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 2019

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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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

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 2019.

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 2019, Impact as a Service (IAAS) revenue grew by 92% and the number of people impacted increased by 25%. The company made significant progress in the development and proof of concept of the IaaS business model: completing product features that allow funds to be managed and distributed to local community groups starting projects; distributing funds to community groups in Arizona and Chicago; and successfully completing and subsequently expanding a contract with one of the world's largest technology companies, remotely.

1,348 teams in Ireland and the U.S. started ideas from the company platform to improve their community, directly impacting more than 150,000 people in local communities. This represents a 25% increase in number of people impacted year on year. This is due to the projects that were started, on average, impacting more people, because of a number of factors, including the availability of seed funding through IaaS, and the high proportion of projects that were started in schools, where a large number of students benefited from the one project. It should be noted that advertising to find starters was reduced by 66% compared to 2018, as a strategic decision was made to primarily focus on finding starters associated with funded IaaS contracts.

As the climate emergency began to gain more widespread attention from communities, governments and the private sector in 2019, this was reflected in the types of ideas that were started through the company platform during the year; 42% of projects started were related to the climate emergency, such as Pollinator Partnership, Grow it Yourself, Repair Café, Plastic Free 4 Schools and Urban Forestry.

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

Curating and packaging ideas

During the year, the company expanded its sustainability themed idea portfolio and focussed particularly on strengthening the breadth of ideas available for US communities. New ideas added included Bee Friendly Farming, Recycle Across America and Urban Forestry, as well as health related ideas such as the Daily Mile.

Recruiting and supporting starters

In 2019, the company continued to focus on the recruitment and support of starters to align with its 'Impact as a Service' partnerships. This included the recruitment and activation of 72 Plastic Free 4 Schools and Playworks schools in Tipperary; and 51 projects to help build thriving and sustainable communities in Arizona and Chicago.

The company continued to help ideas to move from one country to another: by way of example, through the company platform both the Community Fridge idea from the UK and Grow it Yourself are now active in communities in Arizona and Chicago in the US.

DIRECTORS' REPORT (continued)

Recruiting and supporting starters (continued)

In Ireland, 1,115 Street Feasts took place in June 2019. The goal was to support communities to host events in their local area in order to strengthen community ties and help tackle the problem of social isolation. In a survey, carried out by Street Feast among hosts after the event, people overwhelmingly confirmed the positive impact the community gathering had on their lives: 96% of respondents said they felt a greater sense of belonging in their neighbourhood since their Street Feast event.

Product development

The product team focused on building features to improve the starter, funder and social innovator experience on the company platform. This included the improvement of the accounting system, fund set up and impact reports. Funded starters rated their user experience on the company platform as 9.1 out of 10.

Sales and fundraising

In 2019, 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. Revenue from Impact as a Service partners represented 75% of total income (excluding community funds revenue) in 2019, up from 44% in 2018, reducing our dependence on philanthropic grants. A plan was developed during the year to scale the company's operations and impact and preparations were put in place to begin a fundraising round to finance the scaling.

Impact Tracking

The organisation continued to develop its impact tracking and reporting during the year, making significant improvements to its live impact tracker, curating live updates and photos from local teams for funders and impact reports. The organisation also continued to develop its impact outcomes framework, designed and distributed surveys for each idea, to validate expected outcomes from actual results and starter experience. The data from these surveys was used to build a more robust picture of the impact of each new community project started through the company, through monthly and annual impact reports.

The cost breakdown for the year was as follows: product development, including the addition of new ideas and development of the impact tracking system made up 19% of costs; sales, fundraising and marketing accounted for 29%; 19% 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 33% 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 €7,948 (2018: €8,538).

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 2019, the company continued to reduce its dependence on philanthropic donations and move towards self sustainability through the Impact as a Service (IaaS) business model. In 2017 21% of revenue came from the IaaS business model, in 2018 this figure grew to 44%, and in 2019 this upward trend continued with IaaS accounting for 75% of revenue (excluding community funds revenue). This trend is continuing in the current year with IaaS revenue running at 79% of revenue (again excluding community funds revenue).

The company secured an IaaS pilot contract with one of the world's largest technology companies in early 2019, and grew the account by 100% before the end of the year. The account continues to grow in 2020, with significant potential to provide services to additional business units within the multinational. The company secured a large contract with a global technology events company in Q1 2020, to mobilise communities in Ireland and Portugal in response to the Covid-19 crisis, and in fulfilling this contract has demonstrated its ability to provide value to corporations in the current climate. It also entered into smaller pilot contracts with two large US corporations which both have strong potential for expansion. It is at the mid and late stage of negotiations with a number of further customers, including service based, technology and renewable energy companies, who have been identified as having a particular need for the type of community activation the company can provide.

DIRECTORS' REPORT (continued)

Principal risks and uncertainties (continued)

Going concern (continued)

The group has a close relationship with a number of long standing donors who can be called on to provide donations if and when they are needed, and there is also an option to access credit to bridge any cash flow gaps.

As a result, the directors, having reviewed the results achieved to date in 2019 and the financial and cash flow projections, have a reasonable 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 group's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The group manages its financial assets and liabilities to ensure it will continue as a going concern. The group's principal financial assets are bank balances and other receivables. The group's credit risk is primarily attributable to its other receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evident of a reduction in the recoverability of the cash flows. The principal financial liabilities of the group 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 (2018: €nil).

Events after the balance sheet date

Subsequent to year-end, a viral Covid-19 pandemic has spread across the globe and it is causing a significant disruption to business and economic activity. This event has no impact on the figures reported in the 2019 financial statements. It has been disclosed as a non-adjusting event and any potential impact of Covid-19 has been considered in reaching a conclusion on going concern as disclosed in note 2. There were no other events subsequent to the balance sheet date that required adjustment to or disclosure in the financial statements.

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 2019 had no beneficial interest in the company at any time during the financial year (2018: 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.

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:
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Sorcha McKenna
Director

Caroline Casey
Director

Date: 26 May 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:

Caroline Casey

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Sorcha McKenna	**Caroline Casey**
Director	**Director**

Date: 26 May 2020

MAZARS

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 2019, which comprise the Consolidated Statement of Income and Retained Earnings, the Company Statement of Financial Position, Consolidated Statement of Financial Position and the notes to the financial statements, including a summary of significant accounting policies. 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 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 2019 and of its 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; and
- 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 group in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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 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.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the group and the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the company and its environment obtained during the audit, we have not identified material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 group and the company'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 the management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 IAASA's website at: 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

This 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 auditors' 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.

Aedín Morkan

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

Date: 18 June 2020

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	2018 €
Income	3	**723,831**	522,704
Administration expenses		**(715,883)**	(514,166)
Profit/ (loss) on ordinary activities before taxation		**7,948**	8,538
Tax on profit / (loss) on ordinary activities	7	**-**	-
Profit / (loss) for the year	4	**7,948**	8,538
Balance of deficit at beginning of year		**(79,302)**	(87,840)
Balance of deficit at end of year		**(71,354)**	(79,302)

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 14 to 22 form an integral part of these financial statements.

CHANGEX INTERNATIONAL

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 €	2018 €
Fixed assets			
Tangible assets	**10**	**-**	-
		-	-
Current assets			
Debtors	**11**	**639,012**	124,193
Cash at bank and in hand		**35,693**	-
		674,705	124,193
Current liabilities			
Creditors: Amounts falling due within one year	**12**	**(746,059)**	(203,495)
Total assets less current liabilities		**(71,354)**	(79,302)
Capital and reserves			
Deficit		**(71,354)**	(79,302)

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 14 to 22 form an integral part of these financial statements.

The financial statements have been approved by the Board of Directors on 26 May 2020 and signed on its behalf by:

DocuSigned by:
Caroline Casey
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Sorcha McKenna
Director

Caroline Casey
Director

CHANGEX INTERNATIONAL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT ENDED 31 DECEMBER 2019

	Notes	2019 €	2018 €
Fixed assets			
Tangible assets	**10**	**-**	-
		-	-
Current assets			
Debtors	**11**	**171,782**	124,193
Cash at bank and in hand		**240,917**	-
		412,699	124,193
Current Liabilities			
Creditors: Amounts falling due within one year	**12**	**(484,053)**	(203,495)
Total assets less current liabilities		**(71,354)**	(79,302)
Capital and reserves			
Deficit		**(71,354)**	(79,302)

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 14 to 22 form an integral part of these financial statements.

The financial statements have been approved by the Board of Directors on 26 May 2020 and signed on its behalf by:

DocuSigned by:
Caroline Casey
57C9796CA23C445...

Sorcha McKenna
Director

Caroline Casey
Director

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 2019.

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 the Companies Act 2014, 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 2019. 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 and donations from various individuals and corporations. The group recognises the donations on a receipts basis. Grant for impact as a service is recognises upon the fulfilment of criteria outlined in the grant agreements or based on percentage of completion, which is based on total hours spent over total hours expected to be spent for each 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.

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 rates at the dates of the transactions. 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, and also 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The recoverable amount of tangible fixed assets is the higher of the fair value less cost to sell of the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This determined by reference to the present value of the future cash flows of the group which is considered by the directors to be a single cash generating unit.

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 2019, the company continued to reduce its dependence on philanthropic donations and move towards self sustainability through the Impact as a Service (IaaS) business model. In 2017 21% of revenue came from the IaaS business model, in 2018 this figure grew to 44%, and in 2019 this upward trend continued with IaaS accounting for 75% of revenue (excluding community funds revenue). This trend is continuing in the current year with IaaS revenue running at 79% of revenue (again excluding community funds revenue).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Going concern (continued)

The company secured an IaaS pilot contract with one of the world's largest technology companies in early 2019, and grew the account by 100% before the end of the year. The account continues to grow in 2020, with significant potential to provide services to additional business units within the multinational. The company secured a large contract with a global technology events company in Q1 2020, to mobilise communities in Ireland and Portugal in response to the Covid-19 crisis, and in fulfilling this contract has demonstrated its ability to provide value to corporations in the current climate. It also entered into smaller pilot contracts with two large US corporations which both have strong potential for expansion. It is at the mid and late stage of negotiations with a number of further customers, including service based, technology and renewable energy companies, who have been identified as having a particular need for the type of community activation the company can provide.

The group has a close relationship with a number of long standing donors who can be called on to provide donations if and when they are needed, and there is also an option to access credit to bridge any cash flow gaps.

As a result, the directors, having reviewed the results achieved to date in 2019 and the financial and cash flow projections, have a reasonable 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

COMPANY	2019	2018
	€	€
Impact as a service	**574,846**	228,793
Donations	**148,985**	293,911
	723,831	522,704

GROUP	2019	2018
	€	€
Impact as a service	**574,846**	228,793
Donations	**148,985**	293,911
	723,831	522,704

3. INCOME (continued)

Income is derived from activities undertaken as follows:

COMPANY	2019	2018
	€	€
Republic of Ireland	**388,352**	402,320
United States of America	**335,479**	120,384
	723,831	522,704

GROUP	2019	2018
	€	€
Republic of Ireland	**388,352**	402,320
United States of America	**335,479**	120,384
	723,831	522,704

4. PROFIT FOR THE YEAR BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging / (crediting):

COMPANY AND GROUP	2019	2018
	€	€
Auditor's remuneration	**10,700**	9,225
Depreciation of tangible assets	**-**	566
Lease expense	**23,431**	22,882
	34,131	32,673

5. DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors received no emoluments from the Company during the period (2018: €nil).

6. STAFF COSTS

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

COMPANY	2019	2018
€60,000 - €69,999	-	-
€70,000 - €79,999	-	-
€80,000 - €89,999	1	1
	1	1

GROUP	2019	2018
€60,000 - €69,999	-	-
€70,000 - €79,999	-	-
€80,000 - €89,999	1	1
	1	1

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 (2018: 5) and is analysed into the following categories:

COMPANY AND GROUP	2019	2018
Executive	**1**	1
Administration	**4**	4
	5	5

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, 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:

	For the period ended 31.12.2019 (10 months)
	€
Income	**90,485**
Expenses	**(90,485)**
Profit/ (loss) during the year	**-**

	2019
	€
Total assets	**504,536**
Total liabilities	**(504,536)**
Net assets	**-**

10. TANGIBLE FIXED ASSETS

COMPANY AND GROUP	**Computer Equipment**	**Total**
	€	**€**
***Cost* :**		
At 1 January and 31 December 2019	**3,648**	**3,648**
Depreciation:		
At 1 January and 31 December 2019	**3,648**	**3,648**
Net book value		
At 31 December 2019	**-**	**-**
At 31 December 2018	-	-

All assets are fully depreciated as at year end.

11. DEBTORS

COMPANY	2019	2018
	€	€
Amounts falling due within one year:		
Funding receivables	**140,497**	124,193
Amounts due from subsidiary undertaking (see note 13)	**498,515**	-
	639,012	124,193

GROUP	2019	2018
	€	€
Amounts falling due within one year:		
Funding receivables	**171,782**	124,193
	171,782	124,193

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

COMPANY	2019	2018
	€	€
Accruals	**44,270**	23,549
PAYE/PRS1	**34,519**	42,139
Trade creditors	**20,575**	44,324
Loans payable	**50,000**	-
Deferred income	**328,668**	89,200
Amounts owed to subsidiary undertaking (see note 13)	**268,027**	-
Bank overdraft	**-**	4,283
	746,059	203,495

GROUP	2019	2018
	€	€
Accruals	**49,676**	23,549
PAYE/PRS1	**34,519**	42,139
Trade creditors	**21,190**	44,324
Loans payable	**50,000**	-
Deferred income	**328,668**	89,200
Bank overdraft	**-**	4,283
	484,053	203,495

13. RELATED PARTY TRANSACTIONS

Related party transactions

As at 31 December 2019, the company has an outstanding balance due from the subsidiary undertaking amounting to €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 €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 €97,790 (2018: €90,675). The directors of the group and the company did not receive any remuneration during the year (2018: €nil).

Other related party transactions

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 2019.

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

	2019	2018
	€	€
Due within one year	**5,400**	5,400
	5,400	5,400

15. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year-end, a viral Covid-19 pandemic has spread across the globe and it is causing a significant disruption to business and economic activity. This event has no impact on the figures reported in the 2019 financial statements. It has been disclosed as a non-adjusting event and any potential impact of Covid-19 has been considered in reaching a conclusion on going concern as disclosed in note 2. There were no other 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 26 May 2020.