

*TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION*  
*Independent auditor's report*  
*Annual activity report*  
*Annual financial statements*  
*31 December 2019*

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**

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*INDEPENDENT AUDITOR'S REPORT*  
*ANNUAL ACTIVITY REPORT*  
*ANNUAL FINANCIAL STATEMENTS*  
*31 December 2019*

This version of the financial statements 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 the report takes precedence over this translation.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
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## Independent Auditor's Report

To the Board of Directors of Trust for Social Achievement Foundation

### Our opinion

We have audited the financial statements of Trust for Social Achievement Foundation (the "Foundation") which comprise the balance sheet as at 31 December 2019, the profit and loss statement from non-profit activities, the profit and loss statement from business activities, the statement of changes in equity and the cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2019, and 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 financial statements section of our report.

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

### Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the ethical requirements of the Independent Financial Audit Act that are relevant to our audit of the financial statements in Bulgaria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Independent Financial Audit Act.

### Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the Annual Activity Report, prepared by the management in accordance with Chapter Seven of the Accountancy Act but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 to be reported under the Accountancy Act**

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the Annual Activity Report, we have also performed the procedures added to those required under ISAs in accordance with the “Guidelines regarding the new and enhanced auditor reporting and communication by the auditor” of the professional organisation of registered auditors in Bulgaria, i.e. the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion on whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act applicable in Bulgaria.

### **Opinion in connection with art. 37, paragraph 6 of the Accountancy Act**

Based on the procedures performed, in our opinion:

- a) the information included in the Annual Activity Report for the financial year for which the financial statements have been prepared is consistent with those financial statements.
- b) the Annual Activity Report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NAS applicable in Bulgaria, 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting 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 financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, 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.



Stoyan Deevski  
Registered Auditor  
17 September 2020  
Sofia, Bulgaria



Jock Nunan  
PricewaterhouseCoopers Audit OOD

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
ANNUAL ACTIVITY REPORT  
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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 and in the Central Registry of Non-profit Legal Entities designated for public benefit activities at the Ministry of Justice under No 20120831005.

In September, 2018 TSA was preregistered in Commercial register and register of NPLE. 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 honour 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 the entire Bulgarian society can develop and prosper.

TSA’s mission is focused on achieving the following objectives:

- ✓ 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 of partner organizations for accountability and administration of grants, as well as the skills for systematic tracking, assessment and demonstration of the targets met by means of performance indicators and specific results.

To achieve its mission TSA raises funds from donor organizations, individuals and others and provides grants in three areas: “Early Childhood Development” (which includes two sub-programs “First Foundations” and “Early Learning and Care”), “Educational Achievement”, and „Family Economic Success“. Additionally, TSA sets aside resources for improving the capacity of its partner organizations.

### **Governance structure**

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 dismissed by the Founder.

As at December 31, 2019, the members of the Board of Directors are as follows: Sarah Perrine, Emilia Karadocheva, Rosen Ivanov, Veneta Ilieva and Viktoriya Blazheva. In February, 2019 Lachezar Bogdanov resigned from the Board.

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 2019 none of the Board members entered into any transactions with TSA.

### **Governance structure (Continued)**

Articles of Association – Statute was adopted on July 19, 2012. In 2013, the court registered a change in the Executive Director position of TSA and Sarah Perrine took over from Emilia Karadocheva. On June, 13 2018 the Court registered the last changes in the Articles of Association.

As at 31 December 2019 and 31 December 2018, the Foundation was represented by the Executive Director Sarah Marie Perrine. As at 31 December 2019, the total number of Foundation's personnel was 26 employees (31 December 2018: 23 employees).

### **Activity Overview**

TSA was established in August 2012 and in October 2012 a grant was awarded by the America for Bulgaria Foundation („ABF“) to TSA with the intent to further develop 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 in Bulgaria. Achieving this goal is unthinkable without the full integration of disadvantaged people.

There are extremely high levels of unemployment and very low levels of education among the disadvantaged in Bulgarian society. Roma comprise an estimated 10% of the population according to experts and make up a significant portion of the poor.

ABF is the main source of funding for the activities of TSA. As at 31.12.2019, TSA has two active grant agreements with ABF for the total amount of BGN 13.1 million. At the end of the year the outstanding contingent receivables from ABF amount to BGN 4.6 million.

For the period January 1, 2019 to December 31, 2019 TSA received from ABF conditional funding, under those two grant agreements, amounting to BGN 4 million compared to 3.2 million for the same period of the previous year.

On 19.08.2016 TSA and the US Embassy in Bulgaria signed a grant contract for 33 months and a total approved amount of USD 154 thousand.

The funding is intended for the implementation of “A Step toward Success: Access to English for youth in Roma Communities” project as part of the „Family Economic Success“ area.

Additionally, TSA was invited to participate in two international consortia and to develop project proposals, which were approved in 2018.

The first multi-national project, worth BGN 129 thousand (EUR 66 thousand) was awarded by the European Commission DG Justice to address the attitudes of young Roma girls towards mothering.

The project is implemented together with two partner organizations in Spain and in Romania as well as a quality control group located in Hungary and the UK.

The second multi-national project, worth BGN 696 thousand (EUR 356 thousand), was awarded by EEA Norway within a call for Youth Employment projects and is called “Find Your Way to the World of Work”. Together with one partner in Bulgaria, one partner in Hungary, one partner in Romania, and one partner in Spain, the Trust will engage with professional high schools and employers in order to increase youth skills and build bridges with local employers.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
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**Activity Overview (Continued)**

In 2017 TSA won a grant worth BGN 108 thousand (USD 62 thousand) with Open Society Foundation Switzerland to support the development of a Roma Early Years Network (REYN), which is an international network of early years practitioners designed to increase knowledge and capacity for professionals working in early childhood development, with a focus on Roma children.

In March 2017 TSA joined a consortia led by OSI Sofia and Workshop for Civic Initiatives to apply for a tender to administer the NGO program – Active Citizens Fund in Bulgaria - under the EEA and Norway Grant Financial Mechanism 2014-2021.

In June 2017 it was announced that the consortium had been selected to perform the program. TSA took the lead on administering a Roma medical scholarship and a predefined project to provide mentorship to medical students.

In addition TSA will receive a management fee to serve as a member of the consortia acting as Fund Operator of the Active Citizens Fund Bulgaria and to provide capacity building support to NGOs serving vulnerable communities.

In November 2018, the TSA signed a grant agreement with Open Society Foundation Switzerland and Porticus Foundation worth USD 1.1 million with a duration of two years.

This project aims to build capacity of local partners to advocate for needed services and reforms in the areas of maternal and infant health. It also deepens and develops greater knowledge on nurturing care and other frameworks for early childhood development.

In addition to the abovementioned funding, the Foundation received funding from other sources and individuals at the amount of BGN 61 thousand in comparison to BGN 86 thousand in 2018.

Total funding received on a cash basis in 2019 was BGN 4.7 million in comparison to BGN 4.1 million in 2018.

The total gross funding as per grant contracts is respectively at the amount of BGN 2.1 million in 2019 and BGN 1.9 million in 2018. At December 31, 2019 TSA had outstanding commitments for grants at the amount of BGN 2 million and since its inception in 2012 had disbursed a total of BGN 15.2 million while the total amount of beneficiaries is above 100,000.

Detailed information on commitments and disbursements by program area is provided in Note 18 to the Annual Financial Statements.

In 2019 TSA continued to very actively work on both demand-driven grant-making as well as TSA initiated projects. In 2019, programs and projects expenses amounted to BGN 1,438 thousand compared to BGN 692 thousand in 2018 or a 108 % increase.

In 2018 TSA established commercial activity to support its mission and was registered under VAT law.

TSA has a number of projects that it has initiated. The biggest in the program area “Early Childhood Development” are the “Springboard for School Readiness” (SSR Project) and “Together - Healthy Baby, a Healthy Future”, and a total of BGN 435 thousand was used for their implementation during the 2019 year.



**Activity Overview (Continued)**

The goal of the SSR Project is to help inform state policy by providing important information with respect to kindergarten attendance of children from disadvantaged families, and to increase their participation in early childhood education in Bulgaria. The Strategic Impact Assessment Fund of the World Bank and the research institute “Poverty Action Lab” financed a large-scale, multi-arm randomized control trial, with the aim to improve participation rates in kindergarten among poor children between the ages of 3 and 5 from disadvantaged communities in Bulgaria. Such a study, based on a national randomized control trial, was carried out for the first time in SE Europe. The preliminary results of this research were announced in late 2016. A formal event was conducted on June 16, 2017 to mark the release of the results.

The formal event was followed up by a number of international and national presentations of the results. In 2017, TSA launched a follow-on study in cooperation with the World Bank, designed to secure reliable baseline for a longitudinal study as well as to assess the school-readiness of 1700 children who were about to enter the first grade. In addition to the research, the TSA continued to support kindergarten participation for approximately 1,100 children during the 2016-2017 school year and approximately 520 children during the 2017-2018 school year. In 2019, TSA focused its efforts on dissemination of the evaluation and information about how to most effectively increase Roma participation in kindergarten. In December 2019, Bulgaria’s National Assembly passed a State Budget Act that included an allocation to cover full-day kindergarten fees for children from disadvantaged families.

This new policy to remove fees will come into effect in September 2020. In late 2019, TSA joined a working group established to discuss and provide feedback on the structure and design of the government’s program for kindergarten fee removal.

In 2017, TSA became licensed by the International Step by Step Association (ISSA) to deliver the Embracing Diversity training program. This training program was accredited by the Ministry of Education and Science. In 2018, trainers who were certified to lead this program began to test it with kindergarten teachers and NGO representatives. In December 2019, Porticus Foundation approved a project submitted by the University of Utrecht, in partnership with TSA, to conduct a randomized control trial of the Embracing Diversity program in order to assess its impact on teacher attitudes and child outcomes.

The implementation of the NFP Project (“Together - Healthy Baby, a Healthy Future”) gained momentum. Activities included adaptation of program materials, ongoing training of a team of qualified midwives and nurses at hospital “Sheynovo” and at University hospital “St. George”. The NFP project offers more than 65 home visits to low-income first-time mothers in Sofia and Plovdiv by registered nurses and midwives from the early pregnancy until the child reaches 2 years of age. The average length of each home visit per client is 70 minutes. Services are currently offered in 9 neighborhoods in Sofia and in 5 neighborhoods in Plovdiv. In total, 154 families have enrolled in Sofia and in Plovdiv since the project’s inception. Of these, 139 families received home visiting services in 2019.

In December 2019 TSA opened the first medical center in the history of Fakulteta neighborhood to provide prenatal care in cooperation with the Health and Social Development Foundation. All medical equipment was purchased through donations, most of which were raised through a crowd-funding campaign in partnership with the Global Giving online platform. The center is fully operational after successfully passing the control visit of the National Health Insurance Fund.

**Activity Overview (Continued)**

The clients from the Together - Healthy Baby, a Healthy Future” project in Sofia are also benefiting from the medical center. Our nurses and midwives are accompanying them to the medical center for regular prenatal and postnatal examination.

TSA continued to support a variety of projects in the program area “Family Economic Success”, allocating BGN 460 thousand in 2019. This included work on the TSA-initiated projects “Zone and Legalize Two Marginalized Neighborhoods”. Spending on the “Building Capital – Partnership with a Local Business to Zone and Legalize a Roma Neighborhood (Oreshaka)” was frozen in accordance with the donor’s instructions until certain local milestones are met.

With the support of the U.S. Embassy in Bulgaria and the America for Bulgaria Foundation, the Trust for Social Achievement implemented a nation-wide after-school English program for Roma high school students from September 2016 – June 2019. This project engaged 323 youth, with 116 youth successfully completing the required 90+ learning hours. In the summer of 2019, the Embassy approved a project extension until January 2020 to provide additional online classes to 30 of the most motivated young learners. Three students from the “A Step toward Success: Access to English for youth in Roma Communities” project applied to and were successfully admitted to the American University in Bulgaria.

In the “Educational Achievement” program area through 2019, BGN 728 thousand were used to support various projects, including scholarships for high school pupils and university students, grants to support projects designed to decrease dropout rates and to increase graduation rates, etc.

In the “Capacity Building” program area, BGN 24 thousand were used to support various projects, including building capacity and specialized trainings for representatives of partner organizations.

Starting in 2018 and continuing through 2019, TSA led 2-day intensive capacity building trainings as a part of our commitment under the Active Citizens Fund. These trainings were conducted in locations across Bulgaria engaged 94 people from 39 organizations serving disadvantaged people. The content included project management, theory of change, assessing risk, constructing monitoring plans, budgeting, etc.

In 2019, TSA approved and awarded 97 grants to 40 partner organisations to support our work in Early Childhood Development, Educational Achievement, Family Economic Success, and Capacity Building.

TSA’s management continued working on strengthening the organization and its team. As of December 31, 2019 TSA had 26 full-time employees compared to 23 at December 31, 2018.

As at 31 December 2019, TSA’s current assets amount to BGN 1,693 thousand (BGN 1,358 thousand as at 31 December 2018), of which: cash and cash equivalents: BGN 1,500 thousand, receivables:

BGN 143 thousand, and other current assets: BGN 50 thousand.

Prepayments for future periods amount to BGN 28 thousand.

Current liabilities amount to BGN 1,368 thousand (BGN 1,091 thousand as at 31 December 2018), of which BGN 1,316 thousand is for financing current expenses, BGN 18 thousand is the current portion of liabilities for PPE financing, BGN 8 thousand is payables to suppliers, BGN 16 thousand is payables to personnel and for social security, BGN 4 thousand is tax payables (corporate tax and VAT) and BGN 6 thousand – other (mainly deposits for participation in courses).

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
ANNUAL ACTIVITY REPORT (CONTINUED)  
31 DECEMBER 2019**

(all amounts are in BGN'000)

**Activity Overview (Continued)**

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

As at 31 December 2019 TSA's assets amounted to BGN 2,200 thousand, and the result from non-profit activities is a loss of BGN 3 thousand. For comparison, as at 31 December 2018 TSA's assets amounted to BGN 1,926 thousand, and the result from non-profit activities was a profit of BGN 3 thousand.

The revenue from business activities in 2019 amounts to BGN 47 thousand, and the net profit generated is BGN 39 thousand. For comparison, as at 31 December 2018 revenue amounted to BGN 66 thousand, and the net profit was BGN 52 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 2019 to 31 December 2019.

During the period 1 January 2019 to 31 December 2019 there were no unusual events that could have a material adverse impact on TSA's activities, its financial condition and operating results.

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.

The Foundation does not undertake activities in the area of research and development.

**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 2019 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':

<b>31 December 2019</b>	<i>Loans and receivables</i>
<b>Financial assets</b>	
Cash and cash equivalents	1,500
<b>Total</b>	<b>1,500</b>
	<i>Other financial liabilities</i>
<b>Financial liabilities</b>	
Payables to suppliers	8
<b>Total</b>	<b>8</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
ANNUAL ACTIVITY REPORT (CONTINUED)  
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(all amounts are in BGN'000)

**Financial Risk Management (Continued)**

<b>31 December 2018</b>	<i>Loans and receivables</i>
<b>Financial assets</b>	
Cash and cash equivalents	1,214
<b>Total</b>	<u>1,214</u>
	<i>Other financial liabilities</i>
<b>Financial liabilities</b>	
Payables to suppliers	16
<b>Total</b>	<u>16</u>

***Currency risk***

The Foundation is exposed to currency risk of change in foreign exchange rates in regard to the cash and cash equivalents in USD. As at 31 December the Foundation has cash on current and deposit accounts in USD amounting to USD 96 thousand or BGN 166 thousand (31 December 2018: USD 82 thousand or BGN 149 thousand).

The following exchange rates are applicable for 2019 and 2018:

	<i>Average applicable rate for the year</i>		<i>Exchange rate on 31 December</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
<b>1 USD</b>	1.74703	1.65704	1.74099	1.70815

Upon an increase in the exchange rate by 10%, the result of non-profit activities will increase by BGN 17 thousand (2018: by BGN 14 thousand).

Upon a decrease in the exchange rate by 10%, the result of non-profit activities will decrease by BGN 17 thousand (2018: by BGN 14 thousand).

***Price risk***

The Foundation is not exposed to essential price risk from its commercial activity, because it performs particular services on which prices are preliminary negotiated with the clients.

***Credit risk***

The Foundation is not exposed to credit risk, because it performs services only to clients that are preliminary approved by the Board and whose receivables are collected in preliminary negotiated periods.

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.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**ANNUAL ACTIVITY REPORT (CONTINUED)**  
**31 DECEMBER 2019**

(all amounts are in BGN'000)

**Financial Risk Management (Continued)**

*Liquidity risk (Continued)*

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 balance sheet.

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

	<b>On demand and within 1</b>		
	<b>month</b>	<b>1-3 months</b>	<b>Total</b>
<b>31 December 2019</b>			
<b>Financial assets</b>			
Cash	1,500	-	1,500
<b>Total</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	8	8
<b>Total</b>	<b>-</b>	<b>8</b>	<b>8</b>
	<b>On demand and within 1</b>		
	<b>month</b>	<b>1-3 months</b>	<b>Total</b>
<b>31 December 2018</b>			
<b>Financial assets</b>			
Cash	1,214	-	1,214
<b>Total</b>	<b>1,214</b>	<b>-</b>	<b>1,214</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	8	8
<b>Total</b>	<b>-</b>	<b>8</b>	<b>8</b>

*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.

Interest analysis

	<b>with fixed</b>		<b>Total</b>
	<b>interest %</b>	<b>interest-free</b>	
<b>31 December 2019</b>			
<b>Financial assets</b>			
Cash	158	1,342	1,500
<b>Total</b>	<b>158</b>	<b>1,342</b>	<b>1,500</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	8	8
<b>Total</b>	<b>-</b>	<b>8</b>	<b>8</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
ANNUAL ACTIVITY REPORT (CONTINUED)  
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(all amounts are in BGN'000)

**Financial Risk Management (Continued)**

*Risk of interest-bearing cash flows (Continued)*

*Interest analysis (Continued)*

31 December 2018	with fixed interest %	interest-free	Total
<b>Financial assets</b>			
Cash	72	1,142	1,214
<b>Total</b>	<b>72</b>	<b>1,142</b>	<b>1,214</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	16	16
<b>Total</b>	<b>-</b>	<b>16</b>	<b>16</b>

**Main indicators of the economic environment**

The main economic indicators of the business environment that have affected the Foundation's activities throughout the period 2016 – 2019 are presented in the table below:

Indicator	2016	2017	2018	2019
GDP in million levs*	95,092	102,308	109,695	118,669
Actual growth of GDP*	3.8%	3.5%	3.1%	3.4%
Year-end inflation	-0.5%	1.8%	2.3%	3.1%
Average exchange rate of USD for the year	1.77	1.73	1.66	1.75
Exchange rate of the USD at the year-end	1.85545	1.63081	1.70815	1.74099
Basic interest rate at the year-end	0.00	0.00	0.00	0.00
Unemployment rate at the year-end**	8.0%	7.1%	6.1%	5.9%
Standard & Poor's credit rating for Bulgaria (long-term)	BB+	BB+	BBB-	BBB-
Moody's credit rating for Bulgaria (long-term)	Baa2	Baa2	Baa2	Baa2
Fitch credit rating for Bulgaria (long-term)	BBB-	BBB-	BBB	BBB

Note: \* BNB forecast for 2019, prepared as at 20 December 2019; \*\* According to data of the Employment Agency

Source: BNB, Ministry of Finance

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

TSA's operations encountered a number of difficulties as a result of the emergence and quick spread of the coronavirus in the beginning of 2020. On 11 March 2020 the World Health Organisation declared a Covid-19 pandemic. On 13 March 2020 the Bulgarian government imposed a state of emergency in the country and imposed strict measures on the population and the business. Since the situation and the measures taken by the state authorities are very dynamic and it is hard even for large international institutions to forecast the economic consequences of the contamination spread, the Foundation's management is unable to assess the pandemic's impact on its future financial position and operating results. Nevertheless, the management assumes that the Foundation and its grant beneficiaries will be impacted, and a delay is possible in implementation of activities in the respective projects.

### **Expected Developments and Plans for 2020**

In 2020 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 in the sectors where it works.

The Foundation does not plan significant capital investments in 2020.

### **Management Responsibilities**

The Management is required by the Bulgarian legislation to prepare annual financial statements that give a true and fair view of the state of affairs of the Foundation as at the year end, its financial result and change in cash flows for the year in accordance with the National Accounting Standards.

The Management confirms that the financial statements were prepared in accordance with the specified accounting standards and on a going concern basis.

The Management is responsible for keeping proper accounting records, for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Date: 28 June 2020



---

Executive Director:  
Sarah Marie Perrine



TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
**PROFIT AND LOSS STATEMENT FROM NON-PROFIT ACTIVITIES**  
 for the year ended 31 December 2019

	Note	2019	2018	Note	2019	2018
		BGN'000	BGN'000		BGN'000	BGN'000
<b>I. Operating expenses</b>						
<i>A. Expenses for regulated activities</i>						
1. Financing expenses	4	1,968	1,733	3	4,482	3,522
2. Programs and projects expenses	4	1,438	692	5	5	2
<b>Total A:</b>		<b>3,406</b>	<b>2,425</b>		<b>4,487</b>	<b>3,524</b>
<i>B. Administrative expenses</i>						
<b>Total I:</b>	5	<b>1,076</b>	<b>1,097</b>			
		<b>4,482</b>	<b>3,522</b>			
<b>II. Finance costs</b>						
3. Foreign currency exchange losses		18	5	1	-	-
<b>Total II:</b>	6	<b>18</b>	<b>5</b>	9	<b>10</b>	<b>6</b>
<b>III. Total expenses</b>		<b>4,500</b>	<b>3,527</b>		<b>4,497</b>	<b>3,530</b>
<b>IV. Profit from non-profit activities for the year (total revenues - total expenses)</b>		-	3		3	-
<b>Total (III + IV)</b>		<b>4,500</b>	<b>3,530</b>		<b>4,500</b>	<b>3,530</b>

The financial statements on pages 11 to 35 were approved by the Founder and the Board of Directors for issue and signed on 28 June 2020

*SMP*  
 Sarah Marie Perrine  
 Executive director



Signed in accordance with Independent Auditors' Report:

*Stoyan Deevski*  
 Stoyan Deevski  
 Registered Auditor

Preparer:

AFA Consultants OOD  
 Valia Iordanova, General Manager

*Jock Nunan*  
 Jock Nunan

PricewaterhouseCoopers Audit OOD

17 -09- 2020

17 -09- 2020

The notes on pages 16-35 form an integral part of these financial statements.

This is a translation from Bulgarian of the annual financial statements of Trust for Social Achievement Foundation for the year ended 31 December 2019.



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
PROFIT AND LOSS STATEMENT FROM BUSINESS ACTIVITIES  
for the year ended 31 December 2019**

	Note	2019 BGN'000	2018 BGN'000	Note	2019 BGN'000	2018 BGN'000
<b>A. Expenses</b>						
1. Expenses for materials and hired services, including:						
a) hired services		-	-		47	66
2. Other expenses		4	4		47	66
<i>Total expenses for operating activity (1 + 2)</i>	7	4	8	7	47	66
<i>Total expenses (1 + 2)</i>		4	8			
3. Accounting profit for the year (total revenues – total expenses)		43	58		-	-
4. Tax expense on profit	8	4	6		-	-
5. Net profit for the year (3 - 4)		39	52		-	-
<i>Total (Total expenses + 4 + 5)</i>		47	66		47	66

The financial statements on pages 11 to 35 were approved by the Founder and the Board of Directors for issue and signed on 28 June 2020.

Sarah Marie Perrine  
Executive director

Signed in accordance with Independent Auditors' Report

Stoyan Deevski  
Registered Auditor

**TRUST  
FOR SOCIAL  
ACHIEVEMENT**  
Auditors' Report



Preparer:

AFA Consultants OOD  
Valia Iordanova, General Manager

Jock Numan

PricewaterhouseCoopers Audit OOD

17 -09- 2020

17 -09- 2020

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This is a translation from Bulgarian of the annual financial statements of Trust for Social Achievement Foundation for the year ended 31 December 2019.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**BALANCE SHEET**  
**as at 31 December 2019**

	31 December		31 December			
	Note	2019 BGN'000	2018 BGN'000	Note	2019 BGN'000	2018 BGN'000
<b>ASSETS</b>				<b>LIABILITIES</b>		
<b>ASSETS</b>				<b>NET ASSETS AND</b>		
<b>A. Non-current (long-term) assets</b>				<b>LIABILITIES</b>		
<b>I. Intangible assets</b>				<b>A. Net assets</b>		
1. Concessions, patents, licences, trademarks, software and other similar rights and assets		5	27	<b>I. Reserves</b>		
<b>Group I total:</b>	9	5	27	1. Other reserves, including:	445	448
				- from prior years	448	445
				- for the current year	(3)	3
<b>II. Tangible fixed assets</b>				<b>Group I total:</b>	445	448
1. Land and buildings, including:		414	437	<b>II. Accumulated profit</b>		
				<b>(losses) from business</b>		
				<b>activities in prior years,</b>		
				<b>including:</b>		
				- retained earnings	52	
				<b>Group II total:</b>	52	
- land		7	7	<b>III. Current profit/(loss)</b>		
- buildings		407	430	<b>from business activities</b>	39	52
2. Equipment and other		80	88	<b>Section A total</b>	536	500
<b>Group II total:</b>	10	494	525	<b>LIABILITIES</b>		
<b>Section A total:</b>		499	552	<b>B. Creditors</b>		
				1. Trade creditors, including:	14	16
				up to 1 year	8	16
<b>B. Current (short-term) assets</b>				2. Other liabilities, including:	26	21
<b>I. Debtors</b>				- payables to personnel,		
1. Trade debtors		136	86	including:	15	13
				up to 1 year	13	13
2. Other receivables		7	6	2. Other liabilities, including:		
<b>Group I total:</b>	11	143	92	- payables for social security,		
<b>II. Other current assets</b>	12	50	52	including:	15	2
<b>III. Cash and cash equivalents,</b>				up to 1 year	3	2
<b>including:</b>	13	1,500	1,214	- tax payables, including:	8	6
- cash in current bank accounts		1,500	1,214	up to 1 year		
(deposits)				<b>Section B total, including:</b>	34	37
<b>Group III total:</b>		1,500	1,214	up to 1 year	34	37
<b>Section B total:</b>		1,693	1,358	<b>C. Grants and deferred</b>		
<b>C. Deferred expenses</b>	11	28	16	<b>income, including:</b>	16	1,650
				- grants		1,389
<b>TOTAL ASSETS (A + B + C)</b>		2,220	1,926	<b>TOTAL NET ASSETS AND</b>		
				<b>LIABILITIES (A + B + C))</b>	2,220	1,926

The financial statements on pages 11 to 35 were approved by the Founder and the Board of Directors for issue and signed on 28 June 2020.

Sarah Marie Perrine  
Executive director

**TRUST FOR SOCIAL ACHIEVEMENT**

Preparer:  
AFA Consultants OOD  
Valia Jordanova, General Manager

Signed in accordance with Independent Auditor's Report:

Stoyan Deevski  
Registered Auditor



Jock Nunan  
PricewaterhouseCoopers Audit OOD

17-09-2020

17-09-2020


The notes on pages 16-35 form an integral part of these financial statements.

This is a translation from Bulgarian of the annual financial statements of Trust for Social Achievement Foundation for the year ended 31 December 2019.


**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**CASH FLOW STATEMENT**  
as at 31 December 2019

	Note	2019 BGN'000	2018 BGN'000
<b>I. Cash and cash equivalents at 1 January</b>	13	1,214	540
<b>II. Cash flows from non-profit activities</b>			
<b>A. Cash proceeds from non-profit activities</b>			
1. Proceeds from conditional financing		4,742	4,137
2. Proceeds from bank and currency transactions		10	5
3. Other receivables		16	2
<b>Total cash proceeds from non-profit activities</b>		<b>4,768</b>	<b>4,144</b>
<b>B. Cash paid for non-profit activities</b>			
1. Financing granted		1,968	1,733
2. Cash paid for programs and projects		1,393	744
3. Cash paid to employees and for social security		603	644
4. Cash paid to suppliers		389	313
5. Other taxes paid		134	98
6. Payments for bank and currency transactions		23	9
7. Other payments		3	-
<b>Total cash paid for non-profit activities</b>		<b>4,513</b>	<b>3,541</b>
<b>C. Net cash flows from non-profit activities</b>		<b>255</b>	<b>603</b>
<b>III. Cash flows from business activities</b>			
<b>A. Cash proceeds from business activities</b>			
1. Proceeds from clients		56	79
<b>Total cash proceeds from business activities</b>		<b>56</b>	<b>79</b>
<b>B. Cash paid for business activities</b>			
1. Cash paid to suppliers		19	4
2. Tax payments		6	-
3. Other payments		-	4
<b>Total cash paid for business activities</b>		<b>25</b>	<b>8</b>
<b>C. Net cash flows from business activities</b>		<b>31</b>	<b>71</b>
<b>IV. Cash and cash equivalents at 31 December</b>	13	<b>1,500</b>	<b>1,214</b>
<b>V. Change in the cash flows for the year</b>		<b>286</b>	<b>674</b>

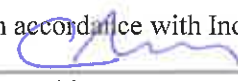
The financial statements on pages 11 to 35 were approved by the Founder and the Board of Directors for issue and signed on 28 June 2020.

  
Sarah Marie Perrine  
Executive director

  
**TRUST  
FOR SOCIAL  
ACHIEVEMENT**

  
Preparer:  
AFA Consultants OOD  
Valia Jordanova, General Manager

Signed in accordance with Independent Auditors' Report:

  
Stoyan Deevski  
Registered auditor



  
Jock Nunan  
PricewaterhouseCoopers Audit OOD

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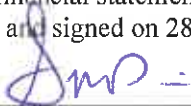
The notes on pages 16-35 form an integral part of these financial statements.

*This is a translation from Bulgarian of the annual financial statements of Trust for Social Achievement Foundation for the year ended 31 December 2019.*


**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2019

	Other reserves BGN '000	Financial result from non-profit activity for the current year BGN '000	Financial result from business activities		Total net assets BGN '000
			Retained earnings BGN '000	Net profit for the year BGN '000	
<b>1. Balance at 1 January 2019</b>	<b>445</b>	<b>3</b>		<b>52</b>	<b>500</b>
2. Financial result for the current year – profit/(loss)	-	(3)	-	-	(3)
3. Financial result from non-profit activity for the year	-	-	-	39	39
4. Transfer to other reserves	3	(3)	52	(52)	-
<b>5. Balance at 31 December 2019</b>	<b>448</b>	<b>(3)</b>	<b>52</b>	<b>39</b>	<b>536</b>

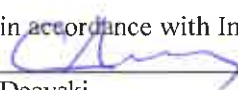
The financial statements on pages 11 to 35 were approved by the Founder and the Board of Directors for issue and signed on 28 June 2020.

  
Sarah Marie Perrine  
Executive director



  
Preparer:  
AFA Consultants OOD  
Valia Iordanova, General Manager

Signed in accordance with Independent Auditors' Report:

  
Stoyan Deevski  
Registered auditor



  
Jock Nunan  
PricewaterhouseCoopers Audit OOD

17 -09- 2020

17 -09- 2020

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 December 2019**

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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.

In 2018 the Foundation was registered in the Commercial register (as at 31.12.2017 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. As at 31 December 2019, the members of the Board of Directors are as follows: Veneta Ilieva, Viktoria Blazheva, Emilia Karadocheva, and Rosen Ivanov. As at 31 December 2019, the Foundation was represented by the Executive Director Sarah Marie Perrine.

As at 31 December 2019, the initial property contributions are at the amount of BGN 1,000.

As at 31 December 2019, the total number of Foundation's personnel was 26 employees (31 December 2018: 23 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.

#### *Objectives*

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

- to provide local and national level support of initiatives with focus on mother's and children's health, and development of persons at risk, and more specifically, such from ethnic minorities, early childhood development, increased attendance in kindergarten, preschool groups and other;
- to provide local and national level support of initiatives that improve the educational achievements of persons at risk and more specifically, such from ethnic minorities and the young people from impoverished and marginal communities, as well as preventing children from dropping out of school with a focus on improving school participation and learning and increasing the number of high school graduates;
- to provide local and national level support of initiatives that improve the access to opportunities for increasing personal incomes of people from risk groups and especially of ethnic minorities. That includes teachings for acquiring skills for finding a job, connecting with employers, entrepreneurship, promoting and helping of programs that legalizes districts and buildings;
- to improve non-profit organizations' local and national 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.

#### *Means to achieve the objectives*

In order to achieve its objectives, the Foundation develops the following activities:

- manages local and national partners' financial aids; projects, performs, monitors and assesses programs that improve the educational achievements of students at risk and more specifically, such from ethnic minorities and children from impoverished and marginal communities;
- projects, performs, monitors and assesses programs 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;

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2019**

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

***1.2. Principal activities (continued)***

*Means to achieve the objectives (continued)*

- projects and performs teachings of local partners in order to increase their 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.
- performs auxiliary activities related to its objectives.

**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***

The financial statements of Trust for Social Achievement Foundation have been prepared in accordance with the (new) Accountancy Act effective as of 1 January 2016 (SG 95/08.12.2015) and National Accounting Standards (NAS), approved by the Council of Ministers by CMD No 46/2005 (SG 30/07.04.2005) and amended and supplemented by CMD No 251/2007 (SG 86/26.10.2007) and by CMD 394/2015 (SG 3/12.01.2016, in force as of 1 January 2016), by observing the specific requirements of NAS 9 "Presentation of Financial Statements of Non-profit Entities".

The Foundation keeps its accounting books in Bulgarian Levs (BGN) and prepares its official financial statements in accordance with Bulgarian accounting legislation.

The data in the annual financial statements and the notes thereto is presented in thousand Bulgarian Levs (BGN'000).

These annual financial statements have been prepared on a historical cost basis.

The financial statements have been prepared on a going concern basis, which assumes that the Foundation will continue its business in the foreseeable future. The future viability of the Foundation depends upon the continuing support of its owners.

The Management of the Foundation is not aware of information, which may lead to uncertainty on the ability of the Foundation to continue its business activities, and deem it appropriate to prepare the financial statements on the basis of the going concern principle.

***2.2 Uncertainty of accounting estimates***

The presentation of the financial statements in accordance with National Accounting Standards requires the management to make best estimates, accruals and reasonable assumptions that affect the reported values of assets and liabilities, income and expenses, and the disclosure of contingent receivables and payables as at the date of the financial statements. These estimates, accruals and assumptions are based on the information, which is available at the date of the financial statements, and therefore, the future actual results might be different from them. Information about items presuming a higher level of subjective assessment or complexity or where the assumptions and accounting estimates are material for the financial statements is presented below:

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2019**

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(all amounts are in BGN'000)

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

**2.2 Uncertainty of accounting estimates (continued)**

*Useful life of depreciable assets*

Management reviews the useful lives of depreciable assets at the end of each reporting period. As at 31 December 2019 the management determines the useful life of the assets, which represents the estimated useful life of the assets by the Foundation.

The carrying amounts of assets are analysed in Notes 9 and 10. The actual asset life may differ from the valuation made due to technical obsolescence, mainly of software and computer equipment.

**2.3. Comparatives**

The Foundation presents comparative information in these financial statements for the period till 31 December 2018. Where necessary, comparative data is reclassified and/or restated in order to achieve compatibility in view of the current period presentation changes.

**2.4. 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.

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 balance sheet, 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 profit and loss statement at the moment of occurrence and treated as finance income/ cost.

**2.5. Revenue**

***Revenue from non-profit activities***

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

The revenue 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.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2019**

---

(all amounts are in BGN'000)

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

**2.5. Revenue (continued)**

***Revenue from non-profit activities (continued)***

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 they originate. Finance income consists of interest income on bank deposits and positive exchange rate differences related to cash, trade payables denominated in a foreign currency and is included in the profit and loss statement when incurred.

***Revenue from business activities***

Upon rendering of services, revenue is recognised by reference to the stage of completion of the transaction at the balance sheet date, if this stage as well as the transaction and completion costs, can be measured reliably.

Revenue is measured on the basis of the fair value of the services sold, net of indirect taxes and any discounts granted.

**2.6. 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.

Financial costs consist of negative exchange rate differences related to cash, trade payables denominated in a foreign currency and are included in the profit and loss statement when incurred.

**2.7. 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.



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

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

***Initial acquisition (continued)***

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.

Fixed tangible assets that consist of identifiable components meeting the criteria for a tangible fixed asset separately are treated as separate tangible fixed assets and amortized on the basis of the useful life of the separate identifiable parts.

***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 reconstruction, 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 reconstruction.

***Depreciation methods***

The Foundation applies the straight-line depreciation method for machinery and equipment. Depreciation of assets begins in the month following the month in which the depreciable asset is acquired or put into 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.

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 as well as the accrued amortization for the current and future periods.

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

**2.7. Property, plant and equipment (Continued)**

***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 profit and loss statement.

***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.

Revenues from sale are reported as "other revenues", while the carrying amount is reported as "other expenses" in the profit and loss statement.

**2.8. Intangible assets**

Intangible assets are stated in the financial statements at acquisition cost (cost) less accumulated amortization and any impairment losses in value. The acquisition cost comprises the purchase price, including customs duties and any directly attributable costs of bringing the asset to working condition for its intended use. 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 profit and loss statement.

Intangible assets are derecognized from the balance sheet 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. Revenues from sale are reported as "other revenues", while the carrying amount is reported as "other expenses" in the profit and loss statement.

**2.9. Trade and other receivables**

Trade receivables are presented and reported at the amount of the original invoice issued less the amount of impairment for uncollectible amounts.

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

**2.9. Trade and other receivables (continued)**

An estimate of allowances for doubtful and bad debts is made when significant uncertainty exists as to the collection of the full amount. Uncollectible receivables are written-off when the legal grounds for that are identified or when a particular trade receivable is judged as fully uncollectible. The write-off is made at the account of the formed allowance. Impairment losses and written-off trade receivables are represented in the profit and loss statement in the item "Impairment losses and derecognition of financial assets".

**2.10. 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%);
- gross expenditure on contracts for the provision of grants and returned (unused) funded by grant beneficiaries are presented net.

**2.11. 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.

Liabilities are derecognised when there are legal grounds for doing so. Derecognized liabilities, which represent financial liabilities, are included in the finance income in the profit and loss statement in the item "Derecognition of financial liabilities".

**2.12. 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.

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, 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).

The pension plans, that are 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 follows: Pensions Fund, GDM Fund, Unemployment Fund, LAPD Fund as well as to universal and professional pension funds – on the basis of rates fixed by law, and has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay the respective individuals the benefits they have worked-out over the period of their service. The obligations referring to health insurance are analogous.

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

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

There is no established and functioning private voluntary social security fund at the Foundation.

The contributions, payable by the Foundation under defined contribution plans for social security and health insurance, are recognized as a current expense in the profit and loss statement and as a current liability at their undiscounted amount along with the accrual of the respective employee benefits to which the contributions refer and in the period of rendering the underlying service.

***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 profit and loss for the period when the service thereon has been rendered and/or the requirements for their receipt have been met 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***

In accordance with the Labour Code, the Foundation in its capacity as an employer in Bulgaria is obliged to pay to its personnel upon retirement an indemnity, which depending on the length of service at the foundation varies between two and six gross monthly salaries as at the termination date of the employment. In their nature these are unfunded defined benefit schemes.

The calculation of these liabilities necessitates the participation of qualified actuaries in order to determine their present value at the reporting date, to be included in the balance sheet and respectively. the change in value –to be included in the profit and loss statement.

At the end of the reporting period, based on its experience and judgment of the number and composition of staff as an age and length of service in the Foundation, the management has defined retirement indemnities as immaterial and therefore has not used the services of a certified actuary.

***Termination benefits***

In accordance with the local provisions of the employment and social security regulations in Bulgaria, the Foundation as an employer is obliged, upon termination of the employment contracts prior to retirement, to pay certain types of indemnities.

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 balance sheet at their present value.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2019**

(all amounts are in BGN'000)

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

***2.13. 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 balance sheet 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 in the balance sheet 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.

**3. NET REVENUE FROM CONDITIONAL FINANCING**

Net revenues from conditional financing include revenues 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>2019</b>	<b>2018</b>
Net revenues from conditional financing, including:		
<i>Educational Achievement</i>	1,024	1,328
<i>Early Childhood Development</i>	2,692	1,205
<i>Family Economic Success</i>	725	917
<i>Capacity Building</i>	23	33
<i>Financing for acquisition of non-current assets up to the amount of depreciation charge (Notes 9 and 10)</i>	18	20
<i>Other</i>	-	19
<b>Total</b>	<b>4,482</b>	<b>3,522</b>

**4. EXPENSES FOR REGULATED ACTIVITY**

***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 individuals or legal representatives of legal entities, 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 2019 the Foundation approved and concluded grant contracts whereas the gross expenses on the awarding of this grant amounted to BGN 2,141 thousand (2018: BGN 1,855 thousand) (Note 18).

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
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**4. EXPENSES FOR REGULATED ACTIVITY (CONTINUED)**

*Financing expenses (continued)*

The net expenses on the awarding of grants amounted to BGN 1,968 thousand (2018: BGN 1,733 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:

	2019	2018
Materials and consumables used	66	40
Hired services expense	444	212
Amortization	3	8
Employee benefits expense	501	271
Other expenses	424	161
<b>Total</b>	<b>1,438</b>	<b>692</b>

**5. ADMINISTRATIVE EXPENSES**

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

	2019	2018
Materials and consumables used	56	72
Hired services expenses	177	174
Depreciation and amortization expenses	94	104
Employee benefits expense	676	688
Other expenses	73	59
<b>Total</b>	<b>1,076</b>	<b>1,097</b>

**6. FINANCE INCOME AND FINANCE COSTS**

*Finance income*

	2019	2018
Foreign currency exchange gains	9	6
Interest income	1	-
<b>Finance income</b>	<b>10</b>	<b>6</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
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(all amounts are in BGN'000)

**6. FINANCE INCOME AND FINANCE COSTS (CONTINUED)**

*Finance costs*

	2019	2018
Foreign currency exchange losses	18	5
<b>Total</b>	<b>18</b>	<b>5</b>

**7. REVENUES AND EXPENSES FROM BUSINESS ACTIVITIES**

*Revenues from business activities* are at the amount of BGN 47 thousand for rendering of services (2018: BGN 66 thousand).

*Expenses for business activities* are at the amount of BGN 4 thousand (2018: BGN 8 thousand), which are other expenses.

**8. TAXATION**

The main components of the income tax expense for the year ended 31 December are:

	2019	2018
<i><u>Profit and loss statement of business activities</u></i>		
Tax profit for the period under the tax return	45	58
Current tax expense on profit for the period - 10%	4	6
<b>Total tax expense on profit reported to the profit and loss statement of business activities</b>	<b>4</b>	<b>6</b>
<i><u>Reconciliation of tax expense on profit applicable to the pre-tax profit or loss</u></i>		
Accounting profit for the period	43	58
Tax expense on profit – 10%	4	6
<b>Total tax expense on profit carried to the profit and loss statement of business activities</b>	<b>4</b>	<b>6</b>

As at 31 December 2019 the Foundation has *a liability for tax on profit from business activities* at the amount of BGN 4 thousand (31 December 2018 – BGN 6 thousand).

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
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**9. INTANGIBLE ASSETS**

	<i>Software</i>		<i>Licenses</i>		<i>Total</i>	
	2019	2018	2019	2018	2019	2018
<b>Book value</b>						
<b>Balance at 1 January</b>	166	156	53	53	219	209
Additions	-	10	-	-	-	10
Transfer to software	-	-	-	-	-	-
<b>Balance at 31 December</b>	<b>166</b>	<b>166</b>	<b>53</b>	<b>53</b>	<b>219</b>	<b>219</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 January</b>	139	104	53	51	192	155
Depreciation for the year	22	35	-	2	22	37
<b>Balance at 31 December</b>	<b>161</b>	<b>139</b>	<b>53</b>	<b>53</b>	<b>214</b>	<b>192</b>
<b>Carrying amount at 31 December</b>	<b>5</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>27</b>

The licenses were acquired through gratuitous selective financing obtained under contracts for donation with Microsoft. These assets are fully depreciated as at 31 December 2018.

**10. 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>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Book value</b>												
<b>Balance at 1 Jan</b>	7	7	570	570	110	101	70	70	50	41	807	789
Additions	-	-	-	-	33	9	-	-	35	9	68	18
Disposals	-	-	-	-	6	-	-	-	31	-	37	-
<b>Balance at 31 Dec</b>	<b>7</b>	<b>7</b>	<b>570</b>	<b>570</b>	<b>137</b>	<b>110</b>	<b>70</b>	<b>70</b>	<b>54</b>	<b>50</b>	<b>838</b>	<b>807</b>
<b>Accumulated depreciation</b>												
<b>Balance at 1 Jan</b>	-	-	140	117	89	62	20	3	33	27	282	209
Depreciation for the year	-	-	23	23	26	27	17	17	9	6	75	73
Depreciation written-off	-	-	-	-	6	-	-	-	7	-	13	-
<b>Balance at 31 Dec</b>	<b>-</b>	<b>-</b>	<b>163</b>	<b>140</b>	<b>109</b>	<b>89</b>	<b>37</b>	<b>20</b>	<b>35</b>	<b>33</b>	<b>344</b>	<b>282</b>
<b>Carrying amount at 31 Dec</b>	<b>7</b>	<b>7</b>	<b>407</b>	<b>430</b>	<b>28</b>	<b>21</b>	<b>33</b>	<b>50</b>	<b>19</b>	<b>17</b>	<b>494</b>	<b>525</b>

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. In 2019, depreciation costs for these assets are at the amount of BGN 18 thousand (2018: BGN 18 thousand).



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
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(all amounts are in BGN'000)

**11. RECEIVABLES AND PREPAYMENTS**

*Receivables*

	<b>31.12.2019</b>	<b>31.12.2018</b>
Receivables from advances to suppliers	136	86
Other receivables	7	6
<b>Total</b>	<b>143</b>	<b>92</b>

*Deferred expenses*

Prepaid deferred expenses amounting to BGN 28 thousand (31 December 2018: BGN 16 thousand) include insurance and subscriptions.

**12. OTHER CURRENT ASSETS**

Other current assets amounting to BGN 50 thousand (31 December 2018: BGN 52 thousand) include: land acquired in 2015 intended for donation and capitalised expenses for land use plan with an aggregate amount of BGN 50 thousand (31 December 2018: BGN 50 thousand).

**13. CASH AND CASH EQUIVALENTS**

	<b>31.12.2019</b>	<b>31.12.2018</b>
Cash at a current bank account in BGN	1,250	1,064
Cash at a current bank account in foreign currency	92	78
Cash at bank deposit accounts in BGN	84	-
Cash at a current bank account in foreign currency	74	72
<b>Total</b>	<b>1,500</b>	<b>1,214</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.

**14. PAYABLES TO SUPPLIERS**

The payables to suppliers as at 31 December comprise:

	<b>31.12.2019</b>	<b>31.12.2018</b>
Accounting services	2	2
Insurance	2	-
Accommodation	2	-
Transport services	1	-
Other	1	2
Materials	-	9
IT services	-	2
<b>Total</b>	<b>8</b>	<b>16</b>

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

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
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(all amounts are in BGN'000)

**15. PAYABLES TO PERSONNEL AND FOR SOCIAL SECURITY**

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

	<b>31.12.2019</b>	<b>31.12.2018</b>
Accruals for payments on unused paid leaves	13	13
Accruals for social security contributions on unused paid leaves	3	2
<b>Total</b>	<b>16</b>	<b>15</b>

**16. FINANCING**

*Financing for non-current assets*

The financing for non-current assets are recognized as current revenues from financing up to the amount of the depreciation charge for the year (Note 10).

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

<b>Term</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Up to one year</b>	<b>18</b>	<b>18</b>
Two-level office (to the amount of funding)	18	18
<b>Over one year</b>	<b>316</b>	<b>335</b>
Two-level office (to the amount of funding)	309	328
Land plot	7	7
<b>Total</b>	<b>334</b>	<b>353</b>

*Financing for current expenses*

	<b>31.12.2019</b>	<b>31.12.2018</b>
Financing for current expenses	1,316	1,036
	<b>1,316</b>	<b>1,036</b>

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

The remaining part is recognized in the balance sheet as financing for current expenses.

*Financing for non-current assets and financing for current expenses* are stated in the balance sheet summarised on line "Grants and deferred income".

**17. RELATED PARTY TRANSACTIONS**

No related party transactions were performed in year 2019.

In May 2018 a donation was received from Next Generation Bulgaria Fund (NGBF), USA.

NGBF is a party, related with the executive director Sarah Perrine, because she takes part in its managing or controlling body. The received donation is at the amount of USD 10 thousand.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2019**

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**17. RELATED PARTY TRANSACTIONS (CONTINUED)**

Members of the Managing Board are not related between each other and do not receive remuneration for their activity.

**18. CONTINGENT ASSETS AND LIABILITIES**

*Contingent receivables*

As at 31 December 2019 the Foundation has contingent receivables resulting from the terms set in the grant contracts, the more significant ones being as follows:

A commitment of America for Bulgaria Foundation (ABF) as per a grant agreement dated 21 February 2017 and subsequent annexes to the agreement for a period of 36 months (from October 2017 to September 2020) amounts to BGN 11.9 million; the outstanding contingent receivables from ABF amount to BGN 3.7 million.

A commitment of ABF as per a grant agreement dated 4 May 2016 with a duration of 48 months and with a total approved amount of BGN 1.2 million. As at 31 December 2019 the outstanding receivables from ABF for this grant amount to BGN 831 thousand.

A commitment of Foundation Open Society Institute – Switzerland as per a grant agreement dated 27 October 2017 with a duration of 24 months and a total approved amount of BGN 106 thousand (USD 61 thousand).

As at 31 December 2019, the outstanding receivables from Foundation Open Society Institute – Switzerland for this grant amount to BGN 26 thousand (USD 15 thousand).

A commitment of European Financial Stabilisation Mechanism (EFSM) of European Economic Community (EEC) as per a grant agreement dated 17 May 2018 with a duration of 78 months and a total approved amount of BGN 2 million (EUR 1 million).

As at 31 December 2019, the outstanding contingent receivables from EFSM of EEC for this grant amount to BGN 1.8 million (EUR 911 thousand).

Contingent receivables in relation to the commitment for managing the consortium and support for capacity development of the NGOs working with vulnerable communities amount to a total of BGN 391 thousand (EUR 200 thousand). As at 31 December 2019, the outstanding amount is BGN 260 thousand (EUR 133 thousand).

A commitment of Foundation Autonomia – Hungary as per a grant agreement dated 15 October 2018 with a duration of 48 months and a total approved amount of BGN 593 thousand (EUR 303 thousand). As at 31 December 2019, the outstanding contingent receivables from Foundation Autonomia – Hungary for this grant amount to BGN 454 thousand (BGN 232 thousand).

A commitment of University of Seville – Spain and European Commission as per a grant agreement dated 4 December 2018 with a duration of 24 months and a total approved amount of BGN 188 thousand (EUR 53 thousand). As at 31 December 2019 the outstanding contingent receivables from University of Seville – Spain and European Commission for this grant amount to BGN 21 thousand (EUR 11 thousand).

A commitment of Foundation Open Society Institute – Switzerland as per a grant agreement dated 7 November 2018 with a duration of 24 months and a total approved amount of BGN 1.5 million (USD 850 thousand). As at 31 December 2019 the outstanding contingent receivables from Foundation Open Society Institute – Switzerland for this grant amount to BGN 783 thousand (USD 450 thousand).

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

*Contingent receivables (continued)*

A commitment of Porticus Foundation as per a grant agreement dated 28 January 2019 with a duration of 24 months and a total approved amount of BGN 188 thousand (EUR 96 thousand). As at 31 December 2019 the outstanding amount of receivables from Porticus Foundation for this grant amount to BGN 13 thousand (EUR 6 thousand).

*Contingent liabilities*

As at 31 December 2019 the Foundation also has contingent liabilities resulting from the terms and conditions of the grants awarded to the Foundation in four areas/programmes:

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

**31 December 2019**

<b>Programme</b>	<b>Contingent liabilities at 1 January 2019</b>	<b>Total grants amount on the contracts at 31 December 2019</b>	<b>Gross amount granted in 2019 (Note 4)</b>	<b>Gross amount granted at 31 December 2019</b>	<b>Contingent liabilities at 31 December 2019</b>
<i>Early Childhood Development</i>	279	6,542	1,224	5,784	758
<i>Family Economic Success</i>	815	3,829	154	2,987	842
<i>Capacity Building</i>	-	67	5	67	-
<b>Total</b>	<b>2,044</b>	<b>17,231</b>	<b>2,141</b>	<b>15,210</b>	<b>2,021</b>

**31 December 2018**

<b>Programme</b>	<b>Contingent liabilities at 1 January 2018</b>	<b>Total grants amount on the contracts at 31 December 2018</b>	<b>Gross amount granted in 2018 (Note 4)</b>	<b>Gross amount granted at 31 December 2018</b>	<b>Contingent liabilities at 31 December 2018</b>
<i>Early Childhood Development</i>	220	4,869	462	4,590	279
<i>Family Economic Success</i>					
<i>Capacity Building</i>	1,020	3,617	450	2,802	815
<b>Total</b>					
<i>Educational Achievement</i>	-	65	5	65	-
<i>Early Childhood Development</i>	<b>2,286</b>	<b>15,115</b>	<b>1,855</b>	<b>13,071</b>	<b>2,044</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**

**for the year ended 31 December 2019**

(all amounts are in BGN'000)

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

*Contingent liabilities (Continued)*

In 2019 the Foundation concluded new contracts/annexes to existing grant contracts, and the total amount of approved grants as at 31 December 2019 (aggregated since 2012) is BGN 17,231 thousand (31 December 2018: BGN 15,115 thousand), or the total increase of total grant amount during the current financial year amounts to BGN 2,116 thousand.

**19. 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 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':

<b>31 December 2019</b>	<i>Loans and receivables</i>
<b>Financial assets</b>	
Cash and cash equivalents	1,500
<b>Total</b>	<b>1,500</b>
	<i>Other financial liabilities</i>
<b>Financial liabilities</b>	
Payables to suppliers	8
<b>Total</b>	<b>8</b>
<b>31 December 2018</b>	<i>Loans and receivables</i>
<b>Financial assets</b>	
Cash and cash equivalents	1,214
<b>Total</b>	<b>1,214</b>
	<i>Other financial liabilities</i>
<b>Financial liabilities</b>	
Payables to suppliers	16
<b>Total</b>	<b>16</b>

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

*Currency risk*

The Foundation is exposed to currency risk of change in foreign exchange rates in regard to the cash and cash equivalents in USD.

As at 31 December the Foundation has cash on current and deposit accounts in USD amounting to USD 96 thousand or BGN 166 thousand (31 December 2018: USD 82 thousand or BGN 149 thousand).

The following exchange rates are applicable for 2019 and 2018:

	<i>Average applicable rate for</i>		<i>Exchange rate on 31</i>	
	<i>the year</i>		<i>December</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
<b>1 USD</b>	1.74703	1.65704	1.74099	1.70815

Upon an increase in the exchange rate by 10%, the result of non-profit activities will increase by BGN 17 thousand (2018: by BGN 14 thousand).

Upon a decrease in the exchange rate by 10%, the result of non-profit activities will decrease by BGN 17 thousand (2018: by BGN 14 thousand).

*Price risk*

The Foundation is not exposed to essential price risk from its commercial activity, because it performs particular services on which prices are preliminary negotiated with the clients.

*Credit risk*

The Foundation is not exposed to credit risk, because it performs services only to clients that are preliminary approved by the Board and whose receivables are collected in preliminary negotiated periods.

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 balance sheet.

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.

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
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(all amounts are in BGN'000)

**19. FINANCIAL RISK MANAGEMENT (CONTINUED)**

*Liquidity risk (Continued)*

Maturity analysis

	<b>On demand and within 1 month</b>	<b>1-3 months</b>	<b>Total</b>
<b>31 December 2019</b>			
<b>Financial assets</b>			
Cash	1,500	-	1,500
<b>Total</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	8	8
<b>Total</b>	<b>-</b>	<b>8</b>	<b>8</b>
	<b>On demand and within 1 month</b>	<b>1-3 months</b>	<b>Total</b>
<b>31 December 2018</b>			
<b>Financial assets</b>			
Cash	1,214	-	1,214
<b>Total</b>	<b>1,214</b>	<b>-</b>	<b>1,214</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	16	16
<b>Total</b>	<b>-</b>	<b>16</b>	<b>16</b>

*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.

Interest analysis

	<b>with fixed interest %</b>	<b>interest- free</b>	<b>Total</b>
<b>31 December 2019</b>			
<b>Financial assets</b>			
Cash	158	1,342	1,500
<b>Total</b>	<b>158</b>	<b>1,342</b>	<b>1,500</b>
<b>Financial liabilities</b>			
Payables to suppliers	-	8	8
<b>Total</b>	<b>-</b>	<b>8</b>	<b>8</b>

**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 December 2019**  
(all amounts are in BGN'000)

**19. FINANCIAL RISK MANAGEMENT (CONTINUED)**

*Risk of interest-bearing cash flows (Continued)*

*Interest analysis (continued)*

	<b>with fixed interest %</b>	<b>interest- free</b>	<b>Total</b>
<b>31 December 2018</b>			
<b>Financial assets</b>	72	1,142	1,214
Cash	72	1,142	1,214
<b>Total</b>			
<b>Financial liabilities</b>			
Payables to suppliers	-	16	16
<b>Total</b>	-	16	16

**20. EVENTS AFTER THE END OF THE REPORTING PERIOD**

TSA's operations encountered a number of difficulties as a result of the emergence and quick spread of the coronavirus in the beginning of 2020. On 11 March 2020 the World Health Organisation declared a Covid-19 pandemic. On 13 March 2020 the Bulgarian government imposed a state of emergency in the country and imposed strict measures on the population and the business. Since the situation and the measures taken by the state authorities are very dynamic and it is hard even for large international institutions to forecast the economic consequences of the contamination spread, the Foundation's management is unable to assess the pandemic's impact on its future financial position and operating results. Nevertheless, the management assumes that the Foundation and its grant beneficiaries will be impacted, and a delay is possible in implementation of activities in the respective projects.