



PUBLIC BENEFIT REPORT

NESsT Európa Esélyegyenlőség Kht. 2008

The mission of NESsT Európa Esélyegyenlőség Kht is to solve critical social problems in Hungary and in the Central Eastern European region by developing and supporting social enterprises that strengthen civil society. The social enterprises or ventures contribute to the long term sustainability of the non-profit organizations and strengthen their social impact. NESsT as a public benefit company pays ongoing special attention to enhance the equality of marginalized social groups, to promote the employment and training of disadvantaged groups in the employment market and to disseminate its relevant international experiences in Hungary.

In 2008 NESsT worked according to that mission and vision on the following activities:

- Through the NESsT Venture Fund (NVF), we continued to support 17 Central Eastern European portfolio organizations, among them four Hungarian CSOs, with free training, one-on-one consulting, and financial support in their efforts to launch and develop their social enterprise.
- We continued our social enterprise development programs launched in 2007 by holding social enterprise workshops and seminars and providing regular one-on-one consulting on developing financial strategies, exploring the feasibility of enterprise ideas, and elaborating business plans of the participating CSOs.
- The Social Enterprise Competition that was launched in 2007 in Hungary, Czech Republic, and Slovakia with the support of an international bank, continued in 2008 with further workshops and one-on-one consulting. At the close of the competition, we awarded full grants to 4 NGOs for the most promising enterprise ideas and the strongest social enterprise business plans; these NGOs were awarded in separate ceremonies held in each country. Two of the awarded NGOs have since entered NESsT's later stage portfolio.
- We continued activities of the NESsT Venture Fund in Croatia under the social enterprise competition launched in 2007, which resulted in 2 new entries to our Central European portfolio.



- The social enterprise development program launched with the support of an international bank in 2007 was continued by further trainings and consulting. As a close of the program, we provided full awards to 5 NGOs for the most promising enterprise ideas and the strongest social enterprise business plans. All five awarded NGOs have entered NESsT's Central European portfolio. The award ceremony was combined with a social enterprise marketplace exhibiting the social enterprise ideas of the participating Romanian NGOs.
- As a result of the increasing interest in social enterprises, we participated in several conferences, forums, and festivals in Hungary and in nearby countries with workshops and lectures based on our experiences in the area of self-financing and launching/running social enterprises.
- We also collaborated with nonprofit and business magazines to communicate the results of our research activities carried out in the region and internationally and to share the practical experiences of CSOs we helped to launch and then run social enterprises.
- For the second time, NESsT held a 40-hour accredited training course for 25 NGOs working in the mental health field, based on the curriculum on Business Planning and Management for Social Enterprises as well as on Business Communication, which we wrote in 2006 commissioned by the Kézenfogva Foundation. From this group of NGOs, we provided consulting services for Bárka Alapítvány in the process of launching its new brand, which is a new model, and other social enterprises employing disabled people might join it in the future.
- We continued building bridges of cooperation between civil society and the business world. We recruited new members for our Business Advisory Network (BAN), which now consists of 65 businesspeople in the region, who provide CSOs with advice for planning and running social enterprises and even financial support. We launched an international fundraising campaign in the venture capital industry for NESsT and our supported organizations. Through our international BAN, we are able to contribute international experience and leverage funding for civil society in Central Eastern Europe. Within the framework of our efforts to bridge the gap between the non-profit and for-profit sectors, we participated in several business events held by different professional organizations.
- Within the framework of the NESsT Entrepreneur-in-Residence program, we continued building contacts with the most prestigious universities of the region and we received 2 interns (one Hungarian and one American student). One



was involved in our activities for 10 weeks, and the other student participated in 5 months of research on financing/lending opportunities for social enterprises.

- We further developed our ties with Hungarian and regional CSOs and searched for new cooperation opportunities.

NESsT Európa Esélyegyenlőség Kht. closed the 2008 financial year with a balance of 1 261 000 HUF. The most significant expense items were: travel expenses (1 080 000 HUF), professional services (998 000 HUF), rent and utilities (1 613 000 HUF), salaries and related employer contributions (14 792 000 HUF).

In 2008, NESsT Európa Esélyegyenlőség Kht. did not receive funds from the state budget or other state funds, including local governments, minority self-governments, local government associations, or any subsidiary of these.

NESsT Venture Fund provided targeted financial support to fourteen portfolio organizations amounting to a total of 24 783 000 HUF. These organizations were Bárka Foundation, Blue Bird Foundation, Káva Cultural Association, and Zöldkör in Hungary, Diakonie-Moznosti tu jsou and Spolek Pratel u Frydku-Mistku in Czech Republic, Proni and RODA in Croatia, Bambino in Slovakia, and ACSIS, Alaturi de Voi, FCC, Noi Orizonturi and RAAF in Romania.

This public benefit report has been approved by the organization's founders and the Supervisory Board.

Budapest, May 31st, 2008