

TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
Independent auditor's report
Annual activity report
Annual financial statements
31 December 2023

TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION

INDEPENDENT AUDITOR'S REPORT
ANNUAL MANAGEMENT ACTIVITY REPORT
ANNUAL FINANCIAL STATEMENTS
31 December 2023

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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31 DECEMBER 2023

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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 2023, the profit and loss statement from non-profit activities, profit and loss statement from business activities, the statement of equity and the cash flow statement for the year then ended, and the notes to the financial statements, comprising accounting policy information and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trust for Social Achievement Foundation as at 31 December 2023, and the Foundation's financial performance and 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (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 organization 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, our opinion, is that:

- a) the information included in the Annual Activity Report for the financial year for which the financial statements are 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.



Pavel Pirinski

Registered Auditor responsible for the audit

30 September 2024

Sofia, Bulgaria



Boryana Dimova

Managing Director

PricewaterhouseCoopers Audit OOD

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.

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

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

To achieve its mission TSA raises funds from donor organizations, 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“(with two sub-programmes, “Employment and Entrepreneurship” and “Home Conditions and Regulations). 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 31 December 2023 the members of the Board of Directors are as follows: Sarah Perrine, Emilia Karadocheva, Veneta Ilieva, Viktoriya Blazheva and Iliana Sarafian. 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 2023 none of the Board members entered into any transactions with TSA.

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 November 4, 2021 Ms. Iliana Sarafian was registered to the board. The last change of the Board was made on April 12, 2023, when Mr. Rosen Ivanov left the Board.

As of 31 December 2023 and 31 December 2022, the Foundation was represented by the Executive Director Sarah Marie Perrine. As of 31 December 2023, the total number of Foundation’s personnel was 27 employees (31 December 2022: 28 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. To achieve this goal, Bulgaria’s disadvantaged poor must be included.

There are extremely high levels of unemployment and very low levels of education among the disadvantaged. Roma comprise an estimated 10% of the population and more than 70% of the Roma live at risk of poverty and exclusion.

In 2023, we transitioned into a post-COVID-19 world. Some positive lessons were learned during the pandemic, such as better use of technology, communications systems, and telework. However, there was a clear sense among beneficiaries and partners about the value of in-person interactions, and with the start of 2023, TSA made a strong return to in-person meetings, gatherings, events, and travel.

ABF is the main source of funding for the activities of TSA.

As of 31.12.2023, TSA has two active grant agreements with ABF for the total amount of BGN 24.7 million. At the end of the year the outstanding contingent receivables from ABF amount to BGN 20.5 million.

In October 2023, TSA signed a USD 12,975,472 grant agreement with the America for Bulgaria Foundation to support its programs and activities over the next five years.

For the period from 1 January to 31 December 2023 TSA received from ABF conditional funding amounting to BGN 7.3 million compared to BGN 227 thousand for the same period of the previous year.

Additionally, TSA participated in one international consortia which was approved in 2018.

The multi-national project, worth BGN 785 thousand (EUR 401 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.

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 January 2020 the project was extended by another two years and additional funding was provided at the amount of BGN 95 thousand (USD 60 thousand). The additional resources were used to continue strengthening the REYN network, to implement capacity building activities for professionals and paraprofessionals working with disadvantaged children, with focus on Roma, as well as to raise awareness about existing inequities in access to quality services in disadvantaged communities, and barriers faced by Roma children. There was a second no-cost extension due to unspent amount, which was agreed by the donor to be spend, albeit with delay due to Covid-19, and was to be spent until 30 June 2023. The funds helped us develop training content for REYN member capacity building in the area of quality pedagogy. The project 2020-21 had an unspent amount of USD 2256, which was agreed by the donor to be spend, albeit with delay due to Covid-19, and was to be spent until 30 June 2023. The funds helped us develop training content for REYN member capacity building in the area of quality pedagogy. The final report was submitted in August 2023.

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.

TSA took the lead on administering a Roma medical scholarship and a predefined project to provide mentorship to medical students. The total amount of the projects is BGN 2.1 million (EUR 1.1 million). The scholarship project was awarded with additional BGN 160 thousand (EUR 80 thousand) in 2021.

The Fund Operator of the Active Citizens Fund (TSA together with Open Society Institute - Sofia and the Workshop for Civic Initiatives) and the National Focal Point initiated the launch of the Roma Policy Lab with an aim to promote results, good practices, cooperation, and mutual learning for CSOs, active citizens and public institutions on Roma inclusion; to create good quality media content in relation to supported projects; to counteract hate speech and negative stereotypes towards Roma CSOs and supported measures; to provide space for evidence-based discussions on Roma inclusion. TSA was awarded an additional 5860 euro for our work on this initiative.

In addition, TSA receives a management fee to serve as a member of the consortium 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. The project was extended till the end of December 2023 and received additional funding of BGN 127 thousand (USD 80 thousand). 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.

Moreover, the Foundation also applied to the Optimus Foundation at UBS Bank and received 10% cofunding for a grant disbursed by America for Bulgaria Foundation, at the amounts of BGN 1.4 million (USD 756 thousand) for the period 2020-2023. Residual funds from this co-funding grant were carried over into 2023-2024 for a fourth year of project activities. The funds will be used to sustain the "NurseFamily Partnership Program", Embracing Diversity, an experiential teacher training program focused on diversity and inclusion, and support for the Roma Early Years Network.

TSA received a grant from the International Step by Step Association worth BGN 38 thousand (USD 24 thousand) for the duration December 2020 - December 2022 to strengthen and position the REYN Initiative as a cohesive and influential international community of national REYN networks and to capacitate the network to advocate at the EU policy level for improved ECD policies. The project was extended until 31 March 2023.

The Eurochild international network awarded a grant of EUR 15 000 to TSA in April 2022 with a grant period until December 2023 as part of the Early Childhood Development (ECD) programme of the EU, initiated by Eurochild, the Step-by-Step International Association, the Fund for Romani Education and the European Alliance for Public Health. The aim is for early child development to become a priority of public policies. The national coordinator's role is shared with For Our Children Foundation. The campaign is held jointly with the national partners from nine EU states and aims to inform European and national policy makers of the importance of ECD, to increase the commitment of civil society organizations for the issue, and to empower parents to protect their own rights and the rights of their children. Key achievements from 2022 include contributions to the development of the National Plan of the Child Guarantee, where 80 percent of the campaign's proposals ended in the final version of the Plan. Importantly, one of the Plan's measures is the development of an overarching cross sectoral ECD strategy. Moreover, home visiting for vulnerable children is now high on the priority list of policy makers and public stakeholders.

In 2022, TSA was included as a partner in a project awarded to the Municipality of Blagoevgrad and as a partner in a project awarded to the Municipality of Dupnitsa by the EEA/Norway grant mechanism. The Integrated Measures for Roma Inclusion and Empowerment of the Roma Community project in the Municipality of Blagoevgrad and the Integrated Measures in Support of Roma Inclusion

in the Municipality of Dupnitsa projects included integrated interventions that aimed to solve problems related to improving the health status, reduce poverty and unfavorable environment, and address housing challenges. The projects facilitate access to education and health care as well as employment for members of the Roma community and aimed to help overcome the risk of social exclusion and discrimination. TSA was awarded 84,520 BGN in Blagoevgrad and 84,000 BGN in Dupnitsa to conduct activities over a 24 month period. TSA provided consultations on zoning activities and delivery of Embracing Diversity and Empowerment Evaluation trainings for local communities and local authorities.

In January of 2023, TSA was awarded a 120,000 USD, 24 month grant from the Clean Air Fund aimed toward reducing pollution for poor communities in Sofia. The project intends to co-create a roadmap by 2025 for a healthier and cleaner community environment in the Fakulteta neighborhood together with community representatives, civil society partners and municipal authorities for better air quality that protects and enhances public health, wellbeing, and the environment.

TSA received 39,930 BGN in May 2023 from the Tsortsokov Foundation to conduct research and analysis regarding the viability of establishing a Center of Excellence for early learning in Sofia's largest Roma neighborhood. The project is a first exploratory-phase project that will inform TSA's decision to proceed with planning and fundraising for establishing a model for center of excellence for early education. The center of excellence will address existing availability shortages in Roma communities, namely in Fakulteta, where no kindergarten exists.

In addition to the abovementioned funding, the Foundation received funding from other sources and individuals at the amount of BGN 133 thousand in comparison to BGN 192 thousand in 2022.

Total funding received on conditional basis in 2023 was BGN 8.4 million in comparison to BGN 1 million in 2022.

The total gross funding as per grant contracts is respectively at the amount of BGN 2.6 million in 2023 and BGN 2.7 million in 2022. At 31 December 2023 TSA had outstanding conditional commitments for grants at the amount of BGN 1.861 million and since its inception in 2012 had disbursed a total of BGN 23.106 million while the total amount of project beneficiaries is above 100,000. Detailed information on commitments and disbursements by program area is provided in Note 16 to the annual financial statements for year 2023.

In 2023 TSA continued to very actively work on both demand-driven grant-making as well as TSA initiated projects. Programmes and projects expenses amounted to BGN 2,106 thousand compared to BGN 2,028 thousand in 2022, or an increase by 4%.

TSA has a number of projects that it has initiated. In the programme "Early Childhood Development", a total of BGN 1,985 thousand was utilized in 2023. The two most significant projects within this programme are the Nurse Family Partnership Program ("Together - Healthy Baby, a Healthy Future" or NFP) and the Embracing Diversity program.

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 an evaluation of the Embracing Diversity program. The Porticus-funded RCT was delayed due to COVID-19 complications and in 2022 it was agreed that the funds would be used to develop and test tools to assess teacher knowledge, attitudes, and practices. Development of this research and assessment project began in 2023.

The implementation of the NFP Project ("Together - Healthy Baby, a Healthy Future") has continued to gain momentum.

Activities included adaptation of program materials, ongoing training of a team of qualified midwives and nurses at hospital "Sheynovo" Plc. in Sofia and at University hospital "St. George" in

Plovdiv. Both teams transitioned to new employers in 2023. The NFP team in Sofia was employed by HESED under a successful application for the Future for the Children procedure of the Human Resources Development Operational Program until December 2024.

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 65 minutes. Services are offered in 15 neighbourhoods in Sofia and in 7 neighbourhoods in Plovdiv. To date, the NFP has served 1249 beneficiaries and conducted 16,300 home visits, 18% of which were conducted through telehealth. The University of Utrecht finalized their analysis of data collected by Alpha Research. The outcome evaluation showed that the NFP is making a real difference. It improves child development. It also improves Bulgarian comprehension. Child development impacts were even greater for children whose parents did not speak Bulgarian at home. Notable improvements in parenting outcomes, especially around early stimulation and parental engagement were also observed.

In December 2019 TSA opened a medical centre in the history of the Fakulteta neighbourhood 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 centre is fully operational after successfully passing the control visit of the National Health Insurance Fund, and continued operation in 2023.

The clients from the Nurse-Family Partnership Program in Sofia are also benefiting from the medical centre. Our nurses and midwives are accompanying them to the medical centre for prenatal and postnatal examinations. In an effort to expand the number of trained nurses and midwives in locations outside Bulgaria's biggest cities while also attracting Roma women back to the workforce, we are implementing a scholarship program. This project provides preparatory classes and scholarships to Roma women, often at a later stage in life. To date, 47 women have participated.

TSA also continued its support for Roma students pursuing a degree in early pedagogy, with our Young Roma Teachers program. Students participating in this program have a dropout rate of only 29%, which is 11 percentage points lower than the national average, and a professional realization rate of 83%, compared to a 60% national average for pedagogy students.

In the "Educational Achievement" program area through 2023, BGN 942 thousand was 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.

This year we celebrated the highest number of graduates in medical degree since the launch of the Active Citizens Fund scholarship program for Roma students pursuing health-related professions. 13 Roma youth received degree this year in Pharmacy, Medicine, and Dentistry. In total, throughout the years TSA has administered more than 270 scholarships under this program. Participating students are also active in volunteer initiatives.

In 2023, TSA began to draw down its support for secondary school scholarships, in the form of bus passes and text books, offered under Equal Chance. Under this initiative, more than 4000 stipends for textbooks and transportation have been provided over the years to more than 1500 disadvantaged students across Bulgaria.

To implement its projects in year 2023 in the Employment and Entrepreneurship Programme, BGN 1,032 thousand was spent and 300 thousand were spent in the Zoning and Home Ownership Programme.

This year, TSA completed one of our largest employment projects, which was funded by EEA Norway. Under this project, we worked with disadvantaged youth aged 15-29 with an aim to increase their educational level and employability. We engaged 300 youth in various activities and were active in creating bridges to business, with 911 business representatives participating in our networking events.

During the year, active work continued on the project “Zone and Legalize Two Marginalized Neighbourhoods”. Work was also re-started on the project - “Building Capital - Partnership with a Local Business to Zone and Legalize a Roma Neighbourhood (Oreshaka)”.

After successfully helping municipalities to zone three neighborhoods, we have shifted focus toward the issue of home ownership. To date, we have helped to sell 29 zoned lots to residents in the Lukovitsa neighborhood and have helped 36 households to purchase the land plot under their home in the Kavaklia neighborhood. In 2023, we also initiated support for the construction of a sewage and water supply network in Lukovitsa.

In the “Capacity Building” program area, 64 BGN thousand was spent to support various projects, including building capacity and specialized trainings for representatives of partner organizations. This included trainings within the auspices of the Active Citizens Fund.

In 2023, TSA approved and awarded 63 grants to 25 different NGO partners to support our work in Early Childhood Development, Educational Achievement, Family Economic Success, and Capacity Building, assisting nearly 10,000 project beneficiaries.

In addition in 2023, TSA’s management continued working on strengthening the organization and its team. As at 31 December 2023 TSA had 27 full-time employees, compared to 28 full-time employees at 31 December 2022.

As at 31 December 2023, TSA’s current assets amount to BGN 5,519 thousand (3,258 thousand as at 31 December 2022), of which: cash and cash equivalents: BGN 5,000 thousand, receivables: BGN 513 thousand, and other current assets: BGN 6 thousand.

Prepayments for future periods amount to BGN 180 thousand (BGN 46 thousand as at 31 December 2022).

Current liabilities amount to BGN 5,107 thousand (BGN 2,726 thousand as at 31 December 2022), of which BGN 5,036 thousand is for financing current expenses, BGN 18 thousand is the current portion of liabilities for PPE financing, BGN 13 thousand is payables to suppliers, BGN 33 thousand is payables to personnel and for social security, BGN 7 thousand is tax payables (7 thousand corporate tax for year 2023).

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

As at 31 December 2023 TSA’s assets amounted to BGN 6,162 thousand, and the result from non-profit activities is a profit of BGN 51 thousand. For comparison, as of 31 December 2022 TSA’s assets amount to BGN 3,681 thousand, and the result from non-profit activities is a loss of BGN 30 thousand.

The revenue from business activities in 2023 amounts to BGN 74 thousand, and the net profit generated is BGN 67 thousand. For comparison, as of 31 December 2022 revenue amounted to BGN 58 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 2023 to 31 December 2023.

During the period 1 January 2023 to 31 December 2023 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 2023 is presented below by category. It includes all financial assets in one group 'loans and receivables' and all financial liabilities in one group 'other financial liabilities':

31 December 2023	<i>Loans and receivables</i>
Financial assets	
Cash and cash equivalents	5,000
Total	5,000
	<i>Other financial liabilities</i>
Financial liabilities	
Payables to suppliers	13
Total	13
31 December 2022	<i>Loans and receivables</i>
Financial assets	
Receivables from customers	5
Cash and cash equivalents	3,194
Total	3,199
	<i>Other financial liabilities</i>
Financial liabilities	
Payables to suppliers	17
Total	17

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 2023 the Foundation has cash on current and deposit accounts in USD amounting to USD 225 thousand or BGN 399 thousand (31 December 2022: USD 374 thousand or BGN 686 thousand).

The following exchange rates are applicable for years 2023 and 2022:

	<i>Average applicable rate for the year</i>		<i>Exchange rate on 31 December</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
1 USD	1.80184	1.86014	1.766998	1.83371

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Upon an increase in the exchange rate by 10%, the result of non-profit activities will increase by BGN 40 thousand (2022: by BGN 69 thousand).

Upon a decrease in the exchange rate by 10%, the result of non-profit activities will decrease by BGN 40 thousand (2022: by BGN 69 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.

Maturity analysis

31 December 2023	On demand and within 1 month	1-3 months	Total
Financial assets			
Cash	5,000	-	5,000
Total	5,000	-	5,000
Financial liabilities			
Payables to suppliers	-	13	13
Total	-	13	13
31 December 2022	On demand and within 1 month	1-3 months	Total
Financial assets			
Receivables from customers	-	5	5
Cash	3,194	-	3,194
Total	3,194	5	3,199
Financial liabilities			
Payables to suppliers	-	17	17
Total	-	17	17

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

31 December 2023	with fixed interest %	interest- free	total
Financial assets			
Cash	83	4,917	5,000
Total	83	4,917	5,000
Financial liabilities			
Payables to suppliers	-	13	13
Total	-	13	13

31 December 2022	with fixed interest %	interest-free	Total
Financial assets			
Receivables from customers	-	5	5
Cash	103	3,091	3,194
Total	103	3,096	3,199
Financial liabilities			
Payables to suppliers	-	17	17
Total	-	17	17

Main indicators of the economic environment

The main economic indicators of the business environment that have affected the Foundation's activities throughout the period 2021-2023 are presented in the table below:

Indicator	2021	2022	2023
GDP in million levs	138,979	167,809	183,743
Actual growth of GDP	7.7%	3.9%	1.8%*
Year-end inflation	6.6%	14.3%	5.00%
Average exchange rate of USD for the year	1.66	1.86	1.81
Exchange rate of the USD at the year-end	1.73	1.83	1.77
Basic interest rate at the year-end	0.00%	0.20%	2.90%
Unemployment rate at the year-end	4.8%	5.4%	5.6 %

Note: * Forecast data from BNB for 2023, Source: BNB

Expected developments and plans for 2024

In 2024 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 2024.

Events after the end of the reporting period

In April 2024, a change was made in the structure of the Foundation and an update of the Articles of Association - statute of the Foundation was adopted.

In April 2024, a new member of the Board of Directors of the Foundation was accepted - Virginia White O'Keefe.

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: 2024

Executive Director:
Sarah Marie Perrine



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
PROFIT AND LOSS STATEMENT FROM NON-PROFIT ACTIVITIES
for the year ended 31 December 2023**

(all amounts are in BGN'000)

	Note	2023	2022	Note	2023	2022
		BGN'000	BGN'000		BGN'000	BGN'000
I. Operating expenses						
A. Expenses for regulated activities						
1. Financing expenses	4	2,216	2,437			
2. Programs and projects expenses	4	2,125	2,028	3	6,070	6,094
Total A:		4,341	4,465		6,073	6,094
B. Administrative expenses	5	1,729	1,629			
Total I:		6,070	6,094			
II. Finance costs						
1. Foreign currency exchange losses		54	110	4	4	1
Total II:		54	110		98	79
III. Total expenses		6,124	6,204		6,175	6,174
IV. Profit from non-profit activities for the year (total revenues - total expenses)		51	-		-	30
Total (III + IV)		6,175	6,204		6,175	6,204

The financial statements on pages 11 to 38 are approved by the Founder and the Board of Directors for issue and signed on 24.09.2024.

Sarah Marie Perrine
Executive Director

Signed in accordance with Independent Auditors' Report:

Pavel Pirinski
Registered Auditor, responsible for the audit

30-09-2024

Preparer:

BDO AFA Consultants OOD
Valia Jordanova, General Manager

Boryana Dimova, Managing Director
PricewaterhouseCoopers Audit OOD

30-09-2024



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
PROFIT AND LOSS STATEMENT FROM BUSINESS ACTIVITIES
for the year ended 31 December 2023**

(all amounts are in BGN'000)

	Note	2023	2022	Note	2023	2022
		BGN'000	BGN'000		BGN'000	BGN'000
A. Expenses						
1. Expenses for materials, external services, including:		-	-		74	58
a) external services		-	-		74	58
Total expenses for operating activity	6	-	-		74	58
Total expenses		-	-	6	74	58
B. Revenues						
1. Net sales revenue, including:		-	-		74	58
a) services		-	-		74	58
Total operating revenues		-	-		74	58
Total revenues		-	-	6	74	58
2. Accounting profit for the year (total revenues - total expenses)						
		74	58		-	-
3. Tax expense on profit						
	7	7	6		-	-
4. Net profit for the year (2- 3)						
		67	52		-	-
Total (Total expenses + 3 + 4)		74	58		74	58

The financial statements on pages 11 to 38 are approved by the Founder and the Board of Directors for issue and signed on 24.09.2024.

Sarah Marie Perrine
Executive Director

Preparer:

BDO AFA Consultants OOD
Valia Iordarova, General Manager

Signed in accordance with Independent Auditors' Report:

Pavel Pirinški
Registered Auditor, responsible for the audit

Boryana Dimova, Managing Director
PricewaterhouseCoopers Audit OOD

30-09-2024

30-09-2024



TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
BALANCE SHEET
as at 31 December 2023
(all amounts are in BGN'000)

	Note	31-Dec		Note	31-Dec	
		2023	2022		2023	2022
		BGN'000	BGN'000		BGN'000	BGN'000
ASSETS				NET ASSETS AND LIABILITIES		
A. Non-current (long-term) assets				A. Net assets		
I. Tangible fixed assets				I. Reserves		
1. Land and buildings, including:		324	346	1. Other reserves, including:	512	461
- land		7	7	- from prior years	461	491
- buildings		317	339	- for the current year	51	(30)
2. Equipment and other		139	31	Group I total:	512	461
Group I total:	8	463	377	II. Accumulated profit (losses) from business activities in prior years, including:		
				- retained earnings	233	181
				Group II total:	233	181
				III. Current profit/(loss) from business activities	67	52
Section A total:		463	377	Section A total	812	694
B. Current (short-term) assets				LIABILITIES		
I. Debtors				B. Creditors		
1. Trade debtors		505	51	1. Trade creditors, including:	12	13
2. Other receivables		8	7	up to 1 year		17
Group I total:	9	513	58	2. Other liabilities, including:		40
II. Other current assets	10	6	6	- payables to personnel, including:	13	28
III. Cash and cash equivalents, including:	11	5,000	3,194	up to 1 year		19
				- payables for social security, including:	13	5
- cash in current bank accounts (deposits)		5,000	3,194	up to 1 year		3
Group III total:		5,000	3,194	- tax payables, including:	7	7
Section B total:		5,519	3,258	up to 1 year		6
C. Deferred expenses	9	180	46	Section B total, including:		53
TOTAL ASSETS (A + B + C)		6,162	3,681	up to 1 year		45
				C. Grants and deferred income, including:	14	5,297
				- grants		2,942
				TOTAL NET ASSETS AND LIABILITIES (A + B + C)		6,162
						3,681

The financial statements on pages 11 to 38 are approved by the Founder and the Board of Directors for issue and signed on 24.09.2024.

Sarah Marie Perrine
Executive Director

BDO AFA Consultants OOD
Valia Iordanova, General Manager

Signed in accordance with Independent Auditors' Report:

Pavel Pirinski
Registered Auditor, responsible for the audit

Boryana Dimova, Managing Director
PricewaterhouseCoopers Audit OOD

30-09-2024

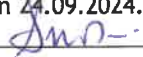
30-09-2024

This is a translation from Bulgarian of the annual financial statements of Trust for Social Achievement Foundation for the year ended 31 December 2023.

TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
CASH FLOW STATEMENT
for the year ended 31 December 2023
(all amounts are in BGN'000)

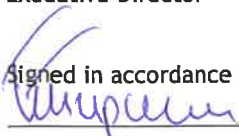
	Note	2023 BGN'000	2022 BGN'000
I. Cash and cash equivalents at 1 January	11	3,194	8,217
II. Cash flows from non-profit activities			
A. Cash proceeds from non-profit activities			
1. Proceeds from conditional financing		8,425	1,012
2. Proceeds from bank and currency transactions		99	79
3. Other receivables		5	-
Total cash proceeds from non-profit activities		8,529	1,091
B. Cash paid for non-profit activities			
1. Financing granted		2,216	2,437
2. Cash paid for programs and projects		2,596	1,955
3. Cash paid to employees and for social security		1,126	1,023
4. Cash paid to suppliers		573	441
5. Other taxes paid		224	187
6. Payments for bank and currency transactions		56	133
Total cash paid for non-profit activities		6,791	6,176
C. Net cash flows from non-profit activities		1,738	(5,085)
III. Cash flows from business activities			
A. Cash proceeds from business activities			
1. Proceeds from clients		95	62
Total cash proceeds from business activities		95	62
B. Cash paid for business activities			
1. Cash paid to suppliers		(27)	-
Total cash paid for business activities		(27)	-
C. Net cash flows from business activities		68	62
IV. Cash and cash equivalents at 31 December	11	5,000	3,194
V. Change in the cash flows for the year		1,806	(5,023)

The financial statements on pages 11 to 38 are approved by the Founder and the Board of Directors for issue and signed on 24.09.2024.


Sarah Marie Perrine
Executive Director


Preparer:
BDO AFA Consultants OOD
Valia Jordanova, General Manager

Signed in accordance with Independent Auditors' Report:


Pavel Pirinski
Registered Auditor, responsible for the audit
30-09-2024


Boryana Dimova, Managing Director
PriceWaterhouseCoopers Audit OOD
30-09-2024



**TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023**

(all amounts are in BGN'000)

	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	
1. Balance at 1 January 2022	330	161	136	45	672
2. Financial result from non-profit activity for the year	-	(30)	-	-	(30)
3. Financial result from business activities for the year	-	-	-	52	52
4. Transfer to other reserves	161	(161)	45	(45)	-
5. Balance at 31 December 2022	491	(30)	181	52	694
6. Financial result from non-profit activity for the year	-	51	-	-	51
7. Financial result from business activities for the year	-	-	-	67	67
8. Transfer to other reserves	(30)	30	52	(52)	-
9. Balance at 31 December 2023	461	51	233	67	812

The financial statements on pages 11 to 38 are approved by the Founder and the Board of Directors for issue and signed on .24.09.2024.


Sarah Marie Perrine
Executive Director


Preparer:
BDO AFA Consultants OOD
Valia Jordanova, General Manager

Signed in accordance with Independent Auditors Report:


Pavel Pirinski
Registered Auditor, responsible for the audit


Boryana Dimova, Managing Director
PricewaterhouseCoopers Audit OOD

30-09-2024



30-09-2024

(all amounts are in BGN'000)

1. BACKGROUND INFORMATION ON THE FOUNDATION

The Trust for Social Achievement Foundation (“the 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 and is registered in the Trade Registry. The seat and registered address of the Foundation is: Sofia, Sredets Region, 64 Patriarh Evtimii Blvd.

1.1 Ownership and management

The Foundation is managed by a Board of Directors. As at 31 December 2023, the members of the Board of Directors are as follows: Sarah Marie Perrine, Veneta Ilieva, Viktoria Blazheva, Emilia Karadocheva and Iliana Sarafian. On 12 April 2023 Rosen Ivanov was released as a member of the Board of Directors.

As at 31 December 2023 and 31 December 2022, the Foundation was represented by the Executive Director Sarah Marie Perrine.

As at 31 December 2023, the initial property contributions are at the amount of BGN 1,000.

As at 31 December 2023, the total number of Foundation's personnel was 27 employees (31 December 2022: 28 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;
- design, 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;
- desing and performs training 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.

1.3. Military conflict between Ukraine and Russia - impact, effects, actions and measures taken

At the end of February 2022, the military conflict between Russia and Ukraine began, which is still continuing at the date of these financial statements. Russia is facing increasingly broad economic sanctions from the European Union, the United States, and other countries.

Influence on the activity and financial condition of the Foundation

At this stage, management is actively monitoring and conducting ongoing analyses and assessments of the potential consequences of the conflict for the Foundation, including its activities, assets, and prospects. In the short term, the assessment indicates that, given the absence of close economic ties or an exchange of goods and services with Russia and Ukraine, there is no immediate direct impact or affected exposures.

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) and CMD 27/2019 (SG 15/19.02.2019), 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:

Useful life of depreciable assets

Management reviews the useful lives of depreciable assets at the end of each reporting period. As at 31 December 2023 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 2022. 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.

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.

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.

(all amounts are in BGN'000)

2.7. Property, plant and equipment (continued)

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.

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.

2.7. Property, plant and equipment (continued)

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 upon 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.

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, the General Diseases and Maternity (GDM) Fund, the Unemployment Fund, the Labour Accident and Professional Diseases (LAPD) Fund, and for health insurance.

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

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 similar.

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.

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

Long-term retirement benefits

In accordance with the Labour Code, the Foundation in its capacity as an employer in Bulgaria is obliged to pay an indemnity at the amount of the respective employee's gross remuneration for two months upon termination of employment relations due to retirement. If the employee has acquired within the company of the same company ten years' service over the last twenty years, the indemnity amounts to the gross remuneration for six months. 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, including based on a publicly announced plan (for instance, 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.

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.

(all amounts are in BGN'000)

2.13. Financial instruments (continued)

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.

	2023	2022
Net revenues from conditional financing, including:		
<i>Educational Achievement</i>	2,771	2,727
<i>Early Childhood Development</i>	1,877	1,859
<i>Family Economic Success</i>	1,315	1,455
<i>Capacity Building</i>	89	35
<i>Financing for acquisition of non-current assets up to the amount of depreciation charge (Note 8)</i>	18	18
Total	6,070	6,094

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 2023 the Foundation approved and concluded grant contracts whereas the gross expenses on the awarding of this grant amounted to BGN 2,605 thousand (2022: BGN 2,658 thousand) (Note 16).

The net expenses on the awarding of grants amounted to BGN 2,216 thousand (2022: BGN 2,437 thousand). They are formed as difference between gross expenses on the grant contracts and returned (unused) financed by the grant beneficiaries.

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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:

	2023	2022
Materials and consumables used	138	69
Hired services expense	394	394
Amortization	3	10
Employee benefits expense	749	789
Other expenses	841	766
Total	2,125	2,028

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:

	2023	2022
Materials and consumables used	58	53
Hired services expenses	266	242
Depreciation and amortization expenses	41	43
Employee benefits expense	1,302	1,215
Other expenses	62	76
Total	1,729	1,629

6. REVENUES AND EXPENSES FROM BUSINESS ACTIVITIES

Revenues from business activities are at the amount of BGN 74 thousand for rendering of services (2022: BGN 58 thousand).

In 2023 the Foundation had no expenses for business activities (2022: No expenses incurred).

7. TAXATION

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

	2023	2022
<u><i>Profit and loss statement of business activities</i></u>		
Tax profit for the period under the tax return	74	58
Current tax expense on profit for the period - 10%	7	6
Total tax expense on profit reported to the profit and loss statement of business activities	7	6

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(all amounts are in BGN'000)

**Reconciliation of tax expense on profit applicable
 to the pre-tax profit or loss**

Accounting profit for the period	74	58
Tax expenses on profit - 10 %	7	6
Total tax expense on profit reported to the profit and loss statement of business activities	7	6

As at 31 December 2023 the Foundation has *a liability for tax on profit from business activities* at the amount of BGN 7 thousand (31 December 2022: BGN 6 thousand).

8. PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i>		<i>Office</i>		<i>Computers</i>		<i>Vehicles</i>		<i>Office equip. & furniture</i>		<i>Total</i>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Book value												
Balance at 1 January	7	7	570	570	177	162	70	70	62	58	886	867
Additions	-	-	-	-	30	16	98	-	2	4	130	20
Disposals	-	-	-	-	(38)	(1)	-	-	(12)	-	(50)	(1)
Balance at 31 December	7	7	570	570	169	177	168	70	52	62	966	886
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accumulated depreciation												
Balance at 1 January	-	-	231	208	155	130	70	70	53	49	509	457
Depreciation for the year	-	-	22	23	19	26	-	-	3	4	44	53
Depreciation written-off	-	-	-	-	(38)	(1)	-	-	(12)	-	(50)	(1)
Balance at 31 December	-	-	253	231	136	155	70	70	44	53	503	509
Carrying amount at 31 December	7	7	317	339	33	22	98	-	8	9	463	377

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 2023, depreciation costs for these assets are at the amount of BGN 18 thousand (2022: BGN 18 thousand).

9. RECEIVABLES AND PREPAYMENTS

Receivables

	31.12.2023	31.12.2022
Receivables from advances to suppliers	505	46
Receivables from customers	-	5
Other receivables	8	7
Total	513	58

Deferred expenses

Prepaid deferred expenses amounting to BGN 180 thousand (31 December 2022: BGN 46 thousand) include insurance, subscriptions and prepaid consulting services.

10. OTHER CURRENT ASSETS

Other current assets amounting to BGN 6 thousand (31 December 2022: BGN 6 thousand) include: residual amount after partial donation of land acquired in 2015 intended for donation.

11. CASH AND CASH EQUIVALENTS

	31.12.2023	31.12.2022
Cash at a current bank account in BGN	4,594	2,483
Cash at a current bank account in foreign currency	324	608
Cash at bank deposit accounts in BGN	7	25
Cash at bank deposit accounts in foreign currency	75	78
Total	5,000	3,194

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

12. PAYABLES TO SUPPLIERS

The payables to suppliers as at 31 December comprise:

	31.12.2023	31.12.2022
Consulting services	1	10
Accounting services	3	4
Overheads	4	1
Other	5	2
Total	13	17

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

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13. PAYABLES TO PERSONNEL AND FOR SOCIAL SECURITY

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

	31.12.2023	31.12.2022
Accruals for payments on unused paid leaves	28	19
Accruals for social security contributions on unused paid leaves	5	3
Total	33	22

14. 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:

Term	31.12.2023	31.12.2022
Up to one year	18	18
Two-level office (to the amount of funding)	18	18
Over one year	243	261
Two-level office (to the amount of funding)	236	254
Land plot	7	7
Total	261	279

Financing for current expenses

	31.12.2023	31.12.2022
Financing for current expenses	5,036	2,663
	5,036	2,663

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".

15. RELATED PARTY TRANSACTIONS

In 2023, there are no related parties transactions.

In 2022 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.

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

16. CONTINGENT ASSETS AND LIABILITIES

Contingent receivables

As at 31 December 2023 the Foundation has contingent receivables resulting from the terms set in the grant contracts, the more significant ones being as follows:

A commitment of ABF as per a grant agreement dated 4 May 2016 with a duration of 90 months and with a total approved amount of BGN 1.2 million. On 13 November 2023, BGN 551 thousand are received. As at 31 December 2023, there are no the outstanding receivables from ABF for this grant (31 December 2022: BGN 551 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 80 months and a total approved amount of BGN 2.5 million (EUR 1.3 million). As at 31 December 2023, the outstanding contingent receivables from EFSM of EEC for this grant amount to BGN 622 thousand (EUR 318 thousand). As at 31 December 2022, the outstanding contingent receivables from EFSM of EEC for this grant amounted to BGN 648 thousand (EUR 331 thousand).

A commitment of Foundation Autonomia - Hungary as per a grant agreement dated 15 October 2018 with a duration of 56 months and a total approved amount of BGN 785 thousand (EUR 401 thousand). As at 31 December 2023, the outstanding contingent receivables are BGN 0. As at 31 December 2022, the outstanding contingent receivables from Foundation Autonomia - Hungary for this grant amounted to BGN 332 thousand (EUR 170 thousand).

A commitment of Utrecht University as per a grant agreement dated 1 March 2020 with a duration of 52 months and total approved amount BGN 261 thousand (EUR 133 thousand). As at 31 December 2023 the outstanding amount of contingent receivables from Utrecht University for this grant amounts to BGN 24 thousand (EUR 12 thousand) (31.12.2022 - BGN 78 thousand (EUR 40 thousand)).

A commitment of ABF as per a grant agreement dated 22 May 2020 with a duration of 36 months and with a total approved amount of BGN 167 thousand (USD 105 thousand). As at 31 December 2023, there are no the outstanding receivables from ABF for this grant. As at 31 December 2022, there are BGN 1.2 milion (USD 636 thousand) the outstanding receivables from ABF for this grant.

A commitment of ABF as per a grant agreement dated 16 Oct 2020 with a duration of 36 months and with a total approved amount of BGN 12.1 million (USD 7.6 million). As at 31 December 2023, there are no the outstanding receivables from ABF for this grant. As at 31 December 2022, there are BGN 3.8 milion (USD 2.1 million) outstanding receivables from ABF for this grant.

A commitment of the Rights, Equality and Citizenship EC Programme as per a grant agreement dated 1 November 2020 with a duration of 24 months and total approved amount BGN 394 thousand (EUR 201 thousand). As at 31 December 2023, there are no outstanding receivables. As at 31 December 2022, the outstanding amount of contingent receivables for this grant amounted to BGN 79 thousand (EUR 40 thousand).

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A commitment of Optimus Foundation as per a grant agreement (11 November 2020) for a period of 44 months and total amount of the approved amount BGN 1.4 million (USD 756 thousand). As at 31 December 2023, there are no outstanding receivables. As at 31 December 2022 the outstanding contingent receivables from Optimus Foundation amount to BGN 378 thousand (USD 256 thousand).

A commitment of OPNOIR as per a grant agreement (7 January 2021) for a period of 17 months and total amount of the approved amount BGN 241 thousand. As at 31 December 2023, the outstanding contingent receivables from OPNOIR amount to BGN 30 thousand. . As at 31 December 2022 the outstanding contingent receivables amount to BGN 181 thousand.

A commitment of Workshop for Civic Initiatives Foundation as per a grant agreement (13 December 2021) for a period of 36 months and total amount of the approved amount BGN 11 thousand (EUR 6 thousand). As at 31 December 2023 the outstanding contingent receivables from Workshop for Civic Initiatives Foundation amount to BGN 11 thousand (EUR 6 thousand). As at 31 December 2022 the outstanding contingent receivables from Workshop for Civic Initiatives Foundation amount to BGN 11 thousand (EUR 6 thousand).

A commitment of Give Eur-Hope ASBL Foundation as per a grant agreement (29 January 2022) for a period of 12 months and total amount of the approved amount BGN 10 thousand (EUR 5 thousand). As at 31 December 2023 there are no the outstanding contingent receivables.

A commitment of Municipality of Blagoevgrad as per a grant agreement (11 April 2022) for a period of 24 months and total amount of the approved amount BGN 84 thousand. As at 31 December 2023 the outstanding contingent receivables from Municipality of Blagoevgrad amount to BGN 67 thousand. As at 31 December 2022 the outstanding contingent receivables from Municipality of Blagoevgrad amount to BGN 67 thousand.

A commitment of Municipality of Dupnitsa as per a grant agreement (11 April 2022) for a period of 24 months and total amount of the approved amount BGN 84 thousand. As at 31 December 2023 the outstanding contingent receivables from Municipality of Dupnitsa amount to BGN 67 thousand. As at 31 December 2022 the outstanding contingent receivables from Municipality of Dupnitsa amount to BGN 67 thousand.

A commitment of Eurochild international network as per a grant agreement (19 April 2022) for a period of 21 months and total amount of the approved amount BGN 29 thousand (EUR 15 thousand). As at 31 December 2023 the outstanding contingent receivables from Eurochild international network amount to BGN 12 thousand (EUR 6 thousand). As at 31 December 2022 the outstanding contingent receivables from Eurochild international network amount to BGN 12 thousand (EUR 6 thousand).

A commitment of Clean Air fund as per a grant agreement (5 January 2023) for a period of 26 months and total amount of the approved amount BGN 240 thousand (USD120 thousand). As at 31 December 2023 the outstanding contingent receivables are BGN 141 thousand (USD 80 thousand).

A commitment of Tzhotzorkov Foundation as per a grant agreement (15 May 2023) for a period of 20 months and total amount of the approved amount BGN 40 thousand. As at 31 December 2023 the outstanding contingent receivables are BGN 22 thousand.

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A commitment of International Step By Step Association Foundation as per a grant agreement (4 Mart 2023) for a period of 6 months and total amount of the approved amount BGN 14 thousand (EUR 7 thousand). As at 31 December 2023 the outstanding contingent receivables are BGN 2 thousand (EUR 1 thousand).

A commitment of ABF as per a grant agreement dated 19 October 2023 with a duration of 60 months and with a total approved amount of BGN 23.4 million. As at 31 December 2023, there are BGN 20.4 million the outstanding receivables from ABF for this grant.

Contingent liabilities

As at 31 December 2023 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 2023

Programme	Contingent liabilities at 1 January 2023	Total grants amount on the contracts at 31 December 2023	Gross amount granted in 2023 (Note 4)	Gross amount granted at 31 December 2023	Contingent liabilities at 31 December 2023
<i>Educational Achievement</i>	454	10,755	912	9,294	1,461
<i>Early Childhood Development</i>	709	9,260	1,100	9,094	166
<i>Family Economic Success</i>	321	4,806	559	4,572	234
<i>Capacity Building</i>	15	146	34	146	0
Total	1,499	24,967	2,605	23,106	1,861

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(all amounts are in BGN'000)

Contingent liabilities (continued)

31 December 2022

Programme	Contingent liabilities at 1 January 2022	Total grants amount on the contracts at 31 December 2022	Gross amount granted in 2022 (Note 4)	Gross amount granted at 31 December 2022	Contingent liabilities at 31 December 2022
<i>Educational Achievement</i>	873	9,404	944	8,950	454
<i>Early Childhood Development</i>	1,026	9,972	1,165	9,263	709
<i>Family Economic Success</i>	990	4,448	549	4,127	321
<i>Capacity Building</i>	15	130	-	115	15
Total	2,904	23,954	2,658	22,455	1,499

In 2023 the Foundation concluded new contracts/annexes to existing grant contracts, and the total amount of approved grants as at 31 December 2023 (aggregated since 2012) is BGN 24,967 thousand (31 December 2022: BGN 23,954 thousand), or the total increase of total grant amount during the current financial year amounts to BGN 1,013 thousand.

17. 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':

TRUST FOR SOCIAL ACHIEVEMENT FOUNDATION
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31 December 2023

Loans and receivables

Financial assets

Cash and cash equivalents

5,000

Total

5,000

Other financial liabilities

Financial liabilities

Payables to suppliers

13

Total

13

31 December 2022

Loans and receivables

Financial assets

Receivables from clients

5

Cash and cash equivalents

3,194

Total

3,199

Other financial liabilities

Financial liabilities

Payables to suppliers

17

Total

17

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 2023 the Foundation has cash on current and deposit accounts in USD amounting to USD 225 thousand or BGN 399 thousand (31 December 2022: USD 374 thousand or BGN 686 thousand).

The following exchange rates are applicable for 2022 and 2021:

	<i>Average applicable rate for the year</i>		<i>Exchange rate on 31 December</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
1 USD	1.80184	1.86014	1.76998	1.83371

Upon an increase in the exchange rate by 10%, the result of non-profit activities will increase by BGN 40 thousand (2022: by BGN 69 thousand).

Upon a decrease in the exchange rate by 10%, the result of non-profit activities will decrease by BGN 40 thousand (2022: by BGN 69 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.

Maturity analysis

31 December 2023	On demand and within 1 month	1-3 months	Total
Financial assets			
Receivables from clients	-	-	-
Cash	5,000	-	5,000
Total	5,000		5,000
Financial liabilities			
Payables to suppliers	-	13	13
Total	-	13	13
31 December 2022	On demand and within 1 month	1-3 months	Total
Financial assets			
Receivables from clients	-	5	5
Cash	3,194	-	3,194
Total	3,194	5	3,199
Financial liabilities			
Payables to suppliers	-	17	17
Total	-	17	17

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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

31 December 2023	with fixed interest %	interest-free	total
Financial assets			
Cash	83	4,917	5,000
Total	83	4,917	5,000
Financial liabilities			
Payables to suppliers	-	13	13
Total	-	13	13
31 December 2021	with fixed interest %	interest-free	Total
Financial assets			
Receivables from clients	-	5	5
Cash	103	3,091	3,194
Total	103	3,096	3,199
Financial liabilities			
Payables to suppliers	-	17	17
Total	-	17	17

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

In April 2024 a change to the Articles of Association was made regarding the Foundation structure and new Articles of Association and a new member of Board of Directors approved.

In April 2024, a new member of the Board of Directors of the Foundation was accepted - Virginia White O'Keefe.