Teach For Bulgaria

ANNUAL FINANCIAL STATEMENTS
OF
TEACH FOR BULGARIA FOUNDATION
2023

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I.

Activity Report of Teach For Bulgaria Foundation

2023 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 2023

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. Training and support of teachers in the *A New Way to Teaching* program, class of 2022-2024.

The *New Way Teaching* program is specifically designed to effectively teach the student at the center of the learning process and includes methods that help all students progress regardless of their initial level. It is based on proven educational models and pedagogical approaches. The training is adapted to the context in Bulgaria and the experience of "Teach for Bulgaria" from 2010 up to today.

The final recruitment drive for the *A New Way to Teaching* program for the last class to go through it was held in 2022.

The twelfth class in Teach For Bulgaria's *A New Way to Teaching* program began its second year in September 2023. During the school year, participants engaged in two live training sessions (November 2023 and March 2024). In addition to the live training workshops, participants had the option to choose between two online courses with 4 meetings each: "It's Up to Me" and "It's Up to Us". The courses focused on expanding participants' activities beyond their direct teaching by developing projects with their students and/or engaging other school colleagues and parents. The two training sessions featured guest speakers—alumni of the program and currently hold positions of responsibility in the system—who talked about their journey, motivation, and results. Each participant also received mentoring support that included a goal-setting meeting at the beginning of the year, three classroom visits, and two progress talks. The school year started with 39 people.

1.2. Graduation of teachers involved in the *A New Way to Teaching* Program, class of 2021-2023

The eleventh class of *A New Way to Teaching* program teachers officially completed their participation in the professional and leadership development program in June 2023. Over the course of two challenging years, 63 individuals successfully completed all phases of the program as teachers in different regions of the country. They purposefully worked to increase the motivation, success, and opportunities for their students. With them, the programme's alumni group now numbers 518.

At a special event at the Ramada Hotel, Sofia, between June 2 and June 4, 2023, the participants from the class of 2021-2023, together with their colleagues from the *Model Schools* Program, shared their experiences and learnings, congratulated each other on their successes, and outlined their future plans in education.

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.

Over the course of the program, schools build sustainable school management structures through quality training and support, and teachers use new teaching, assessment, and classroom management methods for their work with students.

The program is two years long and consists of two integral courses: "School Leadership" and "Effective Student-Centred Teaching". 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 to Teaching* program and the successful Academy for Leaders in Education of the America for Bulgaria Foundation. Training in the 2021-2023 programs were delivered in a hybrid of online and in-person formats. Tasks in the program were completed by participants in synchronous and asynchronous formats.

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

2023 was an unusual year for the *Model Schools* program, as, within the calendar year, there were two recruitment campaigns for the Class of 2023-2025 and the Class of 2024-2026, respectively, as well as the selection and induction of the Class of 2023-2025.

The first recruitment campaign was conducted in January and February. The campaign resulted in 113 applications received, which exceeded the goal of 100 applicants. Those who successfully passed this stage were invited for an interview with a panel of experts from Teach For Bulgaria and representatives from the school's leadership team.

The 2023-2025 class of the *Model Schools* program was made up of 24 schools from 21 localities and 14 districts.

The new participants in the program span a wide variety of school settings: school profiles, locality size, and challenges faced. They include primary, elementary, unified and secondary schools, vocational and specialized high schools. 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 school teams. The opportunity to learn from each other is embedded in the philosophy of the program and aims to stimulate the dissemination and exchange of successful models and approaches that schools are already using in their work.

A second recruitment campaign was conducted between October and December 2023 to solicit applications from schools across the country wishing to become participants in the Class of 2024-2026.

The target for completed application forms was exceeded again, this time by 3, with a total of 116 schools participating in this stage of the recruitment. There were applications from all 28 districts in the country. The shortlisted schools went on to an in-depth interview with the experienced team.

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

The first training sessions in the program for the class of 2023-2025 were held from August 14, 2023, to August 30, 2023, in Tryavna. Program participants were divided into two groups for two periods respectively: from August 14 to 20, 2023, and from August 24 to 30, 2023.

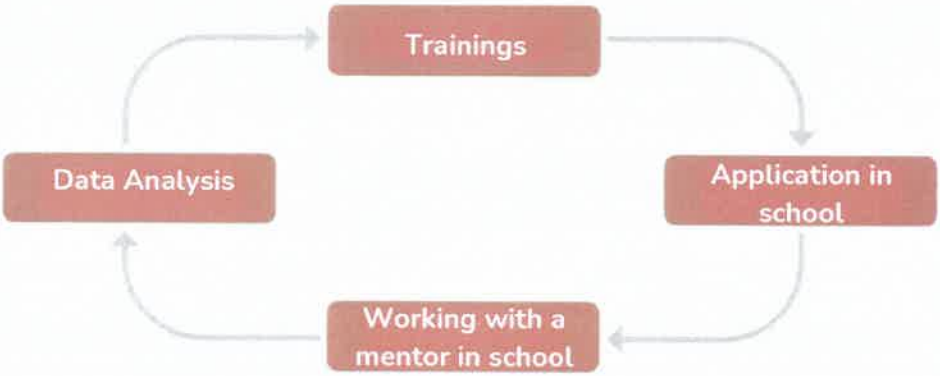
The main focus of the training modules with the student at the centre, was an exploration of the concept of school-based teaching. During the training, teachers and principals went through experiential and project-based learning in different parts of the city (which is strongly connected to the history 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 the other schools in the program.

There were training sessions for the Class of 2022-2024 in progress as well. Participants went through inclusive environment training from July 9-12, in the city of Sliven. There they worked on their skills to create a safe and inclusive environment for students and the school community. The training took place in one group.

During the 2023/2024 academic year, the school will continue to operate with in-service training in an online and asynchronous format, which will further allow educational professionals to develop their skills for working in a distance environment.

Outline of the key elements of the Model Schools program during the 2023/2024 academic year:

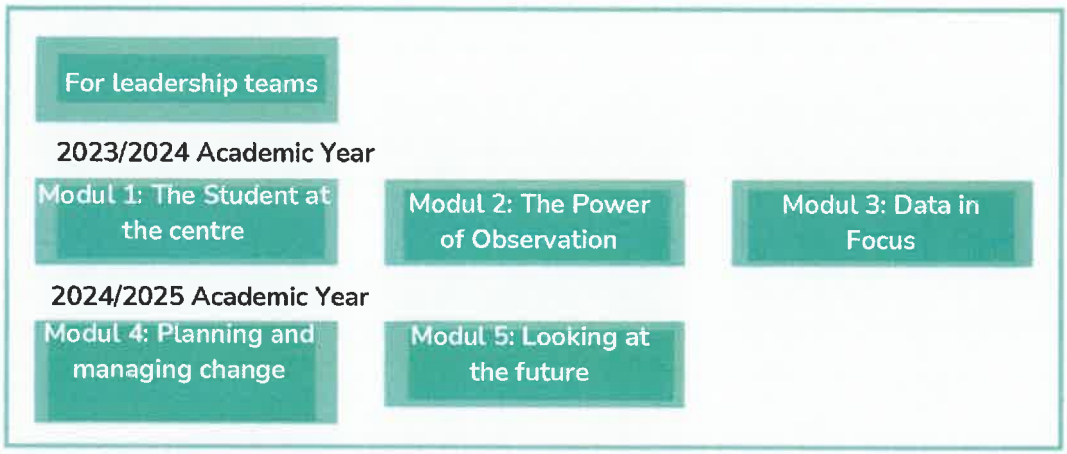
Program elements

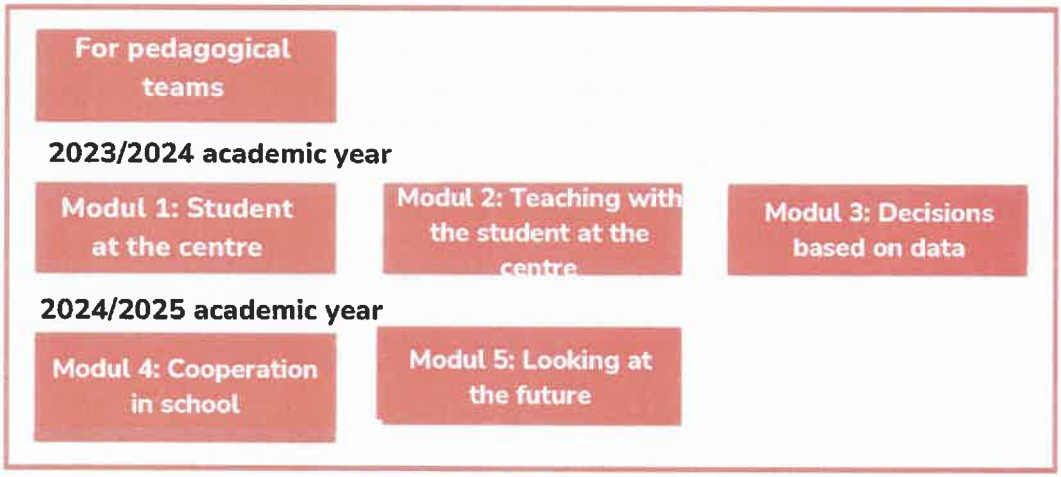


In addition to online training during the school year, school teams also receive mentoring support from experienced teachers, principals, and education experts. Mentors visit the schools and help them meet their objectives throughout the program.

The main focus for supporting the Class of 2023-2025 during the 2023/2024 school year is observing classes, conducting effective conferences, analysing data, and setting goals and steps for the subsequent period. Educational specialists are supported in implementing strategies from the training modules, while leadership specialists are supported in building key conferencing skills: giving feedback, asking powerful questions, active listening, and eliciting next steps.

Participants from the Class of 2022-2024 are supported in building sustainable models of working, adapting and contextualising different tools to become part of school life and encompass all teaching professionals in the school. The main focus of these is on effectively functioning PLCs (Professional Learning Communities), lesson observations, and effective conferencing led entirely by members of the leadership team.





2.3. Graduation of *Model Schools's* class of 2021–2023

23 schools from the *Model Schools* program's third class successfully completed the program in the summer of 2023 and officially joined the alumni community. During a three-day finale event in Sofia, representatives from the schools had the opportunity to reflect on the experience of the previous two years, celebrate successes and share their experiences and lessons learned with colleagues from other schools and participants from the organisation's *A New Way to Teaching* program through hands-on workshops, sharing, and presentations. Alumni from the class of 2021/2023 also went through sessions discussing what they will continue to implement and build upon from the program with students and a higher quality education for all children in mind.

The event took place from June 2 to June 4, 2023, in Sofia, Ramada Hotel. Parallel to the final event for the class of 2021/2023, participants from the schools in the class of 2022/2024 were also part of the event and had the opportunity to draw on the experience of the previous class and reflect on their own experience of the first year of the *Model School* program.

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 student's 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 2023/2024

The application process for the *Learning Together* program was held from March to May 2023. We received 89 applications for this period, with 27 of the schools which applied being invited for an interview.

3.2. Implementation and support the projects in the *Learning Together* programme for the academic 2023/2024.

During the 2023-2024 academic year we began working together with the nine approved schools, which received financing from the *Learning Together* program.

The schools approved for funding are:

- 2 "Academic Emilian Stanev" Secondary School, Sofia
- 96 "Lev Nikolaevich Tolstoy" Secondary School, Sofia 96 СУ „Лев Николаевич Толстой"
- 97 "Bratya Miladinovi" Secondary School, Sofia
- "Neofit Rilski" Combined School, Dermantsi Village
- "Sv. Sv. Kiril and Metodii" Combined School, Razhen Village
- "Sv. Kiril and Metodii" Primary School, Lovech
- "Nikola Vaptsarov" Primary School, Selanovci Village
- "Nesho Bonchev" Secondary School, Panagyurishte
- "Hristo Botev" Secondary School, Karnobat

The second edition of the *Learning Together* program focuses on developing self-regulated learning and social-emotional skills in students between grades five and seven. Each school conducted an input survey with the students and based on the results, 10 one-day training sessions were held, involving over 120 teachers. Based on the results of the surveys and trainings, each school revised its activities.

The activities provided by the program are varied, developing skills through:

- for students: extra classes, incorporating strategies into regular classes, creative activities, emotion sharing clubs, individual counselling, peer support, etc.
- for teachers: participation in PLC (Professional Learning Communities) meetings, external and internal training, class visits, organisation of reflections, etc.

1550 pupils, 600 parents and 190 teachers have been involved in the programme activities.

The final product of the programme is the development of a free survey platform which will be part of the Prepodavame.bg website. An additional donation of BGN 100 thousand has been raised for the development of the platform.

4. Strategic projects and partnership

4.1. NEST European Project

During 2023, we continued with the our participation in NEST (Novice Educator Support and Training), 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.

As part of the program, experts from 14 regional education administrations in Bulgaria (from the regions of Blagoevgrad, Burgas, Varna, Veliko Tarnovo, Gabrovo, Kardzhali, Kyustendil, Lovech, Montana, Plovdiv, Sofia-city, Stara Zagora, Targovishte and Pleven) went through a comprehensive training program to support new to the education system teachers (with up to 5 years of experience) within 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 program was based on strategies aimed at supporting teachers who teach in challenging environments. The experts from the PTA went through three training sessions and three support meetings and applied the knowledge and skills learned in direct work with three novice teachers from their district.

The project training team included representatives from the Teach For Bulgaria Foundation, the Regional Directorate of Education - Vratsa, and university lecturers.

The conference "Teachers are there. What next?": *Good preparation and mentoring, demanding recruitment, and truly needed additional training workshops are the key to having motivated and effective teachers in schools,* during which the data from the interim report of the external evaluators of the project were presented, was held on 06.03.2023. The conference was attended by representatives of the regional education administrations, principals, education experts and academics, representatives of the state administration, social partners, business and civil sector, as well as principals and teachers from all over the country.

The first two-day in-person training of the experts was held on April 6 and April 7, 2023, in Stara Zagora Mineral Baths. The participants in the project focused on building on the expertise of the participants to support the development of social-emotional skills of students, measuring and tracking progress, planning and implementation of expert-with-teacher and teacher-with-students reflections.

A meeting of the partners of the international consortium of the project took place on May 9 and May 10, 2023 in Bucharest. It was led by Dr. Neli Koleva, the Head of Strategic Partnerships at Teach For Bulgaria as well as the project's leader.

The experts' training program ended with a final event and reflection of the project on July 7, 2023, in Sofia, which was attended by over 70 people - experts from the regional education departments, representatives of the Ministry of Education and Science, teachers, the Education Syndicate, and the team of the Teach For Bulgaria Foundation. Among the official guests of the event were: Marieta Georgieva, Deputy Minister of Education and Science; Polina Fetfova, Head of the Department "Qualification and Career Development" at the Ministry of Education; Dr. Julian Petrov, Chairman of the Education Syndicate; Loreta Koleva, Head of the Vratsa RDE; and Dr. Anelia Andreeva, Director of the National Inspectorate of Education.

A three-day master class was held during the national conference "Social-Emotional Learning in Teacher Qualification", in the period November 26-28, 2023 in the city of Plovdiv. It was supported by Dr. Neli Koleva, a panellist at the conference and the head of the international project NEST, and

led by the NEST project coordinator for Bulgaria, Mirena Petrova, Senior Specialist Strategic Partnerships. The training in the masterclass, with a focus on developing social-emotional competences in schools, builds on the results of the two years of NEST work. The masterclass was attended by novice teachers, experienced teachers, and experts from regional education departments.

At the end of 2023, the final data report was produced by the researchers at the University of Duisburg-Essen, the evaluators of the project.

The results of the impact of the project are (in summary):

NEST Results in Bulgaria: RDE - experts

- awareness and increased sensitivity to the needs of novice teachers;
- new knowledge and skills learned that experts apply in their work as mentors;
- strategies to adapt the approach to the specific needs of novice teachers;
- increased motivation to work as a mentor;
- increased confidence in the role of mentor for novice teachers.

NEST Results in Bulgaria: Novice Teachers (with up to 5 years of experience), being supported by mentors, who participate in NEST

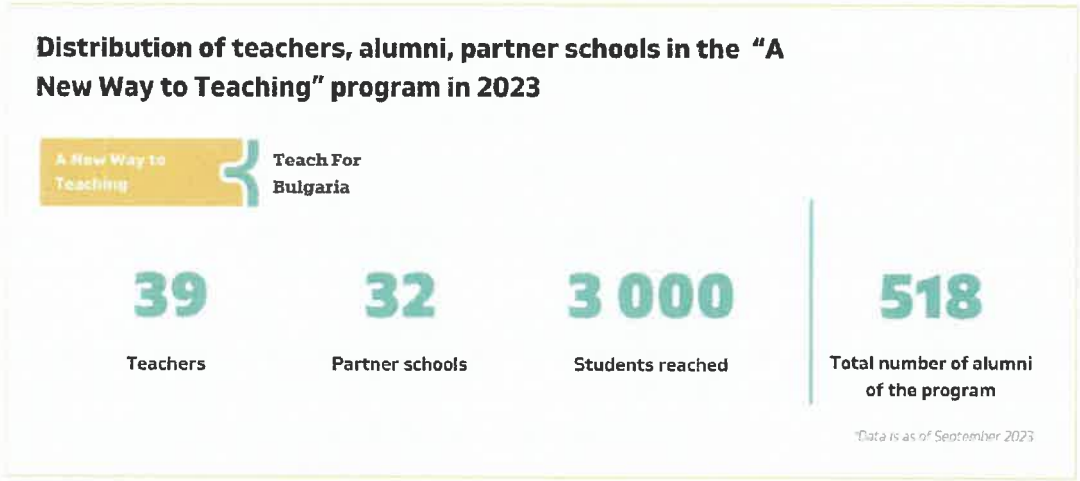
- improved teaching skills;
- more positive attitude towards working with a mentor;
- a sense that the mentor is taking an individual approach and paying attention to the specific needs of the teacher;
- very high levels of motivation to work as a teacher despite the challenges of the profession;
- desire to remain in the profession long term.

Read up on NEST here: https://projectnest.eu/; or here: https://zaednovchas.bg/nest/.

Scope of the Teach For Bulgaria programs in 2023

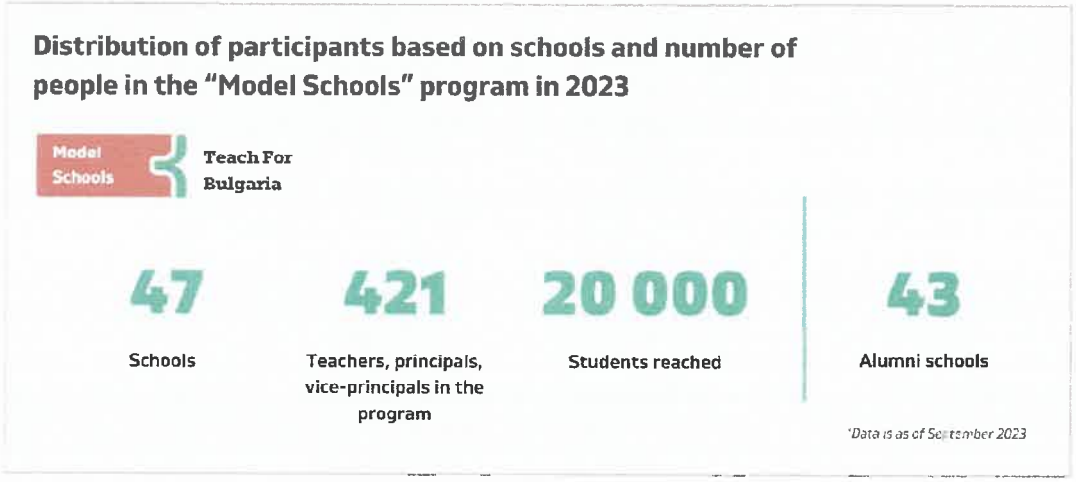
A New Way to Teaching Program

Distribution of teachers, alumni, partner schools in the *A New Pathways to Teaching* program for 2023.



Model Schools Program

Distribution of participants by school and number of people in the 2023 *Model Schools* program.



TEACH FOR BULGARIA'S IMPACT IN 2023

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* program 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 September 2023, the number of graduates, who have completed the program, is 518 people. Their careers are directly related to the field of education. A total of 81% of graduates go on to work in the sector.

61% 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.

After two years of teaching, many of the graduates of the *A New Way of Teaching* program of Teach For Bulgaria decided to create their own initiatives and organisations that work on various needs and issues in the field of education. 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 organisations in education created by the graduates of the program are "Vratsa Software", "Mestentse", "School Miracles", „Education Bulgaria 2030" Association, "Start Academy SOFIA", "Knowledge Academy" in Varna, Education Without Backpacks, "Friends in Adventure" Association, "Blagichka - kitchen with a Cause", "It Depends on Me" Foundation, "Bright Ray" Foundation, "Grammotko" Basic Literacy Initiative, "Pippi's School", "Kukuriak" Centre for Children with Hearing Deficits in Stara Zagora , "I, the Teacher", "Plamnina" Foundation, "1, 2, 3 Start!" Non-Profit Association, Sci-High Foundation, Digital Targovishte and others.

Graduates of the program also work in various influential and already established educational organisations, participate in conferences, create manuals and projects.

1.2. Impact assessment

In 2023, the data from the independent evaluation of the impact of Teach For Bulgaria on the graduates of the *A New Way to Teaching* program was released. The evaluation was prepared by researchers Boyan Zahariev and Ilko Yordanov.

The evaluation of the effects of the selection and participation in Teach For Bulgaria's *A New Way to Teaching* program aims to identify the impact of the partaking in the programme on the personal and professional development of its participants: to what extent it influenced different social and civic values, attitudes, motivation, understanding of problems and solutions in education, understandings of social and educational inequalities and how the programme affected the long-term career development of its alumni.

The study is based on a quasi-experimental approach of interrupted regression, the application of the propensity score matching method, and a factor analysis of data collected during the selection process for participation in the program conducted by Teach For Bulgaria. The data includes results from an online survey of 311 alumni of the *A New Way to Teaching* program by Teach For Bulgaria and a control group of 321 participants who dropped out at various stages of the program.

In aggregate, all comparisons examined indicate that the values, principles, views, and practices of Teach For Bulgarian's *A New Way to Teaching* alumni are much more aligned with the program's goals and desired outcomes than all control subgroups.

Graduates of the *A New Way to Teaching* program are much more likely to go on to teach or work in education. Research shows that alumni of the program make more donations than all non-graduates, including those who decline the offer, dropouts, and those rejected in the evaluation process. Teach For Bulgaria alumni are much more likely than any other group to be involved in social and educational activities. Alumni of the *A New Way to Teaching* program are significantly more entrepreneurial than their counterparts. They are much more likely to start their own organisations, being more active in the creation of non-profit organisations, but also of businesses that aim to generate profit.

Those who turn down the offer of a contract with Teach For Bulgaria, and those who have dropped out of the programme, are significantly less likely than its alumni to be planning a career focused on working with vulnerable groups. The survey shows that alumni are more likely to believe that the impact of social differences on education is surmountable and that, if they make an effort, teachers can work with the most difficult and unmotivated students, as well as contribute to reducing the negative impact of social differences.

1.3. Teach For Bulgaria's experience in training and supporting novice teachers is now available to the wider education community

All principals, teachers, and education experts in Bulgaria can now freely learn and use the resources and experience of the successful *A New Way to Teaching* program through the prepodavame.bg website.

In 2023, the Teach For Bulgaria team is actively working to package everything learned from the 13 years of experience in the programme in the form of practical resources, guides, and video courses that will be accessible to the entire education community.

Over 50 educational products are available on the website. All materials related to the *A New Way to Teaching* program are marked with a special banner.

Resources and materials are available to teachers and principles:

Manuals:

- Summer Projects Manual
- How do we conduct lesson observation? (to be published)
- Research lesson (to be published)
- Teacher Portfolio (to be published)
- 7C's framework for effective teaching (to be published)

Courses:

- "Teaching social-emotional skills" course and
- "Social-Emotional Learning and Classroom Culture" course
- Course "SES for every teacher - how to develop social-emotional skills" -
- Course "Transformational Coaching in Education"
- Course "Exceptional Teachers"

Articles:

- How to support novice teachers in planning more effectively
- How can you support novice teachers through the different phases of development?
- Useful tips for lesson observation

2. *Model Schools* Program

Alongside the launch of the new *Model Schools* program in 2020, a three-year independent evaluation of the impact of the programme was set in motion. The evaluation is being conducted by the research teams of Research and Evaluation International and the Global Metrics Bulgarian agency and focuses on measuring the effects on the spread and implementation of leadership practices, school culture change, and student attitudes and outcomes. The final evaluation report of *Model Schools* is due out in 2023.

The evaluation of the impact of the *Model Schools* program by the Teach For Bulgaria Foundation shows that the program has had positive effects on school leaders and teachers. The study was conducted over three school years (2020-2023) and covered 49 schools from the first two graduating classes of the program, as well as 20 schools that served as a control group. A range of quantitative and qualitative data collection tools were used, including feedback surveys, questionnaires, and focus groups. The evaluation reports significant positive effects for school leaders' understanding and ability to apply 21 key leadership skills. School leaders in the *Model Schools* program apply more structured professional development approaches to their team and rely on professional learning communities to disseminate good practice in their school. The evaluation found moderately positive effects on participants in the four pedagogical modules (21st century skills, STEM skills, social-emotional skills, and language support for children whose first language is not English). Qualitative feedback from school leaders and teachers about their participation in the *Model Schools* program has been highly positive. No statistically significant effect on pupils is observed at this stage.

Overall, the report demonstrates the effectiveness of the programme in developing school leaders' understanding and ability to apply key management skills and to create processes and structures for the professional development of the school team.

School leaders who participated in the *Model Schools* program were more likely to understand and develop their school in the following areas:

- positive school climate;
- student behaviour;
- teacher leadership;
- sharing among teachers;
- professional development;
- supporting school leaders..

The report shows that the quality of teaching, school climate, and school satisfaction are strongly correlated with student behaviour and influence students to be more supportive, as well as achieving higher scores on National External Assessments and State Matriculation Exams.

Teachers who have participated in the Schools by Example training show higher scores on surveys and questionnaires.

Lessons learned from the implementation of the *Model Schools* program and the impact evaluation show that:

- Targeted and structured training and support for school leadership leads to improvements in their understanding and application of management skills.
- With the right support, school leadership can build sustainable structures for the professional development of their teachers and the sharing of experiences and good practice.
- Teachers need significantly more hours of quality training and one-to-one mentoring to gain the skills to implement effective teaching.

4. Spreading Good Practices

4.1. Educational website Prepodavame.bg

The by teachers for teachers prepodavame.bg website was originally created as part of the international FIERST project in 2019 with the goal of disseminating and sharing good practice from teachers and project participants with other teachers and schools across the country. The high appreciation 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 developing the site and to develop the concept of the site as a useful medium provided by teachers for teachers.

In 2023, the platform is evolving towards creating different formats of useful content for teachers and principals: articles with tips and strategies, articles describing best practices from classrooms around the country, worksheets for teachers, lessons developed, webinars, monthly trainings for teachers, video courses, a podcast.

The team of authors includes both *A New Way To Teaching* alumni and other active teachers from around the country..

In 2023, the site has 29,000+ registered users, 38,000 people receive a weekly newsletter every Tuesday, 30,000 users on the Viber channel and 10,000+ followers on Facebook. Sessions on the site

are 828,886. The reach is up on 2022 and demonstrates the need for teachers to have a modern platform for useful and practical resources and training.

The ability to activate school subscriptions providing exclusive access to content and training has been created. The value of activated subscriptions for the year is BGN 177,000+.

4. 2 Projects won and implemented

During 2023, the Teach For Bulgaria Foundation won funding for several projects, which will allow the organisation to expand its activities and develop educational materials that cover key topics.

4.2.1 Digital Literacy and the world of artificial intelligence

In collaboration with Yettel, we created an AI challenge for high school students. Over 500 teachers participated in the challenge and we received 30 final projects. We awarded 3 teams of high school students and their teachers whose projects managed to impress the jury with their knowledge and creativity on the topic of artificial intelligence and its development analysis.

Part of the tasks for the high school students in the challenge were collecting and researching information to create their own content and preparing a digital campaign, thanks to which the students developed key digital skills.

4.2.2. Ecological Education

The first edition of "Keeping Up with Climate Change" (2022) manual was included in the Teachers for the Planet online archive created under the auspices of UNESCO. In December 2023, we presented the handbook at the COP 28 global conference in Dubai.

We also started a collaboration with Visa to support environmental education. In October and November, 1,067 students participated in our weekly themed quizzes with prizes.

In 2023, we also created a second version of the "Keeping Up with Climate Change" handbook, which allows teachers to work with their students on climate topics using project-based materials. The toolkit has been downloaded over 2050 times, and the overall rating from people who have used it shows that 82.5% would recommend the toolkit. The project is funded by the international organisation Teach for All.

4.2.3. Social-Emotional Learning

Teach For All also awarded a grant that funded the development of teaching materials and teacher training on social-emotional learning, as well as the development of a learning inquiry platform. Project activity began in 2023.

We created a thematic page on the website prepodavame.bg, where we collected all the materials on the topic and the manual on self-regulated learning for teenagers.

4.2.4. Civil education

Open Society Institute and the European Commission. During the 2023/2024 academic year, we started working on the project "How to teach values?". The first survey on attitudes and needs of high school teachers related to the topic of integrating values into the learning process was conducted within the framework of the project. The project involved a team of university lecturers and active teachers with a variety of backgrounds who created materials that could be easily integrated into the teaching process. The promotion of the materials and the delivery of the training workshops will take place in 2024/2025.

BeMediaWise During the 2023/2024 school year, the team became part of the large-scale BeMediaWise project funded by the U.S. Department of State and led by the Poynter Institute. The goal of the project is to increase media literacy and our team is responsible for leading a network of teen fact-checkers. This school year, they will be creating short fact-checking videos, and teachers will receive ideas with ready-made lessons on how to use them in the classroom.

4.3. *Good Practices in Focus* Event

In 2023, the *Good Practices in Focus* process for collecting, publishing and promoting good teaching practices was opened to all teachers in the country. Over 250 proposals were received from educators, of which over 170 were published on the prepodavame.bg website after selection.

The final conference, where the practices selected by an expert jury and by a public vote on the website were awarded, was held in Sofia on April 29 and 30.

The educational expert Rima Shore - head of the Bank Street College of Education in New York – was a guest in the event. She inspired the attendees with a talk on "Empowering Teachers", the power and impact of teacher empowerment.

During the event there was an educational expose with partner organisations, as well as practical workshops, during which more than 400 guests took part.

For more about the event and the awarded practices, check here: https://zaednovchas.bg/nay-dobrite-uchitelski-praktiki-za-godinata-byaha-otlicheni-na-nay-golemia-obrazovatelen-forum-v-balgaria/

4.4. A newsletter of best practices for teachers across the country

In 2023, the Teach For Bulgaria team continued sending a specialised free email newsletter for teachers and principals with useful educational resources. The newsletter is published fortnightly and includes various sections.

Each issue of the newsletter focuses on a specific topic and includes useful and practical material specifically created 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 2023, the number of subscribers continued to grow, reaching over 18,000 by December 2023.

The education website prepodavame.bg maintains a weekly newsletter which was being sent to over 38,000 users every Tuesday through 2023. Its editions include the latest articles and materials published on the website, as well as invitations to webinars and training workshops.

KEY EVENTS IN 2023

February - start of a charity campaign in ATAMA gym in support of Teach For Bulgaria's mission

February - Learning Organization training for the leadership teams from class 2021/2023; Mentor visits for *Model Schools* program participants

March - Conference 'There Are Teachers Now. What's Next?', during which the interim results of the NEST project were also presented.

March - Training of Teaching Teams, Class of 2022/2024, "21st Century Skills" Course, "STEM in Learning" Course; "Linguistically Supportive Schools" Course; Learning Organization Training of Leadership Teams, Class of 2022/2024 in *Model Schools* Program

April - Campaign to engage UniCredit employees to visit classrooms as role models and inspire students for their future career pathways

April - In-person training of the experts participating in the international project NEST

April - Visits by a mentor to participants in the *Model Schools* program

May - Meeting of the international partners of the NEST project in Bucharest, Romania

May - Launch of Oreo (Mondelēz Bulgaria) charity campaign to support the work of Teach For Bulgaria

May - Visits by a mentor to participants in the *Model Schools* program

June - Participation of Teach For Bulgaria's Executive Director and alumni of the organisation's programs participate in a charity edition of the show "Who Wants to be a Millionaire"

June - Graduating class final days in *A New Way to Teaching* and *Model Schools* programs (Class of 2021 and Class of 2022)

June - Third edition of the charity sports event "Challenge Yourself for a Cause"

July - Nelly Koleva, Head of Strategic Partnerships, accepted an invitation to become part Prof. Tsokov's team as an advisor in the Ministry of Education.

July - Final reflection of the NEST project for Bulgaria in Sofia

July - Training on "Inclusive Environments" with leadership teams from the Class of 2022/2023 of the *Model Schools* program

August - Induction training in two groups for the Class of 2023/2025 of the *Model Schools* Program

August - Irina Stancheva, a teacher at 106 "Grigoriy Tsamblak" Primary School in Sofia and a graduate of the *A New Way to Teaching* program of the Class of 2021-2023, was awarded in the Education category of Darik Radio's "40 under 40" young innovators ranking

September - a charity bike ride organised by the Runner's Club to support Teach For Bulgaria's mission

September - The Executive Director of Teach For Bulgaria Trajan Trayanov and the founder of the foundation Evgenia Peeva-Kirova are among the 10 nominees in the 'Enlightener of the Decade' ranking, organised by the Bulgarian National Radio

September - Training for the teaching teams of the Class of 2022/2024, "STEM in Learning" Course, "21st Century Skills" Course, "Social-Emotional Learning" Course; "Language Supporting Schools" Course of the *Model Schools* Program

October - 12th edition of the Inspirational Leaders Charity Auction 2022

October - Launch of the *Model Schools* program's solicitation campaign for the Class of 2024/2026

October - First mentoring visit for Class of 2023/2025 participants; *Model Schools* "21st Century Skills" Training

October - "How to Teach Skills for the Future to Today's Students" training, a free, one-day, online, for-credit training hosted by the *Model Schools* program team, which brought together a record 1,000 participants (teachers and principals from across the country)

November - a charity golf tournament in support of Teach For Bulgaria organised by the Zhelevi family

November - charity concert by the band "Kota 0" in support of Teach For Bulgaria's mission

November - Leadership Team Training on "Quality Management"; Class of 2022/2024 Educator Training, "21st Century Skills" Course, "STEM in Learning" Course; "Language Support Schools" Course; Mentor visits to Class of 2022/2024, 2023/2025 participants in the *Model Schools* program;

November - NEST International Partners Meeting (online) // NEST Project Presentation at World Education Forum

December - Leadership Team Trainings, Class of 2023/2025 on "The Power of Observation"; Teaching Team Trainings, Class of 2023/2025 on "Student-Centred Teaching" , Mentor Visits by Class of 2022/2024, 2023/2025 participants. End of the application campaign for the Class of 2024/2026 of the *Model Schools* programme.

FUTURE GROWTH PLANS

In 2024, the final class of the Foundation's first program, *A New Way to Teaching,* will graduate. In line with its development strategy up to 2026 and its vision to ensure equal access to quality education for every child in the country, the organisation aims to increase its impact by continuing to develop its *Model Schools* and *Learning Together* programs. Teach For Bulgaria will continue to manage additional projects and activities to spread good practice across the system. The organisation continues to maintain and build on the Prepodavame.bg education platform, and strives to create key partnerships for the development of the education system at all levels.

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 organisation 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 organisation in the long term.

1.1. Inspirational Leaders Charity Auction 2023

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 twelfth time on October 18, 2023, in Hilton, Sofia.

The unconventional event was attended by 19 stars 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, entrepreneurship, 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 BGN 435,000, which will be invested in the training, development, and support of teachers and schools in Teach For Bulgaria's programs.

1.2. Challenge Yourself for a Cause 2023

Over 300 people participated in four sports for a cause in support of the Teach For Bulgaria Foundation during the third edition of 'Challenge Yourself for a Cause.' They had the opportunity to join volleyball and basketball tournaments, as well as group workouts in CrossFit and yoga, which took place on June 17, 2023, in Sofia. The volleyball tournament attracted the most interest, with a total of 12 mixed teams (men, women, teenagers) showing excellent play and competitive matches. Thanks to the opportunity for free registration for students, provided with the support of the technology company SiteGround, nearly 50 children and youth took part in the event.

All sporting activities during "Challenge Yourself for a Cause" took place on the fields and in the gyms on the grounds of Garitage Park's long-time partners in Sofia: Levski Sofia Volleyball Hall, Garitage Sports Center, Crossfit Vitosha and Yoga Vibe Garitage Park.

The initiative was also supported by BGO Software, the Bulgarian Volleyball Federation, and the Bulgarian Basketball Federation, RedBull, Coca-Cola HBC, OOYes, ConTempo restaurant-pizzeria. General media partner for the event was BTV Media Group.

Traditionally, there was also a strong participation of teams from various socially responsible companies that support the cause and cover the participation of their employees. Among them were A1, BIC, Viber, P3 Bulgaria, LEM Bulgaria, Alumil, Siteground, Dev Experts, VMware, Center for Creative Learning, Documaster Bulgaria.

All participants of the "Challenge Yourself for a Cause" participated in a raffle with prizes once again. The prizes were provided free of charge by the event partners Utopia Forest, Smart Organic, Siteground, Knowledge+, Go Go Adventures, Flexy Fit, Atama Wellness Club, and Athletic Fitness.

The event raised BGN 34,000 from tickets, sponsorship, and partner donations, which will be invested by Teach For Bulgaria in training and supporting teachers and schools across the country.

1.3. Role Models 2023

The "Role Models in The Classroom" Initiative gives teachers, who are part of Teach For Bulgaria's network, the opportunity to invite professionals from the business world and other successful individuals in the classroom, which would allow them to share their stories about success and motivate the students. Participation in the initiative is on a volunteer basis. Role models take the time to attend at least one class, during which they are able to make a presentation and stimulate a discussion with the students.

In 2023, 25 employees from several of Teach For Bulgaria's partner companies took part in the initiative - UniCredit Bulbank, Hewlett Packard Enterprise, and VMWare (now Broadcom). The volunteers visited classrooms in 10 schools in 6 locations.

On 13 December 2023, the Bulgarian representative office of the pharmaceutical company Servier, a new addition to Teach For Bulgaria's partners team, invited 35 students and their teachers from 106 "Grigorii Tsamblak" Primary School to a private circus performance for Christmas.

1.4. Financing Through Grants 2023

In 2023, Teach For Bulgaria Foundation won funding through several projects to develop its activities and educational materials on key topics.

In March, the international organisation Teach For All, in which Teach For Bulgaria takes part, awarded two grants for the development of educational materials and teacher training through the Prepodavame.bg platform. The USD $25,000 (BGN 44,539) climate education grant supported the development of three manuals and teacher training on the topic and funded the development of a dedicated website to house all materials on the topic. The second grant was for USD $68,500 (BGN 123,194) and funded the development of training materials and teacher training workshops on social-emotional learning, as well as the development of a learning inquiry platform. Activity on both projects began in 2023 and will be completed in 2024.

In September, the Teach For Bulgaria Foundation won funding for a project in the field of civic education. The project "How do we teach values?" worth EUR 40 115 (BGN 78 395,51) is funded by the European Union under the CERV programme and administered by the Open Society Institute - Sofia and the Workshop for Civic Initiatives Foundation. The project activities include a representative survey of teachers' attitudes, perceptions, and needs for teaching European values and human rights and promotion of the importance of teaching European values among the educational community, creation of teaching materials for integrated teaching of European values and human rights, and professional development and training of teachers for teaching European values and principles. Project activities started in October 2023 and will continue until December 2024.

On November 6, a press conference was held, during which the UniCredit Foundation and the global education organisation Teach For All announced the renewal of their pan-European partnership for the period 2023-2026 in 6 countries in Europe - Bulgaria, Italy, Austria, Germany, Slovakia and Romania. Live in Sofia, Tsvetanka Mincheva, CEO of UniCredit Bulbank, prof. Galin Tsokov, Minister of Education and Science, and Ivelina Pashova, Head of Training and Support for School Teams at Teach For Bulgaria, set the tone for the partnership with a discussion on the needs of the education

system in Bulgaria. The partnership provides funding of EUR 150,000 (BGN 293,374.50) per year for three years for Teach For Bulgaria's programs.

On November 16, Mécénat Servier, the charitable foundation of the French pharmaceutical company Servier, announced that it will fund the Teach For Bulgaria and Teach For Roumania joint project "Quality Education for Every Child in Romania and Bulgaria". The two-year project has a total value of EUR 100,000 (BGN 195,426.91), of which EUR 40,000 (BGN 78,170.77) is allocated for the Teach For Bulgaria's activities.

In 2023, two projects funded by private companies started their activities. The digital and mobile payments network Visa invested BGN 30,000 (BGN 36,000 incl. VAT). in activities and a reward fund for climate education projects. The mobile network Yettel funded a teacher training project and a competition for student projects on the topic of artificial intelligence worth BGN 29,000 (BGN 34,800 incl. VAT).

1.5. Marketing With A Cause and Corporate Partner Events 2023

In 2023, the organisation continued to develop its support from corporate partners through joint initiatives such as "Marketing With a Cause". This type of initiative allows both the corporate partner and the organisation to benefit at the same time because sales of a specific product are linked to donations to Teach For Bulgaria or stimulate a supportive environment within the corporation through the support of causes.

Some of the initiatives we conducted in 2023 are:

- Participation with a charity in mind in "Who Wants to Be A Millionaire" resulting in BGN 18,000.
- Cause marketing campaign with Oreo biscuits - Mondelēz Company ran a cause marketing campaign that allowed consumers to vote for 2 organisations - one of which was Teach For Bulgaria. We received the majority of the votes, which resulted in a donation of BGN 13,200.
- We ran a crowdfunding campaign via the DMS platform called "We are looking for 100,000 people who believe in Bulgarian education", in which we captured teachers and principals who are "one in 100,000" with an appeal for a donation of 1 BGN via SMS. The financial result was BGN 2,689.

2. Financial Indicators

In 2023, the Foundation recognised income from conditional donations of BGN 3,542 thousand (2022: BGN 3,315 thousand). Unconditional donations received in 2023 amount to BGN 1,097 thousand (2022: BGN 1,148 thousand). The result (profit) from non-profit activities for 2023 is BGN 964 thousand (2022: profit of BGN 830 thousand).

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

No remuneration was received by the members of the Board of Directors in 2023, with the exception of the Executive Director of the Foundation, 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 - **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**

TODOR LYUDMILOV BRESHKOV– **Has interests in other companies exceeding 25% of its 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, Country: BULGARIA - **No participation**

TRAYAN VALENTINOV TRAYANOV, Country: BULGARIA - **No participation**

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.

6) 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 June 2023, the Teach For Bulgaria Foundation started the process of registering a non-governmental organisation in the United States 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 "exempt from tax-exempt" organisation as provided by Section 501(c)(3) of the Internal Revenue Revenue Code).

This status is projected to be obtained by the end of 2024.

On July 9, 2024, the organisation received a request from the National Revenue Agency (NRA), notifying the commencement of an audit covering the financial years 2021 and 2022. The subject of the inspection is the set of contracts concluded for work under non-employment relationships (civil contracts). At the date of this financial report, the results of the verification are not yet available.

No other significant events have occurred after the date of the annual financial statements that would require adjustment and/or disclosures in the 2023 annual financial statements.

BRANCHES

The Foundation has no branches.

RESEARCH AND DEVELOPMENT

The Foundation did not have research and development activities in 2023.

FINANCIAL RISKS

Information on financial risks is included in the financial statements in note 21 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 of December 31, 2023, 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 2023 for issuance.

Trayan Trayanov
Executive Director
Date: 26.09.2024

II.

Independent Auditor's Report

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www.bakertilly.bg

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 2023, 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 material 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with National Accounting Standards (NAS), applicable in Bulgaria.

Basis for opinion

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

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditor`s responsibilities for the audit of the separate financial statements

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

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

— Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Galina Lokmadjieva-Nedkova
Registered Auditor, responsible for the audit
Managing Director
Baker Tilly Klitou and Partners EOOD
5, Stara Planina Str., 5th floor
Sofia 1000, Bulgaria
26 September 2024
Sofia

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

III.

Financial Statements
for the year ended December 31st, 2023

Income Statement for Non-profit Activities for 2023

Expenses	Note	2023 *In thousands of BGN*	2022 *In thousands of BGN*
I. Operating expenses			
A. Regulated activity expenses			
1. Donations	6.1	401	1 057
2. Other expenses	6.2	149	123
Total A:		**550**	**1 180**
B. Administrative expenditure	7	**3 090**	**2 463**
Total I:		**3 640**	**3 643**
II. Financial costs			
3. Other financial transaction costs	8	45	43
Total II:		**45**	**43**
III. Total expenses		**3 685**	**3 686**
IV. Total financial result, including:		**964**	**830**
Profit from non-profit activities		*964*	*830*
V. Total		**4 649**	**4 516**

Revenues	Note	2023 *In thousands of BGN*	2022 *In thousands of BGN*
I. Operating income			
A. Regulated activity revenue			
1. Income from conditional grants	9.1	3 542	3 315
2. Income from unconditional grants	9.2	1 097	1 148
3. Other income		2	26
Total I:		**4 641**	**4 489**
II. Financial income			
4. Foreign currency exchange gains	10.1	8	27
Total II:		**8**	**27**
III. Loss from non-profit activities		**-**	**-**
IV. Total revenues		**4 649**	**4 516**
V. Total		**4 649**	**4 516**

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 Separate Financial Statements.
These financial statements were prepared on 26.09.2024 and approved and signed by the Executive director on 26.09.2024.

Trayan Trayanov
Executive Director

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

V & M Company Ltd
Ivan Radoslavov Milev, *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 2023 year

Expenses	Note	2023 *In thousands of BGN*	2022 *In thousands of BGN*
A. Expenses			
1. Decrease in inventory		**-**	**-**
2. Materials and hired services expenses, incl.:		**64**	**149**
(a) materials and supplies	11.1	10	3
(b) hired services	11.2	54	146
3. Personnel costs, incl.:	11.3	**67**	**430**
(a) remuneration costs		57	359
(b) social security costs		10	71
4. Other expenses	11.4	**3**	**48**
Total operating expenses		**134**	**627**
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:		**326**	**360**
- negative differences from operations in financial assets		326	360
Total financial expenses	11.5	**326**	**365**
Total expenses		**460**	**992**
7. Accounting profit (total income - total expenses)		**418**	**-**
8. Income tax expense		**5**	**22**
9. Net profit for the year (7 – 8)		**413**	**-**
Total ***(Total expenses + 8 + 9)***		**878**	**1 014**

Revenue	Note	2023 *In thousands of BGN*	2022 *In thousands of BGN*
B. Revenue			
1. Net sales revenue, including:		**182**	**855**
(a) goods		2	2
(b) services		180	853
2. Other income		**-**	**-**
Total operating revenue	12.1	**182**	**855**
3. Other interest and financial income of which:	10.2	**696**	**-**
positive differences from operations in financial instruments	10.2	688	-
Total financial income		**696**	**-**
Total revenue		**878**	**855**
4. Accounting loss (total revenue — total expenses)		**-**	**137**
5. Net loss for the year (4 + 8A)		**-**	**159**
Total ***(Total revenue + 5)***		**878**	**1 014**

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 Separate Financial Statements.
These financial statements were prepared on 26.09.2024 and approved and signed by the Executive director on 26.09.2024.

Trayan Trayanov
Executive Director

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

V & M Company Ltd.
Ivan Radoslavov Milev, Manager
Preparer

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 2023

	Note	31.12.2023 In thousands of BGN	31.12.2022 In thousands of BGN
ASSET			
A. Non-current (long-term) assets			
I. Intangible assets			
1. Intellectual property rights		1	-
Group I total:		**1**	**-**
II. Long-term tangible assets			
1. Fixtures and fittings		26	30
2. Vehicles		1	4
Group II total:	13	**27**	**34**
III. Investments			
1. Shares in group companies	22.1	3	3
Group III total:		**3**	**3**
Section A total:		**31**	**37**
B. Current (short-term) assets			
I. Inventories			
1. Goods		6	2
Group I total:		**6**	**2**
II. Receivables			
1. Receivables from customers	14, 23	7	335
2. Other receivable	14	20	6
Group II total:	14	**27**	**341**
III. Investments			
1. Shares in group companies		-	-
2. Financial assets	22.2	4 408	2 244
Group III total:		**4 408**	**2 244**
IV. Cash and cash equivalents, including:			
- in current bank accounts (deposits)	15	1 223	2 582
Group IV total:		**1 223**	**2 582**
Section B total:		**5 664**	**5 169**
C. Deferred expenses	16	**33**	**26**
TOTAL ASSETS		**5 728**	**5 232**

	Note	31.12.2023 In thousands of BGN	31.12.2022 In thousands of BGN
LIABILITY			
A. Equity			
I. Reserves			
1. Reserve as per incorporation act	17	1	1
2. Other reserves from prior years	17	3 836	3 165
3. Financial result of the current year		1 377	671
Group I total:		**5 214**	**3 837**
Section A total:		**5 214**	**3 837**
B. Payables			
1. Payables to suppliers *up to 1 year*	18	27	9
2. Payables to related parties *up to 1 year*	23	-	-
3. Other payables up to 1 year, including:	19	53	119
- Payable to personnel, up to 1 year		35	32
- Social security payables up to 1 year		5	10
- Tax payables up to 1 year		11	72
- Other payables up to 1 year.		2	5
Section B total:		**80**	**128**
C. Financing	20	**434**	**1 267**
TOTAL LIABILITIES		**5 728**	**5 232**

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 Separate Financial Statements.
These financial statements have been prepared on 26.09.2024 and approved and signed by the Executive director on 26.09.2024.

Trajan Trayanov
Executive Director

Teach For Bulgaria

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

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

V & M Company Ltd.
Ivan Radoslavov Milev, *Manager*
Preparer

В и М КОМПАНИЯ ООД
София
Sofia
V & M COMPANY Ltd.

Equity Statement for 2023

	Note	Reserve as per incorporation act In thousands of BGN	Other reserves In thousands of BGN	Financial result of the current year In thousands of BGN	Total In thousands of BGN
1. Balance as at 1 January 2023		**1**	**3 165**	**671**	**3 837**
2. Financial result for the year, including:		**-**	**-**	**1 377**	**1 377**
- financial result from business activity		-	-	*413*	*413*
- financial result from non-profit activities		-	-	*964*	*964*
3. Transfer to other reserves		**-**	**671**	**(671)**	**-**
4. Balance as at 31 December 2023	17	**1**	**3 836**	**1 377**	**5 214**

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 Separate Financial Statements.
These financial statements have been prepared on 26.09.2024 and approved and signed by the Executive director on 26.09.2024.

Trayan Trayanov
Executive Director

"Заедно в час" Teach For Bulgaria

V & M Company Ltd.
Ivan Radoslavov Milev, *Manager*
Preparer

В и М КОМПАНИЯ ООД * София Sofia * V & M COMPANY Ltd.

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

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

Cash flow statement
for 2023 year
Name of streams
In thousands of BGN

	Note	2023	2022
I. Cash and cash equivalents at the beginning of the year		**2 582**	**1 658**
II. Cash flows from non-profit activities			
A. Proceeds from non-profit activities			
1. Conditional grants received		2 610	4 599
2. Unconditional grants received		1 097	1 149
3. Other proceeds		7	47
Total proceeds from non-profit activities		**3 714**	**5 795**
B. Payments for non-profit activities			
1. Payments for grants		401	1 057
2. Payments related to personnel and social security		1 833	1 334
3. Payments for services		1 351	1 232
4. Payments on banking and foreign exchange transactions		40	41
5. Other payments		1 822	1 316
Total payments for non-profit activities		**5 447**	**4 980**
C. Net cash flow from non-profit		**(1 733)**	**815**
III. Cash flows from business activities			
A. Proceeds from business activities			
1. Payments for services		665	848
2. Other payments		6	28
All business receipts		**671**	**876**
B. Payments for business			
1. Payments for services		188	181
2. Salaries and social security contributions paid		67	430
3. Payments on banking and foreign exchange operations		-	5
4. Other payments		42	151
Total payments for business activities		**297**	**767**
C. Net cash flows for business activities		**374**	**109**
IV. Cash and cash equivalents at 31 December	15	**1 223**	**2 582**
V. Change in cash and cash equivalents for the year		**(1 359)**	**924**

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 Separate Financial Statements.
These financial statements have been prepared on 26.09.2024 and approved and signed by the Executive director on 26.09.2024.

Trayan Trayanov
Executive Director

V & M Company Ltd.
Ivan Radoslavov Milev, *Manager*
Preparer

Galina Lokmadjieva-Nedkova
Registered auditor, responsible for the audit
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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 is registered as a non-profit legal entity by Decision No 1 of 04.08.2010 under company case 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 2023, the employees employed by the Foundation under an employment contract are 42 (31 December 2022: 39).

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 were approved by the Management Board and Executive Director on 26th September, 2024.
The foundation does not prepare consolidated financial statements, applying the small groups relief provided in Article 32 of the Accounting 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 Separate Financial Statements according to national accounting standards requires the management to make best estimates, accruals and reasonable assumptions that have an effect on the reported values of assets and liabilities, income and expenses, and on the disclosure of contingent assets and liabilities as at the reporting date. These estimates, accruals and assumptions are based on the information available at the date of the Separate Financial Statements and, therefore, future actual results may differ.

3. Significant accounting policies

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

(a) Foreign currency operations

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

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

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

(b) Financial instruments

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

Cash and cash equivalents

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

Accounting for finance income and expenses is disclosed in Note 3 (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 Separate Income Statement as expenditures at the time they are incurred.

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

(iii) Depreciation

Depreciation is charged to the 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)

(c) Tangible fixed assets (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 2023 and 31 December 2022, 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) Consequential expenditure

Costs related to the maintenance of intangible assets are capitalized only when the future economic benefit of the asset increases. All other costs are recognized as an expense at the time of their occurrence

(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 December 31, 2023, there are no intangible assets in progress and there are no long-term intangible assets acquired for business purposes. As of December 31, 2022, 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 Foundations recognizes as a liability the undiscounted amount of the estimated paid annual leaves expenses, which are expected to be paid to the employees in exchange for their services during the past reporting period.

(iii) Retirement benefits

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

Notes to the 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 announced 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 donations and grants

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

Notes to the financial statements

3. Significant accounting policies (continued)

(k) Revenues (continued)

(i) Income from donations and grants (continued)

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

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

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

(ii) Revenue from the sale of goods

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

(iii) Revenue from services rendered

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

(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 recognised as accrued under the effective interest rate method.

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

(o) Income tax

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

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

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

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

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

As at 31 December 2023 and 31 December 2022 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 Separate Financial statements.

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

Credit risk

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

Liquidity risk

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

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

Notes to the financial statements

6. Regulated activity expenses:

6.1. Donation costs

In thousands of BGN	2023	2022
Costs of donations made	401	1 057
	401	**1 057**

6.2. Other expenses

In thousands of BGN	2023	2022
Business trips	116	41
Other expenses	33	82
	149	**123**

7. Administrative expenses of which:

7.1. Expenses on materials

In thousands of BGN

	2023	2022
Stationery and office consumables	23	73
Expenses on training and project activities	5	33
Expenses on spare parts for cars	2	2
	30	**108**

7.2. Expenses on hired services

In thousands of BGN

	2023	2022
Expenses on remuneration of teachers	346	343
Expenses related to project activity	628	484
Office and communications expenses	193	155
	1 167	**982**

7.3. Personnel costs

In thousands of BGN

	2023	2022
Salaries and wages costs	1 595	1 131
Social security and allowances costs	267	199
	1 862	**1 330**

The average number of the Foundation's personnel for 2023 was 41 people (2022: 42 people).

Notes to the financial statements

7.4. Expenses for taxes, fees, etc.

In thousands of BGN

	2023	2022
Expenses for taxes, fees, etc.	9	26
	9	**26**

7.5. Depreciation costs

In thousands of BGN

	2023	2022
Depreciation	22	17
	22	**17**

Total administrative expenses	**3 090**	**2 463**

8. Other expenses on financial operations

In thousands of BGN

	2023	2022
Bank charges	11	16
Foreign currency exchange losses	34	27
	45	**43**

9. Regulated activity revenue:

9.1. Income from conditional grants

In 2023, the Foundation recognized income from a conditional grant (financing) of BGN 3 542 thousand (2022: BGN 3 315 thousand).

9.2. Income from non-conditional donations

The received unconditional grants in 2023 are BGN 1 097 thousand (2022: BGN 1 148 thousand).

10. Foreign currency exchange gains

10.1. Foreign currency exchange gains are in result of transactions in foreign currency. In 2023 they were at the amount of BGN 8 thousand (2022: BGN 27 thousand).

10.2. Income from transactions with financial assets

	2023	2022
Positive differences from transactions with financial assets	688	-
Interet income	8	-
	696	**-**

Notes to the financial statements

11. Expenses for business activities

11.1. Materials and supplies

In thousands of BGN

	2023	2022
Expenses on training and project activities	10	3
	10	**3**

11.2. Expenditure on external services

In thousands of BGN

	2023	2022
Expenses on remuneration of teachers	9	86
Expenses related to project activities	45	60
	54	**146**

11.3. Personnel costs

In thousands of BGN

	2023	2022
Salaries and wages costs	57	359
Social security and allowances costs	10	71
	67	**430**

11.4. Other expenses

In thousands of BGN

	2023	2022
Carrying amount of goods sold	1	1
Mission expenses	1	21
Other expenses	1	26
	3	**48**

11.5. Financial expenses

In thousands of BGN

	2023	2022
Negative differences from exchange rate changes	-	5
Negative differences from operations in financial assets	326	360
	326	**365**

Notes to the financial statements

12. Revenue for business activities

12.1. Operating income

In thousands of BGN

	2023	2022
Revenue from the sale of goods	2	2
Revenue from the sale of services	180	853
	182	**855**

13. Tangible fixed assets

In thousands of BGN

	Transport	Business Inventory	Total
Book value			
Balance as at 1 January 2022	41	81	122
Additions	-	30	30
Disposals	-	(18)	(18)
Balance as at 31 December 2022	**41**	**93**	**134**
Balance as at 1 January 2023	41	93	134
Additions	-	15	15
Disposals	-	(6)	(6)
Balance at 31 December 2023	**41**	**102**	**143**
Depreciation			
Balance as at 1 January 2022	33	68	101
Depreciation for the year	4	13	17
Depreciation of assets disposed	-	(18)	(18)
Balance as at 31 December 2022	**37**	**63**	**100**
Balance as at 1 January 2023	37	63	100
Depreciation for the year	3	19	22
Depreciation of assets disposed	-	(6)	(6)
Balance at 31 December 2023	**40**	**76**	**116**
Carrying amount			
As of 31 December 2022	**4**	**30**	**34**
As of 31 December 2023	**1**	**26**	**27**

Notes to the financial statements

14. Receivables

In thousands of BGN

	31 December 2023	31 December 2022
Receivables from customers	7	31
Related party receivables	-	304
Deposits granted to suppliers	12	4
Other receivables	8	2
	27	**341**

15. Cash and cash equivalents

In thousands of BGN

	31 December 2023	31 December 2022
Cash at current bank accounts	1 223	2 582
	1 223	**2 582**

16 Deferred Expenses

As of December 31, 2023, deferred expenses amounted to BGN 33 thousand (2022: BGN 26 thousand). Deferred expenses as of December 31, 2023 included medical insurance of staff for BGN 25 thousand (2022: BGN 22 thousand), expenses for additional subscriptions for BGN 7 thousand (2022: BGN 3 thousand), insurance for company vehicles in the amount of BGN 1 thousand (2022: BGN 1 thousand).

17. 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

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

18. Payables to suppliers

In thousands of BGN

	31 December 2023	31 December 2022
Payables to suppliers	27	9
	27	**9**

19. Other payables

In thousands of BGN

	31 December 2023	31 December 2022
Payables staff	35	32
Social security payables	5	10
Tax payables	11	72
Other payables	2	5
	53	**119**

Notes to the financial statements

20. Financing

In thousands of BGN

	31 December 2023	31 December 2022
Short-term part		
Prepaid subscriptions for future periods	100	-
Financing for operational activities	334	1 267
	434	**1 267**

The prepaid subscriptions for future periods amounting to BGN 100 thousand as of December 31, 2023, represent the deferred portion of one-year subscriptions for the use of the platform prepodavame.bg (2022: none).

Financing for operational activities

In thousands of BGN

Financing source	Deferred income as at 01.01.2023	Funding received in 2023	Income from financing recognized in 2023	Reclassification to unconditional grants	Fixed assets acquisitions	Funds repaid in 2023	Deferred income as at 31.12.2023
Funding from the America for Bulgaria Foundation	52	1 975	(2 339)	-	-	-	(312)
Funding European Commission	624	-	(505)	-	-	-	119
Funding from other donors	591	635	(699)	-	-	-	527
Total	**1 267**	**2 610**	**(3 543)**	**-**	**-**	**-**	**334**

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**

Notes to the financial statement

20. Financing (continued)

Financing for operational activities includes FTA financing as follows:

In thousands of BGN

Nature of financing contract	Deferred income as at 01.01.2023	Income from financing recognised in 2023 up to the amount of depreciation and amortization expense	Fixed assets acquisition	Deferred income as at 31.12.2023
Funding from the America for Bulgaria Foundation	14	(14)	-	-
Total	**14**	**(14)**	**-**	**-**

In thousands of BGN

Nature of financing contract	Deferred income as at 01.01.2022	Income from financing recognised 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**

21. 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 2023	31 December 2022
Cash and cash equivalents	1 223	2 582
Receivables from related parties	-	304
Receivables from third parties	19	35
Financial assets	4 408	2 244
	5 650	**5 165**

Impairment losses

As at 31 December 2023 and 31 December 2022, 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

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

31 December 2023
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	27	(27)	(27)	-	-	-	-
	27	**(27)**	**(27)**	**-**	**-**	**-**	**-**

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)**	**-**	**-**	**-**	**-**

22. Investment

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

	31 December 2023		31 December 2022	
	share	amount	share	amount
"Zaedno 2011" EOOD	100%	3	100%	3

22.2 Financial assets
Financial assets to trade

In 2023, the Foundation has invested in financial assets for trading. Acquired financial instruments are shares of exchange-traded funds (ETFs). As of 31.12.2023, there is no fixed settlement date. The product has no guarantee of the principal amount and expected return.

In thousands of leva

	31 December 2023	31 December 2022
Financial assets held for trading	4 408	2 244
	4 408	**2 244**

Notes to the financial statements

23. Related parties

Related party disclosures

As of 31 December 2023, the related parties of the Foundation were as follows:

- Evgenia Peeva-Kirova – Founder and Member of the Board of Directors;
- Atanas Velichkov Stoyanov – Chair of the Board of Directors;
- Trayan Trayanov – Executive Director and Member of the Board of Directors;
- Hristo Emilov Manov – Member of the Board of Directors;
- Atanas Stoyanov Garov – Member of the Board of Directors;
- Zoya Georgieva Paunova – Member of the Board of Directors;
- Mina Dimitrova Savova – Member of the Board of Directors;
- Ana Radostinova Yankova – Member of the Board of Directors;
- Elena Kircheva-Schmidt – Member of the Board of Directors;
- Tenko Krasimirov Nikolov – Member of the Board of Directors;
- Rosen Miroslavov Bogomilov – Member of the Board of Directors;
- Svetozar Georgiev Georgiev – Member of the Board of Directors;
- Todor Lyudmilov Breshkov – Member of the Board of Directors;
- Tatyana Ivanova Marinovska-Naydenova – Member of the Board of Directors.
- "Zaedno 2011" EOOD – a subsidiary, 100% owned by the Foundation
- "NIKE Academy" EOOD – 100% owned by the Foundation (closed on December 11, 2023)
- 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 2023, the remuneration to key management personnel amounts to BGN 260 thousand (2022: BGN 240 thousand).

Related party transactions

In 2023, no transactions were conducted, and no open balances existed with related parties.

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

In thousands of BGN

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

Notes to the financial statements

24. Contingent liabilities

Lawsuits

No lawsuits have been filed against the Foundation as at 31.12.2023 and 31.12.2022 and the Foundation is not party to any legal dispute.

25. Events after the report date

In June 2023, the Teach For Bulgaria Foundation started the process of registering a non-governmental organisation in the United States 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 "exempt from tax-exempt" organization as provided by Section 501(c)(3) of the Internal Revenue Revenue Code).

This status is projected to be obtained by the end of 2024.

On July 9, 2024, the Foundation received a request from the National Revenue Agency (NRA), notifying the commencement of an audit covering the financial years 2021 and 2022. The subject of the inspection is the set of contracts concluded for work under non-employment relationships (civil contracts). At the date of this financial report, the verification results are not yet available.

No other significant events have occurred after the date of the annual financial statements that would require adjustment and/or disclosures in the 2023 annual financial statements.

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