

Company registration number: 555232

CRA number: 20153618

CHY number: 21264

**ChangeX International and  
Subsidiary Undertaking**

**Report and Consolidated Financial Statements  
For the year ended  
31 December 2020**

**CHANGEX INTERNATIONAL  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**CHANGEX INTERNATIONAL  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS AND OTHER INFORMATION**

Directors	Caroline Casey Sorcha McKenna Michael Kelly
Secretary	Niamh McKenna
Registered office and business address	Dogpatch Labs Chq Building I.F.S.C. Dublin Docklands Dublin 1
Auditors	Mazars Chartered Accountants and Statutory Audit Firm Harcourt Centre Harcourt Road Dublin 2
Bankers	Bank of Ireland College Green Dublin 2
Solicitors	A&L Goodbody 28 North Wall Quay North Wall Dublin 1
CHY number	21264
Company registration number (CRO)	555232
CRA number	20153618

# **CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

## **DIRECTORS' REPORT**

The directors present their directors' report and audited consolidated financial statements of ChangeX International (the "company") and its subsidiary, ChangeX United States, Inc. (together herein referred to as "group") for the financial year ended 31 December 2020.

### **Principal activities and review of the business**

#### *Principal activities*

The mission of the group is to strengthen wellbeing in communities and help them thrive. The group does this by sourcing and packaging the best ideas across the fields of education, environment, health, inclusion and civic participation that communities can take and use locally, and then inspiring, recruiting and supporting people to replicate these ideas in local communities in Ireland, the U.S. and around the world. The group is working towards a long-term goal to improve life for one billion people in 2030.

#### *Subsidiary*

ChangeX United States, Inc. is accounted for as a subsidiary of ChangeX International, who is the sole voting member of the former. Additional information is provided in note 9 to the consolidated financial statements.

#### *Review of the business*

In 2020, ChangeX demonstrated significant growth across a number of key metrics, in what was a challenging year globally, with a 165% increase in its Gross Marketplace Value, an 89% increase in the number of new teams that started ideas from the ChangeX platform in their communities (from 1,348 to 2,556), a corporate renewal rate of 195%, and a small net profit.

Even though the average number of people impacted by each new project reduced from 2019's notably high levels, due to the nature of many of the Covid-19 safe ideas that were started in 2020, the 2,556 projects started had a significant impact in communities across Ireland, the US and the UK, benefitting close to 125,000 people.

The level of community funds distributed by ChangeX grew by more than 600% in 2020. This increase was primarily driven by a large contract which began in April 2020, allowing ChangeX to launch The Community Call campaign in Ireland and Portugal, to help people stay active, healthy and connected, while staying apart during Covid-19 restrictions. Through this campaign, ChangeX contributed to significant additional outcomes in Ireland and Portugal, including 26,000 hampers of food delivered to those in need, and 2,420 older people engaging in daily exercise.

The net profit of ChangeX reduced by 17% in 2020 compared to 2019, while its Gross Marketplace Value grew by 165%, from €574,000 to more than €1.5 million. This increase in the ratio of community funds to net revenue represents greater flow of funds to communities in 2020.

ChangeX continued to grow its multi-year account with one of the world's largest technology companies, by 195% in 2020. This account has continued to grow in 2021 and the company has also secured contracts in 2021 with a number of other large multinational companies, all of which allow ChangeX to expand its geographical remit, idea scope, and community fund volume, bringing it closer to its long-term goal.

The primary activities carried out by the organisation during the year can be summarised as follows:

#### *The Community Call*

The Community Call campaign was a major focus of the organisation in 2020. It allowed the company to play an active role in the community response to Covid-19 and resulting restrictions, in Ireland and Portugal. The Community Call was a collaborative effort with 20 social enterprises and thousands of community leaders across Ireland, to help people stay active, healthy and connected, while staying apart during Covid-19 restrictions. Through this campaign, ChangeX contributed to significant outcomes in communities, including 26,000 hampers of food delivered to those in need, 7,274 online therapy sessions delivered to those affected by the pandemic, 510,000 pieces of PPE delivered to hospitals and nursing homes, 50,000 people growing their own food, and 2,420 older people engaging in daily exercise.

## **CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Principal activities and review of the business (Continued)**

##### *The Community Call (Continued)*

ChangeX also worked with existing social innovators to adapt their ideas so they could be effective in homes and online, rather than in community settings. Ideas such as Grow it Forward, The Daily Mile at Home, and Siel Bleu at Home allowed people to stay connected during restrictions.

##### *Curating and packaging ideas*

Throughout 2020, there were 16 new ideas added to the ChangeX platform, giving communities further choice and opportunity to find an idea to benefit their community. Some of these ideas grew out of The Community Call campaign, addressing particular community needs that emerged during the pandemic, such as Neighbourhood Network, which continues to play an important role in keeping communities healthy, sustainable and connected. In a year when increased numbers of people relied on technology for work, school, and staying connected to our communities, ChangeX added 4 new ideas to inspire, educate, and equip children with digital skills needed to thrive in an online world.

The number of ideas on the ChangeX platform that 10 or more teams started in their community doubled in 2020, as it had done in 2019, from 4 to 8 to 16 year-on-year, demonstrating the increased number of social innovations for which ChangeX is a valuable scaling partner.

In 2020, the company announced a partnership with Project Drawdown, the world's leading source of climate solutions, to increase the adoption of climate solutions at a local community level. The two organisations will work together to identify, package, and support the spread of the best community-based solutions; providing community leaders with the ideas, support, and resources they need to activate and have an impact.

##### *Recruiting, supporting and funding starters*

The number of new teams that started ideas from the ChangeX platform in their communities grew by 89% in 2020, from 1,348 to 2,556. The majority of these teams were unfunded and came through the Community Call. However, there was also an increase in funded starters compared to 2019. As part of its partnership with one of the world's largest technology companies, the company launched funds in 8 regions across the US and launched its first fund in the UK. As part of these funds, local community leaders apply for funding and support to start a ChangeX project in their local community. 148 teams started projects across the areas of environmental sustainability, digital skills, and community prosperity as part of these funds in 2020. At the launch of the 2020 Chicago Community Challenge, a starter from the 2019 Challenge, described what being part of the fund meant for her and her community garden project: "Being part of the Microsoft Community Challenge provided me with strength, inspiration, and hope and that is what I was able to give to the community. Now people come to our garden because they want to be there. ChangeX provided us with more than money, they provided us with a community of support."

##### *Product development*

The product team focused on building and improving features to improve the starter, funder and social innovator experience on the ChangeX platform. This included the ability for social innovators to set up and edit their own social innovation pages, adding the capability to set up hybrid funds (to include the regular Impact as a Service replication model alongside an Open Grant process) so that funders can use ChangeX for all their community fund needs, and the adaptation of idea content and product processes to ensure compliance with Covid guidelines. Funded starters' user experience of the ChangeX platform remained at above 9 out of 10.

## **CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Principal activities and review of the business (Continued)**

##### *Sales and fundraising*

In 2020, the organisation focused on selling and iterating on the 'Impact as a Service' offering for corporations, to help them to manage their community funds and achieve their social impact goals. The company began to increase its offering to customers, selling a Self-Serve model, whereby funders can manage community funds directly through the ChangeX platform, in a Software as a Service set up, and an Open Grant option, where community members can submit their own projects to funds. Self-Serve and Open Grant pilot funds launched in mid-2021. These additional offerings are helping to secure new customers, who will ultimately fuel the scaling of proven innovations in communities.

The cost breakdown for the year was as follows: product development, including the addition of new ideas made up 19% of costs; sales, fundraising and marketing accounted for 19%; 26% of costs were spent on fulfilling 'Impact as a Service' partnerships in Ireland and the US (including recruitment, starter support and impact tracking); and finally, operations and finance accounted for the remaining 36% of costs.

There has been no significant change in the activities of the organisation during the financial period and there is no planned future change at the date of approval of the financial statements.

#### **Results for the year**

Profit for the financial year amounted to €6,698 (2019: €7,948).

#### **Principal risks and uncertainties**

##### *Going concern*

The directors believe that the company is in a strong position to continue in operational existence for the foreseeable future. In the opinion of the directors, in 2020 the company continued to establish itself as a trusted provider of its Impact as a Service product, successfully providing community engagement and community fund management services to existing and new customers. The company's existing account with one of the world's largest technology companies grew by 195% in 2020, expanding to 8 regions across the US and launching its first fund in the UK, and continues to grow in 2021.

The directors believe the company developed important relationships in 2020, which have resulted in significant contracts in 2021 with a number of companies, including a Foundation linked to a large international retail company, which is providing a steady income stream to ChangeX throughout 2021 and has requested a proposal for contract growth of at least 75% in 2022, in addition to substantial multi-year grant finance to scale the company's operations. Other contracts signed in 2021 so far are with another of the world's largest technology companies; a Fortune 500 multinational professional services company; and two international renewable energy companies. These contracts have an Irish remit this year, but they all have strong potential for growth and international expansion, and plans are already underway in relation to some of these expansions.

Over previous years the company has been focussed on reducing its dependence on philanthropic donations and growing its Impact as a Service business. In 2017, 21% of net revenue came from the IaaS business model, in 2018 this figure grew to 44%, and in 2019 it was 61%. In 2020, this figure fell slightly to 20% as contracts were slower to finalise in a year of global uncertainty but is back running at 91% in 2021.

ChangeX continues to have a close relationship with a number of long-standing backers who can be called on to invest strategically in our growth if and when they are needed and as demonstrated in 2020, and there is also an option to access credit to bridge any cash flow gaps. The directors note that the company plans to significantly increase the volume of strategic grant finance revenue in 2022, to fuel the company's growth plans.

As a result, the directors, having reviewed the results achieved to date in 2021 and the financial and cash flow projections, have a strong expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

The company's activities expose it to a number of financial risks including credit risk and liquidity risk.

**CHANGEX INTERNATIONAL  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS' REPORT (continued)**

**Principal risks and uncertainties (continued)**

*Credit risk*

The company manages its financial assets and liabilities to ensure it will continue as a going concern. The company's principal financial assets are bank balances and other receivables. The company's credit risk is primarily attributable to its other receivables. The principal financial liabilities of the company are trade and other payables.

*Liquidity risk*

The liquidity risk is managed by regular monitoring of cash balances.

**Political donations**

The group did not make any political donations during the year (2019: €nil).

**Events after the balance sheet date**

There have been no significant events affecting the group and the company since the financial year end.

**Directors and Company Secretary**

The directors and Company Secretary who served during the year and thereafter were as follows:

Caroline Casey  
Sorcha McKenna  
Michael Kelly  
Niamh McKenna (Secretary)

The directors and secretary who held office at 31 December 2020 had no beneficial interest in the company at any time during the financial year (2019: none).

**Accounting records**

The measures taken by the directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the group are maintained at Dogpatch Labs, Chq Building, IFSC, Dublin Docklands, Dublin 1.

**CHANGEX INTERNATIONAL  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS' REPORT (continued)**

**Statement on relevant audit information**

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of Companies Act 2014:

(a) so far as each director is aware, there is no relevant audit information of which the group's statutory auditors are unaware, and

(b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's statutory auditors are aware of that information.

**Auditors**

In accordance with Section 383(2) of the Companies Act, 2014, the auditors, Mazars, Chartered Accountants, and Statutory Audit Firm, will continue in office.

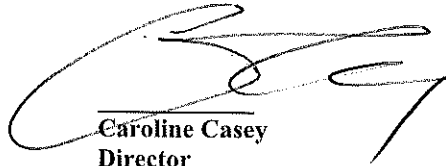
Approved by the board of directors and signed on its behalf by

DocuSigned by:

*Sorcha McKenna*

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**Sorcha McKenna  
Director**



**Caroline Casey  
Director**

**Date:** 17th December 2021



## **CHANGEX INTERNATIONAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable Irish law and regulations.

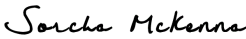
Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that standard, issued by the Financial Reporting Council ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group as at the financial year end date and of the profit or loss of the group for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for ensuring that the group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the group, enable at any time the assets, liabilities, financial position and profit or loss of the group to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of directors and signed on its behalf by:

DocuSigned by:  
  
5E87C26C18B54E0...  
**Sorcha McKenna**  
Director

  
**Caroline Casey**  
Director

Date: 17th December 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGEX INTERNATIONAL**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of ChangeX International (the "company") and its subsidiary undertaking (herein referred to as the "group") for the year ended 31 December 2020, which comprise the Consolidated Statement of Income and Retained Earnings, the Company Statement of Financial Position, Consolidated Statement of Financial Position and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', applying Section 1A of that Standard.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and the company as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', applying Section 1A of that Standard;
- have been properly prepared in accordance with the requirements of the Companies Act 2014

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. 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 are independent of the company and the group in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's and the group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGEX INTERNATIONAL

### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### *Opinions on other matters prescribed by the Companies Act 2014*

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the company and the group were sufficient to permit the financial statements to be readily and properly audited
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit of the company and the group.

### *Matters on which we are required to report by exception*

Based on the knowledge and understanding of the company and the group and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the company and the group. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CHANGEX INTERNATIONAL**

**Respective responsibilities**

***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 8 the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, 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, the directors are responsible for assessing the company and the group'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 company or the group or to cease operations, or has no realistic alternative but to do so.

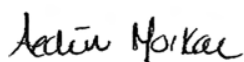
***Auditor's responsibilities for the audit of the financial statements***

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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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**Aedín Morkan**  
**For and on behalf of Mazars**  
**Chartered Accountants & Statutory Audit Firm**  
**Harcourt Centre, Block 3**  
**Harcourt Road**  
**Dublin 2**

**Date: 20 December 2021**

**CHANGEX INTERNATIONAL****CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 €	2019 €
Income	3	1,521,657	723,831
Administration expenses		<u>(1,514,959)</u>	<u>(715,883)</u>
<b>Profit on ordinary activities before taxation</b>		<b>6,698</b>	<b>7,948</b>
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
<b>Profit for the year</b>	4	<b>6,698</b>	<b>7,948</b>
<b>Balance of revenue reserves at beginning of year</b>		<u>(71,354)</u>	<u>(79,302)</u>
<b>Balance of revenue reserves at end of year</b>		<u><b>(64,656)</b></u>	<u><b>(71,354)</b></u>

There were no gains or losses in the current or prior year other than as stated above.

All income is in respect of continuing operations.

The accompanying notes on pages 15 to 23 form an integral part of these financial statements.

**CHANGEX INTERNATIONAL****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	2020 €	2019 €
<b>Fixed assets</b>			
Tangible assets	10	<u>2,235</u>	-
		<u>2,235</u>	-
<b>Current assets</b>			
Debtors	11	411,158	639,012
Cash at bank and in hand		<u>182,037</u>	<u>35,693</u>
		<u>593,195</u>	<u>674,705</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	12	<u>(658,922)</u>	<u>(746,059)</u>
<b>Total current assets less current liabilities</b>		<u>(65,727)</u>	<u>(71,354)</u>
<b>Total assets less current liabilities</b>		<u>(63,492)</u>	<u>(71,354)</u>
<b>Capital and reserves</b>			
Revenue reserves		<u>(63,492)</u>	<u>(71,354)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

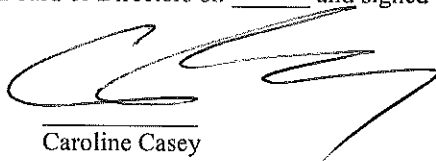
The accompanying notes on pages 15 to 23 form an integral part of these financial statements.

The financial statements have been approved by the Board of Directors on 17/12/21 and signed on its behalf by:

DocuSigned by:

*Sorcha McKenna*

5E87C26C18B54E0...  
Sorcha McKenna  
Director



Caroline Casey  
Director

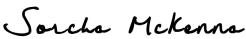
**CHANGEX INTERNATIONAL****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT ENDED 31 DECEMBER 2020**

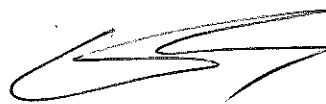
	Notes	2020 €	2019 €
<b>Fixed assets</b>			
Tangible assets	10	<u>2,235</u>	<u>-</u>
		2,235	-
<b>Current assets</b>			
Debtors	11	<u>135,385</u>	<u>171,782</u>
Cash at bank and in hand		<u>465,912</u>	<u>240,917</u>
		<u>601,297</u>	<u>412,699</u>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	12	<u>(668,188)</u>	<u>(484,053)</u>
<b>Total current assets less current liabilities</b>		<u>(66,891)</u>	<u>(71,354)</u>
<b>Total assets less current liabilities</b>		<u>(64,656)</u>	<u>(71,354)</u>
<b>Capital and reserves</b>			
Revenue reserves		<u>(64,656)</u>	<u>(71,354)</u>

These financial statements have been prepared in accordance with the provisions applicable to groups subject to the small companies' regime.

The accompanying notes on pages 15 to 23 form an integral part of these financial statements.

The financial statements have been approved by the Board of Directors on 17/12/21 and signed on its behalf by:

DocuSigned by:  
  
 5E87C26C18B54E0...  
 Sorcha McKenna  
 Director

  
 Caroline Casey  
 Director

## CHANGEX INTERNATIONAL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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#### 1. GENERAL INFORMATION

These financial statements comprising the Consolidated Statement of Income and Retained Earnings, Company Statement of Financial Position, Consolidated Statement of Financial Position and the related notes 1 to 16 constitute the financial statements of the group and the company for the financial year ended 31 December 2020.

ChangeX International is a company incorporated in the Republic of Ireland under the Companies Act 2014 under registration number 555232. The company is a public benefit entity. The address of its registered office is Dogpatch Labs, Chq Building, I.F.S.C., Dublin Docklands, Dublin 1.

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes, if necessary on a winding up during the time they are a member or within one year after they cease to be a member, to contribute to the assets of the company an amount not exceeding €1.27. The company is prohibited by its constitution from distributing any of its reserves by way of a dividend or otherwise to its members.

Under the provisions of the Companies Act 2014, the company is exempt from including the word "Limited" in its name.

#### Statement of Compliance

The financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"), applying Section 1A of that standard, and the Companies Act 2014.

#### Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the group.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, applying Section 1A of that standard, and the Companies Act 2014.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertaking for the financial year ended 31 December 2020. ChangeX United States, Inc. is accounted for as a subsidiary undertaking as the company is the sole voting member of the former.

#### Income

The group's principal source of income is grant for impact as a service, community funds revenue and donations from various individuals and corporations.

Grant for impact as a service is recognised upon the fulfilment of criteria outlined in the grant agreements or based on percentage of completion, which is based on total hours spent during the financial period over total hours expected to be spent for each project over the duration of the project. The income is deferred where the group did not fulfil the grant agreement criteria and is recognised in the Consolidated Statement of Income and Retained Earnings in the period when criteria are met.

Community funds revenue is recognised when it is probable that the economic benefit will flow to the group or when the fund is approved and granted by the funder and the amount is measurable.

The group recognises the donations on a receipt basis.



**CHANGEX INTERNATIONAL****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**Employee benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**Leases**

Operating lease rentals are charged to the Consolidated Statement of Income and Retained Earnings on a straight-line basis over the lease term.

**Foreign currencies**

The financial statements are measured and presented in the currency of the primary economic environment in which the parent entity operates (its functional currency).

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

**Taxation**

The company has been granted charitable tax-exempt status by the Revenue Commissioners under CHY number 21264 and therefore no provision for corporation tax is required.

**Tangible fixed assets**

All tangible fixed assets are initially recorded at historic cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, tangible fixed assets are carried at cost less accumulated depreciation and any impairment losses. The assets are depreciated on the straight-line basis over their expected useful life to their estimated residual value. The useful life of items of computer equipment has been assessed as 3 years.

The residual value and useful life of tangible assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful life, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful life of the assets.

**Impairments of assets other than financial instruments**

Where there is objective evidence that recoverable amounts of an asset are less than its carrying value, the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Consolidated Statement of Income and Retained Earnings.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the Consolidated Statement of Income and Retained Earnings.

## CHANGEX INTERNATIONAL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### **Financial instruments**

The group only holds basic financial instruments and has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

##### *Financial assets and liabilities*

Basic financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets include debtors and cash at bank and in hand. Financial liabilities include creditors (excluding PAYE/PRSI and deferred income).

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances are classified as payable or receivable within one financial year if payment or receipt is due within one financial year or less. If not, they are presented as falling due after more than one financial year. Balances that are classified as payable or receivable within one financial year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and the notes to the financial statements.

##### *Going concern*

The financial statements have been prepared on a going concern basis.

The directors believe that the company is in a strong position to continue in operational existence for the foreseeable future. In the opinion of the directors, in 2020 the company continued to establish itself as a trusted provider of its Impact as a Service product, successfully providing community engagement and community fund management services to existing and new customers. The company's existing account with one of the world's largest technology companies grew by 195% in 2020, expanding to 8 regions across the US and launching its first fund in the UK, and continues to grow in 2021.

**CHANGEX INTERNATIONAL****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Critical accounting judgements and key sources of estimation uncertainty (continued)***Going concern (continued)*

The directors believe the company developed important relationships in 2020, which have resulted in significant contracts in 2021 with a number of companies, including a Foundation linked to a large international retail company, which is providing a steady income stream to ChangeX throughout 2021 and has requested a proposal for contract growth of at least 75% in 2022, in addition to substantial multi-year grant finance to scale the company's operations. Other contracts signed in 2021 so far are with another of the world's largest technology companies; a Fortune 500 multinational professional services company; and two international renewable energy companies. These contracts have an Irish remit this year, but they all have strong potential for growth and international expansion, and plans are already underway in relation to some of these expansions.

Over previous years the company has been focussed on reducing its dependence on philanthropic donations and growing its Impact as a Service business. In 2017, 21% of net revenue came from the laaS business model, in 2018 this figure grew to 44%, and in 2019 it was 75%. In 2020, this figure fell slightly to 60% as contracts were slower to finalise in a year of global uncertainty but is back running at 91% in 2021.

ChangeX continues to have a close relationship with a number of long-standing backers who can be called on to invest strategically in our growth if and when they are needed and as demonstrated in 2020, and there is also an option to access credit to bridge any cash flow gaps. The directors note that the company plans to significantly increase the volume of strategic grant finance revenue in 2022, to fuel the company's growth plans.

As a result, the directors, having reviewed the results achieved to date in 2021 and the financial and cash flow projections, have a strong expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

*Recognition of income*

The group's income recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of income. Income is recognised based on percentage of project completion, which is measured principally based on the hours spent up until the end of the reporting period as a proportion of total hours expected to be spent for each project.

**3. INCOME**

<b>COMPANY</b>	<b>2020</b>	<b>2019</b>
	€	€
Impact as a service	<b>219,635</b>	439,304
Community funds revenue	<b>995,533</b>	135,542
Donations	<b>207,118</b>	148,985
	<u><b>1,422,286</b></u>	<u>723,831</u>
 <b>GROUP</b>	 <b>2020</b>	 <b>2019</b>
	€	€
Impact as a service	<b>305,300</b>	439,304
Community funds revenue	<b>1,009,239</b>	135,542
Donations	<b>207,118</b>	148,985
	<u><b>1,521,657</b></u>	<u>723,831</u>

**CHANGEX INTERNATIONAL****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****3. INCOME (continued)**

Income is derived from activities undertaken as follows:

<b>COMPANY</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Republic of Ireland	1,175,000	388,352
United States of America	247,286	335,479
	<u>1,422,286</u>	<u>723,831</u>
<b>GROUP</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Republic of Ireland	1,175,000	388,352
United States of America	346,657	335,479
	<u>1,521,657</u>	<u>723,831</u>

**4. PROFIT FOR THE YEAR BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging:

**COMPANY AND GROUP**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Auditor's remuneration (including VAT)	14,145	14,145
Depreciation of tangible assets	1,118	-
Lease expense	9,048	23,431
	<u>24,311</u>	<u>37,586</u>

**5. DIRECTORS' REMUNERATION AND TRANSACTIONS**

The directors received no emoluments from the Company during the period (2019: €nil).

**CHANGEX INTERNATIONAL****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****6. STAFF COSTS**

The number of staff earning salaries (excluding employer PRSI) over €60,000 is:

<b>COMPANY</b>	<b>2020</b>	<b>2019</b>
€60,000 - €69,999	1	-
€70,000 - €79,999	-	-
€80,000 - €89,999	-	1
€90,000 - €99,999	-	-
€100,000 - €109,999	-	-
€110,000 - €119,999	1	-
	<u>2</u>	<u>1</u>
<b>GROUP</b>	<b>2020</b>	<b>2019</b>
€60,000 - €69,999	1	-
€70,000 - €79,999	-	-
€80,000 - €89,999	-	1
€90,000 - €99,999	-	-
€100,000 - €109,999	-	-
€110,000 - €119,999	1	-
	<u>2</u>	<u>1</u>

**7. TAXATION**

No taxation arises in the current financial year or prior financial year due to the charitable status of the Company.

**8. EMPLOYEE NUMBERS**

The average number of persons employed by the company during the financial year was 5 (2019: 5) and is analysed into the following categories:

<b>COMPANY AND GROUP</b>	<b>2020</b>	<b>2019</b>
Executive	1	1
Administration	4	4
	<u>5</u>	<u>5</u>

## CHANGEX INTERNATIONAL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

#### 9. SUBSIDIARY COMPANY

ChangeX United States, Inc. is accounted for as a subsidiary of ChangeX International, who is the sole voting member of the former. ChangeX United States, Inc. is a company incorporated in the United States of America on 6 March 2019, a registered not for profit and without authority to issue capital stock. ChangeX United States, Inc.'s principal activity is to provide services and resources for the benefit of, to perform the functions of, or to carry out the purposes of ChangeX International.

The results of operation of ChangeX United States, Inc. is as follows:

	2020	2019
	€	€
Income	99,371	90,485
Expenses	(100,534)	(90,485)
Loss for the year	<u>(1,163)</u>	-
	2020	2019
	€	€
Total assets	283,874	504,536
Total liabilities	(285,037)	(504,536)
Net (liabilities) / assets	<u>(1,163)</u>	-

#### 10. TANGIBLE FIXED ASSETS

COMPANY AND GROUP	Computer Equipment €	Total €
<i>Cost:</i>		
At 1 January 2020	1,782	1,782
Additions	3,353	3,353
At 31 December	<u>5,135</u>	<u>5,135</u>
<i>Depreciation:</i>		
At 1 January 2020	1,782	1,782
Depreciation charge	1,118	1,118
At 31 December 2020	<u>2,900</u>	<u>2,900</u>
<i>Net book value</i>		
At 31 December 2020	<u>2,235</u>	<u>2,235</u>
At 31 December 2019	<u>-</u>	<u>-</u>

**CHANGEX INTERNATIONAL****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****11. DEBTORS**

<b>COMPANY</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
<b>Amounts falling due within one year:</b>		
Funding receivables	135,385	140,497
Amounts due from subsidiary undertaking (see note 13)	275,773	498,515
	<u>411,158</u>	<u>639,012</u>
<b>GROUP</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
<b>Amounts falling due within one year:</b>		
Funding receivables	135,385	171,782
	<u>135,385</u>	<u>171,782</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

<b>COMPANY</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Accruals	47,956	44,270
PAYE/PRS1	84,896	34,519
Trade creditors	16,039	20,575
Deferred income	510,031	328,668
Loans payable	-	50,000
Amounts owed to subsidiary undertaking (see note 13)	-	268,027
	<u>658,922</u>	<u>746,059</u>
<b>GROUP</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Accruals	47,956	49,676
PAYE/PRS1	84,896	34,519
Trade creditors	16,039	21,190
Deferred income	519,297	328,668
Loans payable	-	50,000
	<u>668,188</u>	<u>484,053</u>

**CHANGEX INTERNATIONAL****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****13. RELATED PARTY TRANSACTIONS***Related party transactions*

As at 31 December 2020, the company has an outstanding balance due from the subsidiary undertaking amounting to €275,773 (2019: €498,515) which relates to donations received by the subsidiary undertaking on behalf of the company (see note 11). Amounts due to the subsidiary undertaking at year end amount to €Nil (2019: €268,027) representing the expenses paid by ChangeX United States, Inc. on behalf of the company (see note 12).

*Key management personnel compensation*

The total remuneration for key management personnel for the year amounted to €110,645, Paul O' Hara (2019: €97,790). The directors of the group and the company did not receive any remuneration during the year (2019: €nil).

*Other related party transactions*

ChangeX granted funding of €100,000 to GIY Ireland CLG during the year. The CEO of GIY Ireland CLG is a board member of Change X International and was not involved in the decision to award this funding. The entities are considered related by virtue of significant influence.

ChangeX granted funding of €10,000 to Playworks during the year. A director of Playworks is a board member of Change X International and was not involved in the decision to award this funding. The entities are considered related by virtue of significant influence.

There were no other related party transactions that warrant disclosure in accordance with Section 1A of FRS 102.

**14. FINANCIAL COMMITMENTS**

There are no capital commitments which have been authorised or contracted for but not provided in the financial statements as at 31 December 2020.

Total future contracted minimum lease commitments which exist under non-cancellable operating leases, relating to office rent, are as follows:

	2020	2019
	€	€
Due within one year	-	5,400
	<u>-</u>	<u>5,400</u>

**15. EVENTS AFTER THE REPORTING PERIOD**

There were no events subsequent to the balance sheet date that required adjustment to or disclosure in the financial statements.

**16. APPROVAL OF FINANCIAL STATEMENTS**

The board of directors approved these financial statements and authorised them for issue on 17/12/2021.