

FOUNSMALLDATION

Small Foundation

Annual Report 2020

Registered number: 447577
Charity number: CHY17841 & 20067151

SMALL FOUNDATION
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

SMALL FOUNDATION

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SMALL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Directors	Michael Swift, Non-executive director Tony Gannon, Non-executive director Anna Brosnan, Non-executive director Tim Brosnan, Non-executive director Conor Brosnan, Chairperson & executive director
Company registered number	447577
Charity registered number	CHY17841 & 20067151
Registered office	1-2 Cavendish Row Dublin 1 D01 K883
Company secretary	Imelda Casey
Chief executive officer	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

SMALL FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020. The Directors confirm that the directors 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") "Accounting and Reporting by Charities" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102 ("FRS102").

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, and this need not be the case. 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 continues to consider its strategy on an on going basis and will formally undertake a strategy refresh exercise in 2021. The Company currently has the following Vision, Mission and Goal:

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 believes that public and private charitable and philanthropic funding is insufficient to eradicate extreme poverty. Therefore, a key component of the strategy is to focus the Company on seeking to find, catalyse and support viable models (particularly business models) 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 13 year's of experience donating to NGOs and investing in social businesses, it focuses 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 necessary expertise and deep networks to find, catalyse and support the innovative, viable solutions required.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

Compared to other donors (governments, international agencies, international NGOs and private foundations) Small Foundation is 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, potentially filling critical ecosystem gaps left by other donors and investors.

Although Small Foundation believes its approach will maximise its impact on eradicating poverty in the long term, it accepts that there are risks and 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 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;
- **Evidence risk:** As Small Foundation tries to operate at higher points in the rural MSME ecosystem attributing its efforts and investments to clear impact is likely to be difficult in many cases. The difficulty, even impossibility, of showing clear, linear, causal relationships between Small Foundation's investments and evidence of poverty eradication does not mean that such higher-level ecosystem interventions with the aim of solving extremely complex problems like poverty are not worth making. Small Foundation will continue to focus on these investments while also working to ensure that its impact measurement and monitoring systems are as robust as possible.
- **Increased costs:** the viable models Small Foundation seeks are rare and take significantly more capacity to find and support (including ongoing 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 2021 will be on the implementation of its strategy, it will continue to reassess 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:

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

1. Financial support: This is the support most associated with foundations. Small Foundation uses both grants and social investments to achieve its impact objectives. Grants are most often 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. A social investment, including debt and equity, is used when entities have revenue generating models as an intrinsic part of their activities in pursuit of scalable poverty eradication through financial sustainability. Whether grant or social investments, Small Foundation's motivation is to align capital appropriately with the specific needs of the organisation and minimise market distortion. 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 research, improve and refine development and business models, taking formal or informal advisory roles, and facilitating connections between people, organisations and ideas in the development of business ecosystems in which the Company operates. This activity is undertaken directly by Small Foundation team members, or via the engagement of third parties to provide additional expertise as appropriate.

3. Collaboration in aligned networks: This activity relates most directly to the dissemination of information, knowledge and expertise. 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 team and third-party experts.

Achievements and performance

a. Key performance indicators

Income from unrestricted funds was €2,525,828 (2019: €12,675) with resources expended for the year of €5,412,147 (2019: €2,551,709). There was net income / (expenditure) of (€2,886,319) (2019: (€2,539,034)). The net assets of the Charity at year end were €1,562,479 (2019: €4,448,798).

During the year, Small Foundation provided direct financial support totalling €3,418,408 to 15 SSA-focused entities and €15,000 to one Irish entity (2019: €1,098,033 to 12 SSA entities and €50,000 to one Irish entity).

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.

Although the COVID-19 pandemic was a major consideration for Small Foundation and our partners globally, and especially in Africa, it did not have a major negative impact on our operations. We made a conscious decision to continue to operate as close to normal as possible and to continue to conduct due diligence and approve new investments. Technology had a major role to play here, allowing us effectively to communicate internally and with investees, including potential investees. Therefore, we saw no reduction in activity, in disbursement or in new investees approved through 2020. Small Foundation also made the decision to continue with its long-term strategic plans for poverty eradication, reasoning that whether the pandemic proved long or short-lived the need for a thriving MSME ecosystem creating income generating opportunities for the extremely poor would not change. Therefore, while the Company was patient with investees in terms of agreed milestones and repayments, and while it deliberately adapted its processes to keep the investment pipeline open to new partners, it did not undertake any significant funding of COVID-19 related projects.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Review of activities

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

1. 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 is a member of ANDE and supported the network's development and core activities, particularly in East and West Africa. In addition, Small Foundation co-funded the Uganda Entrepreneurial Initiative (UEEI) to catalyse the entrepreneurial ecosystem for small and growing businesses in Uganda.

In 2019, Small Foundation provided core operating support to ANDE's operations in East and West Africa. In 2020, Small Foundation provided core operating support to UEEI and served on the executive committee of the initiative. SF continued being a co-chair of the ANDE global corporate learning lab in 2020, although due to COVID-19 there were limited activities in this space. (2020 advance: €124,834, 2019: €67,068)

2. Global Development Incubator (GDI) is a non profit initiative that develops, pilots and helps to scale social impact initiatives. It provides a platform for funders to host new initiatives and to leverage a proven approach to building new organisations. As a platform GDI is often an intermediary for Small Foundation's investments.

Small Foundation provided finance to GDI to develop the Collaborative for Frontier Finance (CFF), a multi-donor effort to increase finance to small and medium sized enterprises in developing countries. As part of developing CFF, GDI facilitated the creation of a cluster on Early-Stage Capital Provision (ESCP), which brings together more than 60 fund managers in the early-stage space. This network creates an opportunity for peer-to-peer learning, collaboration and engagement with other stakeholders, such as investors. (2020 advance: €122,847)

3. Small Foundation also funded GDI's work coordinating the Council on Smallholder Agricultural Finance's (CSAF) (2020 advance: €63,823), an alliance of 16 financial institutions that promote industry standards and best practices for a thriving and sustainable market serving the financial needs of agricultural SME's in Africa, Asia, and Latin America. Small Foundation supports CSAF with its core operating costs. 2020 saw CSAF members continue to collaborate to address the challenges faced due to Covid-19, improving business effectiveness and efficiency, pooling data and sharing materials to help illuminate the issues facing social lenders.

4. One Acre Fund is dedicated to supporting small-scale farmers to improve their lives. One Acre Fund combines technical assistance, microfinance, farm inputs and market facilitation to help farmers increase yields and realise greater incomes. In 2020, Small Foundation provided support to finalise research measuring the impact of One Acre Fund programming on the quality of participant farmers' lives. The Quality of Life reports are available on One Acre Fund's website, dating from 2015 to 2019. (2020 advance: €17,910)

5. Root Capital is a non-profit that invests in poor, environmentally vulnerable places in Africa, Latin 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 2020, Root Capital continued to improve its operational efficiencies, strengthen its portfolio quality and position itself for a 5-year growth strategy whilst continuing to 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. (2020 advance: €346,393, 2019: €174,735)

6. Business Fights Poverty is a network that brings together businesses, intrapreneurs and experts to collaborate for social impact across sectors, organisations and geographies. Their network spans 20,000 professionals and close to 100 content partners, engaged in a variety of activities including online discussions, in-person gatherings and collaborative challenges.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

In April 2020 Small Foundation concluded its partnership with Business Fights Poverty with the publication of the report "Strengthening Markets through Collaboration" on a "challenge" on corporate/SME collaboration, which had been undertaken together with Bayer, Visa and AB Sugar, as well as many other stakeholders in the corporate, SME and intermediary space. The report can be viewed here:

<https://businessfightspoverty.org/strengthening-markets-through-collaboration/>. (2020 advance €26,077)

7. Genesis Analytics is a consultancy firm focused on Africa through which Small Foundation funded research into the operational processes of seven SME lenders, most of which are members of the Council on Smallholder Agricultural Finance (CSAF). 'Profit and Impact: Lessons on operational efficiency in agri-SME lending' was published in March 2020 and detailed an analysis of the business models and operating procedures of agri-SME lenders with the goal of identifying opportunities for efficiencies and achieving greater operational viability. A copy of the report is available on our website at <https://smallfoundation.ie/profit-and-impact-lessons-on-operational-efficiency-in-agri-sme-lending/> (2020 advance: €36,709, 2019: €56,791).

8. The Smallholder and Agri-SME Finance and Investment Network (SAFIN) is a global network of capital providers that are committed to aligning their efforts to scale up access to financial services for agri-SMEs and for small commercial farms. SAFIN is hosted by the International Fund for Agricultural Development (IFAD), an international financial institution and specialised United Nations agency based in Rome.

In 2019 and 2020 Small Foundation provided grants to IFAD, restricted to contributing to the core costs of SAFIN's pilot-phase. (2020 advance: €134,328, 2019: €135,710)

9. The African Rural and Agricultural Credit Association (AFRACA) is a leading pan-African network of financial and non-financial institutions promoting access to rural and agricultural finance in Africa.

In 2020 Small Foundation provided a grant to AFRACA to allow them to explore and operationalise the potential of a networks approach to address operational challenges and deepen member engagement. (2020 advance: €66,942)

10. Invest in Africa Kenya (IIA Kenya) is the Kenyan operation of a pan-African non-profit Invest in Africa (IIA). IIA is a collaboration of private companies, public bodies, and donor organisations that support local African small and growing businesses (SGBs) by creating access to markets, skills and finance.

In 2020, Small Foundation provided a grant to IIA Kenya to assess and analyse the impact of the COVID-19 pandemic on SGBs in their network across Kenya (2020 advance: €2,546)

11. Equity for Africa Group (EFAG) is an equipment finance company with operations in Tanzania, Uganda and Kenya, 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, which has created an opportunity for growth and scale-up. (2020 advance: €1,335,387, 2019: €17,670)

12. WARC Group LLC is an agribusiness operating in Sierra Leone and Ghana with an embedded training model at the core of its business which trains individuals in rural areas on agronomic and management skills. Primary production is WARC's main business, and it follows regenerative agriculture, no-till methodologies which uses large-scale mechanisation to put more land under production and reduce manual labour. In 2020 Small Foundation provided a convertible perpetual bond to support WARC's scaling in Ghana. (2020 advance: €425,046)

13. Capria Ventures provides local fund managers in Africa and other emerging markets with investment (including warehousing and seed investment), training, 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 partners with local fund managers to invest in small, fast-growing businesses that have the potential to be both profitable and impactful.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

In 2020 Small Foundation provided a long-term loan to Capria to enable it to scale its operations globally, and especially in Africa. (2020 advance €409,366)

14. IPDEV II, a fund managed by Investisseurs & Partenaires (I&P), incubates and invests in local investment managers 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.

IPDEV II made investments of €11m to the end of 2020. The five local fund managers in the IPDEV II portfolio have invested into 41 SMEs, creating more than 700 jobs in Burkina Faso, Niger, Madagascar, Senegal and Ivory Coast. Small Foundation sits on IPDEV II's Non-Financial Committee monitoring impact. (2020 advance: €49,683)

15. Creative Metier is a social mission consultancy working with impact networks, leaders and organisations to drive positive inclusive locally led change. During 2020 Creative Metier identified existing local networks in East and West Africa. Through coaching and other strategic support they worked with the networks towards the adoption of an impact network approach. (2020: €256,517)

16. In Ireland, Small Foundation supported The Good Summit, an event-based platform that inspires people to take positive actions in their communities and workplaces to build sustainable social change. The Good Summit celebrates common good in the world and creates and curates spaces to cultivate more of it.

Despite the pandemic in 2020 The Good Summit was able to pivot to an on-line event, which was run successfully for a total combined audience of 3,500. (2020: €15,000)

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 €1,246,105 (2019: €982,719). The output from this expenditure was:

- Research on development practitioners (governments, NGOs, and corporations of various types), including that required for origination, landscaping, 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;
- 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 2020:

- A Small Foundation team member is the chair of the Collaborative for Frontier Finance's (CFF), steering committee, working with others to close the missing middle finance gap in emerging markets;
- A Small Foundation team member is a participant in the advisory group overseeing the Early Stage Capital Providers network, which brings together more than 60 early stage investment managers;
- A Small Foundation team member is a non-executive board member of the Agribusiness Market Ecosystem Alliance;
- Small Foundation continues to be involved with partners in designing phase 2 of ANDE's UEEI initiative;
- Small Foundation engaged and worked with Converge, experts on building collaborations and networks to tackle complex issues, to pilot an intensive Network Leadership Series developed for delivery to network coordinators, and to provide direct coaching support to many of Small Foundation's network partners around

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

network transitions, effectiveness, impact measurement and management;

- A Small Foundation team member is a co-chair of the ANDE corporate learning lab, working with others to increase the impact corporate/SME collaboration (see above);
- Small Foundation is a member of the Global Impact Investing Network (GIIN);
- A Small Foundation team member is on the Steering Committee of Women in Social Finance;
- Small Foundation commissioned a series of reports on critical issues affecting investment vehicles supporting rural SME's. Open Capital Advisors explored technical assistance facility design; Palladium Impact Capital researched liquidity mechanisms for investment vehicles and ISF Advisors investigated foreign currency risk management strategies for impact investment funds in frontier markets.

d. Measuring impact

As outlined above, Small Foundation closely monitors the performance of its investments against their respective objectives and milestones; providing ongoing support and making disbursement decisions based on performance.

Small Foundation's objectives within its impact measurement and management (IMM) practice in 2020 focused on the development of a system to align around key indicators and tracking the data that our partners could collect. This also included creating and improving processes for the collection of quality data, as well as developing the internal capacity around IMM.

Small Foundation selected Sopact as a data platform to house and manage its impact data, an initial key step in developing a system to align and track our partner's impact data.

Small Foundation continued to iterate its due diligence process to better incorporate intended impact to align with the Impact Management Project's (IMP) five dimensions of impact and to clearly define a theory of change. Small Foundation also invested time in developing more consistent impact measurement plans for our partners.

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 be more easily measured. However, there are 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.

Small Foundation also engaged with thought partners Converge in developing an initial network impact evaluation framework, applicable by our network partners. This framework captures information on network participation, engagement, health and connectivity to provide network coordinators with actionable next steps in an effort to build value for network participants. The full implementation of a comprehensive IMM systems remains a priority for 2021.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

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 bone fides of potential partners.

There is also financial risk. The Company principally 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. Where the Company makes investments via repayable/returnable instruments (such as debt, equity or convertible debt), it focuses primarily on the impact potential of these investments rather than their income-generating potential. Therefore, despite these investments the Company remains dependent on founding members.

Other key risks facing the Company are:

Regulatory Compliance Risk

The Company is a registered charity which is regulated by the Charities Regulator. 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 Regulator would jeopardise the future of the Company.

The Charity complies with the Charities Governance Code (the "Code"). The Board has conducted a review of the Governance Code. This review was based on an assessment of the Charity's organisational practice against the recommended actions for each governance principle. The review sets out actions and completion dates for any issues that the assessment identifies need to be addressed. No significant matters were noted.

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.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Tim Brosnan, 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 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. It was set up and constituted under a Memorandum of Association and is a registered charity (CHY17841 and 20067151). 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.

There have been no changes in the objects since the last Directors Report and Financial Statements.

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 policies

The Directors have delegated the day to day running of the Company to the executive team, including an executive Director. 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.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

d. Induction, training and remuneration

Small Foundation continues to improve its induction and training documentation. This induction process is applied to any new team member, whether at the Director or executive level.

Staff remuneration is decided by the executive Director who has direct management responsibility for the executive team in conjunction with a non-Executive Director. 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 9 to the financial statements).

e. Related party relationships

Details of all related party transactions are noted in note 21 to the financial statements.

f. Risk management

In accordance with our risk management policy, we identify risks across the Charity, assess the potential impact of these risks and provide a method for addressing these potential impacts by either reducing threats to an acceptable level or taking steps to mitigate those risks. The risk review process consists of activities to identify, categorise, describe and assess risks. The Charity has identified its major risks and has collated them into a risk matrix. The risks are reviewed annually and any additional risks that are recognised are included in the matrix and risk mitigation actions are put in place as necessary.

Plans for future periods

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.

The Company continually reviews the human resources needed to perform its research, collaboration and dissemination core activities and is open to making additional hires internally, or engaging external expertise, as appropriate to best achieve its objectives.

Also, 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.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Auditors

The auditors, KPMG, have indicated their willingness to continue in office in accordance with the provisions of Section 382(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 in Ireland, the UK, France and the US. 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 charity'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.

Approved by order of the members of the board of Directors and signed on their behalf by:



Conor Brosnan
Chairman

Date: 23 September 2021



Tony Gannon
Director

SMALL FOUNDATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with Charities SORP (FRS 102) the Financial Reporting Standard applicable in the UK and 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 assets, liabilities and financial position of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use 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.

The Directors are responsible for keeping adequate accounting records which disclose the reasonable accuracy at any time of the assets, liabilities, financial position and its incoming resources and application of resources including its income and expenditure of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility 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 Act 2014.

Approved by order of the members of the board of Directors and signed on its behalf by:



Conor Brosnan
Chairman

Date: 23 September 2021



Tony Gannon
Director



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMALL FOUNDATION

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 December 2020 set out on pages 17 to 35, 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* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Charities SORP (FRS102) *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*; and
- the financial statements 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.

Conclusions relating to 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. The financial statements and our auditor's report thereon do not comprise part of the other information. 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

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 undertaken during the course of the audit, we report that:

- 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.

Respective responsibilities and restrictions on use

Responsibilities of trustees for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 13, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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.

A fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMALL FOUNDATION

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.

A handwritten signature in black ink, appearing to read 'James Casey'.

James Casey
for and on behalf of
KPMG

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

Date: 23 September 2021

SMALL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 €	Total funds 2020 €	Total funds 2019 €
Income from:				
Donations and legacies	2	2,526,662	2,526,662	12,000
Other income	3	(834)	(834)	675
		<u>2,525,828</u>	<u>2,525,828</u>	<u>12,675</u>
Total income				
Expenditure on:				
Charitable activities:	4,6			
Donations to NGOs		1,198,926	1,198,926	945,807
Movement in Social Investments		2,219,482	2,219,482	152,226
Donations to Irish Charities		15,000	15,000	50,000
Partner Support & Network Membership		524,301	524,301	297,978
Other Resources Expended		1,246,105	1,246,105	982,719
Other Costs		143,774	143,774	96,087
Governance costs		64,559	64,559	26,892
		<u>5,412,147</u>	<u>5,412,147</u>	<u>2,551,709</u>
Total expenditure				
		<u>(2,886,319)</u>	<u>(2,886,319)</u>	<u>(2,539,034)</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		4,448,798	4,448,798	6,987,832
Net movement in funds		(2,886,319)	(2,886,319)	(2,539,034)
		<u>1,562,479</u>	<u>1,562,479</u>	<u>4,448,798</u>
Total funds carried forward				

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 35 form part of these financial statements.

SMALL FOUNDATION
REGISTERED NUMBER: 447577

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
Fixed assets			
Tangible assets	10	12,370	8,044
Investments	11	1	1
		<u>12,371</u>	<u>8,045</u>
Current assets			
Debtors	12	7,600	21,286
Cash at bank and in hand	17	1,586,657	4,475,652
		<u>1,594,257</u>	<u>4,496,938</u>
Creditors: amounts falling due within one year	13	(44,149)	(56,185)
Net current assets		<u>1,550,108</u>	<u>4,440,753</u>
Total assets less current liabilities		<u>1,562,479</u>	<u>4,448,798</u>
Net assets excluding pension asset		<u>1,562,479</u>	<u>4,448,798</u>
Total net assets		<u><u>1,562,479</u></u>	<u><u>4,448,798</u></u>
Charity funds			
Restricted funds	14	-	-
Unrestricted funds	14	1,562,479	4,448,798
Total funds		<u><u>1,562,479</u></u>	<u><u>4,448,798</u></u>

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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



Conor Brosnan
Chairman

Date: 23 September 2021

The notes on pages 20 to 35 form part of these financial statements.



Tony Gannon
Director

SMALL FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 €	2019 €
Cash flows from operating activities		
Net cash used in operating activities	(2,881,023)	(2,527,131)
Cash flows from investing activities		
Purchase of tangible fixed assets	(7,972)	(2,258)
Net cash used in investing activities	(7,972)	(2,258)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(2,888,995)	(2,529,389)
Cash and cash equivalents at the beginning of the year	4,475,652	7,005,041
Cash and cash equivalents at the end of the year	1,586,657	4,475,652

The notes on pages 20 to 35 form part of these financial statements

SMALL FOUNDATION

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

1. Accounting policies

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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019), - (Charities SORP (FRS102)) 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.

Currency

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

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, Dublin 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 Going concern

After making appropriate enquiries, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 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 2020

1. Accounting policies (continued)

1.5 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.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	33% Reducing balance
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1.7 Investments

Fixed asset 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 the 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 presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

SMALL FOUNDATION

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

1. Accounting policies (continued)

1.8 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.

1.9 Interest Receivable

Interest on funds held on deposit are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 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.

1.11 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.

1.12 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 in the Statement of Financial Activities as a finance cost.

1.13 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.

1.14 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.

SMALL FOUNDATION

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

1. Accounting policies (continued)

1.15 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.

1.16 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.

Critical judgments

The Directors are of the view that there are no judgments (apart from those involving estimates) in applying their accounting policies that have had a significant effect on the amounts recognised in the financial statements.

2. Income from donations and legacies

	Unrestricted funds 2020 €	Total funds 2020 €
Donations - Cavendish Capital	2,500,000	2,500,000
Donated Services (Audit & Legal)	26,662	26,662
Total 2020	2,526,662	2,526,662

	Unrestricted funds 2019 €	Total funds 2019 €
Donated Services (Audit & Meeting room rental)	12,000	12,000

SMALL FOUNDATION

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

3. Other income

	Unrestricted funds 2020 €	Total funds 2020 €
Interest / foreign exchange movement	(834)	(834)

	<i>Unrestricted funds 2019 €</i>	<i>Total funds 2019 €</i>
Interest / foreign exchange movement	<i>675</i>	<i>675</i>

SMALL FOUNDATION

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

4. Analysis of Donations to NGOs and movement in Social Investments

	Unrestricted Funds 2020	Total funds
	€	€
Donations to NGO's	1,198,926	1,198,926
Movement in Social Investments	2,219,482	2,219,482
Donations to Irish charities	15,000	15,000
Partner support	495,422	495,422
Network Memberships	28,879	28,879
	<u>3,957,709</u>	<u>3,957,709</u>
	<u><u>3,957,709</u></u>	<u><u>3,957,709</u></u>
	<i>Unrestricted Funds 2019 €</i>	<i>Total funds 2019 €</i>
Donations to NGOs	945,807	945,807
Movement in Social Investments	152,226	152,226
Donations to Irish charities	50,000	50,000
Partner support	266,173	266,173
Network memberships	31,805	31,805
	<u>1,446,011</u>	<u>1,446,011</u>
	<u><u>1,446,011</u></u>	<u><u>1,446,011</u></u>

SMALL FOUNDATION

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

4. Analysis of Donations to NGOs and movement in Social Investments (continued)

	Movement in Social Investments	Donations to NGO's Unrestricted	Partner Support / Network Membership	Donation to Irish Charities	2020 Total
	€	€	€	€	€
Aspen Institute	-	124,834	-	-	124,834
Global Development Incubators	-	122,847	-	-	122,847
One Acre Fund	-	17,910	-	-	17,910
Root Capital USA	-	346,393	-	-	346,393
Business Fights Poverty	-	26,077	-	-	26,077
Genesis Analytics (PTY) Ltd	-	36,709	-	-	36,709
SAFIN	-	134,328	-	-	134,328
Council on Smallholder					
Agricultural Finance (CSAF)	-	63,823	-	-	63,823
AFRACA	-	66,942	-	-	66,942
Invest in Africa (IIA)	-	2,546	-	-	2,546
Creative Metier	-	256,517	-	-	256,517
IPDEV II C	49,683	-	-	-	49,683
EF Africa Group Finance	1,335,387	-	-	-	1,335,387
WARC Group LLC	425,046	-	-	-	425,046
Capria Ventures LLC	409,366	-	-	-	409,366
The Good Summit	-	-	-	15,000	15,000
Partner Support	-	-	495,422	-	495,422
Network Membership	-	-	28,879	-	28,879
Total	2,219,482	1,198,926	524,301	15,000	3,957,709

SMALL FOUNDATION

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

4. Analysis of Donations to NGOs and movement in Social Investments (continued)

	Movement in Social Investments	Donations to NGO's Unrestricted	Partner Support / Network Membership	Donation to Irish Charities	2019 Total
	€	€	€	€	€
Rent to Own	134,556	-	-	-	134,556
Village Capital Grant	-	89,911	-	-	89,911
Amea Foundation	-	80,000	-	-	80,000
Aspen Institute	-	67,068	-	-	67,068
Genesis Analytics (PTY) Limited	-	56,791	-	-	56,791
Dalberg Consulting US LLC	-	68,084	-	-	68,084
Global Development Incubator	-	230,030	-	-	230,030
Niras A/S	-	39,500	-	-	39,500
Root Capital USA	-	174,735	-	-	174,735
University of Greenwich	-	3,978	-	-	3,978
EFAfrica Group	17,670	-	-	-	17,670
Internation Fund for Agricultural Development	-	135,710	-	-	135,710
Trinity College Dublin	-	-	-	50,000	50,000
Partner Support	-	-	266,173	-	266,173
Network Membership	-	-	31,805	-	31,805
					-
Total	152,226	945,807	297,978	50,000	1,446,011

5. Other resources expended

	Unrestricted funds 2020 €	Total funds 2020 €
Staff Costs	811,577	811,577
Travel	31,474	31,474
Staff Development	177,412	177,412
Consultancy Fees	182,656	182,656
Computer / IT costs	37,472	37,472
Conferences and seminars	5,514	5,514
	<u>1,246,105</u>	<u>1,246,105</u>

SMALL FOUNDATION

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

	<i>Unrestricted funds 2019 €</i>	<i>Total funds 2019 €</i>
Staff Costs	773,621	773,621
Travel	95,062	95,062
Staff Development	86,074	86,074
Computer / IT costs	16,968	16,968
Conferences and seminars	10,994	10,994
	<u>982,719</u>	<u>982,719</u>

6. Staff costs

	2020 €	2019 €
Wages and salaries	662,006	632,054
Social security costs	91,255	89,148
Employer's pension contributions - Defined Contribution Scheme	52,481	47,419
Other	5,835	5,000
	<u>811,577</u>	<u>773,621</u>

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Impact Related Staff	7	6
Support Staff	1	1
	<u>8</u>	<u>7</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded €60,000 was:

	2020 No.	2019 No.
In the band €60,001 - €70,000	2	-
In the band €70,001 - €80,000	1	-
In the band €100,001 - €110,000	1	2
In the band €110,001 - €120,000	1	1
In the band €130,001 - €140,000	1	1

SMALL FOUNDATION

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

7. Other Costs

	Unrestricted funds 2020 €	Total funds 2020 €
Office expenses	13,940	13,940
Rent	68,682	68,682
Bank charges	1,149	1,149
Recruitment charges	27,609	27,609
Brand identity	32,394	32,394
	<u>143,774</u>	<u>143,774</u>

	<i>Unrestricted funds 2019 €</i>	<i>Total funds 2019 €</i>
Office expenses	4,392	4,392
Rent	71,343	71,343
Bank charges	1,098	1,098
Brand identity	19,254	19,254
	<u>96,087</u>	<u>96,087</u>

8. Governance costs

	Unrestricted funds 2020 €	Total funds 2020 €
Advisory Fees Accountants	9,988	9,988
Advisory Fees Legal	27,909	27,909
Donated Services - Audit	10,000	10,000
Donated Services - Legal	16,662	16,662
	<u>64,559</u>	<u>64,559</u>

SMALL FOUNDATION

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

	<i>Unrestricted funds 2019 €</i>	<i>Total funds 2019 €</i>
Advisory Fees Accountants	8,432	8,432
Advisory Fees Legal	5,960	5,960
Network Membership	500	500
Donated Services - Audit	10,000	10,000
Donated Services - Meeting room rental	2,000	2,000
	<hr/> 26,892 <hr/>	<hr/> 26,892 <hr/>

9. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2019 - €NIL).

During the year ended 31 December 2020, no Director expenses have been incurred (2019 - €NIL).

10. Tangible fixed assets

	Computer equipment €
Cost or valuation	
At 1 January 2020	10,936
Additions	7,972
At 31 December 2020	<hr/> 18,908 <hr/>
Depreciation	
At 1 January 2020	2,892
Charge for the year	3,646
At 31 December 2020	<hr/> 6,538 <hr/>
Net book value	
At 31 December 2020	<hr/> 12,370 <hr/>
At 31 December 2019	<hr/> 8,044 <hr/>

SMALL FOUNDATION

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

11. Other investments

	Other investments €
Cost or valuation	
At 1 January 2020	1
	<hr/>
At 31 December 2020	1
	<hr/> <hr/>
Net book value	
At 31 December 2020	1
	<hr/>
At 31 December 2019	1
	<hr/> <hr/>

During 2017 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 of 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 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 shall be a sum equal to the aggregate of the amount paid up on the share (i.e €1.00).

12. Debtors

	2020 €	2019 €
Due within one year		
Other debtors	-	5,107
Prepayments and accrued income	7,600	16,179
	<hr/>	<hr/>
	7,600	21,286
	<hr/> <hr/>	<hr/> <hr/>

SMALL FOUNDATION

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

13. Creditors: Amounts falling due within one year

	2020 €	2019 €
Bank loans and overdrafts	3,383	7,763
Pensions payable	6,980	9,915
Other taxation and social security	28,850	32,157
Other creditors	-	5,057
Accruals and deferred income	4,936	1,293
	<u>44,149</u>	<u>56,185</u>

14. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 €	Income €	Expenditure €	Balance at 31 December 2020 €
Unrestricted funds				
General Funds - all funds	<u>4,448,798</u>	<u>2,525,828</u>	<u>(5,412,147)</u>	<u>1,562,479</u>

Statement of funds - prior year

	Balance at 1 January 2019 €	Income €	Expenditure €	Balance at 31 December 2019 €
Unrestricted funds				
General Funds - all funds	<u>6,987,832</u>	<u>12,675</u>	<u>(2,551,709)</u>	<u>4,448,798</u>

SMALL FOUNDATION

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

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 €	Total funds 2020 €
Tangible fixed assets	12,370	12,370
Other investments	1	1
Current assets	1,594,257	1,594,257
Creditors due within one year	(44,149)	(44,149)
Total	<u>1,562,479</u>	<u>1,562,479</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 €	Total funds 2019 €
Tangible fixed assets	8,044	8,044
Fixed asset investments	1	1
Current assets	4,496,938	4,496,938
Creditors due within one year	(56,185)	(56,185)
Total	<u>4,448,798</u>	<u>4,448,798</u>

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

	2020 €	2019 €
Net expenditure for the period (as per Statement of Financial Activities)	<u>(2,886,319)</u>	<u>(2,539,034)</u>
Adjustments for:		
Depreciation charges	3,646	2,893
Decrease/(increase) in debtors	13,686	(9,642)
Increase/(decrease) in creditors	(12,036)	18,652
Net cash used in operating activities	<u>(2,881,023)</u>	<u>(2,527,131)</u>

SMALL FOUNDATION

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

17. Analysis of cash and cash equivalents

	2020 €	2019 €
Cash in hand	1,586,657	4,475,652
Total cash and cash equivalents	1,586,657	4,475,652

18. Analysis of changes in net debt

	At 1 January 2020 €	Cash flows €	At 31 December 2020 €
Cash at bank and in hand	4,475,652	(2,888,995)	1,586,657
Credit cards	(7,763)	4,380	(3,383)
	4,467,889	(2,884,615)	1,583,274

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions made by the company to the fund and amounted to €52,481 for the year ended 31 December 2020 (2019 - €47,419).

20. 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.

21. Related party transactions

No members of the board of directors received any remuneration during the year (2019: €NIL).

During the year, Cavendish Capital, which has directors in common with the Company, donated €2,500,000.

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 as noted in Note 23 hereof.

SMALL FOUNDATION

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

22. Post balance sheet events

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

23. 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 2020, €NIL was drawn down by the Company (2019: €NIL).

24. Approval of financial statements

The financial statements for the year ended 31 December 2020 were approved and authorised for issue by the Directors on 23 September 2021.