

FOUNSMALLDATION

Small Foundation

Annual Report 2021

SMALL FOUNDATION
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

Directors	Michael Swift, Non-executive director Tony Gannon, Non-executive director Anna Brosnan, Non-executive director Tim Brosnan, Non-executive director (resigned 31 December 2021) 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
Solicitors	Arthur Cox Ten Earlsfort Terrace Dublin 2 D02 T380

SMALL FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. 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 support initiatives that have systems change potential.

b. Strategies for achieving objectives

Small Foundation undertook an extensive strategy refresh process in 2021. The main outcome of which was to make explicit Small Foundation's systems change ambition and to start to view the work and investments of the Company in that light. The Company currently has the following Vision, Mission and Goal:

Vision: A thriving Africa free from extreme poverty.

Mission: Act with urgency and ambition to catalyse and scale income-generating opportunities for the extremely poor in rural sub-Saharan Africa.

Goal: Collaborate with those creating the environment for micro, small and medium enterprises (MSMEs) to thrive and deliver opportunity at scale. In particular, work with intermediaries that increase the availability of finance, social and human capital, knowledge, technology and markets required by a thriving, commercially viable MSME ecosystem.

Furthermore, Small Foundation reaffirmed seven 'guiding stars' to focus its work

1. Focus on Sub-Saharan Africa
2. Focus on extreme poverty
3. Focus on rural populations
4. Focus on the scale to meet the enormity of the challenge
5. Focus on MSMEs as the engine for development
6. Focus on the intermediaries providing services to MSMEs for support
7. Commit to acting with urgency in our work

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

Despite the clarity and focus of the vision, mission and goal, eradicating extreme poverty is a complex challenge. It is a challenge that is hard to fully understand and that thwarts linear outcomes. Small Foundation will need to run experiments, through informed investments, to better understand both the problems and solutions. Unfortunately, there is no option to invest in X to eradicate extreme poverty, there are often no 'right' or 'wrong' answers, but multiple hypotheses and a variety of possible outcomes. This means acknowledging the reality that we are conducting experiments in systems change.

Small Foundation continues to believe that public and private charitable and philanthropic funding is insufficient to eradicate extreme poverty. Therefore, a key component of the strategy remains identifying, catalysing and supporting commercially viable 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. However, to this 'entry point' Small Foundation added two additional ones. The Company now has three entry points into the system to achieve the change required:

1. Sustainable models serving rural MSMEs: MSMEs serving the rural poor operate within and are served by a commercially viable ecosystem of intermediaries
2. Connected, transparent and learning ecosystems: The MSME ecosystem is characterised by trust and the availability of local skills, tools and services.
3. Shifting African power paradigms: African expertise and capital is leveraged and the needs and potential of local MSMEs acknowledged and prioritised.

In order to achieve change in a vast, complex system Small Foundation believes it must continue to operate in a flexible, innovative and risk seeking way, 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: The innovation and experiments Small Foundation is looking for and making will be risky, with a high chance that any individual model 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 properly disseminated, can make a significant contribution to its long term vision;
- Evidence risk: Systems change is very hard to measure. 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: innovation and experimentation take significant capacity to find and support (including ongoing monitoring), and to transfer the learnings from these innovative models to the sector requires deep 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 2022 will be on the implementation of its new strategy, it will continue to assess the strategy and will remain responsive to new opportunities for impact.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

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 also provides the following support to other organisations:

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 building connected, transparent and learning ecosystems to allow 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 influence the sector. Furthermore, deep engagement in these networks is important for sourcing partners. The Company supports such aligned networks through direct funding and through the participation and engagement of its team and third-party experts.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

a. Key performance indicators

Income from unrestricted funds was €5,049,589 (2020: €2,525,828) with resources expended for the year of €4,502,417 (2020: €5,412,147). There was net income / (expenditure) of €547,172 (2020: (€2,886,319)). The net assets of the Charity at year end were €2,109,651 (2019: €1,562,479).

During the year, Small Foundation provided direct financial support totalling €3,055,805 to 13 SSA-focused entities and €20,000 to one Irish entity (2020: €3,418,408 to 15 SSA entities and €15,000 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. As in 2020, the Company continues to operate as close to normal as possible and continues to conduct due diligence and approve new investments. Technology has a major role in enabling work to continue. Therefore, we saw no reduction in activity, in disbursement or in new investees approved through 2021.

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 supports entrepreneurship in emerging markets in order to create prosperity for the world's poor. Small Foundation is a member of ANDE and, in response to COVID-19, provided additional support to African members to continue their membership in the network. In addition, Small Foundation continued to support the Uganda Entrepreneurial Initiative (UEEI), powered by ANDE to catalyse the entrepreneurial ecosystem for small and growing businesses in Uganda. (2021 advance: €115,650, 2020 advance: €124,834)

2. The Smallholder and Agri-SME Finance and Investment Network (SAFIN) is a global network of public and private capital providers that are committed to advancing inclusive agri-SME finance. SAFIN is hosted by the International Fund for Agricultural Development (IFAD), a United Nations agency based in Rome with a mission to transform rural economies and food systems by making them more inclusive, productive, resilient and sustainable.

In 2021 Small Foundation provided grants to IFAD, contributing to the core operational costs of SAFIN's work. (2021 advance: €88,478, 2020 advance: €134,328)

3. Small Foundation also funded GDI's work coordinating the Council for Smallholder Finance's (CSAF) 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. CSAF also includes 12 field building partners who are like-minded institutions that support CSAF's work in creating a responsible financial market for agricultural SMEs. Small Foundation supports CSAF with its core operating costs and is separately an active field building partner.

2021 saw CSAF members continue to collaborate to address the challenges faced due to Covid-19 and develop industry standards and best practices to address barriers to market growth and impact. (2021 advance: €41,872, 2020 advance: €63,823)

4. The African Rural and Agricultural Credit Association (AFRACA) is a pan-African network of financial and non-financial institutions promoting access to rural and agricultural finance in Africa. The AFRACA Secretariat is based in Nairobi, Kenya.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

In 2021 Small Foundation extended our strategic partnership with AFRACA, providing a grant to operationalise their network strategy, especially deepening member engagement. (2021 advance: €93,610, 2020 advance: €66,942)

5. 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 2021, 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. Small Foundation also provided core support to IIA Kenya for the team to operationalise their network approach. (2021 advance: €82,199, 2020 advance: €2,546)

6. Emerging Leaders is a non-profit organisation headquartered in the United Kingdom offering leadership training to rural and vulnerable populations including those in sub-Saharan Africa.

In 2021 Small Foundation supported Emerging Leaders to undertake a strategic review process with Spring Impact. Spring Impact is a non-profit with a mission to scale social impact who worked with Emerging Leaders to help develop a scalable and sustainable model to expand the delivery of their training programme. (2021 advance: €51,441)

7. The African Leadership Academy Agribusiness Network (ALAN) is a network of young leaders and entrepreneurs working within their communities to shape the future of agriculture and agribusiness in Africa. ALAN is part of the African Leadership Group (ALG), a collection of educational institutions focused on leadership development of high potential Africans ranging from secondary education to specialised post-graduate programmes.

In 2021, Small Foundation provided a grant to African Leadership Academy (ALA), part of ALG, to catalyse ALAN as an agriculture-focused network. (2021 advance: €114,389)

8. Aunnie Patton Power is the founder of Intelligent Impact, a technology for social impact advisory firm. She is also a university lecturer on innovative finance, impact investing and technology for impact. She is the author of 'Adventure Finance' which explores alternative financial instruments for start-ups, seeking to shift the conversation and widen the spectrum of investment options in order to make the venture financing world more inclusive and purpose driven.

In 2021 Small Foundation provided support to the release of 'Adventure Finance' including the creation of an online companion and resources. (2021 advance: €4,321)

9. Creative Metier is a UK-registered consultancy with a mission to work with networks, leaders and organisations to drive positive, inclusive, locally-led change.

In 2021 Creative Metier continued Small Foundation-funded research into mission-aligned African organisations with the potential to enhance their impact through adopting a network approach. At the same time Creative Metier worked with Small Foundation partners in East and West Africa through coaching and other strategic support to adopt an impact network approach. (2021 advance: €376,911, 2020 advance: €256,517)

10. The Uganda Agribusiness Alliance is a Ugandan initiative with a mission to convene, coordinate and actively engage key agricultural value chain actors in developing a competitive, market-oriented, sustainable and inclusive agribusiness industry through constructive dialogue, insights, capacity building and partnerships across Uganda.

11. Bobab Limited is a UK SME that hosts an event streaming and peer-to-peer networking platform for Africa's science, technology and business professionals.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Small Foundation provided core support to the Africa Agri-Tech Development Forum - an online event series designed, hosted and managed by Bobab to foster dialogue, knowledge sharing and connectivity between experts working in African agri-tech. (2021 advance: €17,712)

12. Match Maker Fund Management Limited is an impact-first, frontier financier specialising in providing short and medium-term debt capital and business development support to early stage agri-SME's primarily in food commodities in East Africa and is the fund manager for SME Impact Fund based in Tanzania.

In 2021 Small Foundation supported Match Maker Fund Management in a feasibility study of Kenyan and Ugandan agri-SME markets. (2021 advance: €23,550)

13. Open Capital Group (OCG), through its subsidiary, Open Capital Advisors (OCA), operates a management consulting and financial advisory business with offices in Kenya, Uganda, Nigeria, Cote d'Ivoire 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 key 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. A Small Foundation representative is also a non-executive board member of Open Capital Group.

In 2016 Small Foundation provided OCA with a working capital loan to expand its work with local enterprises across the region and in 2021 OCA repaid this loan in full. (2021: €227,905 repayment received)

14. Founders Factory Africa (FFA) is a venture design and growth company that provides a combination of capital and technical support to pre-seed and seed stage businesses. Based in Johannesburg, South Africa, FFA partners with corporate investors to invest in entrepreneurs throughout SSA to scale their businesses.

Small Foundation made an equity investment into FFA to expand their portfolio into the agtech sector. (2021 advance: €1,986,533)

15. 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.

Small Foundation continued to support The Good Summit with a grant to help plan for and deliver its events in 2021 and 2022. (2021 advance: €20,000, 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 of 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 €1,486,859 (2020: €1,246,105). 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 impact networks;
- Dissemination to development actors of the development thinking of Small Foundation and the organisations it supports

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

The following are examples of the direct engagement and dissemination activities Small Foundation undertook through 2021:

- A Small Foundation team member was a member 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 was 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 was a non-executive board member of the Agribusiness Market Ecosystem Alliance;
- Small Foundation was a member of the Governance Committee of ANDE's UEEI network.
- 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 and delivered to international network coordinators. Converge also provided direct coaching support to many of Small Foundation's network partners around network transitions, effectiveness, impact measurement and management;
- Small Foundation is a member of the Global Impact Investing Network (GIIN);
- Small Foundation commissioned ISF Advisors to investigate 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 on going support and making disbursement decisions based on performance.

Small Foundation's strategic refresh necessitates a shift in its impact measurement and management (IMM) practice to incorporate the explicit systems change ambition. Preparing IMM systems and processes for this change was a major focus for 2021.

Revising the due diligence process to fully incorporate intended system change impacts and a clearly define a theory of change were also key areas of work. Small Foundation continued to develop and implement consistent impact measurement plans with each of its investment 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 is very challenging to demonstrate 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 do not adequately address the complex systemic issues that perpetuate extreme poverty.

Small Foundation plans to continue to invest in its IMM systems and processes in 2022.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 were subsequently updated to take account of Tim's role as non executive director. As this guarantee was linked to Tim's directorship of Small Foundation, it expired on his resignation as a director on 31 December 2021.

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

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 22 to the financial statements.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

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.

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.

Significant events during the year

On 31 December 2021, Mr Tim Brosnan resigned as a director of Small Foundation.

Post Balance Sheet Events

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

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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: 22 September 2022



Michael Swift

Director

SMALL FOUNDATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

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's 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: 22 September 2022



Michael Swift
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 2021 set out on pages 17 to 36, which comprise the Statement of Financial Activities (incorporating income and expenditure account), 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 state of the Company's affairs as at 31 December 2021 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with *FRS 102 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

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

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

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



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.

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>.

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.


James Casey
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1

Date: 29 September 2022

SMALL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Income from:				
Donations and legacies	2	5,043,017	5,043,017	2,526,662
Investment Income	3	25,436	25,436	-
Other income	4	(18,864)	(18,864)	(834)
		<u>5,049,589</u>	<u>5,049,589</u>	<u>2,525,828</u>
Total income				
Expenditure on:				
Charitable activities:	5,7			
Donations to NGOs		1,069,272	1,069,272	1,198,926
Movement in Social Investments		1,481,609	1,481,609	2,219,482
Donations to Irish Charities		20,000	20,000	15,000
Research projects		114,429	114,429	-
Partner Support & Network Memberships		252,923	252,923	524,301
Other Resources Expended		1,486,859	1,486,859	1,246,105
Other Costs		17,903	17,903	143,774
Governance costs		59,422	59,422	64,559
		<u>4,502,417</u>	<u>4,502,417</u>	<u>5,412,147</u>
Total expenditure				
		<u>547,172</u>	<u>547,172</u>	<u>(2,886,319)</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		1,562,479	1,562,479	4,448,798
Net movement in funds		547,172	547,172	(2,886,319)
		<u>2,109,651</u>	<u>2,109,651</u>	<u>1,562,479</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 36 form part of these financial statements.

SMALL FOUNDATION
REGISTERED NUMBER: 447577

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
Fixed assets			
Tangible assets	11	9,451	12,370
Investments	12	277,020	1
		<u>286,471</u>	<u>12,371</u>
Current assets			
Debtors	13	8,075	7,600
Cash at bank and in hand	18	1,923,827	1,586,657
		<u>1,931,902</u>	<u>1,594,257</u>
Creditors: amounts falling due within one year	14	(108,722)	(44,149)
Net current assets		<u>1,823,180</u>	<u>1,550,108</u>
Total assets less current liabilities		<u>2,109,651</u>	<u>1,562,479</u>
Net assets		<u>2,109,651</u>	<u>1,562,479</u>
Total net assets		<u><u>2,109,651</u></u>	<u><u>1,562,479</u></u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds	15	2,109,651	1,562,479
Total funds		<u><u>2,109,651</u></u>	<u><u>1,562,479</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: 22 September 2022

The notes on pages 20 to 36 form part of these financial statements.



Michael Swift
Director

SMALL FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
Cash flows from operating activities		
Net cash used in operating activities	617,573	(2,881,023)
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,384)	(7,972)
Purchase of investments	(277,019)	-
Net cash used in investing activities	(280,403)	(7,972)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	337,170	(2,888,995)
Cash and cash equivalents at the beginning of the year	1,586,657	4,475,652
Cash and cash equivalents at the end of the year	<u>1,923,827</u>	<u>1,586,657</u>

The notes on pages 20 to 36 form part of these financial statements

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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 2021

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 2021

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.

Investment income, gains and losses are allocated to the appropriate fund.

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.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Income from donations and legacies

	Unrestricted funds 2021 €	Total funds 2021 €
Donations - Cavendish Capital	5,000,000	5,000,000
Donated Services (Audit & Legal)	43,017	43,017
Total 2021	5,043,017	5,043,017
	<i>Unrestricted funds 2020 €</i>	<i>Total funds 2020 €</i>
Donations - Cavendish Capital	2,500,000	2,500,000
Donated Services (Audit & Legal)	26,662	26,662
<i>Total 2020</i>	<i>2,526,662</i>	<i>2,526,662</i>

3. Investment income

	Unrestricted funds 2021 €	Total funds 2021 €	Total funds 2020 €
Investment income	25,436	25,436	-

4. Other income

	Unrestricted funds 2021 €	Total funds 2021 €
Interest / foreign exchange movement	(18,864)	(18,864)

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Other income (continued)

	<i>Unrestricted funds 2020 €</i>	<i>Total funds 2020 €</i>
Interest / foreign exchange movement	<u>(834)</u>	<u>(834)</u>

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

	Unrestricted Funds 2021 €	Total funds €
Donations to NGO's	1,069,272	1,069,272
Movement in Social Investments	1,481,609	1,481,609
Donations to Irish charities	20,000	20,000
Partner support	219,222	219,222
Network Memberships	33,701	33,701
Research projects	114,429	114,429
	<u>2,938,233</u>	<u>2,938,233</u>

	<i>Unrestricted Funds 2020 €</i>	<i>Total funds 2020 €</i>
Donations to NGOs	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>

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	Movement in Social Investments	Donations to NGO's Unrestricted	Partner Support / Network Membership / Research Projects	Donation to Irish Charities	2021 Total
	€	€	€	€	€
Aspen Institute	-	115,650	-	-	115,650
Emerging Leaders	-	51,441	-	-	51,441
African Leadership Academy	-	114,389	-	-	114,389
Aundrea Nicole Patton Power	-	4,321	-	-	4,321
Uganda Agribusiness Alliance	-	59,139	-	-	59,139
Bobab Limited	-	17,712	-	-	17,712
SAFIN	-	88,478	-	-	88,478
Council on Smallholder					
Agricultural Finance (CSAF)	-	41,872	-	-	41,872
AFRACA	-	93,610	-	-	93,610
Invest in Africa (IIA)	-	82,199	-	-	82,199
Creative Metier	-	376,911	-	-	376,911
Matchmaker Fund	-	23,550	-	-	23,550
Open Capital Advisors **	(227,905)	-	-	-	(227,905)
Founders Factory (Note 12)	1,709,514	-	-	-	1,709,514
The Good Summit	-	-	-	20,000	20,000
Partner Support	-	-	219,222	-	219,222
Network Membership	-	-	33,701	-	33,701
Research Projects	-	-	114,429	-	114,429
Total	1,481,609	1,069,272	367,352	20,000	2,938,233

** In 2016 Small Foundation provided OCA with a working capital loan to expand its work with local enterprises across the region. During 2021 OCA repaid this loan in full in the amount of €227,905.

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. 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 Incubator	-	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 2021

6. Other resources expended

	Unrestricted funds 2021 €	Total funds 2021 €
Staff Costs	1,014,305	1,014,305
Travel	11,416	11,416
Staff Development	214,738	214,738
Consultancy Fees	201,990	201,990
Computer / IT costs	38,934	38,934
Conferences and seminars	5,476	5,476
	<u>1,486,859</u>	<u>1,486,859</u>

	<i>Unrestricted funds 2020 €</i>	<i>Total funds 2020 €</i>
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	5,516	5,516
	<u>1,246,107</u>	<u>1,246,107</u>

7. Staff costs

	2021 €	2020 €
Wages and salaries	839,657	662,006
Social security costs	98,349	91,255
Employer's pension contributions - Defined Contribution Scheme	71,299	52,481
Other	5,000	5,835
	<u>1,014,305</u>	<u>811,577</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Staff costs (continued)

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

	2021 No.	2020 No.
Impact Related Staff	7	7
Support Staff	1	1
	<u>8</u>	<u>8</u>

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

	2021 No.	2020 No.
In the band €60,001 - €70,000	2	2
In the band €70,001 - €80,000	-	1
In the band €90,001 - €100,000	1	-
In the band €100,001 - €110,000	1	1
In the band €110,001 - €120,000	1	1
In the band €130,001 - €140,000	-	1
In the band €150,001 - €160,000	1	-

During the year redundancy payments of €103,583.37 were made, comprising statutory payment of €5,400 and ex gratia payment of €98,183.37. The total amount is included above in staff costs.

8. Other Costs

	Unrestricted funds 2021 €	Total funds 2021 €
Office expenses	15,893	15,893
Rent	4,887	4,887
VAT Refund	(4,074)	(4,074)
Bank Charges	1,197	1,197
	<u>17,903</u>	<u>17,903</u>

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<i>Unrestricted funds 2020 €</i>	<i>Total funds 2020 €</i>
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>

9. Governance costs

	Unrestricted funds 2021 €	Total funds 2021 €
Advisory Fees Accountants	7,468	7,468
Advisory Fees Legal	7,902	7,902
Donated Services - Audit	10,000	10,000
Donated Services - Legal	33,017	33,017
General Insurance	1,035	1,035
	<u>59,422</u>	<u>59,422</u>

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

10. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2020 - €NIL).

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Directors' remuneration and expenses (continued)

During the year ended 31 December 2021, no Director expenses have been incurred (2020 - €NIL).

11. Tangible fixed assets

	Computer equipment €
Cost or valuation	
At 1 January 2021	18,908
Additions	3,384
At 31 December 2021	<u>22,292</u>
Depreciation	
At 1 January 2021	6,538
Charge for the year	6,303
At 31 December 2021	<u>12,841</u>
Net book value	
At 31 December 2021	<u>9,451</u>
At 31 December 2020	<u>12,370</u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Investment

	Investment €
Cost or valuation	
At 1 January 2021	1
Additions	277,019
	<u>277,020</u>
At 31 December 2021	<u>277,020</u>
Net book value	
At 31 December 2021	277,020
At 31 December 2020	<u>1</u>

During 2021 Small Foundation invested €1,986,533 in Founders Factory. This investment was valued at €277,019 at the year end.

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).

13. Debtors

	2021 €	2020 €
Due within one year		
Prepayments and accrued income	8,075	7,600
	<u>8,075</u>	<u>7,600</u>

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Creditors: Amounts falling due within one year

	2021	2020
	€	€
Bank loans and overdrafts	10,592	3,383
Pensions payable	17,584	6,980
Other taxation and social security	70,354	28,850
Accruals and deferred income	10,192	4,936
	<u>108,722</u>	<u>44,149</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 €	Income €	Expenditure €	Balance at 31 December 2021 €
Unrestricted funds				
General Funds - all funds	<u>1,562,479</u>	<u>5,049,589</u>	<u>(4,502,417)</u>	<u>2,109,651</u>

Statement of funds - prior 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>

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 €	Total funds 2021 €
Tangible fixed assets	9,451	9,451
Other investments	277,020	277,020
Current assets	1,931,902	1,931,902
Creditors due within one year	(108,722)	(108,722)
Total	<u><u>2,109,651</u></u>	<u><u>2,109,651</u></u>

Analysis of net assets between funds - prior year

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

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

	2021 €	2020 €
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>547,172</u>	<u>(2,886,319)</u>
Adjustments for:		
Depreciation charges	6,303	3,646
Decrease/(increase) in debtors	(475)	13,686
Increase/(decrease) in creditors	64,573	(12,036)
Net cash provided by/(used in) operating activities	<u><u>617,573</u></u>	<u><u>(2,881,023)</u></u>

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. Analysis of cash and cash equivalents

	2021 €	2020 €
Cash in hand	1,923,827	1,586,657
Total cash and cash equivalents	1,923,827	1,586,657

19. Analysis of changes in net debt

	At 1 January 2021 €	Cash flows €	At 31 December 2021 €
Cash at bank and in hand	1,586,657	337,170	1,923,827
Credit cards	(3,383)	(7,209)	(10,592)
	1,583,274	329,961	1,913,235

20. 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 €71,299 for the year ended 31 December 2021 (2020 - €52,481).

21. 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.

22. Related party transactions

No members of the board of directors received any remuneration during the year (2020: €NIL).

During the year, Cavendish Capital, which has directors in common with the Company, donated €5,000,000. (2020: €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 24 hereof.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

23. Post balance sheet events

There have been no significant events affecting the Company since the end of the financial year.

24. 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 2021, €NIL was drawn down by the Company (2020: €NIL).

25. Approval of financial statements

The financial statements for the year ended 31 December 2021 were approved and authorised for issue by the Directors on 22 September 2022.