

FOUNSMALLDATION

Small Foundation

Annual Report
2008



Small Foundation

Directors' report and
financial statements

For the period ended 31 December 2008

Registered number
Charity number

447577
CHY17841

Small Foundation

Directors' Report and Financial Statements

For the period ended 31 December 2008

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Directors and Other Information

Directors	Tim Brosnan (Chairman) Mary Brosnan Conor Brosnan Anthony Gannon Mike Swift
Charity number	CHY17841
Registered number	447577
Registered office	1 Cavendish Row Upper O'Connell Street Dublin 1
Auditor	KPMG Chartered Accountants Registered Auditors 1 Harbourmaster Place International Financial Services Centre Dublin 1
Banker	Bank of Scotland Ireland Bank of Scotland House 124-127 St. Stephen's Green Dublin 2 Bank of Ireland Ballsbridge Dublin 4

Small Foundation

Directors' Report

For the period ended 31 December 2008

The directors present their annual report and audited financial statements of Small Foundation (the "Company") for the period ended 31 December 2008, which will be laid before the members at the Annual General Meeting of the company.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The company's financial statements are required by law to give a true and fair view of the state of affairs of the company and of its profit or loss for that period.

In preparing each of the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts 1963 to 2006.

Incorporation

The Company was incorporated 12 October 2007 and has provided five donations to Non-Government Organisations (NGOs) for the period ended 31 December 2008.

Principal Activity, Objectives and Review of Business

The company has engaged in charity activities with its main focus on alleviating extreme poverty in Sub-Saharan Africa. The company also makes grants to different charities for purposes relating to poverty alleviation, mental health, suicide prevention and educational opportunities for the disadvantaged. The company's main objective is to help make holistic development the mainstream of development efforts

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Directors' Report (continued)

Principal Activity, Objectives and Review of Business (continued)

in Africa by governments, supranational bodies, donors and NGOs. During the period, the Company has earned income through interest on term deposits. Five donations have been made to NGOs totaling €1,476,158.

Company limited by guarantee

The company is a limited company by guarantee and was formed for promoting charity and intends to apply its profits, or other income, in promoting its objectives.

Principal risks and uncertainties

The Company is envisaged to be funded in the initial years only by the founding members and their close associates with the hope that other donors may come forward in later years. The directors believe that the key risk to the Company relates to the potential negative impact on fundraising of uncertainties being experienced by the global economy. Another key risk is the reputational risk arising from supporting NGOs and causes that might bring the Company into ill repute with negative consequences for both its impact in Africa and its fundraising.

Results and dividends

The operating surplus for the period amounted to €69,192. The Company prohibits payment of dividends to its members.

Post balance sheet events

There are no post balance sheet events which require disclosure in, or adjustments to the financial statements.

Directors

The names of the persons who were directors at any time during the period ended 31 December 2008 are set out on page 1. The directors were all appointed on the date of incorporation, 12 October 2007. In accordance with the Articles of Association one third of the directors are required to retire by rotation at each annual general meeting. The directors to retire in every year shall be those who have been longest in office since the last election but as between persons who became directors on the same day; those to retire shall be determined by lot. A retiring director shall be eligible for re-election.

Books of account

The directors are responsible for ensuring that proper books and records, as outlined in Section 202 of the Companies Act, 1990 are kept. The directors through the use of appropriate procedures and systems and the employment of competent persons have ensured that measures are in place to secure compliance with

Small Foundation

Directors' Report (continued)

Books of account (continued)

these requirements. These books and records are maintained at the company's registered office at 1 Cavendish Row, Upper O'Connell Street, Dublin 1.

Auditors

KPMG, Chartered Accounts, were appointed as auditors by the directors on 5 February 2009 in accordance with section 160 (6) of the companies Act 1963.

Taxation status

The company has exemption from taxation as a charitable organization and is registered under No. CHY17841. The company also received approval for the Scheme of Tax Relief for Donations to Eligible Charities and other Approved bodies under Section 848A Taxes Consolidation Act 1997.

On behalf of the board

Director

Director

Date: 7 April 2009

Small Foundation

Independent Auditor's Report to the Members of Small Foundation

We have audited the financial statements of Small Foundation for the period ended 31 December 2008, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts 1963 to 2006. We also report to you whether, in our opinion: proper books of account have been kept by the company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the parent company financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Independent Auditor's Report to the Members of Small Foundation (continued)

Small Foundation

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2008; and
- have been properly prepared in accordance with the Companies Acts 1963 to 2006.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report on pages 2 to 4 is consistent with the financial statements.

The net assets of the company, as stated in the company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

KPMG
Chartered Accountants
Registered Auditor
1 Harbourmaster Place
IFSC
Dublin 1

Date: 7 April 2009

Statement of Financial Activities (including Income & Expenditure Account) for the period ended

Small Foundation

31 December 2008

	<i>Notes</i>	Total funds 2008 €
Incoming resources		
Incoming resources from generated funds:		
Voluntary income:		
Donations	2	3,272,837
Activities for generating funds:		
Investment income		129,607
Total incoming resources		3,402,444
Resource expended		
Donations to NGOs	3	1,476,158
Governance costs	4	60,415
Total resources expended		1,536,573
Net incoming resources		1,865,871

The statement of financial activities include all gains and losses in the period. All incoming resources and resources expended derive from continuing activities. The accompanying notes form an integral part of the financial statements.

On behalf of the board:

Chairman

Director

Date: 7 April 2009

Small Foundation

Balance Sheet as at 31 December 2008

	<i>Note</i>	€	2008 €
Current assets			
Cash and cash equivalents		1,885,866	
Interest receivable		1,819	
		<hr/>	
Net current assets			1,887,685
Accrued expenses			(21,814)
			<hr/>
Net assets			1,865,871
			<hr/>
Unrestricted funds	7		1,865,871
			<hr/>
Total funds			1,865,871
			<hr/> <hr/>

The accompanying notes form an integral part of the financial statements

On behalf of the board:

Chairman

Director

Date: 7 April 2009

Small Foundation

Notes forming part of the Financial Statements for the period ended 31 December 2008

1 Accounting policies

The principal accounting policies are summarized below. The accounting policies have been applied consistently throughout the period.

(a) Basis of accounting

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

The company has presented the statement of financial activities and the balance sheet in the format set out in "Accounting and Reporting by Charities – Statement of Recommended Practice (2005 SORP)".

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Board for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are recognised by inclusion in the statement of financial activities only when the charity is legally entitled to the income, virtually certain of receipt, and the amounts involved can be measured with sufficient reliability. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Small Foundation

Notes forming part of the Financial Statements for the period ended 31 December 2008 (continued)

1 Accounting policies (continued)

(c) Incoming resources (continued)

- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and may include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

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Notes forming part of the Financial Statements for the period ended 31 December 2008 (continued)

2 Donations

	Unrestricted €	Restricted €	2008 Total €
Donations	3,272,837	-	3,272,837
	<hr/>	<hr/>	<hr/>
	3,272,837	-	3,272,837
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3 Donations to NGOs

	Unrestricted €	Restricted €	2008 Total €
Relief Society of Tigray	113,244	-	113,244
Self Help Africa UK/Harvest Help	500,314	-	500,314
Concern Universal	600,000	-	600,000
Self Help Africa	250,000	-	250,000
Ireland Fund of Great Britain	12,600	-	12,600
	<hr/>	<hr/>	<hr/>
	1,476,158	-	1,476,158
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 Total resources expended

	Total 2008 €
Supported costs allocated to activities	
Stamp duty	32,404
Legal & Professional	26,697
Rent	1,266
Bank charges	28
Miscellaneous	20
	<hr/>
Total resources expended	60,415
	<hr/> <hr/>

All costs during the period relate to Governance costs.

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Notes forming part of the Financial Statements for the period ended 31 December 2008 (continued)

5 Directors and Management Remuneration & Related Party Transactions

No members of the board of directors received any remuneration during the period.

No member of the board of directors or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period.

The Company has a rental agreement with a counterparty of which three of its directors are shareholders and directors.

6 Taxation

The company has exemption from taxation as a charitable organization and is registered under No. CHY17841. The company also received approval for the Scheme of Tax Relief for Donations to Eligible Charities and other Approved bodies under Section 848A Taxes Consolidation Act 1997.

7 Movement in funds

	At 12 October 2007	Income resources (incl. gains)	Outgoing resources	Transfers	At 31 December 2008
	€	€	€	€	€
Restricted funds:	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total restricted funds</i>	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds:					
Designated fund					
General funds	-	3,402,444	1,536,573	-	1,865,871
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total unrestricted funds</i>	-	3,402,444	1,536,573	-	1,865,871
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	-	3,402,444	1,536,573	-	1,865,871
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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Notes forming part of the Financial Statements for the period ended 31 December 2008 (continued)

8 Operating Surplus

	€
Beginning balance, as at 12 October 2007	–
Movement during period ending 31 December 2008:	
Investment Income	129,607
(less) Governance costs	60,415
	<hr/>
Ending balance, as at 31 December 2008	69,192
	<hr/> <hr/>

9 Cashflow Statement

The Company has availed of the exemption under financial reporting standard number (FRS) 1 (Revised 1996), “Cash Flow Statements” which only requires entities exceeding the threshold set from 6 April 2008 to prepare a cash flow statement. Threshold set relates to entities meeting two of three requirements set as follows: (a) €6.5 million gross turnover; (b) €3.26 million gross assets; and (c) 50 employees. The company did not exceed any one of the threshold per FRS 1.

10 Post balance sheet events

No significant events have taken place since the period end that that would result in adjustment to the financial statements or inclusion of a note thereto.

11 Approval of financial statements

These financial statements were approved by the Board of Directors on 7 April 2009.