

FOUNSMALLDATION

Small Foundation

Annual Report
2017

Registered number: 447577
Charity number: CHY17841

SMALL FOUNDATION
(A Company Limited by Guarantee)

AUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

SMALL FOUNDATION

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SMALL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2017

Directors	Michael Swift Tony Gannon Mary Brosnan (Resigned 23 May 2018) Tim Brosnan (Executive Chair, 2017 to 28 February 2018) Conor Brosnan (Chief Executive Officer and Chairperson from 28 February 2018) Anna Brosnan (Chief Investment Officer from 28 February 2018)
Company registered number	447577
Charity registered number	CHY17841
Registered office	1-2 Cavendish Row Dublin 1
Company secretary	Conor Brosnan
Independent auditors	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Financial Services Centre Dublin 1
Bankers	Bank of Ireland Ballsbridge Dublin 4 Bank of Ireland UK Townhall Street Enniskillen BT74 7BD
Accountants	Woods and Partners Limited Chartered Accountants 24 Priory Office Park Stillorgan Co. Dublin

SMALL FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors (who are also directors of the Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of Small Foundation (the Company) for the year ended 31 December 2017. The Directors confirm that the Annual Report and financial statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and Activities

a. Policies and objectives

The Company's main objects are the relief of poverty, suffering and distress. To achieve these objects the Company is primarily focused on eliminating extreme poverty and hunger from sub-Saharan Africa (SSA). A subsidiary focus is helping disadvantaged people in Ireland, particularly in the area of educational disadvantage.

Small Foundation has chosen to focus on SSA, and, in particular, rural areas, as hundreds of millions of people in these areas live their lives in extreme poverty. Small Foundation aims to maximise its contribution to the elimination of extreme poverty by focusing its activities here and seeking to help catalyse the proliferation of sustainable income-generating opportunities for extremely poor people in rural areas. It seeks to do this by identifying and supporting highly-leveraged interventions that improve the business ecosystem for on-farm and off-farm micro, small and medium enterprises (MSMEs) by expanding access to knowledge, finance, technology, skilled human resources and markets. It aims to do this in ways that are effective, sustainable and scalable.

b. Strategies for achieving objectives

Small Foundation undertook an extensive strategy refresh in 2017, following on from the strategic review undertaken in 2014. The Company determined that the following Vision, Mission and Goal should be adopted:

Vision: Africa free from extreme poverty by 2030.

Mission: Catalyse income-generating opportunities for extremely poor people in rural sub-Saharan Africa.

Goal: Support initiatives that improve the business ecosystems that proliferate income opportunities for those in extreme poverty by expanding the access of MSMEs to knowledge, skilled human resources, finance, technology and markets.

Small Foundation also determined that public and private funding for charitable and philanthropic purposes had been to date, and was very likely to remain in the future, insufficient to eradicate extreme poverty. Therefore, a key outcome of the 2017 strategy refresh was to focus the Company on seeking to find, catalyse and support viable models (business, public and hybrid) that have the potential to be effective at eradicating poverty while also being sustainable for the duration, and scalable to the size, required for this task.

Based on the Company's 10 years of experience, including its past and current donations and social investments, it decided to focus its efforts on business ecosystem-development initiatives in the following areas:

1. Finance
2. Knowledge (technical assistance)
3. Skilled human resources

This is not to say that the Company does not see real potential in areas such as technology and markets, but, given the Company's limited human resource capacity, it sees a need to specialise in order to have the

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

necessary expertise and deep networks to find, catalyse and support the innovative, viable solutions required.

Compared to other donors (governments, international agencies, international NGOs and private foundations) in this space, Small Foundation is relatively small, in terms of staff and capital. However, Small Foundation believes it can maximise its impact on extreme poverty by being flexible, innovative and risk-seeking in how it operates. Small Foundation believes that operating in this way enables it to fill critical gaps left by other donors and increases its chances of catalysing the innovation required to deliver the needed impact on poverty.

Although Small Foundation believes its approach will maximise its impact on eradicating poverty in the long term, it accepts that there are potential downsides to this approach:

- **Risk of failure:** As Small Foundation is looking for innovative models to tackle poverty in a sustainable and scalable way – in ways that have not been done before – there is a high chance that any individual model supported by Small Foundation will not succeed. However, as existing models are not working at the pace and scale required, Small Foundation feels it is essential to take this additional risk. Even where individual models supported by the Company do not succeed, Small Foundation believes there can be important lessons for the sector that, where successfully disseminated, can make a significant contribution to its long-term vision;

- **Increased costs:** the viable models Small Foundation seeks are rare and take significantly more capacity to find and support (including on-going monitoring), and to transfer the learnings from these innovative models to the sector requires deeper network engagement. This necessitates the hands-on, intensive and expert engagement of the team, from research, due diligence, and post-investment support, to collaboration, dissemination and amplification. Small Foundation believes that investing in its team is vital to finding and supporting the viable, sustainable and scalable models required, and to fostering the sector collaboration necessary to realising its vision.

While the Company's focus in 2018 will be on the implementation of its strategy, it will continue to re-assess and refresh its strategy to remain responsive to new opportunities for impact and continue to maximise its contribution towards the eradication of extreme poverty.

c. Activities for achieving objectives

As laid out in the 2016 Constitution, to fulfil its vision, the Company's activities will primarily centre on the following:

1. Researching effective, sustainable and scalable development programmes, social and for-profit business models that provide livelihood-enhancing products, services, employment and market opportunities to the extremely poor.
2. Collaborating with others to develop, plan and implement effective, sustainable and scalable development programmes and business models with the potential to eradicate poverty.
3. Disseminating information, knowledge and expertise on effective, sustainable and scalable development programmes and business models to a wide variety of stakeholders who have the potential to use this information to eradicate poverty.

As well as building its own human-resource capacity to research and disseminate effective models and to collaborate with others, the Company will also provide the following support to other organisations:

1. **Financial support:** This is the support most associated with foundations. To date, much of the financial support provided by Small Foundation is advanced under multi-year strategic collaboration agreements aimed at funding the core costs of either the general operations of the organisation or its specific initiatives in SSA. In the past, this support has been by way of donation. More recently, some of the entities Small Foundation now supports have revenue-generating models as an intrinsic part of their activities in pursuit of financial sustainability and scalability. Where this is the case and where appropriate, Small Foundation provides financial

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

support by way of social investment. Our motivation for this is to act in a way that aligns capital appropriately with the specific needs of the organisation and minimises market distortion. Under its refreshed strategy, Small Foundation plans to continue to make donations and social investments, collectively referred to as 'investments'.

2. Non-financial support: This support can be provided pre or post investment and includes working with investees to improve and refine development and business models, taking formal or informal advisory roles, and facilitating connections between people, organisations and ideas in the development and business ecosystems in which the Company operates. This activity is usually undertaken directly by Small Foundation team members.

3. Collaboration in aligned networks: This activity relates most directly to the dissemination of information, knowledge and expertise, and experience has shown that active engagement in aligned networks, formal and informal, can increase the Company's ability to be influential in the sector. Furthermore, deep engagement in these networks is important for sourcing the potentially viable models the Company is seeking to achieve its vision. The Company supports such aligned networks through direct funding and through the participation and engagement of its staff and volunteers.

Achievements and performance

a. Key financial performance indicators

Income from unrestricted funds was €8,952,241, the majority coming from a dividend received from Cavendish Capital Limited (see note 18 to the financial statements), (2016: €17,810) with resources expended for the year of €2,895,372 (2016: €2,138,338). There was net income / (expenditure) of €6,056,869 (2016: (€2,120,528)). The net assets of the Charity at year end were €9,530,571 (2016: €3,473,702).

During the year, Small Foundation provided direct financial support totalling €2,202,844 to eleven SSA-focused entities and €150,000 to one Irish entity (2016: €1,636,358 to eleven SSA entities).

All the Africa-related advances went to organisations with strategies and operations that increase access to knowledge, finance, skilled human resources, technology or markets to MSMEs, including small farms, in rural SSA.

b. Review of activities

Details of the organisations Small Foundation supported, and the nature of its support are given here.

1. Acumen is a not-for-profit social investor that makes patient long-term debt and equity investments in early-stage companies providing reliable and affordable access to agricultural inputs and markets, quality education, clean energy, healthcare services, formal housing, and safe drinking water to low-income customers. Small Foundation provides finance to Acumen to support its agribusiness investment teams in SSA.

To date, Acumen has invested millions in African agricultural opportunities, are a thought and practice leader through their investment activities and have developed innovations such as "Lean Data", which generates insights into the impact of investments, and Acumen+ courses, which have allowed participants across the world benefit from cutting-edge online learning. In 2017, Acumen completed a strategic review process on their engagement in agriculture, with a particular emphasis on SSA and plan to launch a new, agricultural-focused fund in 2018. (2017 advance: €96,713, 2016: €255,466)

2. Conveners.org fosters coordination, collaboration, and learning among impact-focused conveners and accelerators. It is a non-profit organisation that develops programmes, tools, and resources to support these communities to advance systems-level change. Small Foundation provided a seed grant to support the

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

development of an accelerator selection tool as part of Conveners.org's Accelerating the Accelerators work.

In October 2017, the accelerator tool was launched and it is actively in use by entrepreneurs and accelerator programmes. (2017 advance: €47,007)

3. The Agribusiness Market Ecosystem Alliance (AMEA) is a global alliance of firms standardising the development of professional farmer organisations, with activities in Africa. AMEA uses a cost-effective and integrated system of standards, assessments, training, materials and service providers, to give buyers, banks, and input suppliers greater confidence to engage in farmer organisation for stronger, more resilient supply chains. AMEA believes that professional farmer organisations are essential for poverty alleviation and food security, and that organisation and professionalisation are key for smallholders to survive and flourish as businesses.

Small Foundation has provided AMEA with multi-annual funding to support its start-up phase and expand its operations. A Small Foundation representative is also a non-executive board member of AMEA. In 2017, AMEA continued to refine its value proposition and establish its operations. It is still too early to assess the impact of AMEA's work. (2017 advance: €75,947)

4. The Aspen Network for Development Entrepreneurs (ANDE) is a global membership network of organisations that support entrepreneurship in emerging markets in order to create prosperity for the world's poor. Small Foundation supports the network's development and core activities, particularly in East and West Africa. Small Foundation also holds a seat on the Executive Committee for ANDE, which provides advisory guidance to the network's senior leadership.

In addition to the successful continuation of its core activities in 2017, ANDE launched a collaborative effort to improve the entrepreneurial ecosystem in Uganda with direct support from Small Foundation. This engagement is expected to yield impact in 2018/2019. (2017 advance: €20,000, 2016: €122,214)

5. Capria Ventures provides local fund managers in Africa and other emerging markets with training, warehousing of initial investments, seed capital, fund-operating tools and processes, mentoring, fundraising support, investment evaluation support, and access to a growing global network of other early-stage fund managers. It works with local fund managers who are setting up investment vehicles to deploy risk capital – equity, quasi equity and debt – to support small, fast-growing businesses that have the potential to be both profitable and impactful to low-income populations. Small Foundation supports Capria Ventures' work in Africa.

In 2017, Capria continued their work of supporting local fund managers. Over 200 fund management teams applied to Capria in 2017, of which 6 were selected to become Capria network members. Overall, Capria's portfolio more than doubled in 2017. Achieving positive fund economics without losing sight of social impact will remain a key challenge for Capria, and it hopes for a least one fund close in 2018. (2017 advance: €91,954)

6. Equity for Africa Group (EFAG) is an equipment finance company with operations in Tanzania specialised in serving small and medium enterprises and farmers in East Africa. Small Foundation has provided seed funding for the expansion of EFAG to Kenya and Uganda. (2017 advance: €60,044)

7. Partners in Food Solutions (PFS) is a non-profit organisation whose vision is to improve food security and nutrition to enrich lives around the world. It works to mobilise corporate volunteers to share knowledge and expertise with small and growing African food processors to improve the food value chain in Africa. Small Foundation supports PFS to innovate its operational model to increase organisational sustainability and the scalability of its impact.

PFS has significantly improved its operational capacity during the course of this support. In its FY2017, PFS increased its reach by 45%, helping over 200 African agribusinesses with custom technical assistance support. (2017 advance: €85,609, 2016: €90,992)

8. Root Capital USA is a non-profit that invests in poor, environmentally vulnerable places in Africa, Latin

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

America, and Indonesia by lending capital, delivering management training, and strengthening market connections for small and growing agricultural businesses. Small Foundation supports the core costs of Root Capital's lending operations in SSA as well as their field-building work in the agricultural finance sector.

In 2017, Root Capital continued to improve its operational efficiencies and share its learnings in the sector. It continues to directly impact agricultural small and medium-sized enterprises (SMEs) through its lending, and more broadly in the ecosystem through its field-building activities. (2017 advance: €547,401)

9. The Council on Smallholder Agricultural Finance (CSAF), hosted by Root Capital, is an alliance of 12 financial institutions that promote industry standards and best practices for a thriving and sustainable market serving the financing needs of agricultural SMEs in Africa, Asia, and Latin America. Small Foundation supports CSAF with its core operating costs.

In 2017, CSAF members collectively deployed over \$700 million in debt and equity investments to 800 agricultural SMEs aggregating 2.3 million smallholder farmers globally. This represents a doubling of lending activity since members first began reporting in 2013. (2017 advance: €72,339)

10. Village Capital (VC) is a global venture capital firm that finds, trains and invests in entrepreneurs solving real-world problems. VC runs investment-readiness programs for entrepreneurs alongside an investment fund that invests capital in the highest-ranked peer-selected entrepreneurs participating in their programs. Small Foundation supports VC to expand the Africa practice, including the launch of an agricultural-focused accelerator program.

In 2017, VC launched a new fintech program in Africa and is having a positive impact on early-stage entrepreneurs. (2017 advance: €172,265)

11. IPDEV II, managed by Investisseurs & Partenaires (I&P), is an incubator of, and investor in, local investment management companies and impact funds in SSA that invest in small and growing businesses. Its main aim is to contribute to the rise of a sustainable and dynamic private sector in SSA.

Since Small Foundation's initial investment, IPDEV II has invested in five local fund management companies in SSA and provided hands-on technical support to help the local fund managers fundraise and build their portfolios. Small Foundation holds a seat on IPDEV II's Non-Financial Committee monitoring impact. Small Foundation has committed a total of €500,000 to IPDEV II. (2017 advance: €81,575, 2016: €129,017)

12. Open Capital Group (OCG), through its subsidiary, Open Capital Advisors (OCA), operates a management consulting and financial advisory business with offices in Kenya, Uganda and Zambia that works with local enterprises, investors, development partners and the public sector to identify opportunities that advance African economies and build future generations of business leaders. A unique feature of their business model is developing local talent by sourcing junior staff at local universities to be consultants and providing training throughout their careers.

In 2017, OCA continued to grow revenues and serve more local enterprises. Small Foundation has provided OCA with a working capital facility to expand its work with local enterprises across the region and OCG with an equity investment to expand its talent work through its subsidiary, Arcadia. A Small Foundation representative is also a non-executive board member of Open Capital Group. (2017 advance: €851,990, 2016: €227,905)

13. Trinity Access 21 (TA21) is a "network project" between Trinity Access Program (TAP), Bridge 21 and Trinity College Dublin's School of Education. TA21's aim is to change second-level education so that students from disadvantaged schools and backgrounds aspire to and are capable of going to further and higher education. TA21 interacts directly with schools, students, teachers and parents to achieve this. Scaling is also central to TA21's mission and it actively engages in research, teacher training, promotion and networking to achieve scale.

Although only the first year of the relationship, TA21 has successfully hit key milestones, particularly in terms of

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

raising the full funding required for the next three years. TA21 continues to successfully deliver its core program, with educational attainment targets being met, and has been successful in scaling its impact through partnerships with other third-level institutions. (2017 advance: €150,000)

c. Factors relevant to achieve objectives

Research, collaboration and dissemination are core activities of Small Foundation, enabling it to find, catalyse and support the development and business models that, in its judgement, are likely to be effective, sustainable and scalable. During the year, the Company's combined investments in these activities – including salaries, consultancy fees, conference fees, travel expenses, and website maintenance and development – totalled €461,602 (2016: €449,947). The output from this expenditure was:

- Research on development practitioners (governments, NGOs, and corporations of various types), including that required for origination, filtering, in-depth due diligence, ongoing monitoring and support of investment opportunities;
- Research on the evolving development landscape in SSA and the development world generally, including the work around the strategy refresh;
- Deep engagement in aligned networks;
- Dissemination to policy-makers and development actors of the development thinking of Small Foundation and the organisations it supports.

The following are examples of the direct engagement and dissemination activities Small Foundation undertook through 2017:

- Small Foundation sits on the Non-Financial Committee of IPDEV II, as mentioned above. This committee monitors progress of the fund against impact objectives;
- In 2017, Small Foundation was a founding member of the Collaborative for Frontier Finance (CFF), a group of practitioners and funders working to close the missing-middle finance gap in emerging markets;
- Small Foundation participated in the launch of the Smallholder and Agri-food SME Finance and Investment Network (SAFIN), an inclusive partnership of stakeholders operating in different parts of the ecosystem for agricultural and related rural-SME investment, with a focus on access to finance and complementary services;
- Small Foundation spoke at the CSAF stakeholder meeting on lessons learned in agri-SME finance;
- A Small Foundation team member is a non-executive board member of Open Capital Group (see above);
- A Small Foundation team member is a non-executive board member of Agribusiness Market Ecosystem Alliance (see above);
- Small Foundation is represented on the advisory committee of the Initiative for Smallholder Finance
- Small Foundation participated in the selection committee to award the consultancy assignment for phase I of the ANDE Uganda Ecosystem project;
- Tim Brosnan sits on the ANDE Executive Committee, advising senior management on strategic direction and priorities of the Network;
- A Small Foundation team member is also on the Steering Committee of Women in Social Finance.

Looking forward to 2018, Small Foundation intends to increase its capacity in this area, primarily through increasing its staff levels to better implement its strategy and activities.

d. Measuring impact

As outlined above, Small Foundation closely monitors the performance of its investments against their respective objectives and milestones; providing on-going support and making subsequent disbursement decisions based on performance. As part of the initial due diligence process, Small Foundation clearly articulates its theory of change for each investment; how it is expected to deliver impact on eradicating poverty and contribute to the realisation of its vision. Thus, the performance of individual investments can be assessed.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

As many of Small Foundation's investments are at high leverage points in the ecosystem, including in financial intermediaries, technical assistance providers and aligned networks, it can be very challenging to prove a linear causal relationship or attribute changes in the lives of poor people living in SSA directly to any one Small Foundation investment or activity, even when performance milestones have been achieved.

Poverty exists and persists for many complex and inter-related reasons. Therefore, Small Foundation believes a complex, systems-based approach is required to eradicate it. Though it is potentially easier to measure the outputs of linear, project-based approaches, these are insufficient to overcome the multiple barriers in the ecosystem to create lasting change. Furthermore, Small Foundation is focused on long-term impact; on making lasting changes in complex economic systems across SSA. Measuring the impact of interventions over the appropriate time horizons in these complex systems is extremely difficult.

It is open to Small Foundation to confine its support to interventions where impact can more easily be measured. However, there are also high levels of risk to long-term impact in doing only what can be easily measured in the short term because, in general, easy-to-measure, short-term interventions are not adequately addressing the complexity of extreme poverty to contribute meaningfully to its eradication.

Notwithstanding the inherent challenges in measuring the impact of its interventions, in 2017 and into 2018, Small Foundation is working on developing and deploying an Impact Management and Measurement (IMM) framework across the organisation to help identify its most impactful interventions and better understand how it can most effectively catalyse income-generating opportunities in SSA.

Financial review

a. Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Principal risks and uncertainties

The Company bears reputational risk arising from supporting organisations and activities that might bring the Company into ill repute thus damaging its capacity to alleviate extreme poverty in SSA. To mitigate this risk Small Foundation undertakes extensive due diligence of potential partners, including the use of third-party due diligence firms, to verify the identity and *bona fides* of potential partners.

There is also financial risk. The Company relies for its funding on the founding members and directors and their close associates. While it is expected that their resources will be sufficient for the needs of the Company in the medium term, it is recognised that the risk of a calamitous reversal of fortunes is ever-present.

Other key risks facing the Company are:

Regulatory Compliance Risk

The Company is a registered charity which is regulated by the Charities Regulatory Authority. The Directors of the Company are aware that non-compliance with charity legislation such as the Charities Act 2009 and other regulations overseen by the Charities Regulatory Authority would jeopardise the future of the Company. To manage this risk, the Company employs suitably qualified professionals, has appointed a highly-skilled and expertise-led board of directors, and takes advice from experts in the Charity sector. The board are confident that these collectively manage this risk as effectively as possible.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

c. Reserves policy

The aim of the reserves policy is to maintain free reserves in unrestricted funds to enable the Company to implement its strategy by funding specific activities and investments as they arise.

In addition, Tim Brosnan, while Chairman up to March 2018, gave the Company a formal undertaking that he would personally ensure that it would have sufficient funds to honour any financial commitments made by it while he was Chairman. The terms of this guarantee have been updated to take account of Tim's new role as non-executive director.

In addition, a €2m revolving standby facility is in place between the Tim Brosnan and the Company under which unsecured short-term bridging advances may be drawn down by the Company as needed.

Taking account of the funding commitments described above, it is judged that there are sufficient resources to allow the Company to implement its strategy over the next few years.

d. Principal funding

The principal funding of Small Foundation comes from its founding members and directors and their close individual and corporate associates

Structure, governance and management

a. Constitution

The Company is registered as a company limited by guarantee, not having share capital, was set up and constituted under a Memorandum of Association and is a registered charity (number 17841). The Company has been granted charitable status under sections 207 and 208 of Taxes Consolidation Act, 1997. The Company constitution was updated in 2016 and it remains a company limited by guarantee under part 18 of the Companies Act 2014.

The main object of the Company is to relieve poverty, suffering and distress among people.

b. Method of appointment or election of Directors

The management of the Company is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association. 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.

c. Organisational structure and decision making

The Directors have delegated the day-to-day running of the Company to the executive team, including executive Directors. Decisions on strategy, significant resourcing decisions and significant investment decisions are reserved for the Directors. The investment decision-making process, and the role of Directors in this, is well established and is reviewed from time-to-time.

Within the executive team there are clear reporting lines and responsibilities. With changes in the team size and composition these are updated as necessary.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

d. Induction, training and remuneration

Small Foundation continues to improve its induction and training documentation. In 2017 a specialist firm was engaged to further enhance our induction process and documentation, and this work was successfully completed. This induction process is applied to any new team member, whether at the Director or executive level.

Staff remuneration is decided by executive Directors who have direct management responsibility for the executive team. This is done with reference to individual performance and intelligence on market rates for each role in its respective location. Directors do not receive any remuneration from Small Foundation (see note 18 to the financial statements).

e. Related party relationships

Details of all related party transactions are noted in note 18 to the financial statements.

f. Risk management

The Directors have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate its exposure to the major risks.

Plans for future periods

a. Future developments

The Company is confident about its future and that it can continue to develop services in line with its strategic plan and does not envisage any change to the primary focus at this time.

Particularly in 2018, the Company intends to increase its internal human capacity by making several additional hires to enhance its ability to perform its research, collaboration and dissemination core activities.

However, as Small Foundation continues to learn and gain experience, the specific activities undertaken to achieve its primary objectives may evolve. This is something the Directors keep under review

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding €1 to the assets of the Company in the event of winding up.

Results and dividends

The Company prohibits payment of dividends to its members.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Accounting Records

The Directors are responsible for ensuring that accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, 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 these requirements. These accounting records are maintained at the registered office at 1-2 Cavendish Row, Dublin 1.

Post Balance Sheet Events

There are no post balance sheet events which require disclosure in, or adjustments to the financial statements. For details of the leadership transition that took place in February 2018 see note 19 to the financial statements.

Auditors

The auditors, KPMG, have indicated their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

Taxation Status

The Company has received an exemption from taxation as a charitable organisation and is registered under No. CHY 17841. The Company also received approval of the Scheme of Tax Relief for Donations to Eligible Charities and other Approved bodies under Section 848A of the Taxes Consolidation Act 1997.

Thanks

The Directors would like to thank all the Company's service providers, with a special thanks to those who worked pro bono. The Directors would also like to extend their heartfelt thanks to the Small Foundation team of professionals and volunteers in Ireland, the UK and France. Above all, we would like to thank our partners who give us valuable insights and inspiration as well as doing the vital work on the ground.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable Company's auditors are aware of that information.

This report was approved by the Directors, on 6 September 2018 and signed on their behalf by:


Conor Brosnan
Chairman


Tony Gannon
Director

SMALL FOUNDATION

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with FRS 102 the financial reporting framework applicable in the Republic of Ireland and the provisions of the Companies Act 2014.

Company law requires the Directors to prepare financial statements for each financial year. 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 state of affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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Independent auditor's report to the members of Small Foundation

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Small Foundation ('the Company') for the year ended 31/12/2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31/12/2017 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 Company in accordance with 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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Independent auditor's report to the members of Small Foundation (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by 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 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

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.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, 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 they 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 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 they either intend to liquidate the Company or to cease operations, or have 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.



Independent auditor's report to the members of Small Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

A fuller description of our responsibilities is provided on IAASA's website at
https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

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.

Hubert Crehan

**for and on behalf of
KPMG**

Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1

Date: 06 September 2018

SMALL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Income from:				
Charitable activities	2	17,621	17,621	12,000
Dividends from investments	3	8,934,636	8,934,636	-
Other income	4	(16)	(16)	5,810
Total income		8,952,241	8,952,241	17,810
Expenditure on:				
Charitable activities:				
Donations to NGOs	5	1,209,235	1,209,235	1,226,484
Movements in social investments	5	993,609	993,609	409,874
Donations to Irish Charities	5	150,000	150,000	-
Other resources expended	6	461,602	461,602	449,947
Other costs	7	26,553	26,553	32,390
Governance	8	54,373	54,373	19,643
Total expenditure		2,895,372	2,895,372	2,138,338
Net income / (expenditure) before other recognised gains and losses		6,056,869	6,056,869	(2,120,528)
Net movement in funds		6,056,869	6,056,869	(2,120,528)
Reconciliation of funds:				
Total funds brought forward		3,473,702	3,473,702	5,594,230
Total funds carried forward		9,530,571	9,530,571	3,473,702

The notes on pages 19 to 29 form part of these financial statements.

All activities relate to continuing operations.

The Company had no gains or losses in the year other than those stated in the statement of financial activities.

SMALL FOUNDATION
REGISTERED NUMBER: 447577

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	€	2017 €	€	2016 €
Fixed assets					
Investments	10		1		-
Current assets					
Debtors	11	4,195		-	
Cash at bank and in hand		9,560,546		3,495,004	
		<u>9,564,741</u>		<u>3,495,004</u>	
Creditors: amounts falling due within one year	12	(34,171)		(21,302)	
Net current assets			<u>9,530,570</u>		<u>3,473,702</u>
Net assets			<u>9,530,571</u>		<u>3,473,702</u>
Charity Funds					
Unrestricted funds	13		<u>9,530,571</u>		<u>3,473,702</u>
Total funds			<u>9,530,571</u>		<u>3,473,702</u>

The financial statements were approved and authorised for issue by the Directors on 6 September 2018 and signed on their behalf, by:



Conor Brosnan



Tony Gannon

The notes on pages 19 to 29 form part of these financial statements.

SMALL FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2016 €
Cash flows from operating activities			
Net cash used in operating activities	15	<u>(2,869,093)</u>	<u>(2,097,981)</u>
Cash flows from investing activities:			
Dividends from investments		8,934,636	-
Purchase of investments		<u>(1)</u>	<u>-</u>
Net cash provided by investing activities		<u>8,934,635</u>	<u>-</u>
Change in cash and cash equivalents in the year		<u>6,065,542</u>	<u>(2,097,981)</u>
Cash and cash equivalents brought forward		<u>3,495,004</u>	<u>5,592,985</u>
Cash and cash equivalents carried forward	16	<u><u>9,560,546</u></u>	<u><u>3,495,004</u></u>

The notes on pages 19 to 29 form part of these financial statements.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

General Information

These financial statements comprising the Statement of Financial Activity, the Balance Sheet, Statement of Cashflows and related notes constitute the individual financial statements of Small Foundation for the year ended 31 December 2017.

The nature of the Company's operations and its principal activities are set out in the Director's Report.

Currency

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014

Small Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The Charity is an Irish registered company limited by guarantee under part 18 of the Companies Act 2014 with a registered office at 1-2 Cavendish Row, Upper O'Connell Street, Dublin 1. The members of the Company are the Directors named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to €1 per member of the Charity.

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Directors' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 Investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.6 Social Investments

Social investments, which may include, but are not limited to, repayable loans, non-repayable loans (quasi equity), equity investments and performance related income arrangements are recognised at fair value at the year end. If the fair value of these investments cannot be measured reliably they are measured at their cost less impairment. Any impairment loss is recognised as a cost within expenditure on charitable activities in the Statement of Financial Activities.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

1.14 Critical accounting estimates and areas of judgment

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount 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 that are considered to be relevant. 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 period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Income from donated services

	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Donated Services (KPMG, Abbey Capital and BLC)	17,621	17,621	12,000
<i>Total 2016</i>	<i>12,000</i>	<i>12,000</i>	

3. Dividend Income

	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Dividend income	8,934,636	8,934,636	-
	8,934,636	8,934,636	-

See also notes 10 and 18.

4. Other incoming resources

	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Interest / foreign exchange movement	(16)	(16)	5,810
<i>Total 2016</i>	<i>5,810</i>	<i>5,810</i>	

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5. Analysis of Donations to NGOs and Movements in Social Investments

	Unrestricted funds 2017 €	Total 2017 €	Total 2016 €
Donations to NGOs	1,209,235	1,209,235	1,226,484
Movements in Social Investments	993,609	993,609	409,874
Donations to Irish Charities	150,000	150,000	-
	<u>2,352,844</u>	<u>2,352,844</u>	<u>1,636,358</u>
<i>Total 2016</i>	<u>1,636,358</u>	<u>1,636,358</u>	

	Donations to Irish Charities €	Donations to NGO's Unrestricted €	Movements in Social Investments Unrestricted €	2017 Total €
Acumen	-	96,713	-	96,713
Conveners. org	-	47,007	-	47,007
Amea Foundation	-	75,947	-	75,947
Aspen Institute	-	20,000	-	20,000
Capria Ventures	-	91,954	-	91,954
Equity For Africa Group	-	-	60,044	60,044
Partners in Food Solutions	-	85,609	-	85,609
Root Capital USA	-	547,401	-	547,401
Root Capital (Council for Smallholder Agricultural Finance)	-	72,339	-	72,339
Village Capital Grant	-	172,265	-	172,265
IPDEV II	-	-	81,575	81,575
Open Capital Advisors	-	-	851,990	851,990
Trinity College Dublin	150,000	-	-	150,000
Total	<u>150,000</u>	<u>1,209,235</u>	<u>993,609</u>	<u>2,352,844</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. Other resources expended

	Activities €	Total 2017 €	Total 2016 €
Research and consultancy	444,072	444,072	426,177
Computer/ IT Cost	4,126	4,126	9,499
Conferences and seminars	13,404	13,404	14,271
	<u>461,602</u>	<u>461,602</u>	<u>449,947</u>
<i>Total 2016</i>	<u>449,947</u>	<u>449,947</u>	

Included in research and consultancy above, are the following staff costs.

Staff Costs

The average number of employees during the financial year was 3 (2016: 2)

The full staff profile is as follows:

	2017 €	2016 €
Impact related staff	3	2
Support staff	-	-
	<u>3</u>	<u>2</u>
Total	<u>3</u>	<u>2</u>

The aggregated amounts paid to or on behalf of staff are as follows:

	2017 €	2016 €
Salaries	279,171	232,540
Employer's social security contributions	50,779	30,863
Employer's pension contributions - Defined Contribution Scheme	17,823	3,364
	<u>347,773</u>	<u>266,767</u>
Total	<u>347,773</u>	<u>266,767</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The number of employees whose total employee benefits (excluding employer social security contributions and pension costs) was greater than €60,000 is as follows:

	2017 €	2016 €
€60,000 to €70,000	1	-
€70,001 to €80,000	-	-
€80,001 to €90,000	-	-
€90,001 to €100,000	1	2
€100,001 to €110,000	-	-
€110,001 to €120,000	1	-
€120,001 to €130,000	-	-
Total	3	2

7. Other Costs

	Activities €	Total 2017 €	Total 2016 €
Office Expenses	985	985	1,609
Rent Office Space	23,722	23,722	29,057
Bank Charges	1,846	1,846	1,724
	26,553	26,553	32,390
<i>Total 2016</i>	<i>32,390</i>	<i>32,390</i>	

8. Governance costs

	Unrestricted funds 2017 €	Total funds 2017 €	Total funds 2016 €
Advisory Fees Accountants	8,071	8,071	2,644
Membership fees	8,557	8,557	-
Advisory Fees Legal	20,940	20,940	4,999
Staff training and CPD	4,805	4,805	-
Donated services: KPMG	10,000	10,000	10,000
Donated services: Abbey Capital	2,000	2,000	2,000
	54,373	54,373	19,643

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. Key management personnel

During the year, no Directors/ Members received any remuneration (2016 - €NIL).
 During the year, no Directors/ Members received any benefits in kind (2016 - €NIL).
 During the year, no Directors/ Members received any reimbursement of expenses (2016 - €NIL).

10. Fixed asset investments

	Other investments €
Market value	
At 1 January 2017	-
Additions	1
	<u>1</u>
At 31 December 2017	<u>1</u>

Investments at market value comprise:

	2017 €
Other investments	1
	<u>1</u>

During the year Small Foundation purchased one Dividend Access Share from Cavendish Capital Limited a company registered in Ireland. The holder of the Dividend Access Share shall not be entitled to receive notice of any general meeting of the company, shall not be entitled to vote at or attend any general meeting of the company, shall have no right to the return of any capital or to participate in the distribution or surplus assets of the company in the event of liquidation or otherwise of the company and shall not be entitled to transfer the Dividend Access Share. Further, the company shall, subject to the provisions of the Companies Act 2014, be entitled to redeem the Dividend Access Share at any time out of its profits or monies which may be lawfully be applied for that purpose or from the proceeds of a fresh subscription of shares made for the purpose. The redemption price to be paid by the company in respect of the Dividend Access Share be a sum equal to the aggregate of the amount paid up on the share (i.e. €1.00).

11. Debtors

	2017 €	2016 €
Prepayments and accrued income	4,195	-
	<u>4,195</u>	<u>-</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

12. Creditors: Amounts falling due within one year

	2017 €	2016 €
Trade creditors	3,673	-
Other taxation and social security (see below)	19,950	20,229
Other creditors	1	-
Accruals	10,547	1,073
	<u>34,171</u>	<u>21,302</u>

Other taxation and social security

	2017 €	2016 €
HMRC	3,932	6,994
French Payroll Tax	14,089	13,235
PAYE	1,929	-
	<u>19,950</u>	<u>20,229</u>

13. Statement of funds

Statement of funds - current year

	Balance at 1 January 2017 €	Income €	Expenditure €	Balance at 31 December 2017 €
Unrestricted funds				
General funds	<u>3,473,702</u>	<u>8,952,241</u>	<u>(2,895,372)</u>	<u>9,530,571</u>

Statement of funds - prior year

	Balance at 1 January 2016 €	Income €	Expenditure €	Balance at 31 December 2016 €
Unrestricted funds				
General funds	<u>5,594,230</u>	<u>17,810</u>	<u>(2,138,338)</u>	<u>3,473,702</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 €	Total funds 2017 €
Fixed asset investments	1	1
Current assets	9,564,741	9,564,741
Creditors due within one year	(34,171)	(34,171)
	<u>9,530,571</u>	<u>9,530,571</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 €	Total funds 2016 €
Current assets	3,495,004	3,495,004
Creditors due within one year	(21,302)	(21,302)
	<u>3,473,702</u>	<u>3,473,702</u>

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 €	2016 €
Net income/(expenditure) for the year (as per Statement of Financial Activities)	6,056,869	(2,120,528)
Adjustment for:		
Dividends from investments	(8,934,636)	-
(Increase)/decrease in debtors	(4,195)	4,778
Increase in creditors	12,869	17,769
Net cash used in operating activities	<u>(2,869,093)</u>	<u>(2,097,981)</u>

16. Analysis of cash and cash equivalents

	2017 €	2016 €
Cash in hand	9,560,546	3,495,004
Total	<u>9,560,546</u>	<u>3,495,004</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

17. Members' liability

Each member of the charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding €1 for the debts and liabilities contracted before he/she ceases to be a member.

18. Related party transactions

No members of the board of directors received any remuneration during the year (2016: €Nil).

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 Company during the period apart from the standby credit facility referred to in Note 17 hereof.

During the year the Company purchased a dividend access share in Cavendish Capital Limited a Company registered in Ireland who is a related party by virtue of common directors. Cavendish Capital Limited paid a dividend of €8,934,636 to the Company during the year.

19. Post balance sheet events

On 28 February, 2018 Tim Brosnan resigned as Chairman of the Company and was replaced by Conor Brosnan. Mary Brosnan resigned as a director on 23 May 2018.

20. Standby credit facility

There is a €2m revolving standby facility in existence under which unsecured bridging advances may be drawn down by the Company from a member of the board Mr. Tim Brosnan as needed. During the year ended 31 December 2017, €NIL was drawn down by the Company (2016: €Nil).

21. Approval of financial statements

The directors approved these financial statements for issue on 06 September 2018

