Teach for Bulgaria Foundation

Separate Financial Statements

for the year ended 31 December 2021

With Independent Auditors' Report thereon

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

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Separate Activity Report of Teach For Bulgaria Foundation

2021 Separate Activity Report
Teach for Bulgaria Foundation

INTRODUCTION

Teach for Bulgaria Foundation (the "Organization", 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 THE CALENDAT 2021

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 *A New Way to Teaching* participants

In 2020 and 2021 Teach for Bulgaria completed its 11th recruitment campaign for new participants in the two year *A New Way to Teaching* leadership and professional development program. The recruitment and selection activities of applicants continued for seven months.

At the beginning of the 2021/2022 school year 87 teachers were successfully integrated in schools, as part of the program's 11th batch of alumni.

Teach for Bulgaria received a record high number applications over the course of the campaign – 3043. After an exceptionally rigorous selection and assessment process 194 candidates received offers to participate in the program. These results are a sign of a sustainable interest in *A New Way to Teaching Program* in recent years and a growth in the number of people wishing to become teachers in Bulgaria. They also show that the organization is highly selective and that no compromise should be made when selecting the future participants in the program.

Throughout the entire 2020/2021 selection campaign, all recruitment activities and processes were carried out remotely in an online format due to the restrictions of the global COVID-19 pandemic.

Participants who needed teaching certification were enrolled either in a two-year master's program at the Plovdiv University, or in a two-semester teacher qualification program at Veliko Tarnovo University. A total of 71 participants from the batch of 2021-2023 are in the process of getting their certification. Some of the participants in the process of getting their qualification were selected the previous year but postponed their participation in the program by one year and are part of the batch of 2021-2023.

1.2. Maintaining and expanding the partner network of schools in *A New Way to Teaching* Program

Alongside the 2021 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 takes place after detailed interviews with every participant and principal of a partner school.

In 2021, Teach for Bulgaria sought places where teachers could be hired across the country in all municipal and state schools. In September 2021, we successfully implemented a partnership with 88 schools in 20 regions of Bulgaria. Thirty-three of them are new partners. In the school year of 2020/2021 Teach for Bulgaria will work for the first time with schools in Russe and Blagoevgrad.

The other regions with participants in *A New Way to Teaching* are Burgas, Varna, Veliko Tarnovo, Vratsa, Dobrich, Lovech, Montana, Pazardzhik, Pleven, Plovdiv, Razgrad, Silistra, Sliven, Sofia (Capital), Sofia Region, Stara Zagora, Targovishte, and Shumen.

1.3. Summer Institute – 2021

Teach for Bulgaria's 11th batch of *A New Way to Teaching* started its intensive summer training on 5 July 2021. For the second time, the Summer Institute was conducted entirely online due to the COVID-19 pandemic. Around 120 people started the training.

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.

The new teachers were able to implement with students what they have learned at the 11th Summer Academy which took place from 3 July to 12 August 2021, again online, due to the pandemic. The online format has made it possible to open the Academy for students from all over the country and abroad, where the time difference allowed for that. In total, more than 600 students from 20 countries were enrolled in the Academy in 2021. 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.

1.4. *Motivated Teachers* National Program

During the 2020/2021 and 2021/2022 school years Teach for Bulgaria has continued to implement some of the activities in the Ministry of Education and Science's *Motivated Teachers* National Program in a consortium for partnership with the Bulgarian Union of Teachers. The consortium was selected following a public tender was won.

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 2021/2022 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.

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. A New Way to Teaching class of 2019-2021 joins the alumni community

A New Way to Teaching's ninth class of participants officially completed the leadership and professional development program in June of 2021. Thirty-four participants successfully completed all stages of the program during two challenging years as teachers in different regions of the country 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 395 people.

The class of 2019-2021 had the opportunity to share all lessons learned, celebrate their accomplishments, and map out future plans in the education sector at a special event in the American College of Sofia on 26 June 2021. More than half of the alumni of the 2019-2021 program still work in the education sector (as of October 2021).

2. *Model Schools* Program

Model Schools is Teach for Bulgaria's second program. It started in 2020 and supports the professional and leadership development of entire school teams. The program aims to assist schools in developing and implementing sustainable and effective teaching and management practices that contribute to the success of each student.

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. For safety reasons, a large proportion of the training courses in the program in 2020 and 2021 took place online in synchronous and asynchronous form.

2.1. Attraction and selection of new schools in the Model Schools Program

A three-month campaign to attract new schools for the 2021-2023 batch started in January 2021 and ended on 30 March 2021 with a total of 99 applications from schools from all over the country which the selection committee considered to be very strong.

The participants in the second batch of the *Model Schools* Program are 27 schools from 18 districts and 21 towns and villages. With the new batch, the program will start working in the regions of Montana, Ruse, Lovech, Kyustendil, Sliven and Silistra for the first time extending its scope to 21 regions throughout the country, together with the schools from the first year.

The school profile of the new entrants to the program is even more diverse. These include two primary schools, 14 lower secondary schools, 3 secondary schools, 4 vocational schools, two mathematical schools, one high school of commerce and one sports school. 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 to the 27 schools of the new batch, the 24 schools from the 2020-2022 batch continue their training.

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

The first face-to-face sessions of the 2021–2023 batch took place from 21 August to 4 September in the village of Arbanassi. At the same time, the first face-to-face sessions of the 2020-2022 batch took place in the town of Panagyurishte.

In total, more than 150 principals, deputy principals, head teachers, senior, and other teachers, chosen by the schools, took part in the training. For safety and health reasons, school teams were divided into two groups, which went through identical training sessions within a week.

The principles of distributed leadership, or how more people can think and take responsibility for the quality of teaching and learning at school, were chosen for the new program participants by Teach for Bulgaria's team of trainers. School teams worked 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.

The school teams from the 2020–2021 batch of the program stressed on the development of sensitivity to cultural differences, a deeper understanding of the concepts of "discrimination" and "oppression", as well as on the school policies to support diversity. The trainings required the active participation of all teachers through various activities to experience phenomena, engage in discussions and share their own experience.

Apart from online training, school teams also receive mentorship from experienced teachers, principals and educational experts throughout the year. Mentors visit and help schools meet their objectives throughout the program. All mentors are alumni of Teach for Bulgaria's *A New Way to Teaching* Program, America for Bulgaria's Education Leadership Academy, or with rich experience in teacher mentoring.

3. *Learning Together* Program

At the start of the 2021/2022 school year, Teach for Bulgaria announced the launch of a new program that will fund school projects to address the consequences of the pandemic. Learning Together aims to stimulate schools to come up with and implement workable solutions that help close the gaps in the knowledge and skills of Bulgarian students caused by the remote learning. The program is being implemented for the first time by Teach for Bulgaria Foundation with the financial support of America for Bulgaria Foundation. The maximum amount of funding per approved projects is BGN 50,000.

3.1. Application and approved schools for the *Learning Together* Program for the 2021/2022 school year

Application for the *Learning Together* Program started in early October 2021 and continued within a month until 7 November. The program was open to state and municipal schools in Bulgaria, and the approved projects would have to be implemented within one year starting from 1 January 2022.

A total of 110 project proposals were received in the first edition of *Learning Together: Overcoming the Educational Difficulties Caused by the Pandemic Program*. Projects for the program were submitted by schools from almost all regions of the country. Eighty percent of these were in partnership with other schools or organizations, helping increase the impact of the proposed solutions.

Following an assessment by a panel of experts, 21 projects were selected, which continued for a second selection phase and an interview with the judges. Of these, six projects were selected to receive funding for implementing their projects in the calendar year 2022.

The schools approved for funding financing were:

- Hristo Botev School, Rumyantsevo Village, Lovech Region
- Prof. Emanuil Ivanov High School of Mathematics and Natural Science, Kyustendil
- Vassil Levski School, Razgrad
- Svetlina School, Topolitsa Village, Burgas Region
- Kliment Ohridski School, Varna
- St. Cyril and St. Methodius School 77, Filipovtsi, Sofia

The areas in the focus of approved projects relate to bridging academic gaps and preparing for upcoming national external assessment and developing social and emotional skills, including identification and building of strengths in students' character. Some of the projects also included integration of digital tools in math classes to bridge gaps and develop functional literacy in the elementary grades. Once the projects have been completed, useful resources for free use will be created and shared to address difficulties related to distance learning. All resources will be shared through the communication channels of Teach for Bulgaria and prepodavame.bg.

4. Strategic projects and partnerships

4.1. NEST European Project

Sixty experts of 14 regional departments of education in Bulgaria will undergo a two-year comprehensive training program to support new teachers in the education system (with up to 5 years of experience).

This will happen as part of the international European NEST (Novice Accelerator support and training) Project, which is implemented under Key Action 3: Support to policy development and cooperation – Social inclusion through education, training and youth under the Erasmus+ Program, and is funded by the Education, Audiovisual and Culture Executive Agency. The project is implemented in 6 countries (Bulgaria, Austria, Belgium, Romania, Spain, the UK) by a consortium of 16 partners. The project evaluator is a research team from the University of Duisburg-Essen, Germany. The project's Bulgarian partners are the Ministry of Education, Obrazovanie Trade Union and Teach for Bulgaria Foundation – the Coordinator of the International Consortium.

The expert training program is based on strategies to support working with teachers who teach in a challenging environment. Within two school years (2021–2022 and 2022–2023), the experts of the regional departments of education will receive three training sessions and take part in three support meetings. Within the project experts are to apply the knowledge and skills acquired in direct work with three new teachers in their respective field.

Sixty education experts from half of the regional departments of education in Bulgaria will participate in the NEST project and the training program. The other regional departments of education will participate in a control group to help prepare the external evaluation of the project results. The NEST participants are from the following regions (regional departments of education): Blagoevgrad, Burgas, Varna, Veliko Tarnovo, Gabrovo, Kardzhali, Kyustendil, Lovech, Montana, Plovdiv, Sofia (Capital), Stara Zagora, Targovishte and Pleven.

The experts of the regional departments of education went through the first training and the first support meeting in 2021, with second and third training coming in 2022, along with visits by selected support teachers, two more support meetings and application of the strategies from the third training with selected teachers.

Find more about the NEST project at https://projectnest.eu/ and https://zaednovchas.bg/nest/

4.2. *Competences* Program

The *Competences* Program 2020/2021 is a two-year program of the Ministry of Education and Science, the regional departments of education 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 departments of education 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 department of education experts deepen their understanding of and support opportunities for teachers with a focus on developing competences. The program also includes making recommendations for continuous 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).

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 students and the priorities of the institutions responsible for them;
- Developing a recommendation to integrate processes and support structures between pedagogical specialists for continuous learning and making their efforts more effective.

MODULE 2

The *Competences* Program for experts in the regional departments of education is aimed at the experts of Vratza municipality, 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.

TEACH FOR BULGARIA'S REACH IN 2021

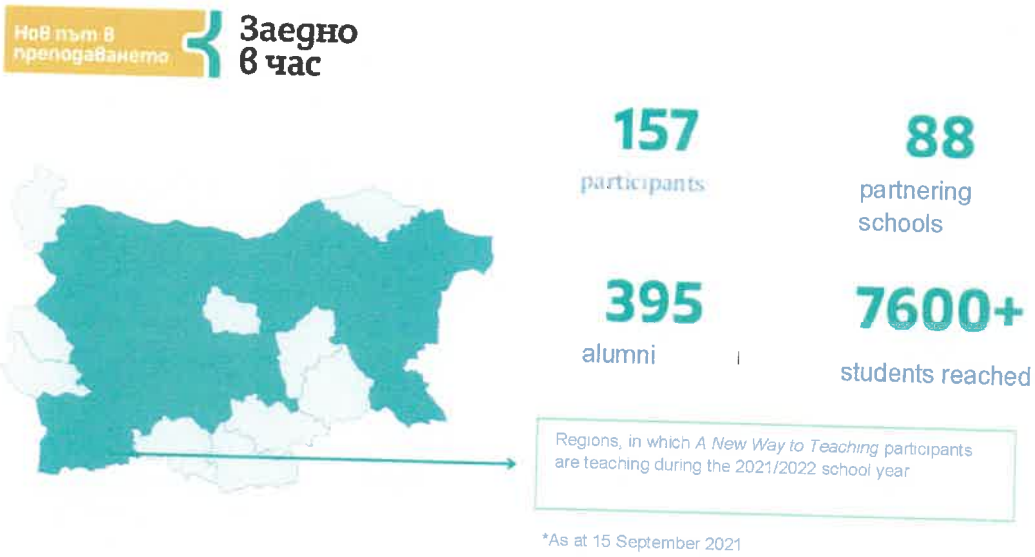
A NEW WAY TO TEACHING PROGRAM

Number of applications received 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%
2021	3034	194	86	6.4%

*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.

Number of Teach for Bulgaria participants, alumni, and partner schools in *A New Way to Teaching* by region for 2021

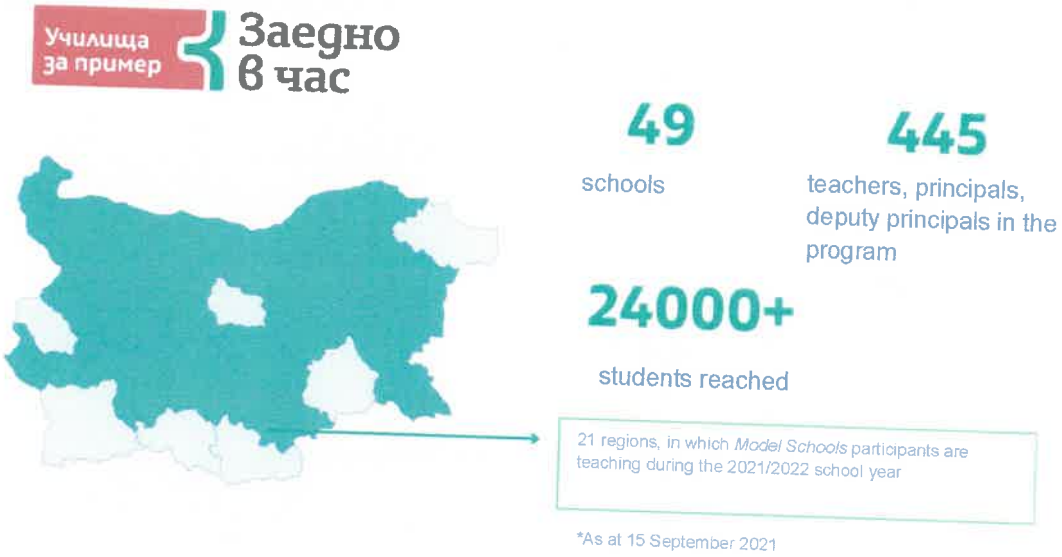


Distribution of teachers in A New Way to Teaching by subject as at 15 September 2021

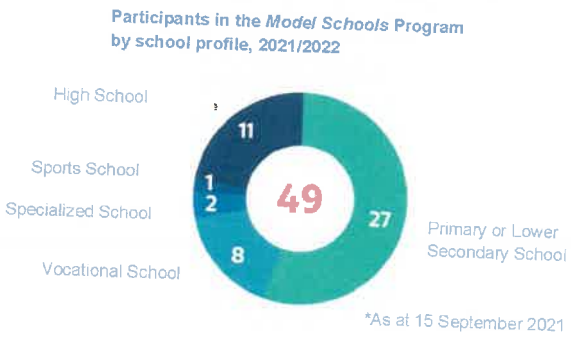
Class	Total teachers at start of school year 2021/2022	STEM	English	Primary School Teachers	Other
2020/22	71	21	14	26	10
2021/23	86	18	17	42	9
Total	157	39	31	68	19

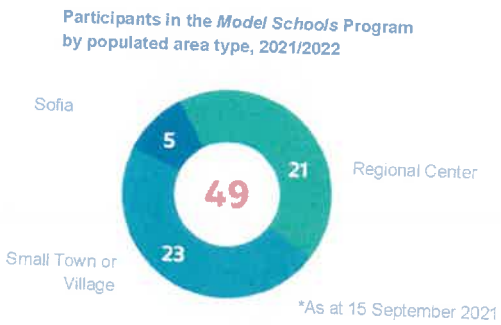
MODEL SCHOOLS PROGRAM

Distribution of *Teach for Bulgaria* participants in the *Model Schools* Program by school, region, and engagement in the *Model Schools* Program for 2021



Distribution of schools by town or village and school profile in 2021





TEACH FOR BULGARIA'S IMPACT IN 2021

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 2021, 395 participants have successfully completed the program. They are actively engaged in the education sector – 81% of them continue working in the education sector.

Of all the alumni 238 continue working as teachers in private and public schools. Many of them are interested in developing over the long term in different roles in the system – as deputy principals, school principals, etc.

As of October 2021, 15 alumni of *A New Way to Teaching* Program had key management positions in education establishments and institutions. These were Daniela Todorova (class of 2011-2013), Daniela Ivanova (class of 2012-2014), Maria Sendova (class of 2011-2013), Plamen Margaritov (class of 2017-2019), Maria Ivanova (class of 2013-2015), Rosen Bogomilov (class of 2015-2017), Borislava Todorova (class of 2014-2016), Stoyanka Yordanova (class of 2016-2018), Tsvetan Metodiev (class of 2017-2019), Antoaneta Kaneva (class of 2016-2018), Antonia Guryanova (class of 2016-2018), Nina Serkova (class of 2013-2015), Vladimir Tsvetkov (2012-2014), Olga Ninova-Trayanova (2011-2013), and Reneta Bogdanova (class of 2012-2014).

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 more than 20 active organizations started by *Teach for Bulgaria* alumni as of October of 2021. 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 *Gramotko* initiative, *Pipi's School*, *Center for children with hearing impairment* in Stara Zagora, *I, Teacher*, *Plamnina* Foundation, *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*, *Trust for Social Achievement*, Center for Interethnic Dialogue and Tolerance *Amalipe*, the *Bulgarian Safer Internet Centre*, *Institute for Progressive Education*, Ucha.se, etc.

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. It will run until 2023.

The formative evaluation for 2020–2021 was designed to support the successful implementation of the program. Focus groups with principals and leadership team members illustrate in depth how schools in the Model Schools Program and schools in the control group managed to carry out professional development activities during a school year made very difficult by COVID-19. The efficiency results of the training sessions for leadership teams in *Model Schools* were impressive. The pre-survey and post-survey analysis shows progress during the training course, which is largely significant. The teaching courses in the program show lower results. Teachers showed only partial and modest progress, according to an analysis of their results before and after the survey.

During the 2021-2022 school year, the focus group surveys once again demonstrated aspects of the program, the way it was implemented, and showed how the efforts to improve schools in the control group differ. For example, schools in Teach for Bulgaria's program focused on professional learning communities to develop and implement their vision and ideas, while schools in the control group used other methods. Schools in Teach for Bulgaria's program schools valued the support received from their mentors, while the schools of the control group did not have this resource. It is clear that the leadership activities were more organized and more accessible in the schools part of the *Model Schools* group. There were also many professional development activities performed by the schools in the control group, they were also striving to improve. All schools felt negative consequences of COVID-19.

The leadership surveys conducted in the second year, as well as the first year ones showed results in favor of the program. When the understanding of 21 key leadership topics of the distributed leadership course was measured, both batches of program participants showed considerable growth. The results on their ability to deliver 21 key leadership actions described in the organizational leadership course were similar. As regards the results of the second batch, there has been significant progress in understanding most topics, but not in their ability to take action.

The results of the teacher courses for 21st century skills, STEM skills, social and emotional skills and language support once again showed only sporadic signs of progress and, specifically, as regards language support, even loss of progress has been seen. Open questions in surveys provided qualitative information on the added value of courses and the feedback is extremely positive.

4. Sharing best practices

4.1. Teaching materials for students with other-than-Bulgarian mother tongue – *Do You Speak the Language of the School* Project

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.

Together with authors who are involved in the creation of this already working concept, we are developing materials to support students and teachers in the elementary school grades, as well as a specialized training course, to help whole school teams put in place and combine successful language support practices, both at regular classes on different subjects and during extracurricular activities. The *Language Supportive Schools* trainings are part of Teach for Bulgaria's new *Model Schools* Program.

In September 2021, a specialized alphabet book "Reading with Asya and Yavor" was published, which includes three books and supports reading by children with a mother tongue different than Bulgarian, who do not have sufficiently well-developed language skills in Bulgarian when they enter school.

The "Reading with Asya and Yavor" alphabet book is also suitable for Bulgarian children abroad, who have limited contact with the Bulgarian language, students at the elementary school grades, who, for various reasons, have reading difficulties in grades 2-3, and all children who want to learn to read.

The alphabet book and the complementary materials to it are the first complete outcome of the *Do You Speak the Language of the School* Project which is being realized since early 2020 by Teach for Bulgaria Foundation and International Association *EducArt*.

The project aims creating student materials and useful resources to support children with a different mother tongue in Bulgaria – some of the most vulnerable students in our education system – and their teachers. Since 2021, a third partner in the project has also been the Trust for Social Achievement Foundation.

"Reading with Asya and Yavor" is a set including three separate books:

- Alphabet book for children
- Alphabet book, teacher's edition, and
- My letters – appendix for making tactile letters.

The teacher's book contains all pages of the children's book, as well as a framing story and work instructions for each letter. This allows one on one instruction with just this book. The appendix – My letters – allows children to follow their progress on their own and create their own individual alphabet using different materials.

The materials contain a total of 40 topics. Letters are entered in six groups. At the end of each group, a summary theme is offered to reinforce the key points introduced. The guidelines to the summary topics provide information on the expected interim result and recommendations on how the teacher should continue working with children if they have not achieved it.

The alphabet book is distributed free of charge and is available online and in print. Orders are executed via the prepodavame.bg site.

By the end of 2021, 5,000 copies of the printed version of the alphabet book (the entire first edition) were distributed, and the online version was downloaded over 2,500 times

Advantages of the "Reading with Asya and Yavor" alphabet book

"Reading with Asya and Yavor" is an alphabet book created with a special focus on children who need additional support for reading. The materials in the set take into account the children's main difficulties in learning how to read. The alphabet book has been approbated for use by teachers in the elementary school grades and logopeditians.

Here are the main highlights of the alphabet book's concept, which make it so useful and valuable:

- Focused attention on aspects that are often difficult for children (e.g. reading series of syllables to form words, reading words with clusters of consonants, mirror letters, differentiation of sounds which are similar, e.g. [ʒ] and [z] and their letters, etc.).
- Framing story allowing each topic to be placed in an amusing context. This way, exercises are linked to each other in terms of content and reading comprehension is also promoted from the outset.
- Focused work with vocabulary (using a framing story for introducing keywords from the tasks and text to read, visual support to understand and memorize the meaning of words).
- Support for page orientation (clear page structure, visual marking of the reading field via a vertical line, color background of texts and sentences, etc.).
- Reading support through targeted incorporation of different senses, concentration exercises, fine motor skills (making tactile letters) and movement.

- Promoting the love of reading through a framing story of adventure, interesting texts for reading, aesthetic illustrations, and intriguing tasks.
- Activities in the individual tasks in the alphabet book are built up in such a way that children are fully supported in the learning process. There is a gradual transition from easier to more complex themes and activities. Tasks are repeated in the same sequence. Thus, children know what they are expected to do, helping them to feel more confident and to be able to focus more on the content.

You can learn more about the project and the diagnostics by following those links:
https://zaednovchas.bg/bukvar-press/
https://prepodavame.bg/bsl/

4.2. Bulletin with best practices for teachers from across the country

In March 2020, when all schools in Bulgaria had to urgently switch to remote 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 remote 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. By the end of 2020 subscribers to the newsletter were over 13,000.

In the 2021/2022 school year, we continued to send the bulletin. Each edition of the bulletin is focused on a specific topic, including useful and practical materials specifically designed for the bulletin or adapted from other sources. The newsletter also contains additional opportunities, competitions and resources by other educational institutions, non-governmental organizations, etc. By the end of 2021 the number of subscribers continued rising, reaching nearly 17,000 in December 2021.

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.

In 2021, we launched the targeted development of the site as a platform for sharing good pedagogical practices, videos and opportunities to build on teachers' professional development. We extended the team of authors for the site with active teachers and principals, and developed additional communication channels – e-mail newsletter, Viber group, Facebook group, LinkedIn, Instagram, Facebook profiles, etc.

As at the end of 2021 prepodavame.bg was the largest and fastest-growing educational platform for pedagogical specialists in the country where every new or experienced teacher could find adequate information, modern lessons and strategies applicable to various educational topics. The site reaches over 20,000 online users directly with over 300 original articles, webinars and video trainings.

KEY EVENTS OF 2021

DATE/PERIOD	EVENT
January 2021	Teach for Bulgaria joined the Bulgarian Diversity Charter
January 2021	**The recruitment of the second batch of schools participating in the new *Model Schools* Program started**
March 2021	The joint charity campaign by Always (Procter and Gamble Bulgaria) and Kaufland supported the access to quality education for girls from vulnerable communities and the work of Teach for Bulgaria since the beginning of March.
March 2021	The registration of participants for Teach for Bulgaria's Challenge Yourself for a Cause charity sports event was announced.
March 2021	More than 500 teachers, educational experts and guests took part in the final conference of the FIERST European project
April 2021	This year seven Teach for Bulgaria alumni were also among the young innovators in education in Darik Radio's 40 under 40 Leadership Ranking
April 2021	The State Agency for Child Protection awarded the special plaque of distinction with the engraving "I guarantee a happy childhood" to Teach for Bulgaria
May 2021	The Mojeshtite anti-smoking campaign was launched with the partnership of Teach for Bulgaria
May 2021	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 the Holy Saints Cyril and Methodius, the Bulgarian Alphabet, Enlightenment and Culture, and Slavic Literacy. More information here: https://zaednovchas.bg/uchiteli-uchilishta-i-direktori-bvaha-otlicheni-za-24-may/
May 2021	The first edition of the charity sport event *Challenge Yourself for a Cause* raised nearly BGN 60,000 from more than 1,000 people and various companies
June 2021	On 26 June in Sofia 34 people successfully completed their two-year participation in Teach for Bulgaria's *A New Way to Teaching* Program
July 2021	Start of Teach for Bulgaria's intensive training of new recruits under *A New Way to*

	Teaching Program
July 2021	The first online *Inspirational Leaders* Charity Auction was held from 1 to 6 July 2021
July 2021	More than 600 students from all over Bulgaria and the world joined the Online Summer Academy from 26 July to 12 August
August 2021	The first attendance sessions in the *Model Schools* Program for the 2021-2023 and 2020-2022 batches started on 21 August
September 2021	The first alphabet book for students with a different mother tongue was published and distributed to students and teachers as part of the *Do You Speak the Language of the School* Project
September 2021	The new batch of Teach for Bulgaria's *A New Way to Teaching* Program alumni entered the classrooms on 15 September
September 2021	Charity BRUM-riding for the first day of the school year in support of Teach for Bulgaria
September 2021	The new campaign for teacher recruitment under 2022-2024 Program was launched
September 2021	*Inspirational Leaders* Charity Auction 2021
October 2021	*Learning Together* Program was launched to finance school projects to address the consequences of the pandemic
November 2021	Start of the charity initiative *Couriers of the Future with Econt*
November 2021	Charity event with TDB play
November 2021	60 experts of the regional departments of education will be trained for effective mentoring of starting teachers with the support of the NEST project
November 2021	7 Teach for Bulgaria Foundation program alumni with good distance learning practices in the special portal of the Ministry of Education and Science

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.

Inspirational Leaders Charity Auction 2021

The Inspirational Leaders Charity Auction brings together popular people from public life and business leaders in support of Teach for Bulgaria's work. The auction was held for the tenth time on 21 September 2021 in the garden of Hilton Hotel in Sofia.

Fifteen stars and representatives of over 20 companies from different business sectors took part in the unconventional event this year. During the auction, guests were able to bid for two hours of the time of popular people with impressive stories from Bulgarian culture, business circles, the media and others. As supporters of Teach for Bulgaria's mission they donate from their time as speakers, workshop facilitators, team building activity leaders, etc.

Nearly BGN 100,000 were raised during the evening, to be invested in the training, development and support of teachers and schools in Teach for Bulgaria programs – *A New Way to Teaching* and *Model Schools*.

Among the stars who supported the event this year were Chef Silvena Rowe, the inspiring sailors Stefan and Maxim Ivanov, the voice of the last Bulgarian Eurovision song Victoria Georgieva, the director, trainer and actor Niki Iliev, TV anchors Desislava Stoyanova and Nikolaos Tsitiridis, opera singer Mila Mihova, VMware Bulgaria Vice President and Managing Director Diana Stefanova, the master in OKR planning Ivan Osmak, technology investor Lidiya Dervisheva, as well as the creators of the innovative organic waste decomposition company *Nasekomo* Xavier Marsenak and his wife Olga. The stars also included the actor and producer Alek Alexiev, ultra-marathon runner Krassimir Georgiev, creative writing lecturer Kalina Panayotoova and British Ambassador Rob Dixon.

Challenge Yourself for a Cause 2021

Thousands of people from Bulgaria and various places around the world tried their physical abilities on 30 May 2021 and participated in the first edition of the charity event *Challenge Yourself for a Cause*. The initiative raised BGN 56,000 for the cause of Teach for Bulgaria.

We organized this unusual sports event with the aim of bringing together all people who believe that education is a virtue for society as a whole, provoking them to meet a personal sport challenge within a day. The ambassadors of the event were favorite Bulgarian athletes, actors and popular figures such as Sani Zhekova, Yordan Yovchev, Kubrat Pulev, Krasi Georgiev, Alek Alexiev, Daria Simeonova and others. The event was also supported by a number of business partners who found a great way of bringing their team together after a long winter and a pandemic. These included Nexo, Garitage Park, Garitage Sports Center, Levski Sofia Hall, the Veseloto Gardzhe Kindergarten, Vlado Volley, CrossFit Vitosha, BRUM Scooters and Logiscol.

Marketing with cause and corporate partner events 2021

In 2021, the Organization was able to increase its support from corporate partners through joint initiatives like *Marketing for a Cause* and organizing 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 2021:

- The joint charity campaign by Always (Procter and Gamble Bulgaria) and Kaufland supported the access to quality education for girls from vulnerable communities and the work of Teach for Bulgaria since the beginning of March to 23 May 2021.
- Charitable virtual team building with the *Escape from Planet Earth* game from Dextrophobia for companies Chaos, A1 and HPE – 10 March 2021.
- Paint spring with a cause and Dali Vino – 25 March 2021.
- Charity campaign with Chucky's Coffee – 1 August until 3 September 2021.
- Charity BRUM scooter riding – 18-19 September 2021.
- Charity initiative Couriers of the Future with Econt – November 2021.
- METRO Christmas calendar with a cause: Teach for Bulgaria – December 2021.
- Bulgarian Gaming Marathon with a cause: Teach for Bulgaria, organized by TDB play – 19 December 2021.
- Partnership with Bulsatcom and the additional Globe TV package – from December 2020 to the end of 2021.

2. Financial indicators

In 2021 the Foundation recognized income from conditional grants at the amount of BGN 3,207 thousand. (2020: BGN 2,383 thousand). The unconditional grants received in 2021 amounted to BGN 757 thousand. (2020: BGN 690 thousand). The result from the non-profit activity for 2021 was BGN 734 thousand (2020: BGN 543).

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

In 2021, 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. Participation of the board members in trade companies as unlimited shareholders, 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 Governing Body: Management Board

HRISTO EMILOV MANOV, State: BULGARIA (Chair of the Executive Board) – **Has participation in other companies, exceeding 25% of their capital.**

ATANAS STOYANOV GAROV, State: BULGARIA – **Has participation in other companies, exceeding 25% of their capital.**

ZOYA GEORGIEVA PAUNOVA, State: BULGARIA – **No participation**

MINA DIMITROVA SAVOVA, State: BULGARIA - **No participation**

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

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

SVETOZAR GEORGIEV GEORGIEV, State: BULGARIA – Has participation in another company, exceeding 25% of its capital

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

TRAYAN VALENTINOV TRAYANOV, 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 condition 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

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 trade 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

In 2022, the Foundation became the sole owner of the capital of NIKE Academy (related party), increasing its share from 10% to 100%.

BRANCHES

The Foundation has no branches.

RESEARCH AND DEVELOPMENT

The Foundation did not have research and development activities in 2021.

FINANCIAL RISKS

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

MANAGEMENT RESPONSIBILITY

According to Bulgarian legislation, the Management should prepare financial statements for every fiscal year which present a true and fair view of the state 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 2021, and made reasonable and cautious assessments, assumptions, and estimates.

The Management also confirms that it has abided by the accounting standards in force and the Separate Financial Statements have been prepared according to the going-concern principle.

The Management is responsible for the proper keeping of accounting records, appropriate asset management, and taking the necessary measures to prevent or detect potential abuse 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 state and major risks it may be facing.

The Management has approved the issuing of the Separate Activity Report and Separate Financial Statements for 2021.

Tsvetan Tsvetanov
Executive Director
Date: 16.08.2022

II.

Independent Auditor's Report

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

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 2021, and the separate income statement for non-profit activities, separate income statement for business activities, separate statement of changes in equity and separate statement of cash flows 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 2021, 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 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.

Galina Lokmadjieva-Nedkova
Registered Auditor,responsible for the audit
Managing Director
Baker Tilly Klitou and Partners EOOD
5, Stara Planina Str., 5th floor
Sofia 1000, Bulgaria

III.

Separate Financial Statements
for the year ended December 31st, 2021

Separate Income Statement for Non-profit Activities for 2021

Expenses	Note	2021 *In thousands of BGN*	2020 *In thousands of BGN*
I. Operating expenses			
A. Regulated activity expenses			
1. Donations	6.1	1,115	90
2. Other expenses	6.2	43	32
Total A:		**1,158**	**122**
B. Administrative expenses	7	**2,165**	**2,337**
Total I:		**3,323**	**2,459**
II. Financial costs			
3. Other financial transaction costs	8	44	96
Total II:		**44**	**96**
III. Total expenses		**3,367**	**2,555**
IV. Total financial result, including:		**791**	**549**
- *result from non-profit activities*		*734*	*543*
- *profit from business activities*		*57*	*6*
V. Total		**4,158**	**3,104**

Revenues	Note	2021 *In thousands of BGN*	2020 *In thousands of BGN*
I. Operating revenue			
A. Regulated activity revenue			
1. Income from conditional grants	9.1	3,207	2,383
2. Income from unconditional grants	9.2	757	690
3. Other income		12	8
Total I:		**3,976**	**3,081**
II. Financial income			
4. Foreign currency exchange gains	10.1.	57	17
5. Gains from transactions with financial assets	10.2.	68	-
Total II:		**125**	**17**
III. Profit from business activities		**57**	**6**
IV. Total revenues		**4,158**	**3,104**
V. Total		**4,158**	**3,104**

The Separate Income Statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 26, being an integral part of these Separate Financial Statements.
These separate financial statements were prepared on 16.09.2022 and approved and signed by the Executive director on 16.09.2022.

Trayan Trayanov
Executive Director

Galina Lokmadjieva-Nedkova
Registered auditor, responsible for the audit
Managing director
Baker Tilly Klitou and Partners EOOD

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

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

Separate Income Statement for Business Activities for 2021 year

Expenses	Note	2021	2020
		In thousands of BGN	*In thousands of BGN*
A. Expenses			
1.Decrease in inventory		-	-
2. Materials and hired services expenses, incl.:		**76**	**102**
(a) Materials and supplies	11.1.	1	1
(b) Hired services	11.2.	75	101
3. Personnel costs, incl.:	11.3.	**431**	**134**
(a) Remuneration costs		360	111
(b) Social security costs		71	23
4. Other expenses	11.4.	**1**	**3**
Total operating expenses		**508**	**239**
Total expenses		**508**	**239**
2 Accounting Profit (Total Revenue – Total Expenses)		71	6
3. Income tax expense		14	-
4. Net profit for the year (2 - 3)		**57**	**6**
Total (Total expenses +3 +4)		**579**	**245**

Revenue	Note	2021	2020
		In thousands of BGN	*In thousands of BGN*
B. Revenue			
1. Net sales revenue, incl.:	12	**579**	**245**
(a) Goods		3	1
(b) Services		576	244
2. Other income		-	-
Total operating revenue		**579**	**245**
Total revenue		**579**	**245**
2. Accounting Loss (Total Revenue – Total Expenses)		-	-
3. Net loss for the year (2+3A)		-	-
Total (Total revenues +3)		**579**	**245**

The Separate Income Statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 26, being an integral part of these Separate Financial Statements.
These separate financial statements were prepared on 16.09.2022 and approved and signed by the Executive director on 16.09.2022.

Trayan Trayanov
Executive Director

"Зелено и час" Teach For Bulgaria

Galina Lokmadjieva-Nedkova
Registered auditor, responsible for the audit
Managing Director
Baker Tilly Klitou and Partners EOOD

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

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

Кръстин БулМар ООД счетоводно обслужване София

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

Separate Balance Sheet as at 31 December 2021

	Note	31.12.2021 In thousands of BGN	31.12.2020 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		13	3
2. Vehicles		8	18
Group II total:	14	**21**	**21**
III. Investments			
1. Shares in group companies	23.1	3	3
Group III total:		**3**	**3**
Section A total:		**41**	**41**
B. Current (short-term) assets			
I. Inventory			
1. Goods		3	3
Group I total:		**3**	**3**
II. Receivables			
1. Receivables from group companies	15, 24	156	285
2. Other receivables	15	52	44
Group II total:	15	**208**	**329**
III. Investments			
1. Shares in group companies		-	-
2. Financial assets	23.2	1,300	892
Group III total:		**1,300**	**892**
IV. Cash and cash equivalents, including:			
– In current bank accounts (deposits)	16	1,658	2,849
Group IV total:		**1,658**	**2,849**
Section B total:		**3,169**	**4,076**
C. Deferred expenses	17	**27**	**30**
TOTAL ASSETS		**3,237**	**4,144**

	Note	31.12.2021 In thousands of BGN	31.12.2020 In thousands of BGN
LIABILITIES			
A. Equity			
I. Reserves			
1. Reserve as per incorporation act		1	1
2. Other reserves from prior years		2,374	1,825
3. Financial result for the current year	18	791	549
Group I total:		**3,166**	**2,375**
Section A total:		**3,166**	**2,375**
B. Payables			
1. Payables to suppliers up to 1 year	19	10	11
2. Payables to related parties up to 1 year	24	-	156
3. Other payables up to 1 year, including:	20	61	124
– Payable to personnel, up to 1 year		36	64
– Social security payables up to 1 year		10	6
-- Tax liabilities up to 1 year		15	51
Section B total, including:		**71**	**291**
C. Financing	21	-	**1,478**
TOTAL LIABILITIES		**3,237**	**4,144**

The Separate Balance Sheet shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 26, being an integral part of these Separate Financial Statements.
These separate financial statements were prepared on 16.09.2022 and approved and signed by the Executive director on 16.09.2022.

Trayan Trayanov
Executive Director

Galina Lokmadjieva-Nedkova
Registered auditor, responsible for the audit
Managing director
Baker Tilly Klitou and Partners EOOD

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

Statement of Changes in Equity for 2021

	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 2021 year		**1**	**1,825**	**549**	**2,375**
2. Financial result for the year, including:		-	-	791	791
- Profit from business activities		-	-	*57*	*57*
- Result from non-profit activities		-	-	*734*	*734*
3. Transfer to other reserves		-	549	(549)	-
4. Balance as at 31 December 2021	18	**1**	**2,374**	**791**	**3,166**

The Statement of Changes in Equity shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 26, being an integral part of these Separate Financial Statements.
These separate financial statements were prepared on 16.09.2022 and approved and signed by the Executive director on 16.09.2022.

Trajan Trayanov
Executive Director

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

Galina Lokmadjieva-Nedkova
Registered auditor, responsible for the audit
Managing director
Baker Tilly Klitou and Partners EOOD

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

Крестин БулМар ООА счетоводно обслужване София

Separate Statement of Cash Flows for 2021 year

Name of cash flows *In thousands of BGN*	Note	2021	2020
I. Cash and cash equivalents at the beginning of the year		**2,849**	**1,154**
II. Cash flows from non-profit activities			
A. Proceeds from non-profit activities			
1. Conditional grants received		1,712	3,636
2. Unconditional grants received		757	690
3. Other proceeds		1,126	54
Total proceeds from non-profit activities		**3,595**	**4,380**
B. Payments for non-profit activities			
1. Payments of grants		1,115	90
2. Payments related to personnel and social security		1,097	1,221
3. Payments of services		1,112	1,193
4. Payments on banking and foreign exchange transactions		43	96
5. Other payments		1,396	2
Total payments for non-profit activities		**4,763**	**2,602**
C. Net cash flow from non-profit activities		**(1,168)**	**1,778**
III. Cash flows from business activities			
A. Proceeds from business activities			
1. Receipts from customers		823	311
2. Other receipts		25	-
Total proceeds from business activities		**848**	**311**
B. Payments for business activities			
1. Payments of services		79	394
2. Salaries and social security contributions paid		431	-
3. Other payments		361	-
Total payments for business activities		**871**	**394**
C. Net cash flows for business activities		**(23)**	**(83)**
IV. Cash and cash equivalents at 31 December	16	**1,658**	**2,849**
V. Change in cash and cash equivalents for the year		**(1,191)**	**1,695**

The Separate Statement of Cash flows shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 26, being an integral part of these Separate Financial Statements .
These separate financial statements were prepared on 16.09.2022 and approved and signed by the Executive director on 16.09.2022.

Trayan Trayanov
Executive Director

Galina Lokmadjieva-Nedkova
Registered auditor, responsible for the audit
Managing director
Baker Tilly Klitou and Partners EOOD

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

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 fulfilment 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 2021, the Foundation's personnel includes 44 full time employees working under labour agreements (as at 31 December 2020:43).

2. Basis for preparation

(a) Expression of conformity

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 16 September 2022.

The Foundation does not prepare consolidated financial statement, 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.

Notes to the Separate Financial Statements

2. Basis for preparation (continued)

(c) Functional currency and presentation currency

The Foundation is presenting comparative information for one preceding year in these Separate Financial Statements. The financial information presented in Bulgarian levs has been rounded to the nearest thousand.

(d) Comparative data

The Foundation shall provide comparative information in this financial statement for one previous year. Where necessary, comparative data have been reclassified (and restated) to achieve comparability against changes in presentation in the current year.

(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 operations

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 (m).

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Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(b) Financial instruments (continued)

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.

Gains and losses on receivables are recognized in the profit and loss account when receivables are written off or impaired.

(c) Tangible fixed assets

(i) Recognition and evaluation

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

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(c) Tangible fixed assets (continued)

(iii) Depreciation(continued)

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

As at 31 December 2021 and 31 December 2020, the Foundation had no tangible fixed assets acquired for business purposes.

(d) Intangible assets

(i) Recognition

Intangible assets acquired by the Foundation and having a limited duration of use shall be recorded at acquisition cost less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent costs

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

(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 2021 the Foundation had intangible assets in progress and there are no long-term intangible assets acquired for business purposes. there are intangible assets under construction and there are no tangible fixed assets acquired for business purposes. As of December 31, 2020, 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.

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Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(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.

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

(i) Employee benefits

(i) Defined contribution plans

The Government of Bulgaria is responsible for providing pensions under defined contribution plans. Expenditure on the Foundation's commitment to contribute to defined contribution plans shall be recognized in the profit and loss account when they arise.

(ii) Paid annual leave

The Foundations recognizes 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 has an obligation to pay an income upon leaving those of its employees who retire in accordance with the requirements of Art. 222, §. 3 of the Labour Code (LC). At the balance sheet date, management estimates the potential cost of all employees and, if material to the financial statements, charges it.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(h) Provisions

A provision is charged in cases where the Foundation has a legal or constructive obligation as a result of past events, and it is probable that the settlement of the obligation will be realized at the expense of an outflow of economic benefits. Provisions are determined by discounting expected future cash flows on a pre-tax interest rate basis that reflects the current market value of money over time and the risks specific to the liability.

(i) Investment

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

Financial assets held for trading are those that are acquired by the Foundation for the purpose of obtaining a profit arising from short-term fluctuations in prices or in dealer margin. After the initial recognition, the Foundation evaluates at fair value, which is not adjusted by the expected costs of the sale or other types of exemptions, of the financial assets classified as: a) financial assets held for trading b) financial assets held for sale.

Income and expenses reported from investments acquired with funds from non-profit activity are reported in profits and losses from non-profit activity.

(j) Revenues

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 and financing

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.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(i) Income from donations and grants (continuation)

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.

(k) 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.

(l) 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.

Notes to the Separate Financial Statements

3. Significant accounting policies (continued)

(m) 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.

(n) 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.

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.

As at 31 December 2021 and 31 December 2020 the Foundation did not charge deferred taxes because it did not identify temporary differences between the amount for accounting and tax purposes of the assets and liabilities arising from business.

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.

Notes to the Separate Financial Statement

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.

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Notes to the Separate Financial Statements

6. Regulated activity expenses:

6.1. Expenses on donations

In thousands of BGN

	2021	2020
Costs of donations made	1,115	90
	1,115	**90**

6. 2. Other expenses

In thousands of BGN

	2021	2020
Business trips	11	24
Other expenses	32	8
	43	**32**

7. Administrative expenses:

7.1. Expenses on materials

In thousands of BGN

	2021	2020
Stationery and office consumables	26	-
Expenses on training and project activities	44	18
Expenses for transport	-	4
Expenses on spare parts for cars	1	-
	71	**22**

7. 2. Expenses on hired services

In thousands of BGN

	2021	2020
Expenses on remuneration of teachers	535	624
Expenses, related to project activities	331	380
Office and communication expenses	153	117
	1,019	**1,121**

7. 3. Personnel costs

In thousands of BGN

	2021	2020
Salaries and wages costs	868	967
Social security and allowances costs	160	176
	1,028	**1,143**

The average number of the Foundation's personnel in 2021 was 44 people (2020: 42 employees).

Notes to the Separate Financial Statements

7. 4. Expenses for taxes, fees, etc.

In thousands of BGN

	2021	2020
Expenses for taxes, fees, etc.	28	25
	28	**25**

7. 5. Depreciation

In thousands of BGN

	2021	2020
Depreciation	19	26
	19	**26**
Total administrative expenses	**2,165**	**2,337**

8. Other expenditure on financial operations

In thousands of BGN

	2021	2020
Bank charges	19	6
Foreign currency exchange losses	24	90
Negative differences from transactions with financial assets	1	-
	44	**96**

9. Regulated activity revenue:

9.1. Income from conditional grants

In 2021 the Foundation recognized income from a conditional grant (financing) of BGN 3,207 thousand. (2020: BGN 2,383 thousand)

9.2. Income from non-conditional donations

The received unconditional grants in 2021 are BGN 757 thousand. (2020: BGN 690 thousand

10. Foreign currency exchange gains

10.1. Foreign currency exchange gains are in result of transactions in foreign currency. In 2021 they were at the amount of BGN 57 thousand. (2020 years: BGN 17 thousand).

10. 2.Income from transactions with financial assets

In thousands of BGN

	2021	2020
Positive differences from transactions with financial assets	68	-
	68	**-**

Notes to the Separate Financial Statements

11. Expenses for business activities

11.1. Materials and supplies

In thousands of BGN

	2021	2020
Expenses on training and project activities	1	1
	1	**1**

11.2. Expenses on hired services

In thousands of BGN

	2021	2020
Expenses on remuneration of teachers	36	92
Expenses related to project activities	39	9
	75	**101**

11.3. Personnel costs

In thousands of BGN

	2021	2020
Remuneration costs	360	111
Social security costs	71	23
	431	**134**

11.4. Other expenses

In thousands of BGN

	2021	2020
Carrying amount of goods sold	1	-
Other expenses	-	3
	1	**3**

12. Revenue from business activity

In thousands of BGN

	2021	2020
Revenue from the sale of goods	3	1
Revenue from services rendered	576	244
	579	**245**

Notes to the Separate Financial Statements

13. Intangible assets

In 2021 the Foundation has intangible assets under construction in the amount of BGN 17 thousand. (2020: 17 thousand).

14. Tangible fixed assets

In thousands of BGN

	Transport	Business inventory	Total
Book Value			
Balance as at 1 January 2020	28	108	136
Additions	13	-	13
Disposals	-	(33)	(33)
Balance as at 31 December 2020	**41**	**75**	**116**
Balance as at 1 January 2021	41	75	116
Additions	-	19	19
Disposals	-	(13)	(13)
Balance as at 31 December 2021	**41**	**81**	**122**
Depreciation			
Balance as at 1 January 2020	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**
Balance as at 1 January 2021	23	72	95
Depreciation for the year	10	9	19
Depreciation of assets disposed	-	(13)	(13)
Balance as at 31 December 2021	**33**	**68**	**101**
Carrying amount			
As at 31 December 2020	18	3	21
As at 31 December 2021	**8**	**13**	**21**

15. Receivables

In thousands of BGN

	31 December 2021	31 December 2020
Related party receivables	156	285
Receivables under the financing	19	-
Deposits granted to suppliers	33	36
Other receivables	-	8
	208	**329**

16. Cash and cash equivalents

In thousands of BGN

	31 December 2021	31 December 2020
Cash at current bank accounts	1,658	2,849
	1,658	**2,849**

Notes to the Separate Financial Statements

17. Deferred expenses

As at 31 December2021, the deferred expenses amounted to BGN 27 thousand. (2020 years: BGN 30 thousand). Deferred expenses as at 31 December 2021 included medical insurance of staff for BGN 21 thousand., (2020: BGN 23 thousand), expenses of additional subscriptions of BGN 5 thousand. (2020: BGN 6 thousand), insurance for company vehicles in the amount of BGN 1 thousand (2020: BGN 1 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 2021	31 December 2020
Payables to suppliers	10	11
	10	**11**

20. Other payables

In thousands of BGN	31 December 2021	31 December 2020
Payables to personnel	36	64
Social security payables	10	6
Tax liabilities	15	51
Other liabilities	-	3
	61	**124**

21. Financing

In thousands of BGN	31 December 2021	31 December 2020
Short-term		
Financing for operating activities	-	1,478
	-	**1,478**

Notes to the Separate Financial Statements

21. Financing (continued)

Financing for operating activities

In thousands of BGN

Financing source	Deferred income as at 01.01.2021	Funding received in 2021	Income from financing recognized in 2021	Reclassification to unconditional grants	Fixed assets acquisitions	Funds repaid in 2021	Deferred income as at 31.12.2021
Funding from America for Bulgaria Foundation	1,100	-	(1,534)	-	-	-	(434)
Funding European Commission	49	1,167	(1,032)	-	-	-	184
Funding from other donors	329	544	(623)	-	-	-	250
Total	**1,478**	**1,711**	**(3,189)**	**-**	**-**	**-**	**-**

In thousands of BGN

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

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 01.01.2021	Income from financing recognised in 2021 up to the amount of depreciation and amortization expense	Fixed assets acquisition	Deferred income as at 31.12.2021
Funding from America for Bulgaria Foundation	11	(16)	5	-
Total	**11**	**(16)**	**5**	**-**

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
Funding from America for Bulgaria Foundation	-	(2)	13	11
Total	**-**	**(2)**	**13**	**11**

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 2021	31 December 2020
Cash and cash equivalents, other than cash-in-hand	1,658	2,849
Receivables from clients and suppliers	185	285
Financial assets	1,300	-
	3,143	**3,134**

Impairment losses

As at 31 December 2021 and 31 December 2020, 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 2021

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	10	(10)	(10)	-	-	-	-
	10	**(10)**	**(10)**	-	-	-	-

Notes to the Separate Financial Statements

22. Financial instruments (continued)

Liquidity risk (continued)

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)**	-	-	-	-

23. Investment

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

	31 December 2021		31 December 2020	
	Share	Amount	Share	Amount
Zaedno 2011 EOOD	100%	3	100%	3

23.2 Financial assets

Financial assets held for trading

In 2021, the Foundation has invested in financial assets for trading. Acquired financial instruments are shares of exchange-traded funds (ETFs). As of 31.12.2021, there is no fixed settlement date. The product has no guarantee of the principal amount and expected return.

Financial assets held to maturity

Until 31.12.2021, the Foundation has invested in held-to-maturity financial assets. The investment is in a structured product/(exchange-traded index) in the healthcare sector of the New York Stock Exchange (NYSE). The investment is from 2018 with a 2.9-year term with an end date in 2021. The product is 100% guaranteed principal and with up to 40% yield from the realized yield of the index. In 2021, the product was realized, and the result was a profit.

In thousands of BGN

	December 31, 2021	31 December 2020
Financial assets held to maturity	-	892
Financial assets held for trading	1,300	-
	1,300	892

Notes to the Separate Financial Statements

24. Related Parties

Related party disclosures

As at 31 December 2021, 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;
- Hristo Emilov Manov – member of the Management Board;
- Atanas Stoyanov Garov – member of the Management Board;
- Zoya Georgieva Paunova – member of the Management Board;
- Mina Dimitrova Savova – member of the Management Board;
- Miroslav Ivanov Stoychev – member of the Management Board;
- Rosen Miroslavov Bogomilov – member of the Management Board;
- Svetozar Georgiev Georgiev – member of the Management Board;
- Tatyana Ivanova Marinovska-Naydenova – member of the Management Board;
- Zaedno 2011 EOOD – subsidiary, 100% owned by the Foundation
- NIKE Academy EOOD – 10% owned by the Foundation
- Sai Hai Foundation – membership of the "Together in Class" Foundation on the Management Board of the Organization
- 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.
- Syndicate of Bulgarian Teachers Association – joint participation in Motivirani Uchiteli DZZD
- Breaktime AD – a company under the control of a member of the Management Board of the Foundation.
- Puretek *EOOD* – a company under the control of a member of the Management Board of the Foundation until 2021.

Remuneration of the key management personnel

The remuneration of key management personnel in 2021 amounted to BGN 194 thousand (2020:206 thousand BGN)

Related party transactions

The realized related party transactions in 2021 are as follows:

In thousands of BGN

Related Parties	Revenue reported in 2021	Expenditure reported in 2021	Receivables as at 31.12.2021	Payables as at 31.12.2021
Motivated Uchiteli Union DZZD	520	-	156	-

The realized related party transactions in 2020 are 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	-	-

Notes to the Separate Financial Statements

25. Contingent liabilities

Lawsuits

No lawsuits have been filed against the Foundation as at 31.12.2021 and 31.12.2020 and the Foundation is not party to any legal dispute.

26. Events after the date of the Separate Financial Statements

In February 2022, following the military conflict between Russia and Ukraine, some countries announced new packages of sanctions against the public debt of the Russian Federation, some Russian banks, as well as individual sanctions against certain Russian citizens.

Due to growing geopolitical tensions, since February 2022 there has been a significant increase in stock and currency market volatility, variations in energy prices and oil prices, significant depreciation of the Rubble against the US dollar and the euro.

These events are expected to have an impact on the activities of enterprises from various industries operating in the Russian Federation, Ukraine, and Belarus. The Foundation has no direct exposures (eg transactions, balances, commitments) to related parties and/or to key customers, suppliers or banks from these countries. The effects of the above events may have an impact on overall macroeconomic conditions in the country and in Europe, and in the longer term, on trade turnover, cash flows and profitability.

The Foundation treats the above events as non-adjusting events occurring after the end of the reporting period. As of the date of approval for issuance of these financial statements, the quantitative effect of these events cannot be determined with a reasonable degree of accuracy by the Foundation.

In September 2022, the Foundation became the sole owner of the capital in Nike Academy (related entity), increasing its share from 10% to 100%.

On 13.09.2022, a Tax Audit was initiated by the National Revenue Agency of the Republic of Bulgaria. As of the date of issue of the report, no audit act has been issued.

No other significant events have occurred since the date of the annual financial statement which would impose corrections and/or disclosures in the 2021 annual financial report.