Teach For Bulgaria

ANNUAL FINANCIAL STATEMENTS
OF
TEACH FOR BULGARIA FOUNDATION
2022

CONTENT

I. Activity Report of Teach For Bulgaria Foundation

II. Independent Auditor's Report

III. Financial Statements for the year ended December 31st, 2022

I.

Activity Report of
Teach For Bulgaria Foundation

2022 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 CALENDAR 2022

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 Recruitment Campaign for *A New Way of Teaching* Programme

In 2022 Teach For Bulgaria completed its 12th recruitment campaign for new participants in the two year *A New Way to Teaching* leadership and professional development program. The campaign lasted six months from September 2021 to March 2022. The recruitment and selection activities of applicants lasted seven months. Fifty-four teachers, who were a part of the 12th recruitment campaign, successfully entered school at the beginning of the 2022/2023 academic year.

Over the course of the campaign, Teach For Bulgaria received 2686 applications. After an exceptionally rigorous selection and assessment process 199 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 organisation is highly selective and that no compromise should be made when selecting the future participants in the program.

Throughout the entire 2021/2022 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 and because of an already established model that works and is more convenient for both the organisation and the candidates themselves.

Participants without prior pedagogical qualification undergo a postgraduate qualification for teachers at the Veliko Tarnovo University and the Shumen University or a master's programme at the Plovdiv University. All participants from the class of 2022-2024 who must participate in a qualification program are 35. Some of the participants who are in the midst of getting their certification were selected the previous year but deferred their participation in the programme by one year and are part of the class of 2022-2024.

This is the final recruitment campaign for *A New Way of Teaching* Programme and the last class to go through it.

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

Alongside the 2022 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 2022, Teach for Bulgaria sought places where teachers could be hired across the country in all municipal and state schools. In September 2022, we successfully partnered with 43 schools in 21 districts across the state. During the 2022/2023 school year, the program operated for the first time in Gabrovo District. The other regions with participants in *A New Way of Teaching* are Blagoevgrad, Burgas, Varna, Veliko Tarnovo, Vratsa, Dobrich, Kardzhali, Kyustendil, Lovech, Pazardzhik, Pleven, Plovdiv, Razgrad, Ruse, Sliven, Sofia-City, Sofia-District, Stara Zagora, Shumen and Yambol.

1.3. Summer Institute - 2022

The twelfth class in the New Way of Teaching program of Together in Class began their intensive summer training in July 2022. The Summer Institute was held in a hybrid format - online and in-person. Nearly 120 people began the training.

Teach for Bulgaria's 12th batch of *A New Way to Teaching* started its intensive summer training in June 2022. The Summer Institute was held in a hybrid format—online and in-person. Nearly 120 people began 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 experience accumulated since 2010.

The new teachers had the opportunity to apply what they learned from the intensive training during the twelfth "Summer Academy", which was held from July 19 to August 5, 2022, with students in two schools in the capital - 90 Gen. José de San Martín in Lyulin neighbourhood and 119 Mikhail Arnaudov Secondary School in Iztok neighbourhood. A total of more than 600 students from over 150 schools and kindergartens across Sofia participated in the 2022 Academy. The Summer Academy was covered in the media and, in addition to providing practice for teachers, helped many students catch up with the material and move more confidently into the new school year. The Academy is one of the few completely free summer opportunities for students in Sofia, offering modern learning, games and opportunities to socialise with peers from different parts of the city. In addition to learning a variety of general education subjects, the academy also included project-based activities, interest clubs and sports activities.

1.4. Graduation of teachers from *A New Way to Teaching* program, class of 2020-2022.

The tenth class of *A New Way to Teaching* teachers officially completed their participation in the professional and leadership development program in June 2022, and 60 individuals successfully completed all phases of the program over two challenging years as teachers in different regions of the country where they purposefully worked to increase the motivation, success, and opportunities for their students. With them, the program's alumni group now numbers 455.

At a special event at the Bulgarian Red Cross National Training and Logistics Centre on June 25, 2022, participants from the class of 2020-2022 shared their experiences, congratulated each other on their successes and outlined their future plans in the field of education. Of the graduates from the Class of 2020-2022, more than half continue to be directly involved in education as of October 2022.

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.

Under the programme, schools build sustainable school management structures through quality training and support, and teachers use new teaching, assessment and classroom management methods.

The program is two years long and consists of two integral courses, "School Leadership" and "Effective Teaching with the Student at the Centre". The two courses are aimed at the school's management and leadership team and selected teaching professionals within the team respectively. The courses include a variety of training modules that build on and help school teams on the one hand create an environment of quality teaching and learning for every student and teacher, and on the other encourage the implementation and upgrading with new teaching methods that promote the participation and success of every student. Each school sets a specific and measurable priority for the development of its students. The entire school team works purposefully and systematically to achieve it. Unlike other training in the system, which is one-time and fragmented, this approach produces sustainable results and engages the entire school in student success.

The program builds on the experience of Teach For Bulgaria in training teachers from the *A New Way of Teaching* program and the successful Academy for Leaders in Education of the America for Bulgaria Foundation. Training in the 2021 and 2022 programs were delivered in a hybrid of online and in-person formats. Tasks in the program are completed by participants in synchronous and asynchronous formats.

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

At the beginning of the calendar 2022, a two-month campaign was held to attract new schools for the third class (2022-2024) of the *Model Schools* programme. The campaign began in early February 2022 and ended on March 31, 2022, with a total of 68 applications from schools across the country. Schools went through an application form and a rigorous selection process by a panel of experts. The final stage of the selection process was an interview of the leadership teams about their motivation and goals for participating in the programme.

Participants in the third class of the *Model Schools* programme are 24 schools from 21 localities and 15 provinces. With the new class of schools, the *Model Schools* programme starts its work for the first time in Gabrovo Province.

New entrants to the programme cover a wide variety of educational settings - school profiles, population size at location and challenges faced. They include primary, elementary, unified and secondary schools, vocational and professional, arts schools and one social-educational boarding school. The programme includes schools from the capital, regional cities, but also villages and smaller towns.

The diversity of the schools encourages even more active sharing of experiences, good practices and ideas between the school teams. The opportunity to learn from each other is embedded in the philosophy of the programme and aims to stimulate the dissemination and exchange of successful models and approaches that schools are already using in their work.

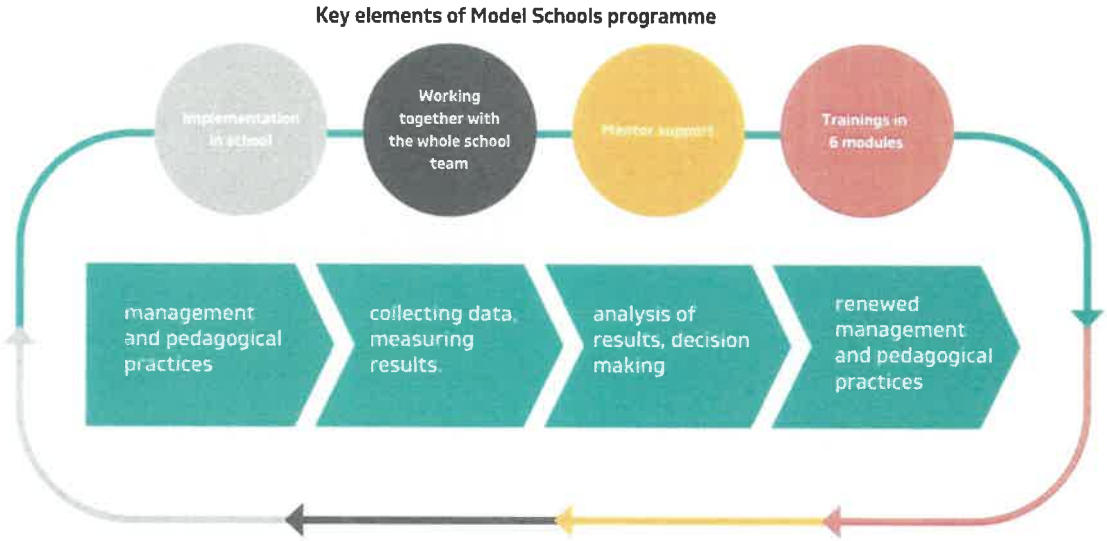
A special training for the participants of the second class of the *Model Schools* programme (2021-2023) was also held in the summer of 2022 in Panagyurishte.

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

The first training in the program for the class of 2022-2024 was held from August 15, 2022, to August 26, 2022, in Tryavna. Program participants were divided into two groups for two periods—from August 15 to 18, 2022 and from August 22 to 25, 2022.
The main focus of the training modules, constructed with the students' wellbeing in mind, is an exploration of the concept of teaching and school.
During the training, teachers and principals go through experiential learning in different parts of the city (which is strongly connected to the history of Bulgarian education), exploration of pedagogical and leadership practices that put the student at the centre, introduction to the goals and tools of the Model Schools program, goal and vision setting for each school, and time to build trust and relationships with other schools in the program.

During the academic year, the schools continued to operate in-service training in online and asynchronous formats, further allowing teaching professionals to develop their skills for working in a distance environment.

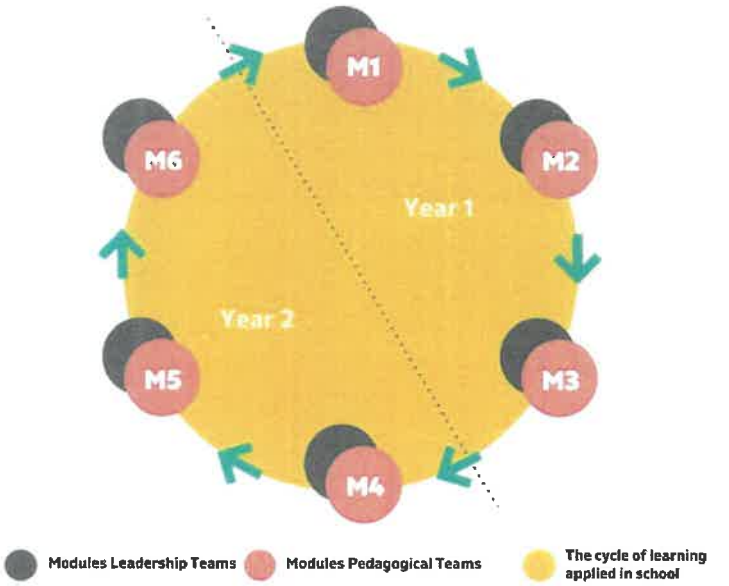
Outline of the key elements of the Model Schools programme in the 2022/2023 academic year:

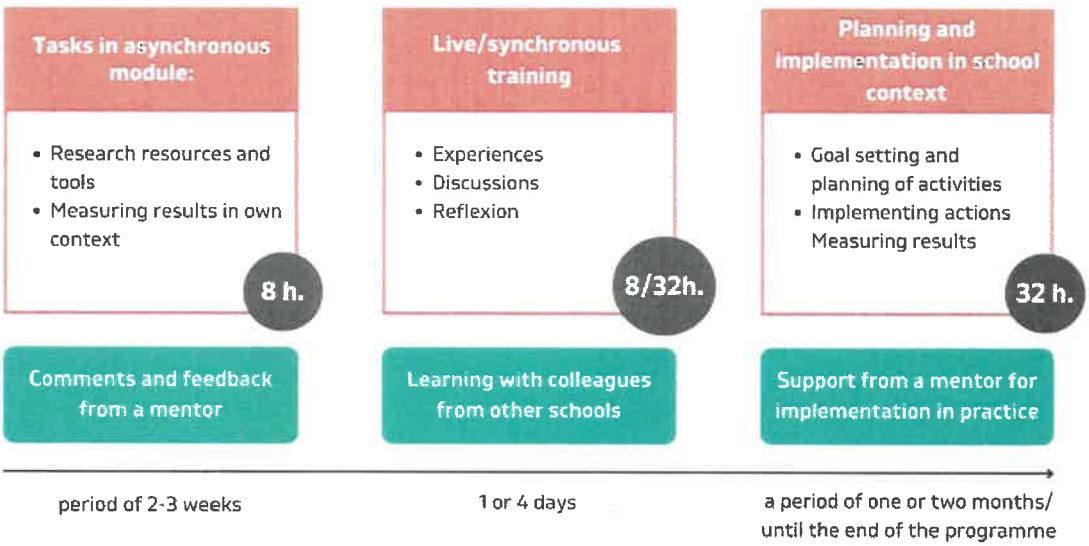


A month before the training in Tryavna, live in-person training was held for the leadership teams of the class of 2020-2022 in Panagyurishte. The training took place between July 11 and July 14 and the topics covered were related to "Building an Inclusive Environment". School teams focused on developing sensitivity to cultural differences, a deeper understanding of the concepts of "discrimination" and "oppression", and school policies to support diversity. The training required active participation of all teachers through various experiential activities, engaging in discussions and sharing their own experiences.

In addition to online training, during the school year the school teams also receive mentoring support from experienced teachers, principals and education experts. Mentors visit the schools and help them to meet their objectives throughout the programme.

The cycle of learning has been implemented continuously over the two years in Model Schools programme





Module 1 THE STUDENT AT THE CENTRE	Module 2 COLLABORATION IN SCHOOL	Module 3 LEARNING ORGANISATION
• What are the factors that contribute to quality student learning and development? • What leadership/teaching practices put the student at the center? • What are the key goals of the school/in my classroom?	• What are the dimensions of teamwork in school? • What is a Professional Learning Community (PLC) and how can we use it to provide student-centered instruction? • How do we conduct team meetings using a discussion algorithm?	• How to develop a data collection and analysis system (classroom and school level)? • What system for quality management supports the development of the school? • What data do we collect, how do we analyse it and how do we use it in decision making (classroom level and school level?
Module 4 **AN ACCEPTING AND INCLUSIVE ENVIRONMENT**	**Module 5** **QUALITY MANAGEMENT**	**Module 5** **CHANGE SUSTAINABILITY**
• How do we improve the well-being of teachers and students? • How do we use diversity to support student learning? • How do we include and engage (diverse) teachers and students?	• How to manage the quality of learning and teaching in schools? • What practices support each teacher's professional development? • What is the relationship between personal and professional development?	• What are our goals from now on? • How do we engage more colleagues to work together and put the student at the center? • How do we continue to "spin the wheel" of the learning organization?

2.3. Graduation of the program *Model Schools*, Class of 2020-2022

Twenty schools from the first class of the Model Schools programme successfully completed the programme in the summer of 2022 and officially became the first graduates of the programme. During a two-day closing event in Veliko Tarnovo, representatives of the schools had the opportunity to reflect on the experience of the previous two years, celebrate successes, and share their experiences and learning with colleagues from other schools through practical workshops, discussion, and presentations. Graduates from the first class also went through special sessions where they discussed what they will continue to implement and build on from the programme with the students and a better quality education for all children in mind.

The event was held on June 4 and 5 with the hosting of the Emilian Stanev School in Sofia. Veliko Tarnovo. Parallel to the final event for class I, the participants from the schools in class II were also part of the event and had the opportunity to also draw on the experience of the previous class and reflect on their own experience from the first year of the Model Schools programme.

3. *Learning Together* Program

The *Learning Together* Program encourages schools to propose and implement their own workable solutions that contribute to overcoming specific challenges in the education system with a direct impact on students' skills and success.

The program is fully supported by the America for Bulgaria Foundation and provides grants to the best school projects that have a clear plan, a vision for sustainable development and the potential to be successfully implemented elsewhere in the country.

3.1. Applications for the *Learning Together* program for the academic 2022/2023

The application process for the *Learning Together* program in the 2022/2023 school year was pushed back to the end of the school year and all recruitment activities took place during the 2023 calendar year.

3.2. Implementation and support the projects in the *Learning Together* programme for the academic 2022/2023.

In the calendar year 2022, the six approved school projects that received funding from the *Learning Together* programme were implemented.

The schools approved for funding are:

- 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 first edition of the *Learning Together* programme was aimed at bridging the education gap during the pandemic. Each of the six schools addressed this theme with a different approach to tackling the learning gaps. Projects included developing a primary reading literacy platform, art workshops for children with special educational needs (SEN), character strengths development, organising additional catch-up activities and more. 96 teachers were involved in the implementation of the project and were able to reach 881 students and 572 parents.

The products developed by the participants in the first edition have been very popular in the education system, with more than 20,000 hits in the first two months since the projects' websites were published. All the products of the participating schools are free and open for use by the wider education community. A summary list of the projects and their products is published at https://zaednovchas.bg/uchim-zaedno-2021/.

In addition, in May 2023 Hristo Botev School in Rumiantsevo, a participant in the program, was awarded the Golden Apple Award in the category of best school or kindergarten.

4. Strategic projects and partnerships

4.1. NEST European Project

The NEST (Novice Educator Support and Training) project, which is implemented under Key Action 3: Support for Policy Reform—Social Inclusion through Education, Training and Youth of the Erasmus+ Programme and funded by the Education, Audiovisual and Culture Executive Agency, continued in 2022.

In the framework of the project, experts from 14 District Education Offices in Bulgaria are undergoing a comprehensive training programme to support teachers new to the education system (with up to 5 years' experience) over two academic years.

The project is implemented in six countries (Bulgaria, Austria, Belgium, Romania, Spain, UK) by a consortium of 16 partners. The project evaluator is a research team from the University of Duisburg-Essen, Germany. The Ministry of Education, the Education Syndicate and Teach For Bulgaria Foundation, the coordinator of the international consortium, are partners in the project on the Bulgarian side.

The experts' training programme is based on strategies to support teachers who teach in challenging environments. Over the course of two school years (2021-2022 and 2022-2023), RDE experts receive three training sessions and three support meetings. As part of the project, the experts are expected to apply the knowledge and skills learned in direct work with three novice teachers from their district.

Educational experts from half of the district education offices in Bulgaria participate in the NEST project and the training programme. The remaining RDEs are participating in a control group that will help prepare the external evaluation of the project's results. Participants in NEST are from the following provinces (RDEs): Blagoevgrad, Burgas, Varna, Veliko Tarnovo, Gabrovo, Kardzhali, Kyustendil, Lovech, Montana, Plovdiv, Sofia-city, Stara Zagora, Targovishte and Pleven.

The second year of the project, which started at the beginning of the 2022/2023 academic year, involved 52 experts from 14 regional education departments. Each of them supports three novice teachers with up to 5 years of experience in the education system. The first training of the participants of the second year of the international project NEST was held on November 3 and 4, 2022 in Park - Hotel "Kaylaka" - Pleven.

The training in Pleven was the first in-person training after the end of the anti-epidemic measures. The experts actively shared their experience among themselves, divided into subject areas. The focus of the training was on the topics of creating a vision for students, lesson planning with the student at the centre, effective classroom management and reflection strategies with the teacher after lesson observation.

The training team for the second year of the project includes representatives of the Teach For Bulgaria Foundation, Regional Department of Education Vratsa and university lecturers. Prior to this, a meeting was held in Plovdiv at the end of the 2021/2022 school year to mark the end of the first year for the Bulgarian NEST participants. The meeting provided an opportunity for project participants to communicate live for the first time since the removal of the anti-epidemic measures.

According to data from researchers at the University of Duisburg-Essen, the evaluators of the project, the skills of the RDE experts to effectively mentor novice teachers have improved during the project. Over 90% of participating experts agreed or strongly agreed that they felt equipped to support teachers independently as a result of the training. This is linked to the fact that the majority of experts feel more confident in their role as a result of the training, which in turn instils greater confidence in teachers. More data from the project evaluation is expected in 2023.

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

4.2 Development Strategy for Education in Haskovo Municipality

With full unanimity on September 2, 2022, the municipal councillors of Haskovo adopted a new Strategy for the Development of Education in Haskovo Municipality for the period from 2022 to 2027.

The document was created in partnership with the Teach For Bulgaria Foundation and aims to build a modern vision for education in Haskovo. It contains specific objectives, impact areas, priority activities and measurable success indicators that respond to the needs and opportunities of local authorities, population and businesses.

The strategy will serve to plan the tasks and resources of the municipal government and its key partners regarding education in the municipality in the coming years.

The role of Teach For Bulgaria was to facilitate the process and talk to all stakeholders. We used different methods to gather information - field research, surveys, meetings, interviews. We then went through several cycles of prioritisation and refinement of timelines, activities, and indicators of success with community partners. In the process, we met with teachers, parents, principals, and partners from various institutions and organisations. We had the opportunity to discuss the challenges, to unite around the needs and solutions and to reach a shared understanding of the way forward", says Stefan Lazarov, head of the project's working group, more about how the Strategy was prepared. He is an education expert and a graduate of the *A New Way of Teaching* programme of Teach For Bulgaria.

The main objective of the proposed interventions in the strategy is that in five years' time students in Haskovo municipality will have better access to quality education regardless of which

district of the municipality they live in, which school they attend and the financial means of their families.

An important indicator that the measures in the strategy aim to increase is the coverage of children and young people in school education. Particular attention is paid to the development of vocational education, as well as to working with pupils with a mother tongue different from Bulgarian. Efforts have also been aimed at addressing the individual needs of each pupil—special needs, outstanding gifts, access to interest-based activities, etc. The maintenance of the facilities in kindergartens and schools in the municipality is also a key component of this strategy. The document also proposes specific tools to improve coordination and effective cooperation between the various institutions and stakeholders in the education system in Haskovo municipality.

The implementation of the proposed measures will provide greater opportunities for professional realisation of young people graduating from secondary education in Haskovo municipality.

The document includes specific measures and activities under six main priorities.

For more information on the strategy and an abridged version see here - https://www.haskovo.bg/bg/strategiya-za-razvitie-na-obrazovanieto-v-obshtina-haskovo/proekt-na-strategiya-za-razvitie-na-obrazovanieto-v-obshtina-haskovo-2022-2027

SCOPE OF THE TEACH FOR BULGARIA PROGRAMME IN 2022

A NEW WAY OF TEACHING

Applicants and approved participants for the Teaching Together in Class programme over the years:

Year	Applicants	Approved	Participant in the year	Programme selectivity
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%
2022	2686	199	54	7.4%

* The number is up to date as of September 15 of the respective year and includes all participants who have started teaching in a school. 'Approved' means all applicants who have received an offer to join the programme at the end of the relevant recruitment campaign (end of May). Some of the approved applicants do not accept the offers in a timely manner. Another part of the approved participants drops out before the intensive seven-week training process in the summer (Summer Institute), which further naturally continues the selection process, preparing the participants for the real school conditions, responsibilities and situations and for the requirements of the programme.

Distribution of teachers, alumni, partner schools in the *A New Way of Teaching* program for 2022.

A New Way To Teaching — Teach For Bulgaria

127	93	455	8300+
participants (teachers)	school partners	alumni	students reached

Data as of September 15, 2022.

Distribution of teachers in the *A New Way of Teaching* programme by subject as at September 15, 2022.

Cohort	Total teachers as of SY 2021/2022	STEM	ESL	Primary	Other
2020/22	71	21	14	26	10
2021/23	86	18	17	42	9
Toatal	**157**	**39**	**31**	**68**	**19**

MODEL SCHOOLS PROGRAMME

Breakdown of participants by school and number of people in the Schools by Example programme for 2022

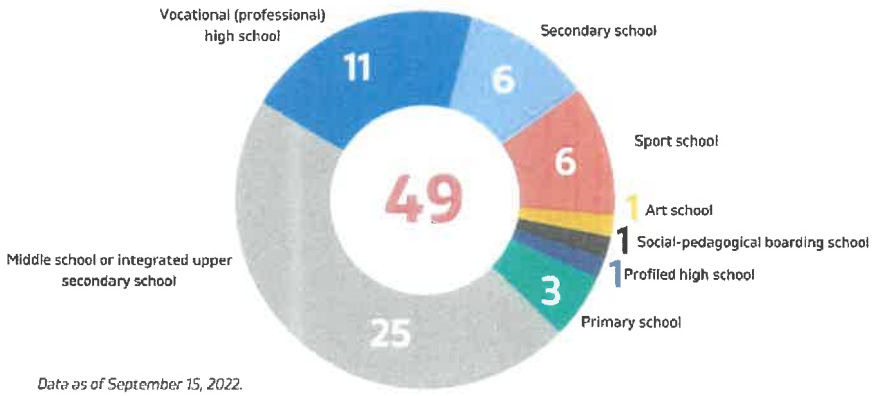
Model Schools Teach For Bulgaria

49	380	20	20000+
schools	participants (teachers, principals, vice principals etc.)	alumni schools	students reached

Data as of September 15, 2022.

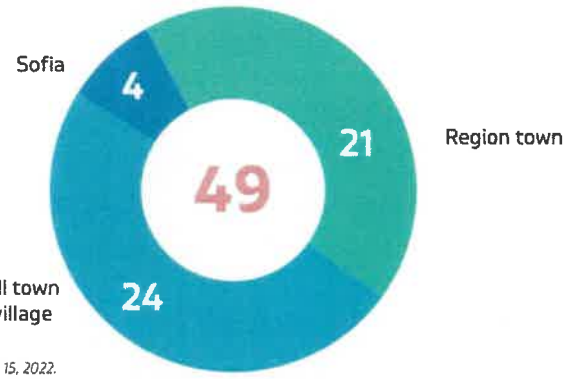
Distribution of schools by school profile and settlement type in 2022

Distribution of schools by school profile in 2022



Data as of September 15, 2022.

Distribution of schools by settlement type in 2022



Data as of September 15, 2022.

TEACH FOR BULGARIA's S IMPACT IN 2022

1. *A New Way to Teaching* Program

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

Ensuring equal access to quality education for every child in Bulgaria is a long-term goal that can only be achieved through the joint efforts of many people committed to it. This is why Teach For Bulgaria continues to support the participants of the *A New Way of Teaching* programme after the two years of teaching in the school are over. They are developing in different professional fields, but our aspiration is that everyone contributes from the position of their experience and workplace to better education in the country.

As of October 2022, the number of graduates completing the program is 455. Their careers are directly related to the field of education. A total of 81% of all 455 graduates go on to work in the sector.

60% of all graduates continue to work as teachers in private and public educational institutions. Many are interested in pursuing long-term careers in various roles within the system - vice-principals, school principals, etc.

Many of the graduates of the *A New Way of Teaching* program of Teach For Bulgaria after two years of teaching decided to create their own initiatives and organisations that work on various needs and issues in the field of education. As of October 2022, there are over 20 active alumni organisations. Their main areas of activity are related to teacher and principal training, policy and advocacy, developing 21st century skills, and working with vulnerable groups of children and youth.

Among the organizations in education created by the graduates of the program are "Vratsa Software", "Mestentse", "NIKE Academy", "School Miracles", "Education Bulgaria 2030" Association, "Start Academy SOFIA", "Knowledge Academy" in Varna, Education Without Backpacks, "Friends in the Adventure" Association, "Blagichka - Kitchen with a Cause", "It Depends on Me" Foundation, "Bright Ray" Foundation, "Grammotko" Basic Literacy Initiative, "Pippi's School", Centre for Children with Hearing Deficits in Stara Zagora, "I, the Teacher", "Plaminina" Foundation, Sci-High Foundation and others.

Graduates of the program also work in various influential and already established educational organisations, participate in conferences, create manuals and projects that reach a wider range of people in the system. Graduates of *A New Way in Teaching* work as experts in the following educational and advocacy organisations: National Network of Children, Trust for Social Achievement,

Center for Interethnic Dialogue "Amalipe", Center for Safe Internet, Institute for Progressive Education, "Learn" and others.

In 2022, the collection of data for the preparation of an independent evaluation of the impact of "Together in Class" on the graduates of the *A New Way of Teaching* programme was launched. The evaluation is being prepared by researchers Boyan Zahariev and Ilko Yordanov. The results are expected in 2023.

3. *Model Schools* Program

In parallel with the launch of the new *Model Schools* programme in 2020, a three-year independent evaluation of the impact of the programme was launched. The evaluation is being conducted by REI and Global Metrics research teams and focuses on measuring the effects on the spread and implementation of leadership practices, school culture change, and student attitudes and outcomes. It continues through 2023.

The 2020-2021 formative evaluation is designed to support successful implementation of the program. Focus groups with principals and members of leadership teams illustrate in depth how schools in the Model Schools program and schools in the control group were able to conduct professional development activities during a very challenging school year due to Covid 19. Surveys of the effectiveness of leadership team training in *Model Schools* show impressive results. Pre- and post-survey analysis reports progress within the training course, which for the most part is significant. Teaching courses in the programme show weaker results. Teachers show only partial and modest progress according to the analysis of their pre- and post-survey results.

In the 2021-2022 school year, surveys from the leadership team focus groups once again demonstrate aspects of the program as it has been implemented and show how school improvement efforts vary across the control group. For example, schools in the Teach For Bulgaria 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 the Teach For Bulgaria programme value the support they receive from their mentors, whereas schools in the control group do not have this resource. It is clear that leadership activities are more organised and more accessible in schools in the *Model Schools* group. There are also many professional development activities in the control group schools; they are also seriously striving for improvement. All of the schools have experienced negative effects from the Covid 19.

Leadership course surveys conducted in Year 2 and Year 1 show results in favour of the program. In measuring understanding of 21 key leadership topics from the distributed leadership course, both classes of program participants made significant progress. Scores on their ability to perform the 21 key leadership actions described in the organizational leadership course were similar.

Regarding the results of the second class, there was significant progress in their understanding of most topics, but not in their ability to take action.

The results from the teaching courses on 21st century skills, STEM, social-emotional skills and language support again show only sporadic signs of progress and, specifically in relation to language support, losses of progress are also noted. The open-ended questions in the surveys provide qualitative information about the added value of the courses and the feedback is extremely positive.

4. Sharing best practices

4.1. Prepodavame.bg Educational Website

The website prepodavame.bg created by teachers for teachers was initially developed as part of the international FIERST project with the aim of disseminating and sharing good practices from teachers and project participants with other teachers and schools in the country. The high evaluation the site received from project participants, as well as the lack of a single, freely accessible place to share good pedagogical practices, provoked us to continue the development of the site and to develop the concept of it as a useful medium for teachers.

In 2022, we continued the purposeful development of the site as a platform for sharing good pedagogical practices, contemporary educational resources, developed lessons, video courses, strategies for better teaching and opportunities for upgrading the professional development of teaching professionals in Bulgaria.

In 2022, we continued to grow the team of authors - active teachers and principals, and the development of additional communication channels - email newsletter, viber group, facebook group, pages in social networks LinkedIn, Instagram, facebook, etc.

Currently, prepodavame.bg is the largest and fastest growing educational platform for teachers, principals, and educational experts in Bulgaria. The site responds directly to the educational community's need for an online space that brings together useful and practical information for educational professionals.

By the end of 2022, the site reaches over 25,000 online users directly with over 500 author publications, webinars and video courses and educational resources with a strong growth trend.

4.2. *Good Practices in Focus* Event

Learning physics with musical notes, kneading bread with gratitude, generating ideas for learning across the four seasons and art therapy to lower stress—these are just some of the practices

showcased by schools from across the country at the Best Practices in Focus event. The forum took place on 24 June at the Holiday Inn Hotel in Sofia and brought together nearly 200 teachers, education experts and guests.

The event was the official finale of a comprehensive process that aims to collect, describe, and disseminate pedagogical practices in three categories key to student development and well-being: student well-being, responsibility and contribution, and student academic progress.

"Good Practices in Focus" is organised for the first time by the Teach For Bulgaria Foundation and the website prepodavame.bg. In 2022, participants and alumni of the programs of the Teach For Bulgaria Foundation and alumni of the educational programs of the America for Bulgaria Foundation were invited to participate in the process. Next year, the process will be opened nationally to all schools in the country.

Minister of Education and Science Acad. Nikolay Denkov was the special guest of the event. He listened to the morning panel discussion with interest and said that it is important to have more schools sharing best practices and promoting them widely to reach every classroom in the country.

The focus of the discussion was on the theme of 'Wellbeing, Responsibility and Contribution and Academic Progress - the three key areas of student development'. Principals Rumiana Bogdanova from Vasil Levski Primary School, Sofia, Emilia Ivanova from 90 Gen. Jose de San Martin SOU in Sofia, Diana Dimitrova from the "Stoyu Shishkov" Primary School from Taran village, and Stella Kovatcheva, the OU Vasil Levski school in Razgrad school's psychologist shared their opinion and experience on the topic.

In the morning part of the forum, guests learned more about the four awarded practices in the process that impressed the six-member expert jury the most with their efficiency, sustainability, and continuity.

More about the awarded practices in the competition can be found in the link - https://zaednovchas.bg/dobrite-praktiki-na-fokus-sabitie/

4.3. Teaching materials for teaching students with a different mother tongue than Bulgarian - project "Do you understand the language of the school"

In August 2022, provoked by the refugee wave caused by the war in Ukraine, with the support of donors and partners, we secured the printing of a second edition of 5000 copies of the book "Reading with Asya and Yavor", suitable for students with a mother tongue other than Bulgarian. The first edition of the book was sold out in just a few weeks in the autumn of 2021.

The book is part of the "Do you understand the language of the school" project, which aims to create learning materials and useful resources to support children with different mother tongues in Bulgaria - some of the most vulnerable students in our education system, and their teachers.

As a continuation of the project, which Teach For Bulgaria is implementing together with the International Association EdiukArt and the Foundation "Trust for Social Alternatives" on the website prepodavame.bg we continued to publish other valuable teaching materials to support teachers of students with a mother tongue other than Bulgarian. New materials include:

- Mathematics with Grammar for Grades 1 and 2 - Teacher's Guide;
- "In the Mathematics Circus" - Math stories for first and second graders;
- "Travelling with Asya and Yavor" - A book for developing reading skills in primary stage;
- Handbook for integrated language support from grades 1 to 12;
- Other useful materials on the topic of teaching students with different native languages.

All materials are available for free on the website prepodavame.bg - https://prepodavame.bg/bsl

4.4. Teaching materials on environmental education and climate change

A free guide "In Class With Climate Change" with practical teaching materials and ready-made lessons for project-based learning to deepen students' understanding of climate change is now available to teachers across Bulgaria.

The guide can be freely downloaded from prepodavame.bg here.

The aim of the learning materials in the handbook is to support students to better understand the challenges of climate change and to challenge them to find and propose their own solutions to environmental problems in their communities. Educational resources also enable teachers to apply new and innovative teaching approaches that give students more freedom and scope to act on a topical issue for the whole world.

The handbook covers three broad thematic areas:

1) Transport and climate change;
2) Nature and agriculture;
3) Production and energy.

Also included is an introductory section and a special section on creating a project on an environmental topic. In addition to the digital edition of the handbook, all teachers also get access to supporting videos and additional materials on climate change topics.

The materials in the "In Class with Climate Change" handbook are aimed at students from Grade 5 to Grade 12 and can be integrated into education in different subjects, used in class, in

interest clubs or by any teacher, no matter their subject area with adaptation. The handbook is especially valuable for schools that have equipped STEM classrooms or those with specialised profiles such as agricultural high schools, vocational high schools of transport, etc.

The learning resources have been prepared by education experts and experienced teacher trainers with the advice of ecology and climate change specialists. The materials have been produced under the Teach For Bulgarian project, which is funded by the European Climate Foundation.

"If we truly believe that the future is in the hands of today's students, we need to encourage children to really look for solutions to the challenges of the future. With these learning materials, the ideas they embed and the opportunity for students themselves to get involved in tackling climate change, we are also taking a step towards having more empowered, active and responsible citizens tomorrow. I am sure that the materials will also be useful for the teachers themselves to engage more with the topic and to further develop the proposed activities through their experience and skills," Julia Mishkova, a trainer in the team of Teach For Bulgaria and one of the authors of the learning materials, shares."

At the end of the 2021/2022 school year, the lessons from the manual were also tested in a real learning environment with students from partner schools of the Teach For Bulgaria Foundation from different locations, and the comments of all of them were positive and highly encouraging.

4.5 A good practice newsletter for teachers across the country

In 2022, the team of Teach For Bulgaria continued sending a specialised free email newsletter for teachers and principals with useful educational resources. In 2022, the newsletter now goes out bi-weekly and includes new sections.

Each issue of the newsletter focuses on a specific topic and includes useful and practical materials created specifically for the newsletter or adapted from other sources. The newsletter also features additional opportunities, competitions and resources from other educational institutions, NGOs etc. By the end of 2022, the number of subscribers has continued to grow, with over 17,000 by December 2022.

KEY EVENTS IN 2022

DATE/PERIOD	EVENT
February 2022	**Recruitment for the third class of schools participating in the Model Schools programme begins.**
February 2022	Schools start submitting applications for teachers for the *A New Way of Teaching* programme
February 2022	Milka (Mondelēz Bulgaria) launches a charity campaign to support the work of Teach For Bulgaria
14 March 2022	The online meeting "When Teachers Are Students: A New Look at Mentoring" brought together over 300 people from all over Bulgaria—representatives of schools, regional education departments, universities, local and national institutions, etc. The event was part of the work of the international project NEST.
March 2022	Teach For Bulgaria starts collecting useful educational resources for children (and adults) related to the war in Ukraine.

March and April 2022	"Inspiration Days" are held in four schools in Burgas, Sofia, Bohot, and Vetren with guests from the business sphere. The campaign is part of the joint initiative of Econt and Teach For Bulgaria "Couriers of the Future"
May 2022	UniCredit Bulbank donated over BGN 13 000 to Teach in Bulgaria on the eve of May 24
May 2022	Charity pop-up bazaar of OM Yoga in the Teach For Bulgaria sub-café
May 2022	Teachers from the Teach For Bulgaria programme from different regions of the country, principals and partner schools were honoured for their work on the occasion of 24 May - the Day of the Holy Brothers Cyril and Methodius, the Bulgarian alphabet, education and culture.
June 2022	Students from seven schools in Bulgaria showcased their projects to tackle climate change at the "In Class with Climate Change" event

June 2022	The second edition of the "Challenge Yourself For a Cause" charity sports event was held on June 18, 2022.
June 2022	First edition of the "Best Practices in Focus" event for sharing experiences and inspiration in the education community
June 2022	A meeting in Plovdiv marked the end of the first year for Bulgarian NEST participants
July 2022	The intensive training of the new participants of the A New Way of Teaching programme of Teach For Bulgaria starts
July 2022	Teach For Bulgaria supports five special summer START academies for vulnerable students from Razgrad, Razzhena, Brestnitsa, Filipovtsi and Faculty
July 2022	More than 600 students from all over Bulgaria join the Summer Academy in July and August in two schools in Sofia
August 2022	Two teachers from the Teach For Bulgaria programs are again honoured in the "40 under 40" ranking of Darik Radio

August 2022	The first attendance trainings in the Model Schools programme for the classes of 2021-2023 and 2022-2024 in Panagyurishte and Tryavna
August 2022	24 new schools in Model Schools programme
September 2022	Second edition of the literary book for students with different mother tongues "Reading With Asya and Yavor"
September 2022	The latest class of teachers in the A New Way of Teaching programme of Teach For Bulgaria enters classrooms on September 15.
September 2022	The Municipal Council of Haskovo unanimously adopted the Strategy for Development of Education in the Municipality
September 2022	An election debate "Education - Dialogue for the Future" is held. The organisers are educational organisations, including Teach For Bulgaria.
October 2022	Inspirational Leaders Charity Auction 2022
November 2022	The first training for the second year of the NEST project took place in Pleven
November 2022	Start of the collection of good practices for the competition "Good Practices in Focus"
December 2022	Pavlinka Gancheva from the team of Teach For Bulgaria is CFO of the Year 2022

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. Starting in the fall of 2022, the organisation will continue to recruit new participants for the A New Way of Teaching program.

FINANCIAL INFORMATION

1. Fundraising

The work of Teach For Bulgaria is made possible thanks to the financial support of various donors (foundations, individual, corporate) who believe that quality education is a long-term investment in the economy and development of Bulgaria.

The main part of the funding of Teach For Bulgaria is provided through a grant from the America for Bulgaria Foundation, on whose initiative the organization was established in 2010.

The team of Teach For Bulgaria strives to fully and purposefully engage current donors and seek new sources of funding to ensure the sustainability of the organization in the long term.

Inspirational Leaders Charity Auction 2022

The Inspirational Leaders Charity Auction brings together popular public figures and business leaders to support the work of the Teach For Bulgaria Foundation. The auction was held for the eleventh time on October 5, 2022 at the Hyatt Regency Hotel in Sofia.

The unconventional event was attended by 15 celebrities and representatives of over 60 companies from various business sectors. During the auction, guests bid for two hours of the time of celebrities with impressive personal and professional stories from Bulgarian culture, entrepreneurial circles, media, sports and more. As supporters of the Teach For Bulgaria mission, all the stars donated their time as speakers, workshop presenters, for team building activities, etc.

The evening raised a record 250,000 BGN, which will be invested in the training, development and support of teachers and schools in the programmes of Teach For Bulgaria.

Challenge Yourself for a Cause 2022

A family volleyball tournament with the participation of the national team Tsetso Sokolov and Eva Yaneva, thousands of kilometres run, cycling and walking, dancing, fitness and CrossFit challenges, babywearing in the mountains, participation in the Vitosha 100, kitesurfing and open

water swimming, beach cleaning and skipping rope. These are some of the sporting challenges that this year's participants in the *Challenge Yourself for a Cause* charity initiative chose to support the work of the Teach For Bulgaria Foundation and every child's access to quality education.

Over 1,000 people took part in *Challenge Yourself For a Cause* in 2022, with the most challenges completed on the final day of the initiative on 18 June. All of them raised nearly 35,000 BGN, which will be invested in training and support for teachers and schools in Teach For Bulgaria programmes.

There are registered participants from different countries in Europe, USA and Australia. From Bulgaria, the largest number of sports with a cause are from Sofia-city, Plovdiv, Ruse, Burgas and Varna. Of the sports categories, the most entries are for walking, followed by running and other (free category). This year is notable for the growth of team registrations from companies from different sectors. MentorMate, Lidl, A1, HRS, SiteGround, InterSport, CreateX, Positive Thinking Company, Netpeak, Shell Bulgaria and others joined the initiative with company teams.

Marketing with cause and corporate partner events 2022

In 2022, the organisation continued to grow its support from corporate partners through collaborative cause marketing initiatives. These types of initiatives allow both the corporate partner and the organisation to benefit simultaneously because sales of a specific product are tied to donations to Teach For Bulgaria or foster a supportive environment within the corporation through the support of causes.

Here are some of the initiatives we conducted in 2022:

- Charity Campaign with Milka Chocolate („Mondelez Bulgaria") from February 1 to March 20, 2022.
- Continuation of the partnership with Bulsatcom and the additional TV package "Globus" throughout 2022.
- "Inspiration Days" as part of the Couriers of the Future initiative with ECONT - March and April 2022.
- Donation from UniCredit Bulbank with the support of executives in the bank taking part in a two-year internal training and development programme - May 2022.
- Charity Bazaar with OM Yoga & Lifestyle - May, June and October 2022.

2. Financial indicators

During the year, the Foundation recognised income from conditional grants of BGN 3 315 thousand (2021: BGN 3 207 thousand). Unconditional grants received in 2022 amounted to BGN 1 148 thousand (2021: BGN 757 thousand). The result (profit) from non-profit activities for 2022 amounts to BGN 830 thousand (2021: profit of BGN 734 thousand).

3. The total remuneration received during the year by the members of the Boards

In 2022, no remuneration was received by Board members, with the exception of the Foundation's Executive Director, who is a full member by statute.

4. Participation of members of the Boards in companies as unlimited partners, holding more than 25% of the capital of another company, and participation in the management of other companies or cooperatives as procurators, managers or members of the Boards

Name of the management body: Management Board

HRISTO EMILOV MANOV, Country: BULGARIA (Chairman of the Management Board) - **Has interests in other companies exceeding 25% of its capital**

ANA RADOSTINOVA YANKOVA, Country: BULGARIA - **No participation**

ATHANAS STOYANOV GAROV, Country: BULGARIA - **Has interests in other companies exceeding 25% of his capital**

ATHANAS VELICHKOV STOYANOV, Country: BULGARIA - **No participation**

VASSIL ALEXANDROV TERZIEV - **Has interests in other companies exceeding 25% of their capital**

EVGENIA PEEVA-KIROVA, Country: BULGARIA - **Has holdings in another company exceeding 25% of its capital**

ZOYA GEORGIEVA PAUNOVA, Country: BULGARIA - **No participation**

MINA DIMITROVA SAVOVA, Country: BULGARIA - **Has holdings in another company exceeding 25% of its capital**

TENKO KRASIMIROV NIKOLOV, Country: BULGARIA - **Has interests in other companies exceeding 25% of their capital**

ROSEN MIROSLAV BOGOMILOV, Country: BULGARIA - **No participation**

SVETOZAR GEORGIEV GEORGIEV, Country: BULGARIA - **Has interests in other companies exceeding 25% of their capital**

TATYANA IVANOVA MARINOVSKA-NAIDENOVA, Bulgaria - **No participation**

TRAYAN VALENTINOV TRAYANOV, Country: BULGARIA - **He has interests in another company exceeding 25% of its capital, but it is currently being liquidated. Liquidation started on 30.06.2023. The deadline for the liquidation is 6 months and should end in 30.12.2023.**

5. The financial instruments used by the entity, and when material to the measurement of assets, liabilities, financial position and financial performance, shall be 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

The Teach For Bulgaria Foundation has not developed a hedging policy as management considers that there is no indication that such a risk to it may arise.

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

The Foundation has exposure to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk.

Credit risk

Credit risk for the Foundation consists of the risk of financial loss in a situation where a client or party to a financial instrument fails to meet its contractual obligations. Credit risk arises mainly from receivables from customers and investments in financial instruments.

The Foundation mitigates its credit risk by concentrating its cash and settlement operations in a first class commercial bank with a high reputation and stable liquidity, which limits the risk on cash and cash equivalents.

Liquidity risk

Liquidity risk arises if the Foundation fails to meet its obligations as they become due. The Foundation takes an approach to ensure that it has the liquidity resources necessary to meet liabilities as they arise, under normal or extraordinary conditions, without incurring unacceptable losses or damaging the Foundation's reputation.

The Foundation shall make financial planning to meet its repayment of expenses and ongoing obligations for a period of 60 days, including servicing financial obligations; such planning shall exclude the potential effect of contingencies that cannot be anticipated under normal conditions.

EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

In 2022, the Foundation became the sole equity owner in Nike Academy (a related party), increasing its stake from 10% to 100%. On 02.06.2023 the liquidation procedure of the related party "Nike Academy" Ltd. was initiated. The liquidation period is 6 months and is expected to be completed by 02.12.2023.

In June 2023, the Teach for Bulgaria Foundation started the process of registering as a non-governmental organisation in the United States of America under the name "Friends of Teach For Bulgaria". The initiative aims to support the Foundation's operations by accepting donations in the United States. At this time, Friends of Teach for Bulgaria does not yet have

the status of a "tax-exempt" organisation as provided by Section 501(c)(3) of the Internal Revenue Code. This status is projected to be obtained by the end of 2023.

BRANCHES

The Foundation has no branches.

RESEARCH AND DEVELOPMENT

The Foundation did not have research and development activities in 2022.

FINANCIAL RISKS

Information on financial risks is included in the financial statements in note 22 Financial instruments to the individual financial statements.

MANAGEMENT RESPONSIBILITY

Under Bulgarian law, management is required to prepare individual financial statements for each financial year that give a true and fair view of the Foundation's state of affairs at the end of the year and of its financial performance and cash flows. The individual financial statements shall be prepared in accordance with the National Accounting Standards (NAS) applicable in Bulgaria.

Management confirms that it has consistently applied appropriate accounting policies in preparing the individual financial statements as at 31 December 2022 and has made reasonable and prudent judgements, assumptions and estimates.

Management also confirms that it has adhered to applicable accounting standards and the individual financial statements have been prepared on the going concern basis.

Management is responsible for the proper maintenance of accounting records, for the appropriate management of assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

Management confirms that, in preparing this individual activity report, it has presented a true and fair view of the development and performance of the Foundation over the past period, as well as its situation and the principal risks it faces.

Management has approved the Individual Activity Report and the Individual Financial Statements for 2022 for issuance.

Trajan Trayanov
Executive Director
Date: 20.09.2023

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 2022, 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 2022, 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.

Baker Tilly Klitou and Partners OOD trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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
20 September 2023
Sofia

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

III.

Financial Statements
for the year ended December 31st, 2022

Income Statement for Non-profit Activities for 2022

Expenses	Note	2022 *In thousands of BGN*	2021 *In thousands of BGN*
I. Operating expenses			
A. Regulated activity expenses			
1. Donations	6.1	1,057	1,115
2. Other expenses	6.2	123	43
Total A:		**1,180**	**1,158**
B. Administrative expenditure	7	**2,463**	**2,165**
Total I:		**3,643**	**3,323**
II. Financial costs			
3. Other financial transaction costs	8	43	44
Total II:		**43**	**44**
III. Total expenses		**3,686**	**3,367**
IV. Total financial result, including:		830	734
Profit from non-profit activities		*830*	*734*
V. Total		**4,516**	**4,101**

Revenues	Note	2022 *In thousands of BGN*	2021 *In thousands of BGN*
I. Operating income			
A. Regulated activity revenue			
1. Income from conditional grants	9.1	3,315	3,207
2. Income from unconditional grants	9.2	1,148	757
3. Other income		26	12
Total I:		**4,489**	**3,976**
II. Financial income			
4. Foreign currency exchange gains	10.1.	27	57
5. Gains from transactions with financial assets	10.2.	-	68
Total II:		27	**125**
III. Loss from non-profit activities		-	**-**
IV. Total revenues		**4,516**	**4,101**
V. Total		**4,516**	**4,101**

The Income Statement for Non-profit Activities shall be considered in conjunction with the notes to the Financial Statements on pages 7 to 25, being an integral part of these Financial Statements.
These financial statements were prepared on 20.09.2023 and approved and signed by the Executive director on 20.09.2023.

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.

Income Statement for Business Activities for 2022 year

Expenses	Note	2022 *In thousands of BGN*	2021 *In thousands of BGN*
A. Expenses			
1. Decrease in inventory		-	-
2. Materials and hired services expenses, incl.:		**149**	76
(a) materials and supplies	11.1.	3	1
(b) hired services	11.2.	146	75
3. Personnel costs, incl.:	11.3.	**430**	**431**
(a) remuneration costs		359	360
(b) social security costs		71	71
4. Other expenses	11.4.	**48**	**1**
Total operating expenses		**627**	**508**
5. Impairment costs of financial assets, including investments recognized as current (short-term) assets, including:		5	-
- negative differences from exchange rate changes		5	-
6. Interest and other financial expenses of which:		**360**	-
- negative differences from operations in financial assets		360	-
Total financial expenses	11.5.	**365**	-
Total expenses		**992**	**508**
7. Accounting profit (total revenue - total expenses)		-	**71**
8. Income tax expense		**22**	14
9. Net profit for the year (7 – 8)		-	57
Total *(Total expenses + 8 + 9)*		**1,014**	**579**

Revenue	Note	2022 *In thousands of BGN*	2021 *In thousands of BGN*
B. Revenue			
1. Net sales revenue, including:		**855**	**579**
(a) goods		2	3
(b) services		853	576
2. Other income		-	-
Total operating revenue	12.1.	**855**	**579**
3. Other interest and financial income of which:		-	-
positive differences from operations in financial instruments		-	-
Total financial income		-	-
Total revenue		**855**	**579**
4. Accounting loss (total revenue — total expenses)		**137**	-
5. Net loss for the year (4 + 8A)		**159**	-
Total *(Total revenue + 5)*		**1,014**	**579**

The Income Statement for Business Activities shall be considered in conjunction with the notes to the Financial Statements on pages 7 to 25, being an integral part of these Financial Statements.
These financial statements were prepared on 20.09.2023 and approved and signed by the Executive director on 20.09.2023.

Trayan 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

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

Balance Sheet as at 31 December 2022

	Note	31.12.2022 In thousands of BGN	31.12.2021 In thousands of BGN
ASSET			
A. Non-current (long-term) assets			
I. Intangible assets			
1. Advances granted and intangible assets in progress	13	-	17
Group I total:		**-**	**17**
II. Long-term tangible assets			
1. Fixtures and fittings		30	13
2. Vehicles		4	8
Group II total:	14	**34**	**21**
III. Investments			
1. Shares in group companies	23.1	3	3
Group III total:		**3**	**3**
Section A total:		**37**	**41**
B. Current (short-term) assets			
I. Inventories			
1. Goods		2	3
Group I total:		**2**	**3**
II. Receivables			
1. Receivables from group companies	15, 24	335	156
2..Other receivable	15	6	52
Group II total:	15	**341**	**208**
III. Investments			
1. Shares in group companies		-	-
2. Financial assets	23.2	2,244	1,300
Group III total:		**2,244**	**1,300**
IV. Cash and cash equivalents, including:			
- in current bank accounts (deposits)	16	2,582	1,658
Group IV total:		**2,582**	**1,658**
Section B total:		**5,169**	**3,169**
C. Deferred expenses	17	**26**	**27**
TOTAL ASSETS		**5,232**	**3,237**

	Note	31.12.2022 In thousands of BGN	31.12.2021 In thousands of BGN
LIABILITY			
A. Equity			
I. Reserves			
1. Reserve as per incorporation act	18	1	**1**
2. Other reserves from prior years	18	3,165	2,374
3. Financial result for the current year		671	791
Group I total:		**3,837**	**3,166**
Section A total:		**3,837**	**3,166**
B. Payables			
1. Payables to suppliers *up to 1 year*	19	9	10
2. Payables to related parties *up to 1 year*	24	-	-
3. Other payables up to 1 year, including:	20	119	61
– Payable to personnel, up to 1 year		32	36
– Social security payables up to 1 year		10	10
– Tax liabilities up to 1 year		72	15
- Other liabilities up to 1 year.		5	-
Section B total:		**128**	**71**
C. Financing	21	**1,267**	**-**
TOTAL LIABILITIES		**5,232**	**3,237**

The Balance sheet shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 25, being an integral part of these Financial Statements.
These financial statements have been prepared on 20.09.2023 and approved and signed by the Executive director on 20.09.2023.

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

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.

Statement of Changes in Equity for 2022

	Note	Reserve as per incorporation act	Other reserves from prior years	Financial result of the current year	Total
		In thousands of BGN	In thousands of BGN	In thousands of BGN	In thousands of BGN
1. Balance as at 1 January 2022		**1**	**2,374**	**791**	**3,166**
2. Financial result for the year, including:		**-**	**-**	**671**	**671**
- financial result from business activites		-	-	*830*	*830*
- financial result from non-profit activities		-	-	*(159)*	*(159)*
3. Transfer to other reserves		**-**	**791**	**(791)**	**-**
4. Balance as at 31 December 2022	18	**1**	**3,165**	**671**	**3,837**

The Equity statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 25, being an integral part of these Financial Statements.
These financial statements have been prepared on 20.09.2023 and approved and signed by the Executive director on 20.09.2023.

Trayan Trayanov
Executive Director

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

Крестън БулМар ООД счетоводно обслужване София

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Statement of Cash Flows
for 2022 year

Name of cash flows *In thousands of BGN*	**Note**	**2022**	**2021**
I. Cash and cash equivalents at the beginning of the year		**1,658**	**2,849**
II. Cash flows from non-profit activities			
A. Proceeds from non-profit activities			
1. Conditional grants received		4,599	1,712
2. Unconditional grants received		1,149	757
3. Other proceeds		47	1,126
Total proceeds from non-profit activities		**5,795**	**3,595**
B. Payments for non-profit activities			
1. Payments for grants		1,057	1,115
2. Payments related to personnel and social security		1,334	1,097
3. Payments for services		1,232	1,112
4. Payments on banking and foreign exchange transactions		41	43
5. Other payments		1,316	1,396
Total payments for non-profit activities		**4,980**	**4,763**
C. Net cash flow from non-profit		**815**	**(1,168)**
III. Cash flows from business activities			
A. Proceeds from business activities			
1. Receipts from customers		848	823
2. Other receipts		28	25
Total proceeds from business activities		**876**	**848**
B. Payments for business activities			
1. Payments for services		181	79
2. Salaries and social security contributions paid		430	431
3. Payments on banking and foreign exchange operations		5	
4. Other payments		151	361
Total payments for business activities		**767**	**871**
C. Net cash flows for business activities		**109**	**(23)**
IV. Cash and cash equivalents at 31 December	16	**2,582**	**1,658**
V. Change in cash and cash equivalents for the year		**924**	**(1,191)**

The Cash flow statement shall be considered in conjunction with the notes to the Financial Statements on pages 7 to page 25, being an integral part of these Financial Statements.
These financial statements have been prepared on 20.09.2023 and approved and signed by the Executive director on 20.09.2023.

Trayan Trayanov
Executive Director

Kreston BulMar Accounting Services Ltd.
Metodi Hristov, *Manager*
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Registered auditor, responsible for the audit
Managing director
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ОДИТОРСКО ДРУЖЕСТВО София Рег. № 129 БЕЙКЪР ТИЛИ КЛИТУ И ПАРТНЬОРИ ЕООД

Кръстин БулМар ООД счетоводно обслужване София

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Content

	Page		Page
1. Status and principal activities	7	14. Long-term tangible assets	19
2. Basis for preparation	7	15. Receivables	20
3. Significant accounting policies	8	16. Cash and cash equivalents	20
4. Fair value measurement	14	17. Deferred Expenses	20
5. Financial risk management	15	18. Reserves	20
6. Regulated activity expenses	16	19. Payables to suppliers	20
7. Administrative expenses	16	20. Other payables	21
8. Other financial transaction costs	17	21. Financing	21
9. Regulated activity revenue	17	22. Financial instruments	22
10. Foreign currency exchange gains	17	23. Investments	23
11. Expenses for business activities	18	24. Related parties	24
12. Revenue from business activity	19	25. Contingent liabilities	25
13. Intangible assets	19	26. Events after the date of the Financial Statements	25

Notes to the Financial Statement

1. Statute and subject of activity

Teach For Bulgaria Foundation (the "Foundation") was founded in July 2010 as a non-profit legal entity working for the benefit of society. The Foundation was registered as a non-profit legal entity by Decision № 1 of 04.08.2010 under Foundation file № 460/2010 of the Sofia City Court with UIC under BULSTAT 175935973.
The headquarters and registered office of the Foundation is Sofia 1124, Yavorov Blvd. 23 Tsarigradsko Shose Str.

The main non-profit activity of the Foundation is 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;
- Supporting and training teachers, developing school teams and building partnerships for the introduction of good practices in the education system;
- Maintaining a strong community of current participants and alumni of its programs and key partners from all sectors to sustainably support access to quality education for every Bulgarian child.

In addition to its main non-profit activity, the Foundation may also perform additional business activity that is related to its main objectives. Such business activity may be related to the provision of educational and consulting services, information and publishing, expert support and technical assistance in the field of education, organizing and conducting educational events, receiving interest, rents and other proceeds from the property of the Foundation, as well as carrying out other auxiliary activities not prohibited by law and related to the achievement of the objectives of the Foundation. Income generated from additional business activity will be used solely to achieve the Foundation's objectives and is not subject to distribution as profit.

The governing bodies of the Foundation are the Management Board and the Executive Director.
As of 31 December 2022, the employees employed by the Foundation under an employment contract are 39 (31 December 2021: 44).

2. Basis for preparation

(a) Expression for conformity

The financial statements of Teach For Bulgaria Foundation have been prepared in accordance with the Accountancy Act and the National Accounting Standards (NAS).
The financial statements have been approved by the Management Board and Executive Director on 20 September, 2023.
The Foundation does not prepare consolidated financial statement, applying the relief pursuant to the Accountancy Act.

(b) Measurement base

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

Notes to the 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 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 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 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 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 comprise of cash on hand, demand deposits and deposits with original maturity up to 3 months.

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

Notes to the 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) Consequential expenditure

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 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 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
- Other FTAs 3 years

Notes to the Financial Statements

3. **Significant accounting policies (continued)**

(iii) Depreciation(continued)

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

As at 31 December 2022 and 31 December 2021, 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 of 31 December 2022, there are no intangible assets in progress and there are no long-term intangible assets acquired for business purposes. As of 31 December 2021, there are 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.

Notes to the 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.

(h) 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 Foundation 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 Financial Statements

3. Significant accounting policies (continued)

(i) 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.

(j) 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.

(k) 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 recognized 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 Financial Statements

3. Significant accounting policies (continued)

(i) Income from grants and financing (continued)

Unconditional grants received are recognized 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.

(l) Expenses

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

(m) Payments on lease contracts

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

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

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

Notes to the Financial Statements

3. Significant accounting policies (continued)

(n) Financial income and expenses

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

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

(o) Income tax

The Foundation calculates income tax on the financial result from business activities. The income tax for the year comprises current and deferred taxes. Income tax is recognized in the 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 Balance Sheet dates, including certain adjustments in the tax due, related to prior years, if any.

Deferred taxes are recognized 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 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 recognized 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 recognized in the income statement with the exception of that related to items recognized directly in equity.

As at 31 December 2022 and 31 December 2021 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 Financial Statements

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 Financial statements.

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

Credit risk

Credit risk is the risk that the Foundation may suffer financial losses if a client or counterparty to a financial instrument fails to discharge in full its contractual obligations. Credit risk arises mainly on receivables from clients and investments in financial instruments.
The Foundation limits the credit risk by concentrating its cash and payment transactions in a first rate commercial bank with high reputation and stable liquidity, which limits the risk for cash and cash equivalents.

Liquidity risk

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

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

Notes to the Financial Statements

6. Regulated activity expenses:

6.1. Expenses on donations

In thousands of BGN

	2022	2021
Costs of donations made	1,057	1,115
	1,057	**1,115**

6.2. Other expenses

In thousands of BGN	2022	2021
Business trips	41	11
Other expenses	82	32
	123	**43**

7. Administrative expenses:

7.1. Expenses on materials

In thousands of BGN

	2022	2021
Stationery and office consumables	73	26
Expenses on training and project activities	33	44
Expenses for transport	-	-
Expenses on spare parts for cars	2	1
	108	**71**

7.2. Expenses on hired services

In thousands of BGN

	2022	2021
Expenses on remuneration of teachers	343	535
Expenses related to project activity	484	331
Office and communications expenses	155	153
	982	**1,019**

7.3. Personnel costs

In thousands of BGN

	2022	2021
Salaries and wages costs	1,131	868
Social security and allowances costs	199	160
	1,330	**1,028**

The average number of the Foundation's personnel for 2022 was 42 people (2021: 44 people).

Notes to the Financial Statements

7.4. Expenses for taxes, fees, etc.

In thousands of BGN

	2022	2021
Expenses for taxes, fees, etc.	26	28
	26	**28**

7.5. Depreciation

In thousands of BGN

	2022	2021
Depreciation	17	19
	17	**19**

Total administrative expenses	**2,463**	**2,165**

8. Other expenses on financial operations

In thousands of BGN

	2022	2021
Bank charges	16	19
Foreign currency exchange losses	27	24
Negative differences from transactions with financial assets	-	1
	43	**44**

9. Regulated activity revenue:

9.1. Income from conditional grants

In 2022, the Foundation recognized income from a conditional grant (financing) of BGN 3,315 thousand (2021: BGN 3,207 thousand).

9.2. Income from non-conditional donations

The received unconditional grants in 2022 are BGN 1,148 thousand (2021: BGN 757 thousand).

10. Foreign currency exchange gains

10.1. Foreign currency exchange gains are in result of transactions in foreign currency. In 2022 they were at the amount of BGN 27 thousand (2021: BGN 57 thousand).

10.2. Income from transactions with financial assets

	2022	2021
Positive differences from transactions with financial assets	-	68
	-	**68**

Notes to the Financial Statements

11. Expenses for business activities

11.1. Materials and supplies

In thousands of BGN

	2022	2021
Expenses on training and project activities	3	1
	3	**1**

11.2. Expenditure on external services

In thousands of BGN

	2022	2021
Expenses on remuneration of teachers	86	36
Expenses related to project activities	60	39
	146	**75**

11.3. Personnel costs

In thousands of BGN

	2022	2021
Salaries and wages costs	359	360
Social security and allowances costs	71	71
	430	**431**

11.4. Other expenses

In thousands of BGN

	2022	2021
Carrying amount of goods sold	1	1
Business trips	21	-
Other expenses	26	-
	48	**1**

11.5. Financial expenses

In thousands of BGN

	2022	2021
Negative differences from exchange rate changes	5	-
Negative differences from operations in financial assets	360	-
	365	**-**

Notes to the Financial Statements

12. Revenue for business activities

12.1. Operating income

In thousands of BGN

	2022	2021
Revenue from the sale of goods	2	3
Revenue from the sale of services	853	576
	855	**579**

13. Intangible assets

In 2022, the Foundation has no intangible assets in progress (2021: BGN 17 thousand).

14. Tangible fixed assets

In thousands of BGN

	Transport	Business Inventory	Total
Book value			
Balance as at 1 January 2021	41	75	116
Additions	-	19	19
Disposals	-	(13)	(13)
Balance as at 31 December 2021	**41**	**81**	**122**
Balance as at 1 January 2022	41	81	122
Additions	-	30	30
Disposals	-	(18)	(18)
Balance at 31 December 2022	**41**	**93**	**134**
Depreciation			
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**
Balance as at 1 January 2022	33	68	101
Depreciation for the year	4	13	17
Depreciation of assets disposed	-	(18)	(18)
Balance at 31 December 2022	**37**	**63**	**100**
Carrying amount			
As at 31 December 2021	8	13	21
As at 31 December 2022	**4**	**30**	**34**

Notes to the Financial Statements

15. Receivables

In thousands of BGN

	31 December 2022	31 December 2021
Receivables from customers	31	-
Related party receivables	304	156
Receivables under the financing	-	19
Deposits granted to suppliers	4	33
Other receivables	2	-
	341	**208**

16. Cash and cash equivalents

In thousands of BGN

	31 December 2022	31 December 2021
Cash at current bank accounts	2,582	1,658
	2,582	**1,658**

17 Deferred Expenses

As at 31 December 2022, deferred expenses amounted to BGN 26 thousand (2021: BGN 27 thousand). Deferred expenses as at 31 December 2022 included medical insurance of staff for BGN 22 thousand (2021: BGN 21 thousand), expenses for additional subscriptions for BGN 3 thousand (2021: BGN 5 thousand), insurance for company vehicles in the amount of BGN 1 thousand (2021: BGN 1 thousand).

18. Reserves

Reserve under 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 2022	31 December 2021
Payables to suppliers	9	10
	9	**10**

Notes to the Financial Statement

20. Other payables

In thousands of BGN

	31 December 2022	31 December 2021
Payables to personnel	32	36
Social security payables	10	10
Tax liabilities	72	15
Other liabilities	5	-
	119	**61**

21. Financing

In thousands of BGN

	31 December 2022	31 December 2021
Short-term part		
Financing for operating activities	1,267	-
	1,267	**-**

Financing for operating activities

In thousands of BGN

Financing source	Deferred income as at 01.01.2022	Funding received in 2022	Income from financing recognized in 2022	Reclassification to unconditional grants	Fixed assets acquisitions	Funds repaid in 2022	Deferred income as at 31.12.2022
Funding from the America for Bulgaria Foundation	(434)	2,105	(1,619)	-	-	-	52
Funding European Commission	184	1,508	(1,068)	-	-	-	624
Funding from other donors	250	969	(628)	-	-	-	591
Total	**-**	**4,582**	**(3,315)**	**-**	**-**	**-**	**1,267**

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 the 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)**	**-**	**-**	**-**	**-**

Notes to the Financial Statement

21. Financing (continued)

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

In thousands of BGN

Nature of financing contract	Deferred income as at 01.01.2022	Income from financing recognized in 2022 up to the amount of depreciation and amortization expense	Fixed assets acquisition	Deferred income as at 31.12.2022
Funding from the America for Bulgaria Foundation	-	(11)	25	14
Total	**-**	**(11)**	**25**	**14**

In thousands of BGN

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

22. Financial instruments

Credit risk

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

In thousands of BGN

	31 December 2022	31 December 2021
Cash and cash equivalents	2,582	1,658
Receivables from related parties	304	185
Receivables from third parties	31	23
Financial assets	2,244	1,300
	5,161	**3,166**

Impairment losses

As at 31 December 2022 and 31 December 2021, 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:

Notes to the Financial Statements

22. Financial instruments (continued)
Liquidity risk (continued)

31 December 2022

In thousands of BGN	Carrying amount	Contractual cash flows	Up to 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Payables to suppliers	9	(9)	(9)	-	-	-	-
	9	**(9)**	**(9)**	**-**	**-**	**-**	**-**

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	More than 5 years
Payables to suppliers	10	(10)	(10)	-	-	-	-
	10	**(10)**	**(10)**	**-**	**-**	**-**	**-**

23. Investment

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

	31 December 2022		31 December 2021	
	share	amount	share	amount
"Zaedno 2011" EOOD	100%	3	100%	3

23.2 Financial assets
Financial assets held for trading

In 2022, the Foundation has invested in financial assets for trading. Acquired financial instruments are shares of exchange-traded funds (ETFs). As of 31.12.2022, there is no fixed settlement date. The product has no guarantee of the principal amount and expected return.

Financial assets held to maturity

As at 31 December 2022 and 31 December 2021, the Foundation does not hold financial assets held until maturity.

In thousands of BGN

	31 December 2022	31 December 2021
Financial assets held for trading	2,244	1,300
	2,244	**1,300**

Notes to the Financial Statements

24. Related parties

Related party disclosures

As at 31 December 2022, 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 the 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;
- Ana Radostinova Yankova – member of the Management Board;
- Atanas Velichkov Stoyanov - member of the Management Board;
- Vasil Alexandrov Terziev - member of the Management Board;
- Tenko Krasimirov Nikolov - 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 – a subsidiary, 100% owned by the Foundation
- "NIKE Academy" EOOD – 100% owned by the Foundation
- Sai Hai Foundation – membership of Teach For Bulgaria Foundation in the Management Board of the organization
- Motivirani Uchiteli Union *DZZD* - a subsidiary, 92% owned by the Foundation and 8% owned by the Syndicate of Bulgarian Teachers Association
- Syndicate of Bulgarian Teachers Association – joint participation in Motivirani Uchiteli Union *DZZD*

Remuneration of the key management personnel

In 2022, the remuneration to key management personnel amounts to BGN 240 thousand (2021: BGN 194 thousand).

Related party transactions

The completed transactions with related parties in 2022 are as follows:

In thousands of BGN

Related persons	Revenues reported in 2022	Expenditure recorded in 2022	Receivables as at 31.12.2022	Liabilities as at 31.12.2022
Motivirani Uchiteli Union *DZZD*	773	-	304	-

The completed transactions with related parties in 2021 are as follows:

In thousands of BGN

Related persons	Revenue reported in 2021	Expenditure recorded in 2021	Receivables as at 31.12.2021	Liabilities as at 31.12.2021
Motivirani Uchiteli Union *DZZD*	520	-	156	-

Notes to the Financial Statements

25. Contingent liabilities

Lawsuits

No lawsuits have been filed against the Foundation as at 31.12.2022 and 31.12.2021 and the Foundation is not party to any legal dispute.

26. Events after the report date

On 02.06.2023 a liquidation procedure of the related party "NIKE Academy" EOOD has been initiated. The liquidation period is 6 months and is expected to be completed by 02.12.2023.

In June 2023, Teach For Bulgaria Foundation started the process of registering a non-profit organization in the United States of America under the name "Friends of Teach for Bulgaria". The initiative aims to support the Foundation's operations by accepting donations in the United States.

No other significant events have occurred since the date of the annual financial statement which would impose corrections and/or disclosures in the 2022 annual financial report.