

*TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION*  
*Annual financial statements*  
*Annual report of activity*  
*Independent auditors' report*  
*31 December 2015*

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**

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*ANNUAL FINANCIAL STATEMENTS*  
*ANNUAL REPORT OF ACTIVITY*  
*INDEPENDENT AUDITORS' REPORT*  
*31 December 2015*

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**

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## ***Independent auditor's report***

***To the Board of Directors of Trust for Social Achievement Foundation***

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Trust for Social Achievement Foundation (the 'Foundation') which comprise the statement of financial position as of 31 December 2015 and the statements of activity, of the cash flows and of the changes in net assets for the year then ended and a summary of significant accounting policies and other explanatory notes.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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T: +359 2 9355200, F: +359 2 9355266, [www.pwc.com/bg](http://www.pwc.com/bg)  
Registered with the Sofia City Court under company file number 13424/1997.*

***This version of our report/the accompanying documents is a translation from the original, which was prepared in Bulgarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.***



### *Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trust for Social Achievement Foundation as of 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### *Report on Other Legal and Regulatory Requirements*

Management is also responsible for preparing the Annual Report in accordance with the Accounting Act.

We are required by the Accounting Act to express an opinion whether the Annual Report is consistent with the annual financial statements of the Foundation.

In our opinion, the Annual Report set out on pages 1 to 3, is consistent with the accompanying annual financial statements of the Foundation as of 31 December 2015.

Milka Damianova  
Registered Auditor

Stefan Weiblen  
PricewaterhouseCoopers Audit OOD

22 June 2016  
Sofia, Bulgaria



## **ANNUAL REPORT OF ACTIVITY**

### **Overview**

The Trust for Social Achievement Foundation (“TSA” or the “Foundation”) is a Bulgarian non-profit organization, registered for public benefit. The activity of the Foundation is governed by the Non-profit Legal Entities Act and the acts and regulations related to it.

TSA was established in August 2012. and is registered under Company File 524/2012 of Sofia City Court, BULSTAT 176356758. The Foundation was entered in the Central Registry of Non-profit Legal Entities designated for public benefit activities at the Ministry of Justice under № 20120831005. The seat and registered address of the Foundation is: Sofia, Sredets Region, 64 Patriarh Evtimii Blvd. and its website is: <http://socialachievement.org/>

The TSA tests and supports innovative, results-driven approaches that increase self-sufficiency and improve life outcomes for Bulgaria’s poor, with a focus on the Roma. To achieve this, we honor and help develop professionalism, collaboration, and integrity in our partners. Our aim is for Bulgaria’s disadvantaged to achieve educational and economic success and to thereby break the poverty cycle, so that all of society can develop and prosper.

According to the Articles of Association – Statute of the Foundation, its objectives are:

- ✓ To provide support at the local level for initiatives that improve educational achievement for at-risk pupils, with an emphasis on ethnic minorities and youth from impoverished and marginalized communities;
- ✓ To provide support at the local level for initiatives that improve the economic self-sufficiency for at-risk persons, with an emphasis on ethnic minorities and youth from impoverished and marginalized communities;
- ✓ To improve capacity at the local level for accountability and administration of grants, as well as the capacity for impact evaluation and assessment of results.

To achieve its mission TSA raises funds from donor organizations and provides grants in three areas: „Family Economic Success“, „Early Childhood Development“ and „Educational Achievement“. Besides, TSA sets aside resources for improving the capacity of its partner organizations.

### **Governance**

According to its Articles of Association – Statute, the Foundation has the following governance bodies – Founder, Board of Directors (“Board”) and Executive Director. Only individuals can be members of the Board. Board members are appointed and relieved by the Founder.

At December 31, 2015 the Board had four members. Whenever necessary the activity of the Board is consulted by two volunteers at the TSA advisory board – Ron Haskins, co-director of the Center on Children and Families at the Brookings Institution and Sue Lehman, member of the Executive Committee of the Board of Teach for America.

The members of the Board are not related to each other and do not receive any remuneration by TSA for their service on the Board.

In 2015 none of the members of the Board has entered into any transactions with TSA.

Articles of Association – Statute has been adopted on July 19, 2012 and has not been changed or amended since that date. In 2013 the court registered a change in the Executive Director position of TSA and Sarah Perrine took over from Emilia Karadocheva.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
ANNUAL ACTIVITY REPORT (CONTINUED)  
31 DECEMBER 2015**

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**Activity Overview**

TSA has been established in August 2012 with funding provided by the America for Bulgaria Foundation („ABF“) with the intent to continue ABF’s activities in the social area. Across all of its program areas, ABF is supporting efforts to build and strengthen a vibrant market economy. To achieve this goal, Bulgaria’s disadvantaged poor must be included. There are extremely high levels of unemployment and very low levels of education among the disadvantaged. Roma comprise an estimated 10% of the population and make up a significant portion of the poor.

ABF is the main source of funding for the activities of TSA. For the period January 1, 2015 to December 31, 2015 TSA received from ABF conditional funding amounting to BGN 3.9 million compared to 5.0 million for the same period of the previous year. The remaining ABF commitment is BGN 7.4 million out of a total of BGN 19.2 million approved for the period October, 2012 to October, 2017.

In addition to the ABF funding, the Foundation received funding from three other sources in the amount of BGN 72 thousand (USD 40 thousand). Total funding received on a cash basis in 2015 was BGN 4.0 million.

In 2015 TSA approved and signed 41 new grant agreements with total new commitments of BGN 3.3 million. For comparison, in 2014 TSA approved and signed 58 new grant contracts with total commitments of BGN 3.0 million. Disbursed grant amounts in 2015 and 2014, respectively were BGN 2.5 million and 3.2 million or a decrease by 22%. At December 31, 2015 TSA had outstanding commitments for grants in the amount of BGN 1.9 million and since its inception in 2012 had disbursed a total of BGN 7.0 million. Detailed information on commitments and disbursements by program area is provided in Note 17 to the Annual Financial Statements.

In 2015 TSA continued to very actively work on its own operating programs and projects implemented by the TSA. Seven such new programs and projects were started during the year. In 2015 Programs and projects expenses amounted to BGN 687 thousand compared to BGN 398 thousand for 2014 or a 73% increase. Thanks to savings on the Springboard for School Readiness project for the school year 2014 – 2015, TSA decided to continue the project, albeit on a slightly smaller scale for one more school year with 16 partners and nearly 150 kindergartens and settlements throughout Bulgaria. The goal of the project is to help inform state policy by providing important information with respect to increased enrollment and kindergarten attendance by children of marginalized families, and to increase their participation in early childhood education in Bulgaria.

In March 2015 the TSA board approved an investment in the implementation of the Nurse Family Partnership program in Bulgaria, which is TSA’s second largest own project. The Nurse Family Partnership program is developed by Prof. David Olds and its licensor is the University of Colorado, Denver (UCD). It is evaluated as one of the most effective programs in the area of early childhood development worldwide. It has been rigorously tested over the past 30 years and has consistently reached its goals to improve pregnancy outcomes, improve child health and development, and improve parents’ economic self-sufficiency. In brief, the program offers between 50 and 65 home visits to low-income first-time mothers by registered nurses from the early pregnancy until the child reaches 2 years of age.

During the year TSA also made significant progress with the “Zone and Legalize Two Marginalized Neighbourhoods” project and managed to acquire 31 dka of land in Lukovitsa, Peshtera as an important milestone for the successful project execution. The expectation is that 60-80 new houses may be built by residents once the land is zoned.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
ANNUAL ACTIVITY REPORT (CONTINUED)  
31 DECEMBER 2015**

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In addition in 2015, TSA's management continued working on strengthening the organization and its team. As of December 31, 2015 TSA had 16 full-time employees compared to 14 at December 31, 2014.

As of December 31, 2015 current assets were BGN 1,111 thousand (31 December 2014: BGN 879 thousand), of which cash and cash equivalents of BGN 1,060 thousand and other receivables and prepayments of BGN 15 thousand. Current liabilities amounted to BGN 841 thousand (31 December 2014: BGN 658 thousand), of which BGN 744 thousand are financing for current expenses, BGN 62 thousand – payables to suppliers and BGN 5 thousand represented payables to personnel and social security.

The available cash and the expected disbursement of funds under the ABF grant are sufficient to support TSA's liquidity.

At December 31, 2015 total assets amounted to BGN 1,686 thousand, and the result from non-profit activity for the period was BGN 8 thousand. For comparison at 31 December, 2014 total assets amounted to BGN 1,525 thousand, and the result from non-profit activity for the period was BGN 13 thousand

The Foundation does not own equity or other interests in other legal entities, does not have related parties, does not belong to any economic group and has not entered into related parties transactions for the period 1 January 2015 to 31 December 2015. For avoidance of any doubt, a grant to Bauersachs Foundation, which might be deemed a related party to one of TSA's Board members was approved unanimously by the members of the Board, while the board member in question recused himself from the vote. The grant is for the amount of BGN 47.1 thousand.

During the period 1 January 2015 to 31 December 2015 there were no unusual events that could have a material adverse impact on TSA's activities, its financial condition and the results from its non-profit activity.

TSA has not received or provided any loans or loan guarantees. The Foundation has not used financial instruments and has no branches.

TSA's policy for managing its financial resources is adequate and it has sufficient resources to meet its liabilities and to finance its activities.

**Important events after the end of the reporting period**

On May 4<sup>th</sup>, 2016 ABF and TSA signed a new grant agreement with a duration of 48 months and a total commitment of BGN 1.2 million. The funds will be used to implement the project "Building Capital – Partnering with a Local Business to Zone and Legalize a Roma Neighborhood (Oreshaka)". No other significant events have occurred after the reporting date that would require adjustments or disclosures in the financial statements of the Foundation.

**Expected Developments and Plans for 2016**

In 2016 the Foundation intends to continue to support activities in its three program areas through grant-making and the design and implementation of operational programs, as well as through capacity-building activities.

TSA does not plan for any material asset acquisitions in 2016.

June 22, 2016

Executive Director:

Sarah Marie Perrine

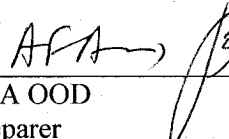
**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**STATEMENT OF ACTIVITY**  
**for the year ended 31 December 2015**

		2015	2014
	Notes	BGN '000	BGN '000
Income from conditional financing	3	3,900	4,474
Financing expenses	4	(2,252)	(3,234)
Programs and projects expenses	4	(687)	(398)
Administrative expenses	5	(961)	(842)
<b>Result from non-profit activities</b>		<b>-</b>	<b>-</b>
Finance income/(costs), net		8	13
<b>Finance income, net</b>	6	<b>8</b>	<b>13</b>
<b>Result from non-profit activities for the year</b>		<b>8</b>	<b>13</b>
<b>TOTAL RESULT FOR THE YEAR</b>		<b>8</b>	<b>13</b>


The financial statements on pages 1 to 32 were approved by the Founder and by the Board of Directors for issue and signed on 22 June 2016.

  
 Sarah Marie Perrine  
 Executive Director

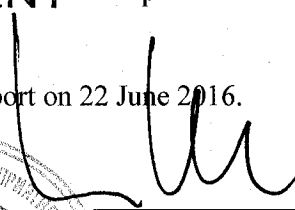
  
**TRUST**  
**FOR SOCIAL**  
**ACHIEVEMENT**

  
 AFA OOD  
 Preparer

Signed in accordance with Independent Auditors' Report on 22 June 2016.

  
 Milka Damianova  
 Registered Auditor



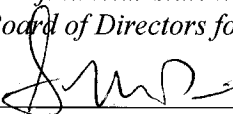
  
 Stefan Weiblen  
 PricewaterhouseCoopers Audit OOD



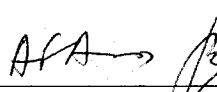
**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**for the year ended 31 December 2015**

	Notes	31.12.2015 BGN '000	31.12.2014 BGN '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	555	583
Intangible assets	8	20	63
		<u>575</u>	<u>646</u>
<b>Current assets</b>			
Receivables and prepayments	9	15	24
Other current assets	10	36	8
Cash and cash equivalents	11	1,060	847
		<u>1,111</u>	<u>879</u>
<b>TOTAL ASSETS</b>		<u><b>1,686</b></u>	<u><b>1,525</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing for non-current assets	12	389	419
		<u>389</u>	<u>419</u>
<b>Current liabilities</b>			
Current portion of long-term financing for non-current assets	12	30	30
Financing for current expenses	13	744	610
Trade payables	14	62	14
Payables to personnel and for social security	15	5	4
		<u>841</u>	<u>658</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,230</b></u>	<u><b>1,077</b></u>
<b>NET ASSETS OF THE FOUNDATION</b>			
Result from non-profit activities from prior years		448	435
Result from non-profit activities for the year		8	13
		<u>456</u>	<u>448</u>
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<u><b>1,686</b></u>	<u><b>1,525</b></u>

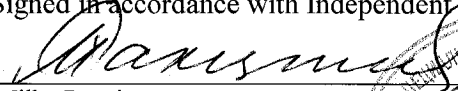
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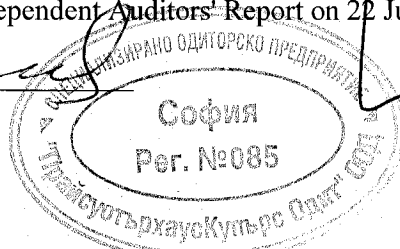
  
 Sarah Marie Perrine  
 Executive Director

**TRUST  
 FOR SOCIAL  
 ACHIEVEMENT**

  
 AFA OOD  
 Preparer

Signed in accordance with Independent Auditors' Report on 22 June 2016.

  
 Milka Damianova  
 Registered Auditor



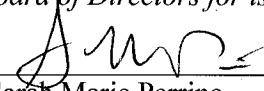
  
 Steljan Weiblen  
 PricewaterhouseCoopers Audit OOD

The accompanying notes on pages 8 to 32 form an integral part of these financial statements.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2015**

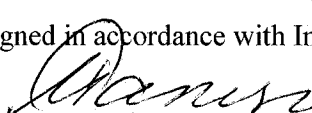
	Notes	2015 BGN '000	2014 BGN '000
<b>Cash flows from operating activities</b>			
Contingent financing received		4,004	5,034
Financing granted		(2,252)	(3,234)
Cash paid on programs and projects		(687)	(398)
Cash paid to suppliers		(198)	(186)
Cash paid to employees and for social security		(544)	(489)
Taxes paid		(61)	(48)
Bank charges paid		(4)	(2)
Foreign currency exchange gains, net		8	6
Other payments, net		(33)	(38)
<b>Net cash flows from operating activities</b>		<b>233</b>	<b>645</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(22)	(11)
Purchases of intangible assets		-	(41)
Interest received		2	10
<b>Net cash flows used in investing activities</b>		<b>(20)</b>	<b>(42)</b>
<b>Net increase in cash and cash equivalents</b>		<b>213</b>	<b>603</b>
Cash and cash equivalents at 1 January		847	244
<b>Cash and cash equivalents at 31 December</b>	11	<b>1,060</b>	<b>847</b>

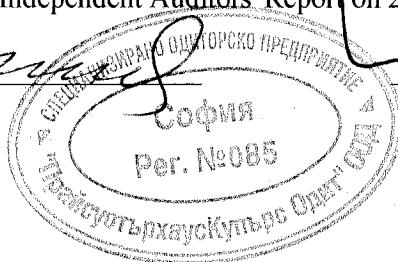
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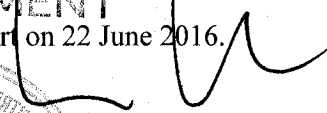
  
 Sarah Marie Perrine  
 Executive Director

  
 TRUST FOR SOCIAL ACHIEVEMENT  
 Preparer

Signed in accordance with Independent Auditors' Report on 22 June 2016.

  
 Milka Damianova  
 Registered Auditor

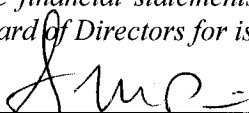


  
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 PricewaterhouseCoopers Audit OOD

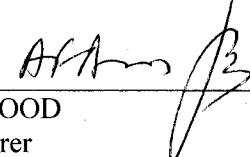
**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended 31 December 2015**

	Operating result for the year	Total net assets
	BGN '000	BGN '000
<b>Balance at 1 January 2014</b>	<u>435</u>	<u>435</u>
Net result for the year	13	13
<b>Balance at 31 December 2014</b>	<u>448</u>	<u>448</u>
Net result for the year	8	8
<b>Balance at 31 December 2015</b>	<u>456</u>	<u>456</u>

*The financial statements on pages 1 to 32 were approved by the Founder and by the Board of Directors for issue and signed on 22 June 2016.*

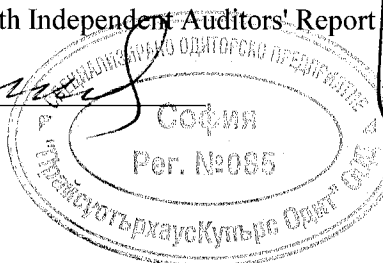
  
 Sarah Marie Perrine  
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 AFA OOD  
 Preparer

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 Milka Damianova  
 Registered Auditor



  
 Stefan Weiblen  
 PricewaterhouseCoopers Audit OOD

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2015**

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**1. BACKGROUND INFORMATION ON THE FOUNDATION**

The Trust for Social Achievement Foundation is a non-profit organization, registered by virtue of the Non-profit Legal Entities Act under Company File 524/2012 of Sofia City Court. The seat and registered address of the Foundation is: Sofia, Sredets Region, 64 Patriarh Evtimii Blvd.

The Foundation was entered in the Central Registry of Non-profit Legal Entities designated for public benefit activities at the Ministry of Justice.

**1.1. Ownership and management**

The Foundation is managed by a Board of Directors and an Executive Director. The members of the Board of Directors are as follows: Sarah Perrine, Emilia Karadocheva, Lachezar Bogdanov and Rosen Ivanov.

As at 31 December 2015, the Foundation was represented by the Executive Director Sarah Marie Perrine.

As at 31 December 2015, the total number of Foundation's personnel was 16 employees (31.12.2014: 14 employees).

**1.2. Principal activities**

The Trust for Social Achievement Foundation has been established for the purpose to perform non-profit activities, including charity and educational activities and initiatives in public interest and benefit.

The mission of the Foundation is focused on the achievement of the following objectives:

- ✓ to provide local level support of initiatives that improve the educational achievements of students at risk and more specifically, such from ethnic minorities and children from impoverished and marginal communities;
- ✓ to provide local level support of initiatives that improve the economic independence of persons at risk and more specifically, such from ethnic minorities and the young people from impoverished and marginal communities;
- ✓ to improve local capacity for financial accountability and management of financial aids as well as the skills for systematic monitoring, assessment and demonstration of achievements through performance indicators for envisaged activities and through specific results.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**1. BACKGROUND INFORMATION ON THE FOUNDATION (CONTINUED)**

**1.3. Main indicators of the economic environment**

The main economic indicators of the business environment that have affected the Foundation activities throughout the period 2013 – 2015, are presented in the table below:

<b>Indicators</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
GDP in million levs	81,971	82,029	86,650
Actual growth of GDP	1.3%	1.9%	3%
Year-end inflation	-0.9%	-2.0%	-0.9%
Average exchange rate of USD for the year	1.47	1.47	1.76
Exchange rate of the USD at the year-end	1.42	1.61	1.80
Basic interest rate at the year-end	0.02	0.02	0.01
Unemployment rate at the year-end	11.8%	10.7%	10.0%

**Source: BNB**

**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**

The significant accounting policies applied during the process of preparation of the financial statements are listed below, as far as not disclosed in the notes above. The policies have been subsequently applied for all periods represented, except else is explicitly disclosed.

**2.1. Basis for the preparation of the financial statements**

**(i) Compliance with IFRS**

The financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) and the Standing Interpretations Committee (SIC) interpretations, which have been adopted by the European Union.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.1. Basis for the preparation of the financial statements (continued)**

**(ii) Historical costs basis**

The financial statements have been prepared in accordance with the historical costs basis except in the following cases:

- financial assets held for sale, financial assets and liabilities (including derivatives), certain classes of plants, property and equipment as well as investment properties accounted at fair value
- assets held for sale – accounted at fair value decreased with sales costs
- retirement plans with defined income – accounted at fair value

**(iii) New and amended standards, adopted by the Foundation**

The following standards and amendments have been adopted by the Foundation for a first time during the financial year starting at 01 January 2015 or later:

- Annual Improvements to IFRSs 2011-2013 Cycle (accepted implementation date for EU – 01 January 2015)
- IFRIC 21 Levies (accepted implementation date for EU – 17 June 2014)

**(iv) New standards and interpretations, not yet adopted**

The following standards and amendments will be adopted by the Foundation for a first time in the financial year starting at 01 January 2016 or later (agreed date of implementation in EU 01 February 2015):

- Annual Improvements to IFRSs 2010-2012 Cycle
- Defined benefit plans: Contributions by hired persons – Amendment of IAS 19

Adoption of the improvements of 2010-2012 Cycle requires additional disclosures in the notes and does not affect the current or previous periods and is not expected to affect the future periods.

The Foundation made an assessment for adoption of the following two amendments with implementation date in EU - 01 February 2016:

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.1. Basis for the preparation of the financial statements (continued)**

**(iv) New standards and interpretations, not yet adopted (continued)**

- Annual Improvements to IFRSs 2012-2014 Cycle
- Disclosures: amendment of IAS 1

These amendments only clarify existing requirements without affecting the accounting policy and disclosures of the Foundation.

New standards and interpretations have been published but are not obligatory for the financial period as at 31 December 2015 and have not been applied in the process of preparation of the accounting statements. The assessed effect of these standards and interpretations is listed below.

**IFRS 9 Financial instruments** scrutinize the classification, measurement and derecognition of financial assets and liabilities and implements new rules of hedge accounting. In July 2014 the International Accounting Standards Committee (IASC) made additional amendments in the rules for classification and measurements and implements new model of devaluation. These final amendments supplement the new standard for financial instruments.

IFRS 9 is in force for accounting periods starting as at 01 January 2018 or later. Based on the transitional provisions of the finished IFRS 9, the early stage adoption is allowed only for accounting periods starting before 01 February 2015. The new rules should be fully adopted after this date. The expected implementation date of IFRS 9 by EU is before the effective date agreed by (IASC) – 01 January 2018.

**IFRS 15 Revenue from Contracts with Customers.** IASC published new standard for income recognition. It will replace IAS 18 Revenue and IAS 11 Constructions contracts. According to the new standard revenue is recognized once the control upon goods or services has been transferred to the client. Therefore, the term control replaces the existing term of risks and rewards.

The standards allows application of modified retrospective approach. Following this approach the entities should recognize transitional corrections in undistributed profit since the date of first adoption (01 January 2018), e.g. without reclassification of the comparative period. They will have to apply the new rules only for contracts not finished until the date of first adoption.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.1. Basis for the preparation of the financial statements (continued)**

**(iv) New standards and interpretations, not yet adopted (continued)**

The Foundation is not in a state to assess the effect of the new rules. The Foundation will make more detailed assessment of the effect during the next twelve months.

IFRS 15 is obligatory for financial years starting as at 01 January 2018 or after. Expected date of adoption by the foundation is 01 January 2018.

The expected date of implementation by EU is before the effective date adopted by IASC – 01 January 2018.

**IFRS 16 Leases** published in January 2016 replaces IAS 17 Leases. As a result of IFRS 16 most of the lease contracts will be accounted in the balance of the lessee, eliminating the difference between finance and operating lease. IFRS 16 is in force for periods starting as at 01 January 2019 or later. IFRS 16 is not yet adopted by EU.

There are no other standards not yet entered into force with expected further significant effect upon the Foundation.

The financial reports have been prepared following the ongoing concern.

The Foundation maintains its accounting books in Bulgarian Lev (BGN), which is accepted as being its presentation currency. The data in the financial statements and the notes thereto are presented in thousand Bulgarian Levs (BGN'000).

**2.2. Comparatives**

The Foundation presents comparative information in these financial statements for the previous financial year - 2014.

Where necessary, comparative data is reclassified and/or restated in order to achieve compatibility in view of the current period presentation changes.

**2.3. Functional currency and recognition of exchange differences**

The functional and presentation currency of the Foundation is the Bulgarian Lev. BGN is fixed under the BNB Act to the official currency of the European Union, the Euro, at the ratio of BGN 1.95583: EUR 1.



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.3. Functional currency and recognition of exchange differences (continued)**

Upon its initial recognition, a foreign currency transaction is recorded in the functional currency whereas the exchange rate to BGN at the date of the transaction or operation is applied to the foreign currency amount. Cash and cash equivalents, receivables and payables denominated in foreign currency are recorded in the functional currency by applying the exchange rate as quoted by the Bulgarian National Bank (BNB) for the last working day of the respective month.

At 31 December, these amounts are presented in BGN at the closing exchange rate of BNB.

The non-monetary items in the statement of financial position, which are initially denominated in a foreign currency, are accounted for in the functional currency by applying the historical exchange rate at the date of the transaction and are not subsequently revalued at the closing exchange rate.

Foreign exchange gains or losses arising on the settlement of foreign currency transactions or the recording of foreign currency transaction at rates different from those at which they were converted on initial recognition, are included in the statement of activity at the moment of occurrence and treated as current operating income/expenses and are presented net.

**2.4. Income**

The income of Trust for Social Alternative Foundation is from received financing – either contingent or unconditional.

The income from contingent financing requires the execution of certain obligations. It is recognized on a systematic basis in the periods in which the Foundation recognizes as expense the respective costs that the gratuitous funds are intended to compensate so that the preliminary set condition is satisfied.

Income from financing, contingent on conditions for acquisition of non-current assets, is recognized up to the amount of depreciation expenses charged on the assets acquired through gratuitous funds in the period.

The gratuitous funds, related with the non-depreciable asset of the Foundation "Land in a built-up yard", are recognized over the useful life of the acquired building.

Income from unconditional financing is recognized when originated.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.4. Income (continued)**

Finance income is included in the statement of activity when earned and comprises: interest income from bank deposits.

Exchange rate differences related to cash, trade payables denominated in foreign currencies are included in the statement of activity when they arise and are presented net under “financial income and costs”.

**2.5. Expenses**

Expenses of the Foundation are recognized as they are incurred, following the accrual and matching concepts.

The Foundation spends its financial resources in line with a budget, approved by the Board of Directors, which covers all operating expenses and the overall plan for financing of the authorized number and amount of grants in each of the project areas related with the fulfilment of its mission as a non-profit organization for performing activities in public benefit.

Deferred expenses are put off and recognized as current expenses in the period whereto they refer.

**2.6. Property, plant and equipment**

Property, plant and equipment (tangible fixed assets) are presented in the financial statements at historical cost less the accumulated depreciation and any impairment losses in value.

***Initial acquisition***

Upon their initial acquisition, machinery and equipment are valued at acquisition cost (cost), which comprises the purchase price, including customs duties and any directly attributable costs of bringing the asset to working condition for its intended use. The directly attributable costs include the cost of site preparation, initial delivery and handling costs, installation costs, professional fees for people involved in the project, non-refundable taxes etc.

The Foundation has set a value threshold of BGN 700, below which the acquired assets, regardless of having the features of fixed assets, are treated as current expense at the moment of their acquisition.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

***2.6. Property, plant and equipment (continued)***

***Subsequent measurement***

The approach chosen by the Foundation for subsequent measurement of property, plant and equipment, is the historical cost (cost) model, less any accumulated depreciation and any accumulated impairment losses in value.

***Subsequent costs***

Repair and maintenance costs are recognized as current expenses as incurred. Subsequent expenses incurred in relation to machinery and equipment having the nature of replacement of certain components, significant parts and aggregates or improvements and restructuring, are capitalized in the carrying amount of the respective asset whereas the residual useful life is reviewed at the capitalization date. At the same time, the non-depreciated part of the replaced components is derecognized from the carrying amount of the assets and is recognized in the current expenses for the period of restructure.

***Depreciation methods***

The Foundation applies the straight-line depreciation method for machinery and equipment. Depreciation of an asset begins when it is available for use. The useful life of the groups of assets is dependent on their physical wear and tear, the characteristic features of the equipment, the future intentions for use and the expected obsolescence.

The useful life per group of assets is as follows:

- buildings – 25 years;
- computer hardware – 2 years;
- office equipment – 6.7 years;
- motor vehicles – 4 years;
- office furniture – 6.7 years.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.6. Property, plant and equipment (continued)**

***Depreciation methods(continued)***

The useful life, set for any tangible fixed asset, is reviewed at the end of each reporting period and in case of any material deviation from the future expectations of their period of use, the latter is adjusted prospectively.

***Impairment of assets***

The carrying amounts of machinery and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount might significantly differ from their recoverable amount.

If any indications exist that the estimated recoverable amount of an asset is lower than its carrying amount, the latter is adjusted to the recoverable amount of the asset.

The recoverable amount of machinery and equipment is the higher of the fair value less costs to sell or the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions and assessments of the time value of money and the risks, specific to the particular asset. Impairment losses are recognized in the statement of activity.

***Gains and losses on disposal (sale)***

Tangible fixed assets are derecognized from the statement of financial position when they are permanently disposed of and no future economic benefits are expected therefrom or on sale. The gains or losses arising from the sale of an item of property, plant and equipment are determined as the difference between the consideration received and the carrying amount of the asset at the date of sale. They are stated net under 'other operating income/(losses)' on the face of the statement of activity.

**2.7. Intangible assets**

Intangible assets are stated in the financial statements at acquisition cost (cost) less accumulated amortization and any impairment losses in value. Cost is the fair value of the respective asset as at the

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.7. Intangible assets (continued)**

date of acquisition and includes purchase price and any other directly attributable transaction costs. They include software and licenses used by the Foundation.

The Foundation applies the straight-line amortization method for the intangible assets with determined useful life of 2 years.

The carrying amount of the intangible assets is subject to review for impairment when events or changes in the circumstances indicate that the carrying amount might exceed their recoverable amount. Then the impairment loss is included as an expense in the statement of activity.

Intangible assets are derecognized from the statement of financial position when they are permanently disposed of and no future economic benefits are expected from their use or on sale. The gains or losses arising from the sale of an item of intangible assets are determined as the difference between the consideration received and the carrying amount of the asset at the date of sale. They are stated net under 'other operating income/(losses)' on the face of the statement of activity.

**2.8. Cash and cash equivalents**

Cash and cash equivalents include cash in bank accounts as well as deposits with maturity date up to 3 months.

For the purpose of the statement of cash flows, cash paid to suppliers is presented at gross amount, including value added tax (20%).

**2.9. Trade and other payables**

Payables to suppliers and other current amounts payable are carried at original invoice amount (cost), being the fair value of the consideration to be paid in the future for goods and services received. In case of payments deferred over a period exceeding the common credit terms, where no additional interest payment has been envisaged or the interest considerably differs from the common market interest rates, the payables are initially valued at their fair value and subsequently – at amortized cost, after deducting the interest incorporated in their nominal value and determined following the effective interest rate method (Note 2.11).

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION  
(CONTINUED)**

**2.10. Pensions and other payables to personnel under the social security and labour legislation**

The employment and social security relations with the workers and employees of Foundation are based on the provisions of the Labour Code and the effective social security legislation in Bulgaria.

***Short-term benefits***

Short-term benefits in the form of remuneration, bonuses and social payments and benefits (due for payment within 12 months after the end of the period when the employees have rendered the service or have satisfied the required terms) are recognized as an expense in the statement of comprehensive income (within profit or loss for the year) for the period when the service thereon has been rendered and/or the requirements for their receipt have been met, unless a particular IFRS requires capitalization thereof to the cost of an asset, and as a current liability (less any amounts already paid and deductions due) at their undiscounted amount.

At the end of the reporting period, the Foundation measures the estimated costs on the accumulating compensated absences, which amount is expected to be paid as a result of the unused entitlement. The measurement includes the estimated amounts of employee's remuneration and the statutory social security and health insurance contributions due by the employer thereon.

***Long-term retirement benefits***

***Defined contribution plans***

The major duty of the Foundation as an employer in Bulgaria is to make the mandatory social security contributions for the hired employees to the Pensions Fund, the Supplementary Mandatory Pension Security (SMPS) Fund, to the General Diseases and Maternity (GDM) Fund, the Unemployment Fund, the Labour Accident and Professional Diseases (LAPD) Fund, the Guaranteed Receivables of Workers and Employees (GRWE) Fund and for health insurance. The rates of the social security and health insurance contributions are defined annually in the Law on the Budget of State Social Security and the Law on the Budget of National Health Insurance Fund for the respective year. The contributions are split between the employer and employee in line with rules of the Social Security Code (SSC) at the ratio 60:40 (2014: 60:40).

The pension plans, applied by the Foundation in its capacity as an employer, are defined contribution plans. Under these plans, the employer pays defined monthly contributions to the government funds as

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

**2.10. Pensions and other payables to personnel under the social security and labour legislation**  
**(continued)**

***Termination benefits (continued)***

The Foundation recognizes employee benefit obligations on employment termination before the normal retirement date when it is demonstrably committed, based on a publicly announced plan, including for restructuring, to terminating the employment contract with the respective individuals without possibility of withdrawal or in case of formal issuance of documents for voluntary redundancy. Termination benefits due more than 12 months are discounted and presented in the statement of financial position at their present value.

**2.11. Financial Instruments**

***Financial assets***

The financial assets of the Foundation include other receivables from counterparts and third parties, cash and cash equivalents. They are measured in the statement of financial position at their amortized cost using the effective interest method less any allowance for impairment. These assets are included in the group of current assets when having maturity within 12 months or within a common operating cycle of the Foundation while the remaining ones are carried as non-current assets.

At the end of each reporting period, the Foundation assesses whether events and circumstances have occurred that indicate the existence of objective evidence necessitating receivables to be impaired.

***Financial liabilities***

The financial liabilities of the Foundation include payables to suppliers and other counterparts. They are initially recognized on the statement of financial position at fair value net of the directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method except when they are past due, re-negotiated and under the condition for pre-term payment.

**2.12. Estimation uncertainty**

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

(all amounts in BGN thousand)

**2. SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES OF THE FOUNDATION**  
**(CONTINUED)**

***2.12. Estimation uncertainty (continued)***

The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

***Useful lives of depreciable assets***

Management reviews the useful lives of depreciable assets at each reporting date. At 31 December 2015 management assesses that the useful lives represent the expected utility of the assets to the Foundation. The carrying amounts are analyzed in 7 and 8. The actual useful life could differ from the assessment made due to technical or moral wear mainly for software and computer equipment.

**3. INCOME FROM CONDITIONAL FINANCING**

Income from conditional financing including income from domestic and foreign financing for current activity and non-current assets. Their purpose is to cover the current costs of the projects and programs related to the regulated activities of the Foundation.

	<b>2015</b>	<b>2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Income from conditional financing, including:		
<i>Educational Achievement</i>	1,351	1,491
<i>Early Childhood Development</i>	1,494	2,128
<i>Family Economic Success</i>	956	756
<i>Capacity Building</i>	62	43
<i>Financing for acquisition of non-current assets up to the amount of depreciation charge (Notes 7 and 8)</i>	30	50
<i>Donation for program "Educational opportunities and achievements" and support for children</i>	7	6
<b>Total</b>	<b>3,900</b>	<b>4,474</b>



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**  
(all amounts in BGN thousand)

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**4. FINANCING EXPENSES AND PROGRAMES AND PROJECTS EXPENSES**

*Financing expenses*

For the purpose of attaining its objectives, the Trust for Social Achievement Foundation is entitled to co-finance and support with resources activities, initiatives and projects by awarding financing (grants). Only physical persons or legal representatives of juridical persons, which are non-profit associations, public institutions registered as juridical persons or trade entities performing non-profit activities, have the right to apply for and obtain project funding from the Foundation.

In 2015 the Foundation approved and concluded grant contracts whereas the gross expenses on the awarding of this grant amounted to BGN 2,548 thousand (2014: BGN 3,246 thousand) (Note 17).

The net expenses on the awarding of grants amounted to BGN 2,252 thousand (2014: BGN 3,234 thousand). They are formed as difference between gross expenses on the grant contracts and returned (unused) financed by the grant beneficiaries.

*Programs and projects expenses*

According to its mandate, the Foundation may independently organize and carry out their own operative programs and projects in three program areas in which it operates. The programs and projects expenses of the Foundation include:

	<b>2015</b>	<b>2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Materials and consumables used	17	8
Hired services expense	288	88
Employee benefits expense	128	22
Other expenses	254	280
<b>Total</b>	<b>687</b>	<b>398</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

(all amounts in BGN thousand)

**5. ADMINISTRATIVE EXPENSE**

Administrative expense of the Foundation cannot be directly identified as financing expense or programs and projects expenses. Administrative expense of the Foundation include:

	<b>2015</b>	<b>2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Materials and consumables used	43	37
Hired services expense	144	123
Depreciation and amortization expense	90	98
Hired services expense	595	533
Other expenses	89	51
<b>Total</b>	<b>961</b>	<b>842</b>

**6. FINANCE INCOME AND COSTS**

	<b>2015</b>	<b>2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Finance income from exchange rate differences, net	6	3
Finance income from interest on deposits	2	10
<b>Total</b>	<b>8</b>	<b>13</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

(all amounts in BGN thousand)

**7. PROPERTY, PLANT AND EQUIPMENT**

	<i>Land</i>		<i>Office</i>		<i>Computer hardware</i>		<i>Motor vehicles</i>		<i>Office equipment and furniture</i>		<i>Total</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>
<b>Book value</b>												
<b>Balance at 1 January</b>	7	7	570	570	32	28	47	47	37	30	693	682
Additions	-	-	-	-	22	4	-	-	-	7	22	11
Disposals	-	-	-	-	(11)	-	-	-	-	-	(11)	-
<b>Balance at 31 December</b>	<u>7</u>	<u>7</u>	<u>570</u>	<u>570</u>	<u>43</u>	<u>32</u>	<u>47</u>	<u>47</u>	<u>37</u>	<u>37</u>	<u>704</u>	<u>693</u>
<b>Accumulated depreciation</b>												
<b>Balance at 1 January</b>	-	-	48	25	29	14	24	12	9	4	110	55
Depreciation for the year	-	-	23	23	7	15	11	12	6	5	47	55
Depreciation written-off	-	-	-	-	(8)	-	-	-	-	-	(8)	-
<b>Balance at 31 December</b>	<u>-</u>	<u>-</u>	<u>71</u>	<u>48</u>	<u>28</u>	<u>29</u>	<u>35</u>	<u>24</u>	<u>15</u>	<u>9</u>	<u>149</u>	<u>110</u>
<b>Carrying amount at 31 December</b>	<u>7</u>	<u>7</u>	<u>499</u>	<u>522</u>	<u>15</u>	<u>3</u>	<u>12</u>	<u>23</u>	<u>22</u>	<u>28</u>	<u>555</u>	<u>583</u>

The land, two-level office and the car were acquired through gratuitous selective financing obtained on the basis of a grant contract with America for Bulgaria Foundation. Depreciation costs for these assets in 2015 equal to BGN 30 thousand (2014: BGN 30 thousand).

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

(all amounts in BGN thousand)

**8. INTANGIBLE ASSETS**

	<i>Software</i>		<i>Licenses</i>		<i>Construction of assets in progress</i>		<i>Total</i>	
	<i>2015</i> <i>BGN</i> <i>'000</i>	<i>2014</i> <i>BGN</i> <i>'000</i>	<i>2015</i> <i>BGN</i> <i>'000</i>	<i>2014</i> <i>BGN</i> <i>'000</i>	<i>2015</i> <i>BGN</i> <i>'000</i>	<i>2014</i> <i>BGN</i> <i>'000</i>	<i>2015</i> <i>BGN</i> <i>'000</i>	<i>2014</i> <i>BGN</i> <i>'000</i>
<b>Book value</b>								
<b>Balance at 1 January</b>	87	5	42	42	-	41	129	88
Additions	-	-	-	-	-	41	-	41
Transfer to intangible assets	-	82	-	-	-	(82)	-	-
<b>Balance at 31 December</b>	<b>87</b>	<b>87</b>	<b>42</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>129</b>
<b>Accumulated depreciation</b>								
<b>Balance at 1 January</b>	24	1	42	22	-	-	66	23
Depreciation for the year	43	23	-	20	-	-	43	43
<b>Balance at 31 December</b>	<b>67</b>	<b>24</b>	<b>42</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>66</b>
<b>Carrying amount at 31 December</b>	<b>20</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>63</b>

The licenses were acquired through gratuitous selective financing obtained under contracts for donation with Microsoft. There are no depreciation costs accrued for these assets during 2015 (2014: BGN 20 thousand).

**9. RECEIVABLES AND PREPAYMENTS**

	<b>31.12.2015</b> <b>BGN '000</b>	<b>31.12.2014</b> <b>BGN '000</b>
Prepaid deferred expenses	14	13
Receivables from accountable persons	1	2
Receivables from advances to suppliers	-	9
<b>Total</b>	<b>15</b>	<b>24</b>

Prepaid deferred expenses include insurance and subscriptions.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

(all amounts in BGN thousand)

**10. OTHER CURRENT ASSETS**

Other current assets amounting to BGN 36 thousand represent land acquired in 2015 intended for donation – BGN 33 thousand (31.12.2014: none), products in kind intended for donation – BGN 2 thousand (31.12.2014: none) and laptops intended for donation – BGN 1 thousand (31.12.2014: BGN 8 thousand). The Foundation plans to grant the donations during 2016.

**11. CASH AND CASH EQUIVALENTS**

	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Cash at a current bank account in BGN	919	772
Cash at deposit accounts	75	35
Cash at a current bank account in foreign currency	66	40
<b>Total</b>	<b>1,060</b>	<b>847</b>

The cash existing as at 31 December are at current accounts of the Foundation with the Bulgarian-American Credit Bank (BACB) and Unicredit Bulbank AD.

**12. FINANCING FOR NON-CURRENT ASSETS**

The financing for non-current assets are recognized as current income for financing up to the amount of the depreciation charge for the year (Notes 7, 8).

As at 31 December 2015, the financing of the Foundation for non-current assets represents a selective funding for the acquisition of:

<b>Term</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
<b>Up to one year</b>	<b>30</b>	<b>30</b>
Two-level office (to the amount of funding)	18	18
Motor vehicle (car)	12	12
Licenses	-	-
<b>Over one year</b>	<b>389</b>	<b>419</b>
Two-level office (to the amount of funding)	382	401
Motor vehicle (car)	-	11
Land plot	7	7
<b>Total</b>	<b>419</b>	<b>449</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

(all amounts in BGN thousand)

**12. FINANCING FOR NON-CURRENT ASSETS (CONTINUED)**

Financing for non-current assets of the Foundation for the next 12 months are presented in the statement of financial position as current portion of financing for non-current assets.

**13. FUNDING FOR CURRENT EXPENSES**

	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Funding for current expenses	744	610
	<b>744</b>	<b>610</b>

The amounts received to finance the current expenses are recognized to the extent of the actual expenses of regulated activities.

The remain part of the amount is recognized in the statement of financial position as financing for the current expenses.

**14. TRADE PAYABLES**

The trade payables amounting to as at 31 December are composed of accruals for:

	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Consultancy services	33	-
Audit services	10	4
Membership fees	10	-
Accounting services	4	3
Trade payables on invoices for office consumables	2	1
Donations	2	-
Others	1	-
Legal services	-	4
IT services	-	2
<b>Total</b>	<b>62</b>	<b>14</b>

The trade payables are denominated in BGN and settled in the beginning of the following reporting period.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**15. PAYABLES TO PERSONNEL AND FOR SOCIAL SECURITY**

Payables to personnel and for social security at 31 December include:

	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
Accruals for payments on unused paid leaves	4	3
Accruals for social security contributions on unused paid leaves	1	1
<b>Total</b>	<b>5</b>	<b>4</b>

**16. RELATED PARTY TRANSACTIONS**

In 2015 and 2014 the Foundation has not executed deals with related parties. For avoidance of any doubt the Board of Directors unanimously approved a grant contract with Bauersax foundation, as the member of Board of directors, who can be considered related with the grant addressee didn't participate in the vote. The grant totals BGN 47.1 thousand.

**17. CONTINGENT ASSETS AND LIABILITIES**

*Contingent receivables*

As at 31 December 2015 and 31 December 2014 the Foundation had contingent receivables resulting from the terms and conditions of the grant contracts as follows:

	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>BGN '000</b>	<b>BGN '000</b>
<b><i>Contingent receivables at 1 January</i></b>	<b>11,391</b>	<b>15,582</b>
<i>Additional financing (decrease of financing):</i>	<i>(41)</i>	<i>805</i>
	<b>11,350</b>	<b>16,387</b>
Drawn amount for regulated activities and services performed	(3,948)	(4,996)
<b><i>Contingent receivables at 31 December</i></b>	<b>7,402</b>	<b>11,391</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**17. CONTINGENT ASSETS AND LIABILITIES (CONTINUED)**

*Contingent liabilities*

As at 31 December 2015 the Foundation had also contingent payables resulting from the terms and conditions of the grants awarded by the Foundation in four or programs that work:

- 1) "Educational Achievement Program";
- 2) "Early Childhood Development Program";
- 3) "Family Economic Success Program";
- 4) "Capacity Building Program".

**31 December 2015**

<b>Program</b>	<i>Contingent liabilities at 1 January 2015</i>	<i>Total grants amount on the contracts at 31 December 2015</i>	<i>Gross amount granted in 2015 (Note 4)</i>	<i>Gross amount granted at 31 December 2015</i>	<i>Contingent liabilities at 31 December 2015</i>
	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>
<i>Educational Achievement</i>	553	3,975	1,041	2,981	<b>994</b>
<i>Early Childhood Development</i>	807	2,756	938	2,524	<b>232</b>
<i>Family Economic Success</i>	340	2,050	554	1,394	<b>656</b>
<i>Capacity Building</i>	25	27	15	27	-
<b>Total</b>	<b>1,725</b>	<b>8,808</b>	<b>2,548</b>	<b>6,926</b>	<b>1,882</b>

**31 December 2014**

<b>Program</b>	<i>Contingent liabilities at 1 January 2014</i>	<i>Total grants amount on the contracts at 31 December 2014</i>	<i>Gross amount granted in 2014 (Note 4)</i>	<i>Gross amount granted at 31 December 2014</i>	<i>Contingent liabilities at 31 December 2014</i>
	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>	<i>BGN '000</i>
<i>Educational Achievement</i>	1,141	2,493	1,270	1,940	<b>553</b>
<i>Early Childhood Development</i>	131	2,393	1,430	1,586	<b>807</b>
<i>Family Economic Success</i>	669	1,180	534	840	<b>340</b>
<i>Capacity Building</i>	-	37	12	12	<b>25</b>
<b>Total</b>	<b>1,941</b>	<b>6,103</b>	<b>3,246</b>	<b>4,378</b>	<b>1,725</b>



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2015**

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**17. CONTINGENT ASSETS AND LIABILITIES (CONTINUED)**

In 2015 the Foundation concluded new contracts/annexes to existing grant contracts. The total amount of grants approved as at 31.12.2015 (capitalized since 2012) amounts to BGN 8,808 thousand (31.12.2014: BGN 6,103 thousand), or the total increase of total grant amount during the current financial year amounts to BGN 2,705 thousand.

**18. FINANCIAL RISK MANAGEMENT**

In the course of its ordinary activities the Trust for Social Achievement Foundation can be exposed to a variety of financial risks the most important of which are currency risk, price risk, credit risk, liquidity risk and interest risk.

The structure of Foundation's financial assets and liabilities as at 31 December 2015 is presented below by category. It includes all financial assets in one group 'loans and receivables' and all financial liabilities in one group 'other financial liabilities'.

**31 December 2015**

**Financial assets**

Cash and cash equivalents

**Total**

*Loans and receivables*

**BGN '000**

1,060

**1,060**

*Other financial liabilities*

**BGN '000**

**Financial liabilities**

Payables to suppliers

**Total**

62

**62**

**31 December 2014**

**Financial assets**

Cash and cash equivalents

**Total**

*Loans and receivables*

**BGN '000**

847

**847**

*Other financial liabilities*

**BGN '000**

**Financial liabilities**

Payables to suppliers

**Total**

14

**14**

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**18. FINANCIAL RISK MANAGEMENT (CONTINUED)**

*Currency risk*

The Foundation is not exposed to currency risk since its transactions are performed in BGN.

*Price risk*

The Foundation is not exposed to price risk, performing only non-profit activities.

*Credit risk*

The Foundation is not exposed to credit risk, performing only non-profit activities.

Cash transactions are limited to several reputable banks with liquid stability.

*Liquidity risk*

Liquidity risk is the adverse situation when the Foundation encounters difficulty in meeting unconditionally its obligations within their maturity.

The table below presents the financial non-derivative assets and liabilities of the Foundation, grouped by remaining term to maturity, determined against the contractual maturity at the date of the statement of financial position. The table is prepared on the basis of undiscounted cash flows and the earliest date on which the receivable and respectively, the payable becomes due for payment.

*Maturity analysis*

	At sight and up to 1 month	From 1-3 months	Total
	BGN '000	BGN '000	BGN '000
<b>31 December 2015</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,060	-	1,060
<b>Total</b>	<b>1,060</b>	<b>-</b>	<b>1,060</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	62	62
<b>Total</b>	<b>-</b>	<b>62</b>	<b>62</b>
<b>31 December 2014</b>			
<b>Financial assets</b>			
Cash and cash equivalents	847	-	847
<b>Total</b>	<b>847</b>	<b>-</b>	<b>847</b>
<b>Financial liabilities</b>			
Payables to suppliers	8	6	14
<b>Total</b>	<b>8</b>	<b>6</b>	<b>14</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
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**18. FINANCIAL RISK MANAGEMENT (CONTINUED)**

*Risk of interest-bearing cash flows*

The Foundation does not have a significant portion of interest-bearing assets except for cash.

In general, the Foundation is not exposed to interest risk of its liabilities because they are usually trade ones.

<i>Interest analysis</i>	<i>With fixed interest %</i>	<i>Interest-free</i>	<i>Total</i>
<b>31 December 2015</b>	<b>BGN '000</b>	<b>BGN '000</b>	<b>BGN '000</b>
<b>Financial assets</b>			
Cash and cash equivalents	75	985	1,060
<b>Total</b>	<b>75</b>	<b>985</b>	<b>1,060</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	62	62
<b>Total</b>	<b>-</b>	<b>62</b>	<b>62</b>
<b>31 December 2014</b>			
	<i>With fixed interest %</i>	<i>Interest-free</i>	<i>Total</i>
	<b>BGN '000</b>	<b>BGN '000</b>	<b>BGN '000</b>
<b>Financial assets</b>			
Cash and cash equivalents	35	812	847
<b>Total</b>	<b>35</b>	<b>812</b>	<b>847</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	14	14
<b>Total</b>	<b>-</b>	<b>14</b>	<b>14</b>

**19. EVENTS AFTER THE REPORTING PERIOD**

On 04.05.2016 ABF and TSA signed a new grant agreement with a duration of 48 months and a total commitment of BGN 1.2 million. The funds will be used to implement the project “Building Capital – Partnering with a Local Business to Zone and Legalize a Roma Neighborhood (Oreshaka)”.

Except the as disclosed above, no other adjusting or significant non-adjusting events have occurred between the date of the financial report and the approval for publication date.