



PUBLIC BENEFIT REPORT

NESsT Európa Esélyegyenlőség Kht. 2007

The mission of NESsT Európa Esélyegyenlőség Kht is offering long term solutions to critical problems in Hungary and in the Central Eastern European region by supporting social ventures, i.e. enterprises operated by civil society organizations (CSOs) for social objectives. The social 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 the disadvantaged groups of the employment market and to disseminate its relevant international experiences in Hungary.

In 2007 NESsT worked according to that mission and vision on the following activities:

- Through the NESsT Venture Fund (NVF), we continued to support 10 Central Eastern European organizations, among them three Hungarian CSOs, with free consulting and financial support in their efforts to launch and develop their social enterprise.
- Through the NVF, we further trained over 70 start-up CSOs (among them six Hungarian NGOs) in the essential business knowledge of social enterprise through workshops and seminars and we provided them with regular one-on-one consulting in developing their financing strategies and exploring the feasibility of their enterprise ideas and elaborating their business plan.
- We announced a new call for social enterprise development of nonprofit organizations in Hungary, Czech Republic and Slovakia, with the support of an international bank, launching the social enterprise development process with more than 25 NGOs. We awarded 3 NGOs for completing the best feasibility studies for the most promising social enterprise ideas in a joint event with the Hungarian Venture Association's annual conference attended by prominent media and business community representatives.
- We continued the activity of the NESsT Venture Fund in Croatia, where 12 organizations participated in the social enterprise development process.



- With the support of an international bank, we announced a call for social enterprise development of nonprofit organizations in Romania for the first time in 2007 and launched the process of social enterprise development with 36 NGOs.
- In celebration of NESsT's 10th anniversary, we held a grand international symposium attended by representatives of the nonprofit and for-profit sector where we discussed our 10 years of experience in developing and promoting social enterprises and outlined the possibilities for progress, especially in financing areas.
We also used this opportunity to launch a NESsT Social Enterprise Marketplace where 16 social enterprises exhibited their products and introduced their services to a business audience. The success of this event has convinced us to replicate it in the coming years and turn it into a NESsT tradition.
- In both Hungary and surrounding countries, we organized several conferences, forums and festivals with workshops and lectures focused on themes such as launching social enterprises, self-financing as well as lessons learned.
- We translated our handbook for social enterprise titled *Get Ready Get Set... Starting down the Road to Self-financing...* and the adjoining case study and workbook into Hungarian and Romanian, and provided a free copy to each active organization in the NVF process. We also collaborated with nonprofit and business magazines as well as the Hungarian State Radio 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.
- NESsT held a 40-hour accredited training for 35 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 we wrote in 2006 commissioned by the Kézenfogva Foundation.
- We continued building bridges of cooperation between the civil sector and the business world. We recruited new members for our Business Advisory Network (BAN), which now consists of 50 businesspeople in the region, who provide CSOs with advice for planning and running social enterprises and even financial support. The NESsT Golden Egg was again awarded to our most prominent supporter in 2007. Through our international BAN, we are able to bring international experience and leverage funding for the civil sector 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, such as the annual conference of the Hungarian Venture Capital Association.

- Within the framework of the NESST Entrepreneur-in-Residence program we continued building contacts with the most prestigious universities of the region. We received 2 interns (one Polish and one American student) who were involved in our different activities for periods of 2-3 months.
- We further developed our ties with the Hungarian and regional CSOs and searched for new cooperation opportunities.

NESST Európa Esélyegyenlőség Kht. closed the 2007 financial year with a balance of - 964 000 HUF. The most important expense items were stationary (765 000 HUF), travel expenses (2 497 000 HUF), professional services (782 000 HUF), rent and utilities (1 440 000 HUF), salaries and related employer contributions (12 059 000 HUF).

In 2007 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 five portfolio organizations amounting to a total of 3 921 000 HUF. These organizations were Blue Bird Foundation and Káva Cultural Association in Hungary, Diakonie-Moznosti tu jsou and Spolek Pratel u Frydku-Mistku in Czech Republic and OGI in Croatia.

This public benefit report has been approved by the organizational founders and the Supervisory Board.

Budapest, May 31st, 2008