School No. 106; *Vassil Levski* School No. 156; *Vassil Levski* School No. 159.

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The project's second phase was carried out in 2020, funded under Sofia Municipality's *Europe* program and building on the first phase, supporting the principals to continue the whole transformation of schools.

From *Vision to Results*, Phase 2 is based on the global management capacity building theories and upgrades the project's Phase 1 of 2019, in which each school tested a specific approach to increasing its performance in a chosen direction. With the help of *Teach for Bulgaria* which implements the proposed management approaches in its work, the principals were able to introduce and test them and later adapt them to fit their context and needs.

Within the framework of its activities, the principals received special email missions with specific management strategies, implementation guidelines, held joint meetings and could work in pairs to put in place and reflect on each of the proposed practices.

The lessons learned during the second phase of the project were presented at a public online conference dedicated to the project on 29 October 2020, with the principals sharing their experience, recommendations and guidance with teachers and educational experts from all over the country.

Read more about the recommendations shared by the principals here – https://zaednovchas.bg/novi-upravlenski-praktiki/.

3.3. *Competences* Program

The *Competences* Program 2020/2021 is a two-year program of the Ministry of Education and Science, the Regional Education Departments of Sofia Region, Vratsa and Plovdiv and *Teach for Bulgaria* Foundation. It aims to support the development of competences in pupils to meet the education needs in the 21st century.

The program includes direct work with teachers and principals from three regions of Bulgaria (Vratsa, Plovdiv and Sofia (Capital)) and the experts from the Regional Education Departments supporting them. Teaching professionals exchange experience with colleagues in their field, learn and test working practices and tools to develop competences according to the needs of students. At the same time, the Regional Education Department experts deepen their understanding of and support opportunities for teachers with a focus on developing competences. The program also includes making recommendations for continuing learning and increasing the effectiveness of pedagogical professionals' efforts.

The program has two modules – for school principals and teachers (Module 1) and for experts (Module 2).

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MODULE 1

The *Competence* Program for principals and teachers has four stages with the following objectives:

- Creating a space for exchange of experience in the targeted development of competencies of the pedagogical specialists in each of the three regions – Sofia Region, Vratsa and Plovdiv;
- Presenting *Teach for Bulgaria*'s expertise in the targeted development of competences and management of student progress;
- Compiling and publishing the ways in which competences can be selected, planned and developed in relation to the needs of pupils and the priorities of the institutions responsible for them;
- Developing a recommendation to integrate processes and support structures between pedagogical specialist for continuing learning and making their efforts more effective.

MODULE 2

The *Competences* Program for experts in the Regional Education Departments is aimed at the experts of the municipality of Vratza and has the following objectives:

- Increasing experts' understanding of how to apply the competence approach;
- Providing a toolbox to help improve classroom learning for supporting teachers;
- Presenting teacher support models and holding talks on how to develop their competences;
- Developing skills to independently monitor the effects of their efforts and deciding on the next steps;
- Increasing the satisfaction from the expert support received by the teachers in the Vratsa Region to apply the competence approach in the classroom.

4. Rebranding and new visual identity of *Teach for Bulgaria*

On the occasion of *Teach for Bulgaria*'s 10th anniversary and the organizational changes in the Foundation (the expansion of the scope of activities with the new *Model Schools* Program and the development of more activities and projects to share good practices and approbate policies) the organization adopted a new brand identity as of November 2020. It is a visual reflection of this organizational change and marks the new phase in the development of the community.

The new visual identity was developed by the designers of *PUNKT* in collaboration with *Studio Komplekt*. With a great understanding and dedication, they unleashed their creativity and helped us find our new visual presentation.

Please follow this link for more information:
https://zaednovchas.bg/zaedno-v-chas-s-nova-vizualna-identichnost/

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TEACH FOR BULGARIA's reach in 2020

A NEW WAY TO TEACHING PROGRAM

Number of received applications for *Teach for Bulgaria*'s program and accepted candidates over the years:

Year	Applications	Accepted	Participants who start the school year*	Selection rate
2011	375	34	21	9%
2012	729	62	34	9%
2013	995	72	47	7%
2014	1211	90	53	7%
2015	1056	112	55	11%
2016	2465	212	121	9%
2017	2250	119	57	5%
2018	1873	122	62	6%
2019	2732	130	49	5%
2020	2700	245	84	8.5%

*This is the accurate number as of September 15 of each year and it includes all participants who have gone through the intensive summer training and have started teaching at school. "Accepted" are all candidates who have gone through the entire selection process and have received offers to participate in the program by the end of May of each year. Part of them reject their offers and another part drop out during the intensive 7-week summer training (Summer Institute). This process of self-selection happens as the participants become more and more aware of the responsibility they are about to take on as teachers and all the challenges they would have to face at school. In 2020, due to the pandemic, participants had the opportunity to postpone their participation in the program by one year, and some of them opted for that.

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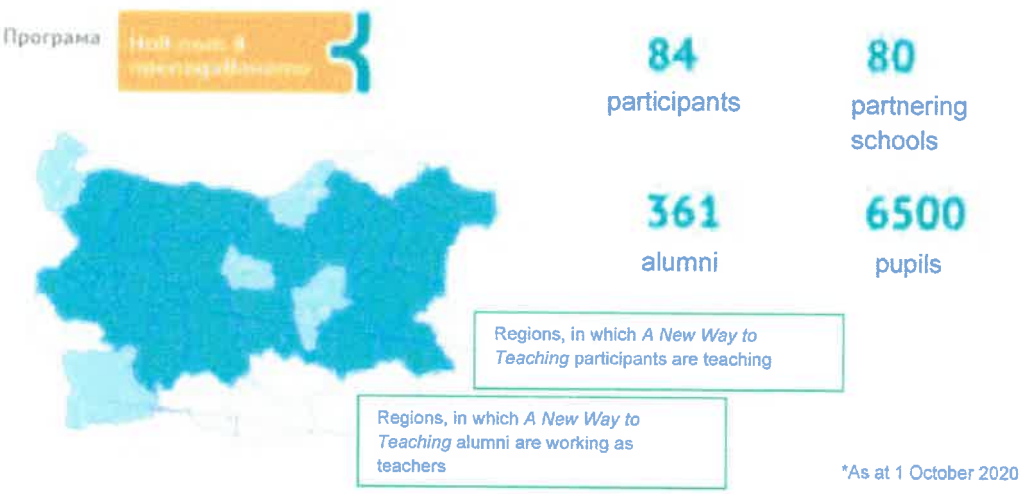
Number of *Teach for Bulgaria* participants, alumni, and partner schools in *A New Way to Teaching* by region for 2020



Distribution of *Teach for Bulgaria* teachers by subject as at 15 September 2020

Class	Total teachers at start of school year 2020/2021	STEM	English	Primary School Teachers	Other
2019/21	41	5	8	22	6
2020/22	84	20	17	40	7
Total	125	25	25	62	13

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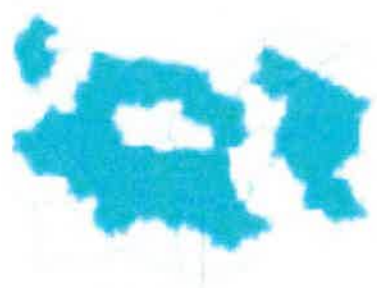
MODEL SCHOOLS PROGRAM

Distribution of *Teach for Bulgaria* participants in the *Model Schools* Program by school, region, and engagement in the *Model Schools* Program for 2020

Програма Училища за пример



Regions with participants in the *Model Schools* Program

234 participants (from school teams)

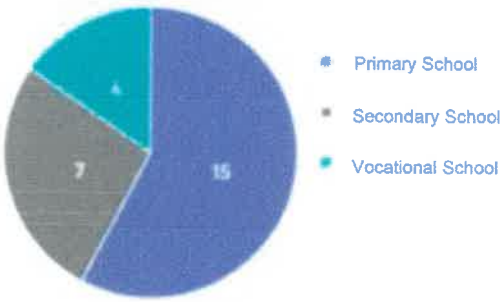
26 partnering schools

15 regions

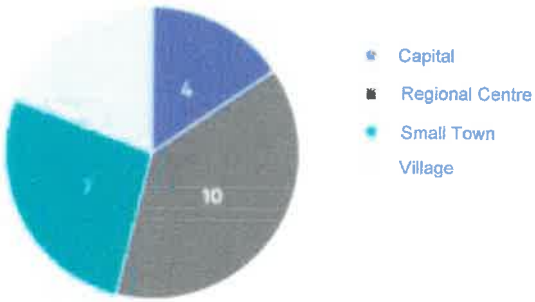
*As at 1 October 2020

Distribution of schools by town or village and school profile in 2020

Participants in the *Model Schools* Program by school profile, 2020/2021



Participants in the *Model Schools* Program by populated area type, 2020/2021



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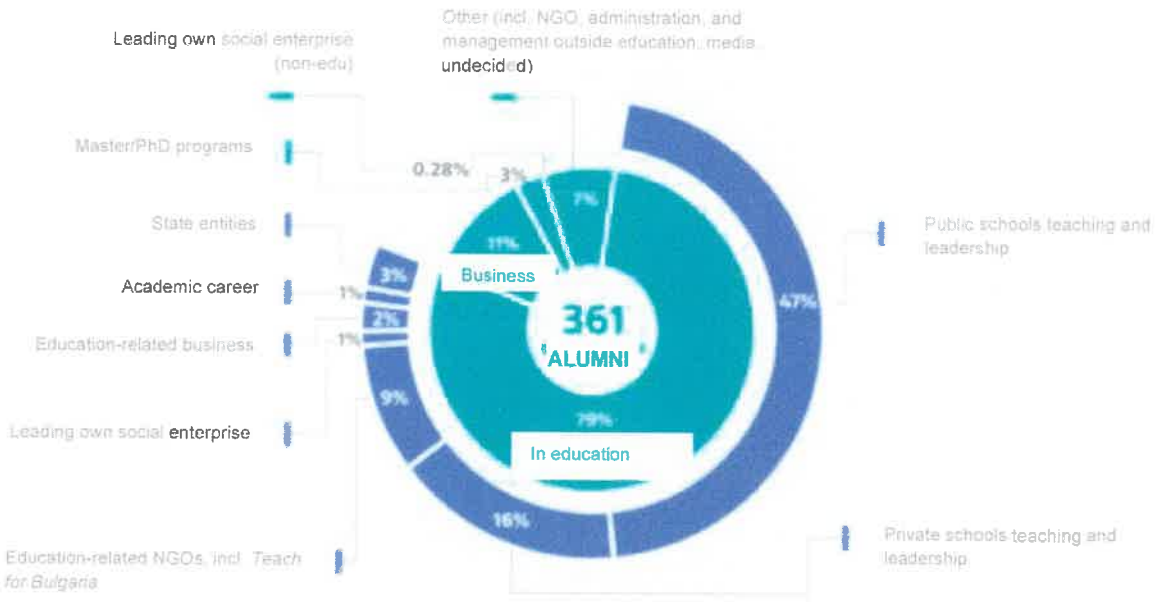
TEACH FOR BULGARIA'S IMPACT IN 2020

1. *A New Way to Teaching* Program

1.1. *A New Way to Teaching* alumni career paths

Providing every child in Bulgaria with equal access to quality education is a long-term goal which can only be accomplished with the joint effort of many committed people. This is why *Teach for Bulgaria* keeps supporting all participants in *A New Way to Teaching* even after the two-year program at school. Our participants pursue different career paths, but our goal is for every single one of them to keep working towards better education in Bulgaria, inspired by their experience in the program and further professional development.

As of October 2020, 361 participants have successfully completed the program. They are actively engaged in the education sector – 79% of them continue working in the education sector. 225 alumni are in the teaching profession and many of them see themselves in leadership positions in education in the future. As of October of 2020, 10 alumni work in leadership positions: Daniela Todorova (class of 2011-2013), Daniela Ivanova (class of 2012-2014), Maria Sendova (class of 2011-2013), Maria Ivanova (2013-2015), Rosen Bogomilov (class of 2015-2017), Borislava Todorova (2014-2016), Stoyanka Yordanova (class of 2016-2018), Tsvetan Metodiev (class of 2017-2019), Antoaneta Kaneva (class of 2016-2018), and Reneta Bogdanova (class of 2012 – 2014).



As at 1 October 2020

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Many of *Teach for Bulgaria*'s *A New Way to Teaching* Program alumni choose to start their own initiatives and organizations in order to meet different needs or address specific problems of the education system. There are 23 active organizations started by *Teach for Bulgaria* alumni as of October of 2020.

They are mainly focused on training programs for teachers and principals, policy and advocacy, developing 21st century skills, and working with students from vulnerable communities.

The list includes organizations such as *Vratsa Software*, *Mestentseto*, *Steps Academy (Akademia NIKE)*, *School Miracles*, *Education Bulgaria 2030*, *START Academy Sofia*, *The Academy of Knowledge* in Varna, *Education without Backpacks*, *Friends in Adventure*, *Blagichka – Cooking for a Cause*, *It's Up to Me* Foundation, Foundation *Svetal Lach*, *The Event*, the *Gramotko* initiative, *Smarty Kids – Mental Arithmetic*, *Center for children with hearing impairment* in Stara Zagora, *I, Teacher*, *Sci-High* Foundation and more.

Teach for Bulgaria alumni work at various influential and established education organizations, participate in conferences, write handbooks and projects thus reaching more people in the education system. *A New Way to Teaching* alumni work as experts in the following education and advocacy organizations: National Network for Children, Center for Inclusive Education, Center for Interethnic Dialogue and Tolerance *Amalipe*, the Bulgarian Safer Internet Centre, Institute for Progressive Education, Ucha.se, etc.

2. *A New Way to Teaching* impact external evaluation

Ten years after *Teach for Bulgaria* was established, we had two independent external evaluations to measure the effectiveness of *A New Way to Teaching* and its value added for students.

The evaluation was assigned to two research teams: The team of Dr. Keith M. Kershner and Dr. Elena Schmidt from Research and Evaluation International (REI) and Dr. Radostina Angelova, Manager of Global Metrics; and the team of Dr. Boyan Zahariev and Ilko Yordanov of *Open Society* Institute in Sofia.

Here are the main results:

***Teach for Bulgaria* has a positive impact on teachers' attitudes and behavior**

Teach for Bulgaria's superpowers

Teachers in *A New Way to Teaching*:

- Are more concerned about their pupils;
- Respect the opinions and perspectives of their students more;

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- Deliver captivating lessons to a greater degree;
- Better summarize key concepts and ideas;
- Better manage their classroom;
- Challenge their students more to go out of their comfort zone to become better and better, as compared to the control group of teachers in the survey.

Positive assessment by pupils

Pupils have a predominantly positive view of the teachers in the program. Children say participants in the program explain the practical application of lessons, encourage each student to take part in class and create a suitable learning environment in the classroom.

Contribution to the school community

Principals appreciate the contribution of the teachers under the program to the school community and describe them as teachers who:

- Seek to increase the motivation of each pupil by devising and implementing a variety of activities to that end;
- Set high targets;
- Develop pupils' socio-emotional skills through good communication, building relationships and working on projects that require cooperation;
- Share lesson plans with their colleagues;
- More often take an active part in school councils;
- Organize meetings with external guests to serve as role models for children and the school community;
- Organize various training sessions for their colleagues;
- Are ready to seek and share advice with other colleagues in school.

Positive impact on pupils' performance

Pupils taught by teachers in *A New Way to Teaching* perform significantly better in external evaluations in:

- Mathematics;
- Natural Sciences;
- English.

Teach for Bulgaria:

- Works better in small and less urbanized communities where we see the greatest concentration of less privileged communities in Bulgaria;
- Contributes for a lower number of school drop-outs where teachers from *A New Way to Teaching* Program are teaching. This is reported in comparison to the control group and in relation to the country statistics.

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You can find more information on the external evaluations here – https://zaednovchas.bg/vanshni-otsenki/

3. *Model Schools* Program

A three-year independent impact assessment of the program was also launched in parallel to the launch of the new *Model Schools* Program in 2020. It is carried out by REI and Global Metrics research teams and focuses on measuring the effects on the dissemination and implementation of leadership practices, changing school culture and the pupil attitudes and performance.

4. Sharing best practices

4.1. Project to create teaching materials and diagnostic tools for teaching students whose mother tongue is not Bulgarian

In almost all regions where the *Teach for Bulgaria* is operating, there are children whose mother tongue is not Bulgarian. Most of them are Roma children, but teachers also teach refugee children and children whose mother tongue is Turkish. With almost all of them, teachers recognize a strong need for additional language support.

Not speaking Bulgarian, in which the teaching process in the country is organized, is often among the main reasons why these children are lagging behind their peers. They find it difficult to learn the academic material and acquire new knowledge, feel misunderstood and unsuccessful. This is often the start of dropping out from the education system.

What is more, a good enough methodology for teaching Bulgarian as a second language has not been developed in Bulgaria, which makes it difficult for teachers to prepare these students. There is also a lack of specific material for language support, which is adapted to the specificities of acquiring Bulgarian as a second language.

That is why we have started developing a project together with the *EducArt* Association that will create working and practical Bulgarian language teaching materials for primary school pupils.

The project builds on the already successfully implemented Erasmus+ project *Language Against Dropout* (LAD) No. 2015-1-BG01-KA201-014306. It was carried out by organizations from Bulgaria, Romania and Germany and was based on the concept of the University of Heidelberg for teaching German as a second language in childhood.

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Together with authors who are involved in the creation of this already working concept, we are developing materials for the next age groups and support for pupils and teachers in the early stages.

In addition, the two organizations are also organizing a specialized training course to help whole school teams introduce and combine successful language support practices both at regular classes for different subjects and as extracurricular activities. The *Language Supportive Schools* trainings are part of *Teach for Bulgaria's* new *Model Schools* Program.

The project's first outcome was presented in October 2020 – specialized language diagnostics for students with different mother tongue than Bulgarian. The diagnostics allow for a thorough examination of the needs of pupils related to language learning, what skills have already been developed and what still needs support. The materials created by the language experts will directly support the work of the teachers in the primary school working with one of the most vulnerable groups of students in the Bulgarian education system.

Furthermore, on 30 November, we had an open webinar with the participation of language experts from *EducArt* and teachers from *A New Way to Teaching* Program, in which we showed more about the project and shared strategies for working with multilingual children. The webinar was widely attended by parents and teachers from all over the world, because the educational materials will also be available for the teaching Bulgarian students living abroad.

You can learn more about the project and the diagnostics by following those links:

https://zaednovchas.bg/sazdadoha-parvata-spetsializirana-diagnostika-za-detsa-s-razlichen-maychin-ezik/

https://zaednovchas.bg/influence/razbirash-li/

4.2. Bulletin and best practices webpage on distance learning for teachers from across the country

In March 2020, when all schools in Bulgaria had to extraordinarily switch to distance learning, in just one week *Teach for Bulgaria* organized the creation of a dedicated page with useful resources and good practices for teachers in connection with distance learning. The site was regularly updated with current events, it had open access to platforms and contained best practices. It remains accessible to all teachers today at: https://zaednovchas.bg/distancionno-obuchenie/

In parallel with the creation of the webpage, *Teach for Bulgaria's* team also started sending a dedicated free online newsletter, in which teachers and principals from all over the country could receive useful weekly resources and materials related to distance learning. Some of the topics were related both to effective online teaching (gamification, use of specific platforms, best assessment practices, etc.), but also to teachers' emotional and mental health: burnout prevention, addressing

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stress and anxiety, and how to talk to pupils about what is happening. In just 4 months, more than 10,000 teachers signed up for the newsletter. Its success was also the reason for it to continue being weekly issued even in the 2020/2021 school year with the themes having been extended beyond distance learning. Each issue is focused on a specific topic. The newsletter also contains additional opportunities, competitions and resources by other educational institutions, non-governmental organizations, etc. By the end of 2020 subscribers to the newsletter were over 13,000.

4.3. Sharing good practices on the prepodavame.bg *site*

The prepodavame.bg site by teachers for teachers was originally created as part of the FIERST project to disseminate and share best practices by teachers and project participants with other teachers and schools in the country.

The high assessment that the site received from the project participants, as well as the fact that a single, freely accessible space to share good pedagogical practices was missing, provoked us to continue expanding the site and develop its concept as a useful media for teachers.

The main sections of the site are currently divided into a number of main categories: Good practices in classrooms, skills of the 21st century, lessons in socio-emotional learning, working with parents and pupils with a mother tongue different than Bulgarian.

Separate video courses are also developed in the site – *Classroom Culture*, *How to Unlock the Potential of Every Student*, *How to Put the Student at the Center of the Learning Process*. The site also supports a regular weekly newsletter reaching thousands of teachers and showing highlights from the latest content of the site.

4.4. Video lessons for Google Classroom, available to all teachers

The need to shift rapidly into a remote form of teaching in March 2020 has challenged many teachers and schools to choose and use existing virtual platforms for their classes. To support them, we, in *Teach for Bulgaria,* and the prepodavame.bg website created a series of video lessons with guidance on how to use of free opportunities of Google Classroom. In a matter of just a few days, the videos were viewed by thousands of teachers and supported them as well as parents and students. All available videos remain available in the "Digital School" section of prepodavame.bg.

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KEY EVENTS OF 2020

DATE/PERIOD	EVENT
February 2020	Charity QuizIT for hi-tech professionals, co-organized with Questers in support of *Teach for Bulgaria*
March 2020	In view of the extraordinary epidemiological situation introduced in Bulgaria and the measures to contain the Covid-19 epidemic, we introduced a number of changes in the operation of *Teach for Bulgaria* and its planned activities. All the selection activities for participants in *A New Way to Teaching*, all teacher training and support started being done remotely.
March 2020	*Teach for Bulgaria* created a dedicated webpage for distance learning resources and useful practices and launched the dissemination of a regular free bulletin to teachers with useful topics and practices.
April 2020	The recruitment of the first batch of schools participating in the new *Model Schools* Program started.
May 2020	*Teach for Bulgaria* was elected as a Member of the Council for Civil Society Development to the Council of Ministers.
May 2020	*Teach for Bulgaria* teachers from different regions of the country, principals and partnering schools were awarded for their work on occasion of 24 May – the Day of Bulgarian Enlightenment and Culture. More information here: https://zaednovchas.bg/40-do-40-2020/
June 2020	Final FIERST project conference for the 2019/2020 school year on 22 June
June 2020	For yet another year in a row, Darik Radio's *40 under 40* Leadership Ranking included representatives of *Teach for Bulgaria*'s community on its list of successful and innovative Bulgarians. These were Zlatka Dimitrova (class of 2013-2015), Daniel Simeonov (class of 2016-2018), Radostina Boycheva (class of 2014-2016), Blazhka Dimitrova (class of 2013-2015), and the team of *School Miracles* Initiative (various classes).
June 2020	Class of 2018-2020 graduation on 27.06.2020
July 2020	Start of *Teach for Bulgaria's* intensive training of new recruits under *A New Way to*

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	Teaching Program, conducted online for the first time.
July 2020	The first online *Inspirational Leaders* Charity Auction was held from 1 to 6 July 2020.
August 2020	*Teach for Bulgaria's Summer Academy for Fun and Success* was also launched online for the first time on 3 August, and was accessible to children from all over the country.
August 2020	The first trainings and mentorships of school teams under the *Model Schools* Program started on 3 August.
September 2020	The new batch of *Teach for Bulgaria*'s *A New Way to Teaching* Program alumni entered the classrooms on 15 September.
September 2020	The new campaign for teacher recruitment under 2020-2022 Program was launched.
September 2020	*Teach for Bulgaria* moved the organization's office to a new address – 23 Tsarigradsko Shose Blvd.
October 2020	The first specialized diagnostics tool for students with mother tongue different from Bulgarian was presented to the public. Diagnostics allows for a thorough examination of the needs of pupils related to language learning, what skills have already been developed and what still needs support. It is part of a joint project with *EducArt* Association to create teaching materials for children with mother tongues different than Bulgarian.
October 2020	The *From Vision to Results* Program – Phase 2 closing conference was held on 29 October 2020.
October 2020	Hristo Emilov Manov was elected Chair of the Management Board of *Teach for Bulgaria* Foundation.
November 2020	*Teach for Bulgaria* presented its new visual identity a day after the *National Awakeners Day* – 1 November.

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FUTURE GROWTH PLANS

The Organization will continue to develop its main programs as well as additional projects and activities to disseminate good practices in the system.

FINANCIAL INFORMATION

1. Fundraising

Teach for Bulgaria operates thanks to the financial support of various donors (foundations, individuals, corporations) who believe that quality education is a long-term investment in the economy and development of Bulgaria.

The bulk of the funding of *Teach for Bulgaria* is provided through a grant by *America for Bulgaria* Foundation, at the initiative of which the Organization was established in 2010.

Teach for Bulgaria's team strives to fully and purposefully engage current donors and to seek new funding sources to ensure the sustainability of the Organization in the long term.

Online Inspirational Leaders Charity Auction 2020

The event was an alternative to *Teach for Bulgaria*'s traditional charity auction, which failed to take place due to safety measures during the Covid-19 pandemic. It took place from 1 to 6 June 2020 at *Teach for Bulgaria*'s website: https://zaednovchas.bg/online-auction/. The organisers were *Teach for Bulgaria* in partnership with the Bulgarian Business Leaders Forum and with the support of the HRS. Five inspiring personalities from different walks of life were involved in the auction in 2020 and managed to raise over BGN 5,000 to support the work of *Teach for Bulgaria*.

Marketing with a cause and corporate partner events 2020

In 2020, the Organization was able to increase its support from corporate partners through joint initiatives like *Marketing for a Cause* and organising events for the employees of large companies. This type of initiative provides benefits for both the corporate partner and the organization, because the sales of a particular product are tied to donations for *Teach for Bulgaria* or stimulate a favorable corporate environment through the support of causes.

Here are some of the initiatives we carried out in 2020:

- Charity QuizIT with Questers – 19 February 2020
- Charity evening for board games with A1 to support the cause of *Teach for Bulgaria* – 27 February 2020.
- Charity scooter riding with BRUM – 12-13 September 2020
- Charity yoga in the park with Nina Sotirova from the Santosha Yoga – 19 September 2020
- Paint with a cause with Dali Vino Gallery – 21 December 2020.

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- Partnership with Bulsatcom and the additional Globe TV package – from December 2020 to the end of 2021.

A fundraising campaign to create the methodology and materials to support students with a mother tongue different than Bulgarian

In 2020 we continued the campaign to fund the project to create educational materials for supporting students with a mother tongue different than Bulgarian. In 2020, the campaign was mainly carried out through raising funds by individual donors on the *Global Giving* International Platform and through a dedicated page on *Teach for Bulgaria*'s website.

2. Financial indicators

In 2020 the Foundation recognised income from conditional grants at the amount of BGN 2,383 thousand (2019: BGN 3,974 thousand). The unconditional grants received in 2020 amounted to BGN 690 thousand (2019: BGN 598 thousand). The profit from the non-profit activity for 2020 was BGN 543 thousand (2019: profit of BGN 183).

3. Remuneration, received in total during the year by the members of the boards

In 2020, the members of the Management Board did not receive remuneration except for the Executive Director of the Foundation, who is a full Member as per the Articles of Association.

4. The participation of the board members in trade companies as unlimited shareholders, the ownership of more than 25 percent in the capital of another company, as well as their participation in the management of other companies or cooperatives as procurators, managers or board members

Name of the Governing Body: Management Board

EVGENIA KONSTANTINOVA PEEVA-KIROVA, State: BULGARIA – **No participation;**

GEORGI KOSTADINOV SIDZHIMKOV, State: BULGARIA – **Has participation in another company, but not exceeding 25% of its capital.** Left the Board of Directors of *Teach for Bulgaria* in December 2020.

MIROSLAV IVANOV STOYCHEV, State: BULGARIA – **Has participation in another company, but not exceeding 25% of its capital;**

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TSVETAN TODOROV LAZHANSKI, State: BULGARIA – **Has participation in another company, exceeding 25% of its capital.**

TATYANA IVANOVA MARINOVSKA-NAIDENOVA, State: BULGARIA – **No participation;**

NELI KOLEVA KOLEVA, State: BULGARIA – **No participation;**

TRAYAN VALENTINOV TRAYANOV, State: BULGARIA – **Has participation in another company, exceeding 25% of its capital;**

EKATERINA ANDREEVA GRAMENOVA, State: BULGARIA – **Has participation in another company, exceeding 25% of its capital;** left the Management Board of *Teach for Bulgaria* Foundation in December 2020.

ROSEN MIROSLAVOV BOGOMILOV, State: BULGARIA – **No participation;**

HRISTO EMILOV MANOV, State: BULGARIA – **Has participation in other companies, exceeding 25% of their capital.**

5. The financial instruments used by the entity, and when it is significant for valuing the assets, liabilities, financial position and financial result, are disclosed and:

a) the entity's financial risk management objectives and policies, including its hedging policy for each major type of hedged item to which hedge accounting applies;

Teach for Bulgaria Foundation has not developed a hedging policy, as the management believes that there are no indications of the occurrence of such a risk towards it.

b) the entity's exposure to price, credit, liquidity and cash flow risk

The Foundation is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk

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Credit risk

Credit risk is the risk that the Foundation may suffer financial losses if a client or counterparty to a financial instrument fails to discharge in full its contractual obligations. Credit risk arises mainly on receivables from clients and investments in financial instruments.

The Foundation limits the credit risk by concentrating its cash and payment transactions in a first rate commercial bank with high reputation and stable liquidity, which limits the risk for cash and cash equivalents.

Liquidity risk

Liquidity risk is the risk that the Foundation may fail to settle its liabilities as they fall due. The Foundation's approach is to ensure that liquid resources are made available to cover its liabilities in the ordinary course of business or in an unforeseen situation, without incurring undue losses or suffering damages on its reputation.

The financial planning process of the Foundation is aimed at covering its expenses and current liabilities over a period of 60 days, including settlement of its financial liabilities. Such planning excludes the potential effect of extraordinary circumstances that cannot be foreseen in a normal situation.

EVENTS AFTER THE DATE OF THE SEPARATE FINANCIAL STATEMENTS

No events have occurred after the date of the Foundation's Separate Financial Statements for the year ending on 31 December 2020, which require further adjustments and/or disclosures.

BRANCHES

The Foundation has no branches.

RESEARCH AND DEVELOPMENT

The Foundation did not have research and development activities in 2020.

FINANCIAL RISKS

Information about the financial risks has been included in the Financial Statements, Note 22 (Financial instruments).

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MANAGEMENT RESPONSIBILITY

According to the Bulgarian legislation, the Management should prepare financial statements for every fiscal year which present a true and fair view of the position of the Foundation at the end of the year, its financial performance, and cash flows. The separate financial statements are prepared in accordance with the National Accounting Standards applicable in Bulgaria.

The Management confirms that it has consistently applied adequate accounting policies to prepare the Separate Financial Statements as at 31 December 2020, and made reasonable and prudent assumptions, and estimates.

The Management also confirms that it has followed the applicable accounting standards and the Separate Financial Statements have been prepared on a going-concern basis.

The Management is responsible for the proper keeping of accounting records, appropriate asset management, and taking the necessary measures to prevent or detect potential fraud and other irregularities.

The Management confirms that in preparing these Separate Financial Statements it has provided a true and fair presentation of the development and results of the Foundation's activities over the past period, as well as its financial position and main risks it may be facing.

The Management has approved the issuing of the Separate Activity Report and Separate Financial Statements for 2020.

Trayan Trayanov
Executive Director
Date: 20.09.2021

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II.

Independent Auditor's Report

Baker Tilly Klitou and Partners EOOD
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INDEPENDENT AUDITOR'S REPORT

To the Management board of

TEACH FOR BULGARIA FOUNDATION

Opinion

We have audited the separate financial statements of TEACH FOR BULGARIA FOUNDATION („the Foundation"), which comprise the separate balance sheet as of 31 December 2020, and the separate income statement for non-profit activities, separate income statement for business activities, separate equity statement and separate cash flow statement for the year then ended, and notes to the separate financial statements, including summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give true and fair view of the financial position TEACH FOR BULGARIA FOUNDATION as of 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with National Accounting Standards (NAS), applicable in Bulgaria.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report. We are independent of the Foundation within the meaning of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by International Ethics Standards Board for Accountants (IESBA Code) and the Independent Financial Audit Act (IFAA) applicable to our audit of the financial statements in Bulgaria and we have also fulfilled our other ethical responsibilities in accordance with the requirements of IFAA and IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter
The Foundation's separate financial statements for the year ended 31 December 2019 have been audited by another auditor, who has issued an audit report with an unmodified opinion dated 29 September 2020.

Other information, different from separate financial statements and auditors report
Management is responsible for the other information. Other information, which we have received before the date of our auditor`s report consist of Annual activity report, prepared by management in accordance with Chapter Seven from Accountancy Act, but does not include the separate financial statements and our auditor`s report.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance thereon, unless if it is explicitly stated in our report, and to the extent it is stated.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Additional matters for reporting required by Accountancy Act
In addition to our reporting requirements in accordance with ISA, related to the Annual activity report, we have performed the procedures added to those required by the ISAs, in accordance with guidelines of the professional organization of Certified Public Accountants and Registered Auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). These procedures comprise checks on the existence, as well as checks of the form and content of this other information with the purpose to support us in forming of opinion, whether the other information includes the disclosures and reporting requirements, provided in Chapter Seven of the Accountancy Act, applicable in Bulgaria.

Opinion in accordance with Art. 37, para. 6 of Accountancy Act
On the basis of the procedures performed, our opinion is that:
a) The information, included in the Activity report for the financial year is consistent with the separate financial statements for the same reporting period.
b) The Activity report has been prepared in accordance with the requirements of Chapter Seven from the Accountancy Act.

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

During the preparation of the separate financial statements management has the responsibility to make an assessment regarding Foundation`s ability to continue as going concern, and to disclose when it is applicable, questions related to the going concern assumption and to using the accounting framework based on going concern assumption, unless management either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so.

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

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

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

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

Svilena Todorova
Registered Auditor
responsible for the audit

Galina Lokmadjieva-Nedkova
Manager

Baker Tilly Klitou and Partners EOOD
5, Stara Planina Str., 5th floor
Sofia 1000, Bulgaria

20 September 2021
Sofia

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 129 БЕЙКЪР ТИЛИ КЛИТУ И ПАРТНЬОРИ ЕООД

III.

Separate Financial Statements for the year ended December 31st, 2020

Separate Income Statement for Non-profit Activities for 2020

Expenses	Note	2020	2019
		In thousands of BGN	*In thousands of BGN*
I. Operating expenses			
A. Regulated activity expenses			
1. Donations	6.1	90	1,212
2. Other expenses	6.2	32	231
Total A:		**122**	**1,443**
B. Administrative expenses	7	**2,337**	**2,956**
Total I:		**2,459**	**4,399**
II. Financial costs			
3. Other financial transaction costs	8	96	26
Total II:		**96**	**26**
III. Total expenses		**2,555**	**4,425**
IV. Total financial result, including:		**549**	**186**
– result from non-profit activities		*543*	*183*
– profit from business activities		*6*	*3*
Total		**3,104**	**4,611**

Revenues	Note	2020	2019
		In thousands of BGN	*In thousands of BGN*
I. Operating revenue			
A. Regulated activity revenue			
1. Income from conditional grants	9.1	2,383	3,974
2. Income from unconditional grants	9.2	690	598
3. Other income		8	16
Total I:		**3,081**	**4,588**
II. Financial income			
4. Foreign currency exchange gains	10	17	20
Total II:		**17**	**20**
III. Profit from business activities		**6**	**3**
IV. Total revenues		**3,104**	**4,611**
Total		**3,104**	**4,611**

The Separate Income Statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 24, being an integral part of these Separate Financial Statements.
These separate financial statements have been prepared on 20.09.2021 and approved and signed by the Executive director on 20.09.2021.

Trayan Trayanov
Executive Director

"Заедно в час" Teach For Bulgaria

Kreston BulMar Accounting Services Ltd.
Metodi Hristov, *Manager*
Preparer

Кръстън БулМар ООД счетоводно обслужване София

In accordance with independent auditor's report:
Baker Tilly Klitou and Partners EOOD

Одиторско дружество София Рег. № 129 Бейкър Тили Клиту и партньори ЕООД

Galina Lokmadjieva-Nedkova
Manager

Svilena Todorova
Registered auditor, responsible for the audit
20.09.2021

Separate Income Statement for Business Activities for 2020

Expenses	Note	2020	2019
		In thousands of BGN	*In thousands of BGN*
A. Expenses			
1. Materials and hired services expenses, incl.:		**102**	**-**
a) Materials and supplies	11.1.	**1**	**-**
b) Hired services	11.2.	**101**	**-**
2. Personnel costs, incl.:	11.3.	**134**	**-**
a) Remuneration costs		111	-
b) Social security costs		23	-
3. Other expenses	11.4.	**3**	**-**
Total operating expenses		**239**	**-**
Total expenses		**239**	**-**
2. Accounting profit		**6**	**3**
3. Income tax expense		**-**	**-**
4. Profit from business activities for the year		**6**	**3**
Total		**245**	**3**

Revenue	Note	2020	2019
		In thousands of BGN	*In thousands of BGN*
B. Revenue			
1. Net sales revenue, incl.:		**245**	**-**
a) Goods	12	1	-
b) Services	12	244	-
C. Other income		**-**	**3**
Total operating revenue		**245**	**3**
Total revenue		**245**	**3**
Total		**245**	**3**

The Separate Income Statement shall be considered in conjunction with the notes to the financial statements on pages 7 to page 24, being an integral part of these Separate Financial Statements.
These separate financial statements have been prepared on 20.09.2021 and approved and signed by the Executive director on 20.09.2021.

Trayan Trayanov

Executive Director

"Заедно в час" Teach For Bulgaria

In accordance with independent auditor's report:
Baker Tilly Klitou and Partners EOOD

Galina Lokmadjieva-Nedkova
Manager

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 129 БЕЙКЪР ТИЛИ КЛИТУ И ПАРТНЬОРИ ЕООД

Kreston BulMar Accounting Services Ltd.
Metodi Hristov, *Manager*
Preparer

Крестън БулМар ООД счетоводно обслужване София

Svilena Todorova
Registered auditor, responsible for the audit
20.09.2021

Separate Balance Sheet
as at 31 December 2020

	Note	31.12.2020 In thousands of BGN	31.12.2019 (restated) In thousands of BGN
ASSETS			
A. Non-current (long-term) assets			
I. Intangible assets			
1. Advances granted and intangible assets in progress	13	17	17
Group I total:		**17**	**17**
II. Long-term tangible assets			
1. Fixtures and fittings		3	19
2. Vehicles		18	15
Group II total:	14	**21**	**34**
III. Investments			
1. Shares in group companies	23.1	3	3
2. Financial assets, held to maturity	23.2	-	892
Group III total:		**3**	**895**
Section A total:		**41**	**946**
B. Current (short-term) assets			
I. Inventories			
1. Goods		3	-
Group I total:		**3**	**-**
II. Receivables			
1. Receivables from group companies	24	285	-
2. Other receivables	15	44	8
Group II total:	15	**329**	**8**
III. Investments			
1. Financial assets, held to maturity	23.2	892	-
Group III total:		**892**	**-**
IV. Cash and cash equivalents, including:			
– In current bank accounts (deposits)	16	2,849	1,154
Group IV total:		**2,849**	**1,154**
Section B total:		**4,073**	**1,162**
C. Deferred expenses	17	**30**	**38**
TOTAL ASSETS		**4,144**	**2,146**

	Note	31.12.2020 In thousands of BGN	31.12.2019 (restated) In thousands of BGN
LIABILITIES			
A. Equity			
I. Reserves	18		
1. Reserve as per incorporation act		1	1
2. Other reserves from prior years		1,825	1,639
3. Financial result for the current year		549	186
Group I total:		**2,375**	**1,826**
Section A total:		**2,375**	**1,826**
B. Payables			
1. Payables to suppliers *up to 1 year*	19	11	25
2. Payables to related parties *up to 1 year*	24	156	-
3. Other payables *up to 1 year*, including:	20	124	61
– Payable to personnel, up to 1 year		*64*	*40*
– Social security payables up to 1 year		*6*	*1*
– Tax liabilities up to 1 year		*51*	-
Section B total		**291**	**86**
C. Financing	**21**	**1,478**	**234**
TOTAL LIABILITIES		**4,144**	**2,146**

The Separate Balance Sheet shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 24 being an integral part of these Separate Financial Statements. These separate financial statements have been prepared on 20.09.2021 and approved and signed by the Executive director on 20.09.2021.

Trayan Trayanov

Executive Director

In accordance with independent auditor's report:
Baker Tilly Klitou and Partners EOOD

Galina Lokmadjieva-Nedkova
Manager

Kreston BulMar Accounting Services Ltd.
Metodi Hristov, *Manager*
Preparer

Svilena Todorova
Registered auditor, responsible for the audit
20.09.2021

Separate Equity Statement for 2020

	Note	Reserve as per incorporation act In thousands of BGN	Other reserves from prior years In thousands of BGN	Financial result for the current year In thousands of BGN	Total: In thousands of BGN
1. Balance as at 1 January 2020		**1**	**1,639**	**186**	**1,826**
2. Financial result for the year, including:		-	-	549	549
– Profit from business activities		-	-	*6*	*6*
– Result from non-profit activities		-	-	*543*	*543*
3. Transfer to other reserves		-	186	(186)	-
4. Balance as at 31 December 2020	18	**1**	**1,825**	**549**	**2,375**

The Separate Equity Statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 24, being an integral part of these Separate Financial Statements.

These separate financial statements have been prepared on 20.09.2021 and approved and signed by the Executive director on 20.09.2021.

Trayan Trayanov
Executive Director

"Заедно в час" Teach for Bulgaria

Kreston BulMar Accounting Services Ltd.
Metodi Hristov, *Manager*
Preparer

Кръстън БулМар ООД счетоводно обслужване София

In accordance with independent auditor's report:
Baker Tilly Klitou and Partners EOOD

Galina Lokmadjieva-Nedkova
Manager

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 129 БЕЙКЪР ТИЛИ КЛИТУ И ПАРТНЬОРИ ЕООД

Svilena Todorova
Registered auditor, responsible for the audit
20.09.2021

Separate Cash Flow Statement
for 2020

In thousands of BGN	Note	2020	2019
I. Cash and cash equivalents at the beginning of the year		**1,154**	**923**
II. Cash flows from non-profit activities			
A. Proceeds from non-profit activities			
1. Conditional grants received		3,636	4,055
2. Unconditional grants received		690	599
3. Other proceeds		54	28
Total proceeds from non-profit activities		**4,380**	**4,682**
B. Payments for non-profit activities			
1. Payments for grants		90	1,212
2. Payments related to personnel and social security		1,221	1,318
3. Payments for services		1,193	1,896
4. Payments on banking and foreign exchange transactions		96	25
5. Other payments		2	-
Total payments for non-profit activities		**2,602**	**4,451**
C. Net cash flows from non-profit activities		**1,778**	**231**
III. Cash flows from business activities			
A. Proceeds from business activities			
1. Receipts from customers		311	-
Total proceeds from business activities		**311**	-
B. Payments for business activities			
1. Payments for services		394	-
Total payments for business activities		**394**	-
C. Net cash flows for business activities		**(83)**	-
IV. Cash and cash equivalents at 31 December	16	**2,849**	**1,154**
V. Change in cash and cash equivalents for the year		**1,695**	**231**

The Separate Cash Flow Statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 24, being an integral part of these Separate Financial Statements.

These separate financial statements have been prepared on 20.09.2021 and approved and signed by the Executive director on 20.09.2021.

Trayan Trayanov
Executive Director

"Заедно в час" Teach For Bulgaria

Kreston BulMar Accounting Services Ltd.
Metodi Hristov, *Manager*
Preparer

Крестън БулМар ООД счетоводно обслужване София

In accordance with independent auditor's report:
Baker Tilly Klitou and Partners EOOD

Galina Lokmadjieva-Nedkova
Manager

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 129 БЕЙКЪР ТИЛИ КЛИТУ И ПАРТНЬОРИ ЕООД

Svilena Todorova
Registered auditor, responsible for the audit
20.09.2021

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

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Notes to the Separate Financial Statements

1. Status and principal activities

Teach for Bulgaria Foundation (the "Foundation") was established in July 2010 as a non-profit legal entity working to the benefit of society. The Foundation was registered as a non-profit legal entity by virtue of Decision No 1 of 4 August 2010 under Foundation File No 460/2010 of Sofia City Court, with BULSTAT UIC 175935973.

The registered seat and address of management of the Foundation is 1124 Sofia, Yavorov Residential Complex, 23 Tsarigradsko Shose.

The principal activities of the Foundation are focused on:

- working towards improvement of the access to high quality education for every child, regardless of school they go to, location and the financial ability of the parents;
- training and encouraging ambitious young people of different academic backgrounds to teach pupils in social and economic distress throughout the country;
- establishment of alumni club for those who have graduated the program;
- enhancement of the prestige and respect towards the teachers' profession.

Apart from its principal non-profit activity linked to the fulfillment of the above objectives, the Foundation may also carry out additional economic activities linked to its principal objectives. Such economic activity may involve the organization of events, the provision of advertising services, provision of consultancy services, etc.

The Foundation's management bodies include the Founder, Management Board and Executive Director.

As at 31 December 2020 the Foundation's personnel includes 43 full time employees working under labor agreements (as at 31 December 2019: 44).

2. Basis for preparation

(a) Statement of compliance

The Separate Financial Statements of *Teach for Bulgaria* Foundation have been prepared in accordance with the Accountancy Act and the National Accounting Standards (NAS).

The Separate Financial Statements have been approved by the Management Board and the Executive Director on 20 September 2021.

These are the statutory Separate Financial Statements of the Foundation.

The Foundation does not prepare consolidated financial statements, applying the relief pursuant to the Accountancy Act.

(b) Measurement basis and going concern principle.

The Separate Financial Statements have been prepared in accordance with the historical cost principle.

The Separate Financial Statements have been prepared in accordance with the going concern principle.

(c) Functional currency and presentation currency

These Separate Financial Statements have been presented in Bulgarian levs (BGN), which is the functional currency of the Foundation. The financial information presented in Bulgarian levs has been rounded to the nearest thousand.

(d) Comparative data

The Foundation is presenting comparative information for one preceding year in these Separate Financial Statements. Where necessary, comparative data have been reclassified (and restated) to achieve comparability against changes in presentation in the current year. In accordance with Accounting Standard 8, the Foundation has corrected a fundamental error in the presentation of financial assets, held to maturity by reclassifying them from short-term to long term as at 31.12.2019.

Notes to the Separate Financial Statements

2. Basis for preparation (continued)

(e) Estimates and assumptions

The presentation of Separate Financial Statements according to national accounting standards requires the management to make best estimates, accruals and reasonable assumptions that have an effect on the reported values of assets and liabilities, income and expenses, and on the disclosure of contingent assets and liabilities as at the reporting date. These estimates, accruals and assumptions are based on the information available at the date of the Separate Financial Statements and, therefore, future actual results may differ.

3. Significant accounting policies

The significant accounting policies presented below have been applied consistently throughout the periods presented in the Separate Financial Statements.

(a) Foreign currency transactions

Foreign currency transactions are translated to the functional currency using the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the closing exchange rate on the balance sheet date. Foreign exchange gains or losses arising on monetary items represent the difference between the amortised amounts in functional currency at the beginning of the period, adjusted to reflect the effective interest rate and the payments made during the period and the amortised amounts in foreign currency, translated into the functional currency using the exchange rate prevailing at the end of the period. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated to the functional currency using the exchange rate prevailing on the date of the original transaction (acquisition).

Foreign exchange differences arising from the translation to the functional currency are recognised in the Income Statement.

The exchange rate of the Bulgarian lev (BGN) has been pegged to the Euro (EUR) since 1999. The exchange rate is BGN 1.95583 / EUR 1.0.

(b) Financial instruments

A financial instrument is any contract simultaneously giving rise to both a financial asset in one enterprise and a financial liability or equity instrument in another enterprise.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and deposits with original maturity up to 3 months.

Accounting for finance income and expenses is disclosed in Note 3 (n).

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Following initial recognition the Foundation measures receivables held to maturity at amortised cost, using the effective interest rate method, less any allowance for impairment.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

Amortised cost is measured taking into account all premiums and discounts on acquisition, as well as the fees that are inherent to the effective interest rate and the transaction costs.

Gains and losses associated with the receivables are recognised in the Income Statement when the receivables are derecognised or impaired, as well as through the amortization process.

(c) Long-term tangible assets

(i) Recognition and measurement

Tangible assets are carried at cost less any accumulated depreciation and impairment losses.

The cost includes all expenses directly associated with the acquisition of the asset. The cost of assets constructed by the Foundation includes expenses on materials and labor, all other costs to bring the asset to a condition suitable for its envisaged use, as well as any decommissioning and site recovery costs. Software, without which equipment acquired cannot operate, is capitalized as part of such equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in the Income Statement as incurred.

When items of tangible assets comprise components having different useful lives, such components are accounted for individually.

(ii) Subsequent costs

Subsequent costs incurred in order to replace a portion of an asset of the tangible assets are capitalized in the asset concerned only when it is probable that the enterprise will receive economic benefits in the future associated with that part of the asset and the costs can be measured reliably. The carrying amount of the replaced part is derecognised. Servicing costs related to the daily maintenance of the asset are recognised in the Separate Income Statement as expenditures at the time they are incurred.

Gains or losses upon derecognition of the asset (being the difference between the net proceeds from the sale, if any, and the carrying amount of the asset) are taken to the Income Statement when the asset is derecognised.

(iii) Depreciation

Depreciation is charged to the Separate Income Statement on the basis of the straight-line depreciation method over the estimated useful life of tangible fixed assets that are carried individually.

The estimated useful lives during the current and the prior period are as follows:

- Computer equipment 2 years
- Motor vehicles 4 years

The depreciation methods, useful lives and residual amounts of the assets are reviewed at each Separate Financial statements date.

As at 31 December 2020 and 31 December 2019 the Foundation did not hold any tangible assets, acquired for business purposes.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(d) Intangible assets

(i) Recognition

Intangible assets with finite useful lives acquired by the Foundation are carried at cost, less any accumulated amortization and impairment losses.

(ii) Subsequent costs

Costs related to the maintenance of intangible assets are capitalized, if and only if they increase the future economic benefits generated by the asset. All other expenses are taken to the income statement as incurred.

(iii) Amortization

Amortization is charged to the income statement on the basis of the straight-line amortization method over the estimated useful life of the intangible asset.

The useful lives of intangible assets are finite.

Intangible assets are amortized over their estimated useful lives and are tested for impairment when indications exist that their values may be impaired. The Foundation reviews the useful lives and amortization methods of intangible assets at least at the end of each financial year. Changes in the estimated useful lives or patterns of consumption of the future economic benefits of the intangible asset are accounted for through a change in the amortization period or method, and are treated as changes in accounting estimates.

Gains or losses upon the derecognition of an intangible asset, representing the difference between the net proceeds from the disposal, if any, and the carrying amount of the asset are taken to the income statement, when the asset is derecognised.

The estimated useful lives are as follows:

- Software 2 years

As at 31 December 2020 the Foundation had intangible assets in progress and there are no long-term intangible assets acquired for business purposes. As of December 31, 2019, the Foundation had intangible assets in progress and there are no long-term intangible assets acquired for business purposes.

(e) Leased assets

Lease contracts, which transfer to the Foundation all significant risks and rewards from the ownership over the asset, are classified as finance leases. Upon initial recognition the leased assets are accounted for at the lower of their fair value and the present value of the minimum lease payments. Following initial recognition, the asset is carried in accordance with the accounting policies applicable to the respective asset.

Other lease contracts represent operating leases where the leased assets are not recognised on the Foundation's balance sheet.

(f) Inventories

Inventories are carried at the lower of their cost and their net realizable value. The cost of inventories is based on the weighted average cost method and includes costs incurred on their acquisition and costs incurred to bring the inventories to their current location and condition.

The net realizable value is the expected selling price in the ordinary course of business, less any estimated costs for completion and costs to make the sale.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(g) Impairment

(i) Financial assets

The Foundation reviews the carrying amounts of its financial assets at each balance sheet date in order to assess whether indications for impairment exist. A financial asset is impaired if objective evidence exist that one or more events have had adverse impact on the expected future cash flows from the asset.

Impairment losses on financial assets carried at amortised cost represent the differences between their book values and the present value of the future cash flows, discounted using the original effective interest rate. Impairment losses on available-for-sale financial assets are estimated using the assets' fair values.

Financial assets that are significant individually are tested for impairment individually. All other financial assets are assessed collectively in groups that have similar credit risk features.

Impairment losses are recognised in the income statement.

Impairment losses are reversed only when the reversal can be objectively associated with an event occurring after the recognition of the impairment loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets held by the Foundation, other than inventories and deferred tax assets, are reviewed at each balance sheet date to assess whether indications that the assets may be impaired exist. If any such indications exist the asset's recoverable amounts are assessed.

Impairment losses are recognised if the carrying amounts of the assets exceed their recoverable amounts. Impairment losses are recognised directly in the income statement.

(h) Employee benefits

(i) Defined contribution plans

The government of the Republic of Bulgaria is responsible to pay pensions under defined contribution plans. The costs related to the Foundation's obligation to pay contributions to the defined contribution plans are recognised in the income statement as incurred.

(ii) Paid annual leaves

The Foundations recognises as a liability the undiscounted amount of the estimated paid annual leaves expenses, which are expected to be paid to the employees in exchange for their services during the past reporting period.

(iii) Retirement benefits

The Foundation is obliged to pay retirement benefits to its employees who are retiring in accordance with the provisions of the Labour Code. At the balance sheet date the Management makes an assessment of the estimated potential expenses for all of its employees and if the amount is material to the Separate Financial statements as a whole, it accrues them.

(i) Provisions

Provisions are set aside when the Foundation has a legal or constructive obligation as a result of past events and when it is probable that the settlement of the obligation will require an outflow of economic benefits. Provisions shall be determined by discounting expected future cash flows at an interest rate before taxes that reflects the current market value of the cash over time and the risks specific to the obligation.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(j) Investments

Held-to-maturity investments are initially measured as the sum of their fair value plus transaction costs. For subsequent valuation, the Foundation uses the amortised cost using the effective interest rate method.

(k) Revenue

Depending on whether the Foundation's objective is to generate profits, revenue is classified as revenue from business activities or from non-profit activities.

(i) Income from grants

Grants represent funds received for the purpose of carrying out activities related to the Foundation's objectives and these are either linked to specific conditions (for example implementation of projects and budgets) or not. Conditional grants include grants related to depreciable assets and grants related to current operating activities. Grants related to depreciable assets are recognised as income pro-rata to the depreciation charge of the assets acquired from the grant, accrued over the respective period. Grants related to non-depreciable assets are recognised as income in the periods when the expenses related to the fulfilment of the conditions under the grant are incurred. Conditional grants received, related to the operating activities of the Foundation, are recognised as income in the current period up to the portion utilized, i.e. up to the amount of the expenses incurred on the respective project during the current period. Conditional grants not utilized as at the year-end are recognised in the balance sheet of the Foundation as a current or non-current liability on non-utilized financing, depending on the expected timing of their utilization.

Unconditional grants received are recognised as an income in full at the time of their receipt.

The Foundation applies internal rules for classification of grants received as conditional or unconditional. If separate financial statements are submitted to the donor, the Foundation classifies the grant as conditional. As part of long term partnership strategy, fundraising and goodwill, *Teach for Bulgaria* Foundation creates an individual budget plan by cost to be covered by the respective partner, although such specifics might not be stated in the grant contract.

In case the grant received is not reported in an individual report to the donor and its utilization is not subject to any written or oral restrictions by the donator, the Foundation classifies the grant as unconditional.

(ii) Revenue from the sale of goods

Revenue from the sale of goods is recognised at the fair value of the consideration received or receivable, less any goods returned, discounts or rebates extended. Revenue from the sale of goods is recognised in the profit or loss when the significant risks and rewards related to the ownership rights are transferred to the buyer, receipt of the consideration is probable, the related costs and possible returns of goods can be measured reliably, there is no continuing involvement in the management of the goods and the revenue can be measured reliably.

(iii) Revenue from services rendered

Revenue from services rendered is recognised in the profit or loss proportionally to the stage of completion of the transaction as at the reporting date. The stage of completion is determined by reference to the analysis of the work carried out.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(l) Expenses

Expenses are recognised as incurred in compliance with the accruals and matching principles. Initially expenses are accounted for by economic elements and are subsequently taken to business and non-profit activities depending on their functional purpose.

(m) Payments on lease contracts

Payments on operating lease contracts are recognised in the income statement on a straight-line basis over the term of the lease contract. External benefits received are recognised in the income statement as integral part of the total lease costs.

Initial direct expenses incurred specifically in relation to the generation of operating lease revenue are recognised in the income statement in the period they were incurred.

The minimum lease payments on financial lease contracts are split between finance charges and the reduction of the outstanding liabilities. Finance charges are allocated over the term of the lease contract so as to achieve even periodic interest rate on the residual amount of the liability. Potential lease payments are accounted for based on an assessment of the minimum lease payments over the remaining term of the lease, when an adjustment in the lease has been confirmed.

(n) Financial income and expenses

Financial income includes interest income on funds invested and gain on transactions in foreign currencies. Interest income is recognised as accrued under the effective interest rate method.

Financing costs include interest expenses, expenses resulting from the increase in the liability due to moving with one period closer to the date set for the utilization of provision, and impairment of financial assets. All costs related to interest payable on loans are recognised as profit or loss using the effective interest rate method.

(o) Income tax

The Foundation calculates income tax on the financial result from business activities. The income tax for the year comprises current and deferred taxes. Income tax is recognised in the separate income statement with the exception of that related to items recognised directly in equity.

Current tax is the expected tax payable on the taxable profit for the year, calculated using the tax rates in effect as at the Separate Balance Sheet dates, including certain adjustments in the tax due, related to prior years, if any.

Deferred taxes are recognised for assets and liabilities classified as assets and liabilities from the Foundation's business activities. They are determined using the liability method on all temporary differences existing between the carrying amounts of assets and liabilities for Separate Financial statement purposes and their tax bases. Deferred taxes are measured based on the expectation that they will be utilized or deducted, using the tax rates that are applicable at the balance sheet date.

Deferred tax assets are recognised only to the extent it is possible that future taxable profits will be available against which the unused tax losses and credits can be utilized. Deferred taxes are written down with an amount equal to those, for which it is no longer probable that future benefits will be available to utilize them against.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(o) Income tax (continued)

As at 31 December 2020 and 31 December 2019 the Foundation has not recognised any deferred taxes, as no temporary differences between the carrying amounts and the tax bases of the assets and liabilities from business activities have been identified.

4. Fair value measurement

Certain accounting policies and disclosures require measurement of the fair values of financial assets and liabilities. Fair values have been determined for accounting and disclosure purposes based on the following methods. Where applicable, additional information is disclosed in the notes as to the assumptions made in determining the fair values of the specific asset or liability.

Trade and other receivables

The fair values of trade and other receivables are determined as the present value of the future cash flows, discounted using a market interest rate as at the balance sheet date.

5. Financial risk management

The Foundation is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk

This note includes information as to the Foundation's exposure to each of the above risks, the objectives of the Foundation, the policies and processes to assess and manage risk, and the Foundation's cash management. Additional quantitative disclosures are included in the notes to the Separate Financial statements.

The management is responsible to identify and manage the risks that the Foundation is facing. This policy sets certain limits with respect to the risks undertaken by type, defines rules to control the risks and the compliance with the limits set. These policies are reviewed periodically in order to reflect the changes in the market environment and the Foundation's operations.

Credit risk

Credit risk is the risk that the Foundation may suffer financial losses if a client or counterparty to a financial instrument fails to discharge in full its contractual obligations. Credit risk arises mainly on receivables from clients and investments in financial instruments.

The Foundation limits the credit risk by concentrating its cash and payment transactions in a first rate commercial bank with high reputation and stable liquidity, which limits the risk for cash and cash equivalents.

Liquidity risk

Liquidity risk is the risk that the Foundation may fail to settle its liabilities as they fall due. The Foundation's approach is to ensure that liquid resources are made available to cover its liabilities in the ordinary course of business or in an unforeseen situation, without incurring undue losses or suffering damages on its reputation.

The financial planning process of the Foundation is aimed at covering its expenses and current liabilities over a period of 60 days, including settlement of its financial liabilities. Such planning excludes the potential effect of extraordinary circumstances that cannot be foreseen in a normal situation.

Notes to the Separate Financial Statements

6. Regulated activity expenses

6.1 Expenses on donations

In thousands of BGN

	2020	2019
Costs of donations made	90	1,212
	90	**1,212**

6.2 Other expenses

In thousands of BGN

	2020	2019
Business trips	24	206
Other expenses	8	25
	32	**231**

7. Administrative expenses

7.1. Expenses on materials

In thousands of BGN

	2020	2019
Stationery and office consumables	-	50
Expenses on training and project activities	18	-
Expenses for transport	4	7
Expenses on spare parts for cars	-	4
	22	**61**

7.2. Expenses on hired services

In thousands of BGN

	2020	2019
Expenses on remuneration of teachers	624	813
Expenses, related to project activities	380	512
Office and communication expenses	117	177
	1,121	**1,502**

7.3. Personnel costs

In thousands of BGN

	2020	2019
Salaries and wages costs	967	1,124
Social security and allowances costs	176	212
	1,143	**1,336**

The average number of the Foundation's personnel in 2020 was 42 employees (2019: 43 employees).

7.4. Expenses for taxes, fees, etc.

In thousands of BGN

	2020	2019
Expenses for taxes, fees, etc.	25	24
	25	**24**

Notes to the Separate Financial Statements

7. Administrative expenses (continued)

7.5. Depreciation

In thousands of BGN

	2020	2019
Depreciation	26	33
	26	**33**
Total administrative expenses	**2,337**	**2,956**

8. Other financial transaction costs

In thousands of BGN

	2020	2019
Bank charges	6	18
Foreign currency exchange losses	90	8
	96	26

9. Regulated activity revenue

9.1 Income from conditional grants

In 2020 the Foundation recognised income from conditional grants (financing) at the amount of BGN 2,383 thousand (2019: BGN 3,974 thousand).

9.2. Income from unconditional grants

The received unconditional grants in 2020 are at the amount of BGN 690 thousand (2019: BGN 598 thousand).

10. Foreign currency exchange gains

Foreign currency exchange gains are in result of transactions in foreign currency. In 2020 they were at the amount of BGN 17 thousand (2019: BGN 20 thousand).

11. Expenses for business activities

11.1. Materials and supplies

In thousands of BGN

	2020	2019
Expenses on training and project activities	1	-
	1	**-**

11.2. Expenses on hired services

In thousands of BGN

	2020	2019
Expenses on remuneration of teachers	92	-
Expenses related to project activities	9	-
	101	**-**

Notes to the Separate Financial Statements

11. Expenses for business activities (continued)

11.3. Personnel costs

In thousands of BGN

	2020	2019
Remuneration costs	111	-
Social security costs	23	-
	134	**-**

11.4. Other expenses

In thousands of BGN

	2020	2019
Other expenses	3	-
	3	**-**

12. Revenue from business activity

In thousands of BGN

	2020	2019
Revenue from the sale of goods	1	-
Revenue from services rendered	244	-
Other income	-	3
	245	3

13. Intangible assets

As at 31.12.2020 the Foundation had intangible assets in progress amounting to BGN 17 thousand (31.12.2019: BGN 17 thousand).

Notes to the Separate Financial Statements

14. Long-term tangible assets

In thousands of BGN

	Vehicles	Fixtures and fittings	Total:
Book value			
Balance as at 1 January 2019	52	108	160
Additions	-	7	7
Disposals	(24)	(7)	(31)
Balance as at 31 December 2019	28	108	136
Additions	13	-	13
Disposals	-	(33)	(33)
Balance as at 31 December 2020	41	75	116
Depreciation			
Balance as at 1 January 2019	30	70	100
Depreciation for the year	7	26	33
Depreciation of assets disposed	(24)	(7)	(31)
Balance as at 31 December 2019	13	89	102
Depreciation for the year	10	17	27
Depreciation of assets disposed	-	(34)	(34)
Balance as at 31 December 2020	23	72	95
Net book value			
As at 1 January 2019	22	38	60
As at 31 December 2019	15	19	34
As at 31 December 2020	18	3	21

15. Receivables

The receivables of the Foundation as at 31 December 2020 amounted to BGN 329 thousand (31.12.2019: BGN 8 thousand) and consist of BGN 285 thousand receivables from group entities (31.12.2019: none) – Note 24, BGN 36 thousand deposits provided to suppliers (31.12.2019: BGN 8 thousand), and BGN 8 thousand other receivables (31.12.2019: none).

16. Cash and cash equivalents

In thousands of BGN

	31 December 2020	31 December 2019
Cash at current bank accounts	2,849	1,154
	2,849	**1,154**

Notes to the Separate Financial Statements

17. Deferred expenses

As at 31 December 2020 deferred expenses amounted to BGN 30 thousand (31.12.2019: BGN 38 thousand). Deferred expenses as at 31 December 2020 included medical insurance of the personnel amounting to BGN 23 thousand (31.12.2019: BGN 17 thousand), expenses on additional subscriptions amounting to BGN 6 thousand (31.12.2019: BGN 11 thousand), insurance for Foundation vehicles amounting to BGN 1 thousand (31.12.2019: none) and event organization costs – none (31.12.2019: BGN 10 thousand)

18. Reserves

Reserve as per incorporation act

In accordance with the Incorporation Document of the Foundation, reserve amounting to BGN 1 thousand was set aside upon its establishment.

Other reserves from prior years

Other reserves include the Foundation's results from business and non-profit activities in previous years.

19. Payables to suppliers

In thousands of BGN	31 December 2020	31 December 2019
Payables to suppliers	11	25
	11	25

20. Other payables

In thousands of BGN	31 December 2020	31 December 2019
Payables to personnel	64	40
Social security payables	6	-
Tax liabilities	51	-
Other liabilities	3	21
	124	61

21. Financing

In thousands of BGN	31 December 2020	31 December 2019
Short-term		
Financing for operating activities	1,478	234
	1,478	234

Notes to the Separate Financial Statements

21. Financing (continued)

Financing for operating activities

In thousands of BGN

Financing source	Deferred income as of 01.01.2020	Financing received in 2020	Income from financing recognised in 2020	Reclassification to unconditional grants	Fixed assets acquisition	Funds repaid in 2020	Deferred income as at 31.12.2020
Financing from America for Bulgaria Foundation	36	3,095	(2,031)	-	-	-	1,100
Financing from European Commission	11	38	-	-	-	-	49
Financing from other donors	187	467	(325)	-	-	-	329
Total:	**234**	**3,600**	**(2,356)**	**-**	**-**	**-**	**1,478**

In thousands of BGN

Financing source	Deferred income as at 01.01.2019	Financing received in 2019	Income from financing recognised in 2019	Reclassification to unconditional grants	Fixed assets acquisition	Funds repaid in 2019	Deferred income as at 31.12.2019
Financing from America for Bulgaria Foundation	(39)	2,600	(2,525)	-	-	-	36
Financing from European Commission	(20)	1,172	(1,141)	-	-	-	11
Financing from other donors	203	283	(299)	-	-	-	187
Total:	**144**	**4,055**	**(3,965)**	**-**	**-**	**-**	**234**

Notes to the Separate Financial Statements

21. Financing (continued)

Financing for operating activities includes the financing of tangible fixed assets as follows:

In thousands of BGN

Financing source	Deferred income as of 01.01.2020	Income from financing recognised in 2020 up to the amount of depreciation and amortization expense	Fixed assets acquisition	Deferred income as at 31.12.2020
Financing from America for Bulgaria Foundation	-	(2)	13	11
Total:	**-**	**(2)**	**13**	**11**

In thousands of BGN

Financing source	Deferred income as at 01.01.2019	Income from financing recognised in 2019 up to the amount of depreciation and amortization expense	Fixed assets acquisition	Deferred income as at 31.12.2019
Financing from America for Bulgaria Foundation	9	(9)	-	-
Total:	**9**	**(9)**	**-**	**-**

22. Financial instruments

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure as at the Separate Balance Sheet date is as follows:

In thousands of BGN

	31 December 2020	31 December 2019
Cash and cash equivalents, other than cash-in-hand	2,849	1,154
Receivables from clients and suppliers	285	-
	3,134	1,154

Impairment losses

As at 31 December 2020 and 31 December 2019 the Foundation had no overdue receivables requiring the recognition of impairment losses.

Liquidity risk

The contractual maturities of financial liabilities, including the expected interest payments, excluding the effect of any netting arrangements are presented below:

31 December 2020

In thousands of BGN	Carrying amount	Contractual cash flows	Up to 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Payables to suppliers and related parties	167	(167)	(167)	-	-	-	-
	167	(167)	(167)	-	-	-	-

Notes to the Separate Financial Statements

22. Financial instruments (continued)

Liquidity risk (continued)

31 December 2019

In thousands of BGN	Carrying amount	Contractual cash flows	Up to 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Payables to suppliers	25	(25)	(25)	-	-	-	-
	25	(25)	(25)	-	-	-	-

23. Investments

23.1 The Foundation reports shares in group companies (investments in subsidiaries) at acquisition cost.

	31 December 2020		31 December 2019	
	Share	Amount	Share	Amount
Zaedno 2011 EOOD	100%	3	100%	3

23.2 The Foundation has invested in financial assets held to maturity. Investments are in structured products (exchange-traded indices) in the health sector and government bonds. The investments date from 2018 maturing in 2021. See note 2 (d).

In thousands of BGN

	31 December 2020	31 December 2019
Financial assets, held to maturity	892	892
	892	892

Notes to the Separate Financial Statements

24. Related parties

Related party disclosures

As at 31 December 2020 and 31 December 2019, the related parties of the Foundation were as follows:

- Evgenia Peeva-Kirova – Founder and Member of the Management Board;
- Trayan Trayanov – Executive Director and Member of Management Board;
- Georgi Sedzhimkov – Member of the Management Board;
- Miroslav Stoychev – Member of the Management Board;
- Tsvetan Lazhanski – Member of the Management Board;
- Tatyana Marinovska – Member of the Management Board;
- Neli Koleva – Member of the Management Board;
- Ekaterina Gramenova – Member of the Management Board;
- Rossen Bogomilov – Member of the Management Board;
- Hristo Manov – Member of the Management Board;
- *Zaedno 2011* EOOD – subsidiary, 100% owned by the Foundation
- *NIKE Academy* EOOD – 10% owned by the Foundation
- *Motivirani Uchiteli Union DZZD*, a Partnership under the Obligations and Contracts Act with 92% participation of the Foundation and 8% participation of Syndicate of Bulgarian Teachers Association (since 2020);
- Syndicate of Bulgarian Teachers Association – joint participation in Motivirani Uchiteli DZZD (since 2020);
- *Breaktime* AD – a company under the control of a member of the Management Board of the Foundation.
- *Puretech* EOOD – a company under the control of a member of the Management Board of the Foundation.

Remuneration of the key management personnel

The remuneration of the key management personnel in 2020 amounted to BGN 206 thousand (2019: BGN 246 thousand).

Related party transactions

The related party transactions carried out were as follows:

In thousands of BGN

Related parties	Revenues reported in 2020	Expenditures reported in 2020	Receivables as at 31.12.2020	Payables as at 31.12.2020
Motivirani Uchiteli Union DZZD	237	-	285	156
Zaedno 2011 EOOD	-	5	-	-

In 2020, the Foundation purchased goods from *Breaktime* AD in the amount of BGN 1 thousand, there being no liabilities to the company as at 31.12.2020.

In 2020, the Foundation purchased goods from *Puretech* EOOD in the amount of BGN 1 thousand, there being no liabilities to the company as at 31.12.2020.

In 2019, the Foundation purchased goods from *Breaktime* AD in the amount of BGN 3 thousand, there being no liabilities to the company as at 31.12.2019. No other related party transactions were carried out in 2019.

Notes to the Separate Financial Statements

25. Contingent liabilities

Lawsuits

No lawsuits have been filed against the Foundation as at 31.12.2020 and 31.12.2019 and the Foundation is not party to any legal dispute.

26. Events after the date of the Separate Financial Statements

No events have occurred after the date of the Foundation's Separate Financial Statements for the year ending on 31 December 2020, which require further adjustments and/or disclosures.