

FOUNSMALLDATION

Small Foundation

Annual Report

2023

2023

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 2023

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 2023

| | |
|----------------------------------|---|
| Directors | Michael Swift, Non-executive director Tony Gannon, Non-executive director Anna Brosnan, Non-executive director Conor Brosnan, Chairperson & executive director |
| Company registered number | 447577 |
| Charity registered number | CHY17841 & 20067151 |
| Registered office | 30 Merrion Square North Dublin 2 D02 VE40 |
| 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 Bank of Ireland Global Markets P.O Box 2386 Dublin 18 |
| Solicitors | Arthur Cox Ten Earlsfort Terrace Dublin 2 D02 T380 Mason Hayes & Curran LLP Barrow St Dublin 4 D04 TR29 |

SMALL FOUNDATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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).

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 this 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

We also decided to grow our capacity to deliver on our vision, mission and goal by growing our team both in Ireland and outside Ireland, particularly in Africa.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 supports experiments 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 simple 'right' or 'wrong' answers, but multiple hypotheses and a variety of possible outcomes. We acknowledge the reality that we are conducting experiments in systems change.

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. Considering the overall system in which extreme poverty exists and persists, Small Foundation has identified three 'system entry points':

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 governments, 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, including risk of failure, evidence risk, increased costs and reputational risk (see 'Principal risks and uncertainties' section below).

While the Company's focus in 2024 will be on the implementation of its strategy, it will continue to assess the strategy and will remain responsive to new opportunities for impact.

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:

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 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.

Achievements and performance

a. Key performance indicators

Income from unrestricted funds was €7,513,186 (2022: €5,024,845) with resources expended for the year of €6,817,406 (2022: €5,149,105). There was net income/ (expenditure) of €695,780 (2022: (€124,260)). The net assets of the Company at year end were €2,681,171 (2022: €1,985,391).

During the year, Small Foundation provided direct financial support totaling €3,946,835 to 13 SSA-focused entities. (2022: €3,338,355 to 13 SSA entities and €20,000 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

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 jobs, economic prosperity and stimulate long-term growth. Small Foundation is a member of ANDE and continued its multiannual partnership to support the West Africa chapter of the ANDE network. (2023 advance: €45,737, 2022 advance: €85,347)

In 2023, ANDE West Africa held 10 capacity development and networking events and hosted 5 learning and action labs for its members.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance (continued)

2. The African Leadership Academy Agribusiness Network (ALAN) is a network of young leaders and entrepreneurs contributing to the transformation of the African agriculture and agribusiness sectors. 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 2023, Small Foundation provided a grant to African Leadership Academy (ALA), part of ALG, to support the ALAN as an agribusiness-focused network. The network delivered many networking events to its 1,192 network participants during 2023 and hosted successful CO-creation Fund and Mighty Networks platform initiatives. (2023 advance: €167,252, 2022 advance: €146,994)

3. Advancing Women in Investing (AWI) is a collaborative network of more than 80 first-time and emerging female investment vehicle managers seeking to democratise access to funding and opportunity. AWI supports and accelerates the development of its members in pursuit of a more diverse, equitable and inclusive investing ecosystem.

Small Foundation partnered with AWI in 2023 to support them to deepen member engagement, identify systemic challenges, and catalyse collaborative activities to address these challenges. This support included a collaboration with GIZ within the framework of the special initiative "Decent Work for a Just Transition" of the German Federal Ministry for Economic Cooperation and Development (BMZ), to design the PathFunder facility, to increase access to capital and infrastructure for women fund managers. (2023 advance: €90,162)

4. Women in African Investments (WAI) is a network of over 250 senior female investment professionals focused on Africa. The network supports networking opportunities, the sharing of best practice and awareness-building to support gender-equitable economic growth in Africa. In 2023, Small Foundation funding supported the network's core costs. (2023 advance: €100,000, 2022 advance: €5,351)

5. 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.

In 2023, Small Foundation extended our strategic partnership with AFRACA, providing a grant to operationalise their network strategy, accelerate and optimise knowledge management, and strengthen AFRACA's data and impact management taskforce. (2023 advance: €73,173, 2022 advance: €116,433)

6. Through Mercy Corps, Small Foundation supported the Jobtech Alliance, an ecosystem building initiative around inclusive jobtech established in 2021. It supports jobtech through accelerating jobtech entrepreneurs and in sharing research, learning and funding opportunities for jobtech platforms, and investors.

In 2023, Small Foundation's grant supported the Jobtech Alliance to apply systemic frameworks, tools and practices, and train their team in their utilisation. (2023 advance: €89,421)

7. Founders Factory Africa (FFA), now known as 54 Collective, is a venture capital investor that provides a combination of capital and hands-on technical support to pre-seed, seed and seed+ stage ventures. Based in Johannesburg, South Africa, 54 Collective invests in entrepreneurs throughout Africa to scale.

Small Foundation made an equity investment into FFA to support the agtech sector across SSA. In 2023 11 ventures went through the design programme, and 3 were approved for venture support. (2023 advance: €1,960,784, 2022 advance: €1,989,039)

8. Capria is a global investment firm leading the largest network of fund managers collaborating to deliver superior returns in emerging markets using flexible capital, advanced investment systems, and deep partnerships. Capria invests in venture capital and innovative debt funds backing early-growth businesses.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance (continued)

Small Foundation has provided funds to scale up operations in Africa as well as to increase the global footprint of Capria. In 2023, Capria has \$15.3m invested in 8 companies in sub-Saharan Africa. (2023 advance: €918,102, 2022 advance: €492,757)

9. Komaza pioneered the development of a distributed smallholder forestry model to grow trees in partnership with farmers in Kenya. Under the partnership, Komaza provides inputs, technical expertise, and training to farmers, while farmers offer land, labour, and security needed to grow the trees.

Small Foundation provided bridge financing to Komaza. (2023 advance: €277,105)

10. Isidore Agritech Limited is an incubated agtech venture from Founders Factory Africa focused on purchase order financing and support services across rice, grain, wheat and cereal value chains in Nigeria.

Small Foundation provided a loan guarantee to Isidore related to a 12-month Murabaha Facility Agreement between Sterling Bank and Isidore. Isidore has financed \$721k (3,544 metric tonnes) of produce. During 2023, the outstanding balance on the guarantee converted into a loan. (2023: nil, 2022 advance: €241,779)

11. 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 €10.8m to the end of 2023. The seven local fund managers in the IPDEV II portfolio have invested into 57 SMEs, creating more than 870 jobs in Burkina Faso, Niger, Mali, Uganda, Madagascar, Senegal and Ivory Coast. Small Foundation sits on IPDEV II's Extra-Financial Committee monitoring impact. (2023 advance: €79,115)

12. 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. (2023 advance: €56,527)

13. Emerald Africa Financing Facility (EAFF) launched as a provider of debt to early-stage digital innovators based in sub-Saharan Africa during 2023. These digital innovators enable greater access to finance for rural SME's. Small Foundation is incubating EAFF as a pilot to establish the viability of providing debt finance to early-stage, tech-enabled, rural-impacting companies. During 2023 EAFF provided debt to 2 companies (2023: €142,624)

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 are likely to be effective, sustainable and scalable. This work also contributes to improved public knowledge and learning around developments in the SME ecosystem in SSA.

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 €3,425,187 (2022: €2,212,036).

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance (continued)

Key outputs from this expenditure were:

- Research on the evolving SME development landscape in SSA and the economic development of SSA generally, working with the following partners:
 - Agriterra and ISF Advisors: research to better understand the effectiveness and cost-efficiency of business development services (BDS) for agricultural SMEs in Africa
 - RegenOrganics (via Sanergy): research into the demand for regenerative agricultural inputs amongst smallholder farmers in Kenya and what, other than inputs, they require to boost production and incomes
 - 60 Decibels: funding to develop the Coffee Farmer Thriving Index in East Africa from surveying 1,026 coffee farmers

Village Capital: research into the efficiency and effectiveness of different models of enterprise support organisations working with rural-impact SMEs

- Dissemination of our research and work, and the work of our partners to the broader development ecosystem via our website, blogposts, engagement of social media and our annual impact report

- Deep engagement with partners and ecosystem networks via Network membership (in 2023):

- The Aspen Network for Development Entrepreneurs (ANDE)
- Global Impact Investing Network (GIIN)
- Philanthropy Ireland (PI)
- Council on Smallholder Agricultural Finance (CSAF)
- The Agribusiness Market Ecosystem Alliance (AMEA)
- The Smallholder and Agri-SME Finance and Investment Network (SAFIN)
- Women in African Investments (WAI)
- Women in Sustainable Finance (WISF)
- European Venture Philanthropy Association (EVPA) now known as Impact Europe
- African Venture Philanthropy Alliance (AVPA)
- The Communications Network

- Network engagement

In 2023 Small Foundation continued to work with Converge, experts in building collaborations and networks to tackle systems challenges. With Small Foundation funding they delivered the Network Leadership Series, training for network coordinators and leaders from across Africa. Converge also provided direct training and support to a range of Small Foundation's network partners

- Advisory roles in 2023

- A Small Foundation team member was a non-executive Board member of Open Capital Group
- A Small Foundation team member was a non-executive Board member of Founders Factory Africa
- A Small Foundation team member was a non-executive Board member of 54 Collective
- Small Foundation was a steering committee member for the research led by ISF Advisors and Agriterra to understand the effectiveness and efficiency of business development support to agri-SMEs in Africa
- A Small Foundation team member was a member of IPDEVII fund's Extra-Financial Committee, monitoring impact

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance (continued)

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 strategic refresh necessitates a shift in its impact measurement and learning (IML) practice to incorporate the explicit systems change ambition. Preparing IML and information systems and processes for this change continued to be a major focus in 2023.

The Company continues to refine its pipeline and due diligence process to fully incorporate intended system change impacts and a clearly defined theory of change for each investment.

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 interrelated 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 IML systems and processes in 2024. Since 2021 Small Foundation has published an annual Impact Report which details some of the specific impacts achieved by our investment partners.

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

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 do not succeed, Small Foundation believes there can be important lessons from failure that, where properly understood and disseminated, can make a significant contribution to its long term vision;

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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. For this reason Small Foundation significantly expanded its team capacity in 2023.

Reputational risk: 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, where appropriate, on-site visits and the use of third party due diligence firms, to verify the identity and bone fides of potential partners.

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 or capital appreciation 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 Company 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 Company'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.

b. Reserves policy

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

In 2022, Small Foundation entered into a strategic collaboration agreement with a funder to provide multi-year, unrestricted funding. Some of this was drawn-down in 2023, but the majority remains available for the Company to use as required to fund its on-going activities in the coming years.

SMALL FOUNDATION

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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. As more financial commitments have been undertaken since his resignation, and those commitments undertaken during his Chairmanship have been honoured, a greater portion of the Company's commitments now sit outside this guarantee.

In addition, a €2m revolving standby facility was in place between Tim Brosnan and the Company under which unsecured short term bridging advances may be drawn down by the Company as needed. This facility expired on 6 September, 2023.

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.

c. 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 2023

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 23 to the financial statements.

f. Risk management

In accordance with our risk management policy, we identify risks across the Company, 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 Company 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. Looking ahead Small Foundation intends to engage more human resources located in Africa.

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 2023

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 30 Merrion Square North, Dublin 2.

Significant events during the year

There were no significant events during the year.

Post Balance Sheet Events

Details of all post balance sheet events are noted in note 24 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, the US and Africa. 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: 19 September 2024



Tony Gannon
Director

SMALL FOUNDATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

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: 19 September 2024



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 2023 set out on pages 17 to 37, which comprise the Statement of Financial Activities (Incorporating Income and Expenses 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 assets, liabilities and financial position of the Company as at 31 December 2023 and of 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; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

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 directors 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 <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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.

01 October 2024

Maria Flannery
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

SMALL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | Unrestricted funds 2023 € | Total funds 2023 € | Total funds 2022 € |
|------------------------------------|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations and legacies | 2 | 7,510,700 | 7,510,700 | 5,024,845 |
| Investments | 3 | 2,486 | 2,486 | - |
| Total income | | <u>7,513,186</u> | <u>7,513,186</u> | <u>5,024,845</u> |
| Expenditure on: | | | | |
| Charitable activities | | 6,817,406 | 6,817,406 | 5,149,105 |
| Total expenditure | | <u>6,817,406</u> | <u>6,817,406</u> | <u>5,149,105</u> |
| Net movement in funds | | <u>695,780</u> | <u>695,780</u> | <u>(124,260)</u> |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 1,985,391 | 1,985,391 | 2,109,651 |
| Net movement in funds | | 695,780 | 695,780 | (124,260) |
| Total funds carried forward | | <u>2,681,171</u> | <u>2,681,171</u> | <u>1,985,391</u> |

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

The notes on pages 20 to 37 form part of these financial statements.

**SMALL FOUNDATION
REGISTERED NUMBER: 447577**

**BALANCE SHEET
AS AT 31 DECEMBER 2023**

| | Note | 2023 € | 2022 € |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 10 | 38,865 | 10,120 |
| Investments | 11 | 1,263,106 | 708,488 |
| | | 1,301,971 | 718,608 |
| Current assets | | | |
| Debtors | 12 | 14,203 | 236,143 |
| Investments | 13 | 142,624 | - |
| Cash at bank and in hand | 18 | 1,310,222 | 1,098,061 |
| | | 1,467,049 | 1,334,204 |
| Creditors: amounts falling due within one year | 14 | (87,849) | (67,421) |
| Net current assets | | 1,379,200 | 1,266,783 |
| Total assets less current liabilities | | 2,681,171 | 1,985,391 |
| Net assets | | 2,681,171 | 1,985,391 |
| Total net assets | | 2,681,171 | 1,985,391 |
| Charity funds | | | |
| Restricted funds | 15 | - | - |
| Unrestricted funds | 15 | 2,681,171 | 1,985,391 |
| Total funds | | 2,681,171 | 1,985,391 |

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: 19 September 2024

The notes on pages 20 to 37 form part of these financial statements.



Tony Gannon
Director

SMALL FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

| | 2023 € | 2022 € |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 943,487 | (389,636) |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (34,084) | (4,662) |
| Purchase of investments | (3,453,284) | (2,481,796) |
| Impairments of investments | 2,756,042 | 2,050,328 |
| Net cash used in investing activities | (731,326) | (436,130) |
| Cash flows from financing activities | | |
| Net cash provided by financing activities | - | - |
| Change in cash and cash equivalents in the year | 212,161 | (825,766) |
| Cash and cash equivalents at the beginning of the year | 1,098,061 | 1,923,827 |
| Cash and cash equivalents at the end of the year | 1,310,222 | 1,098,061 |

The notes on pages 20 to 37 form part of these financial statements

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 30 Merrion Square North, Dublin 2. 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 2023

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.

Charitable activities and Governance costs are costs incurred on the company's 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 |
|--------------------|---|----------------------|

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 2023

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 gain/loss is recognised as a movement in social investments in the Statement of Financial Activities.

1.9 Interest Receivable

Interest on funds held on deposit is recognised at the settlement amount after any trade discount offered.

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 2023

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 2023

2. Income from donations and legacies

| | Unrestricted funds 2023 € | Total funds 2023 € |
|----------------------------------|------------------------------------|-----------------------------|
| Donations - Cavendish Capital | 7,500,000 | 7,500,000 |
| Donated Services (Audit & Legal) | 10,700 | 10,700 |
| Total 2023 | 7,510,700 | 7,510,700 |

| | Unrestricted funds 2022 € | Total funds 2022 € |
|--|------------------------------------|-----------------------------|
| Donations - Cavendish Capital | 5,000,000 | 5,000,000 |
| Donated Services (Audit, Legal & Rent) | 24,845 | 24,845 |
| <i>Total 2022</i> | <i>5,024,845</i> | <i>5,024,845</i> |

3. Investment Income

| | Unrestricted funds 2023 € | Total funds 2023 € |
|-------------------|------------------------------------|-----------------------------|
| Investment Income | 2,486 | 2,486 |

Investment Income for 2022 was €NIL.

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

| | Unrestricted Funds 2023 € | Total funds 2023 € |
|--------------------------------|--|---------------------------------------|
| Donations to NGO's | 636,176 | 636,176 |
| Movement in Social Investments | 2,756,043 | 2,756,043 |
| Partner support | 307,745 | 307,745 |
| Network Memberships | 41,382 | 41,382 |
| Research projects | 437,021 | 437,021 |
| | 4,178,367 | 4,178,367 |
| | 4,178,367 | 4,178,367 |
| | <i>Unrestricted Funds 2022 €</i> | <i>Total funds 2022 €</i> |
| Donations to NGOs | 856,740 | 856,740 |
| Movement in Social Investments | 2,050,329 | 2,050,329 |
| Donations to Irish charities | 30,000 | 30,000 |
| Partner support | 254,909 | 254,909 |
| Network memberships | 38,849 | 38,849 |
| Research Projects | 39,777 | 39,777 |
| | 3,270,604 | 3,270,604 |
| | 3,270,604 | 3,270,604 |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 / Research Projects | Donation to Irish Charities | 2023 Total |
|------------------------------------|--------------------------------------|---------------------------------------|---|-----------------------------------|------------------|
| | € | € | € | € | € |
| Aspen Institute | - | 45,737 | - | - | 45,737 |
| African Leadership Academy | - | 167,252 | - | - | 167,252 |
| Future Females / AWI Foundation | - | 90,162 | - | - | 90,162 |
| Women in African Investments | - | 100,000 | - | - | 100,000 |
| AFRACA | - | 73,173 | - | - | 73,173 |
| Mercy Corps | - | 89,421 | - | - | 89,421 |
| Founders Factory | 1,437,004 | - | - | - | 1,437,004 |
| Capria Ventures LLC | 918,102 | - | - | - | 918,102 |
| Komaza Group Inc | 277,105 | - | - | - | 277,105 |
| Isidore | 136,847 | - | - | - | 136,847 |
| IPDEVII | (13,015) | - | - | - | (13,015) |
| Uganda Agribusiness Alliance | - | 56,527 | - | - | 56,527 |
| Partner Support | - | - | 307,745 | - | 307,745 |
| London Africa Network | - | 13,904 | - | - | 13,904 |
| Network Membership | - | - | 41,382 | - | 41,382 |
| Research Projects | - | - | 437,021 | - | 437,021 |
| Total | 2,756,043 | 636,176 | 786,148 | - | 4,178,367 |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 / Research Projects | Donation to Irish Charities | 2022 Total |
|------------------------------|--------------------------------------|---------------------------------------|---|-----------------------------------|------------------|
| | € | € | € | € | € |
| Aspen Institute | - | 85,348 | - | - | 85,348 |
| Village Capital Grant | - | 230,754 | - | - | 230,754 |
| African Leadership Academy | - | 146,994 | - | - | 146,994 |
| Agriterra | - | 100,341 | - | - | 100,341 |
| Woman in African Investments | - | 5,351 | - | - | 5,351 |
| AFRACA | - | 116,433 | - | - | 116,433 |
| Invest in Africa (IIA) | - | 103,248 | - | - | 103,248 |
| Creative Metier | - | 44,444 | - | - | 44,444 |
| Matchmaker Fund | - | 23,827 | - | - | 23,827 |
| Founders Factory | 1,709,978 | - | - | - | 1,709,978 |
| Capria Ventures LLC | 492,757 | - | - | - | 492,757 |
| IPDEVII | (152,406) | - | - | - | (152,406) |
| The Good Summit | - | - | - | 30,000 | 30,000 |
| Partner Support | - | - | 254,909 | - | 254,909 |
| Network Membership | - | - | 38,849 | - | 38,849 |
| Research Projects | - | - | 39,777 | - | 39,777 |
| Total | 2,050,329 | 856,740 | 333,535 | 30,000 | 3,270,604 |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Other resources expended

| | Unrestricted funds 2023 € | Total funds 2023 € |
|-------------------------|------------------------------------|-----------------------------|
| Staff Costs | 1,266,493 | 1,266,493 |
| Consultancy Fees | 853,844 | 853,844 |
| Travel | 180,691 | 180,691 |
| Computer/IT Costs | 120,104 | 120,104 |
| Staff development | 25,135 | 25,135 |
| Conference and Seminars | 19,455 | 19,455 |
| | <u>2,465,722</u> | <u>2,465,722</u> |

| | Unrestricted funds 2022 € | Total funds 2022 € |
|-------------------------|------------------------------------|-----------------------------|
| Staff costs | 1,091,852 | 1,091,852 |
| Consultancy Fees | 406,946 | 406,946 |
| Travel | 102,902 | 102,902 |
| Computer/ IT Costs | 112,742 | 112,742 |
| Staff development | 47,808 | 47,808 |
| Conference and Seminars | 7,033 | 7,033 |
| | <u>1,769,283</u> | <u>1,769,283</u> |

6. Staff costs

| | 2023 € | 2022 € |
|--|------------------|------------------|
| Wages and salaries | 1,026,973 | 883,328 |
| Social security costs | 137,411 | 120,748 |
| Employer's pension contributions - Defined Contribution Scheme | 89,999 | 81,776 |
| Other | 12,110 | 6,000 |
| | <u>1,266,493</u> | <u>1,091,852</u> |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Staff costs (continued)

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

| | 2023 No. | 2022 No. |
|----------------------|-------------|-------------|
| Impact Related Staff | 6 | 7 |
| Support Staff | 4 | 2 |
| | <u>10</u> | <u>9</u> |

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

| | 2023 No. | 2022 No. |
|---------------------------------|-------------|-------------|
| In the band €60,001 - €70,000 | - | 1 |
| In the band €70,001 - €80,000 | 1 | - |
| In the band €80,001 - €90,000 | 1 | 2 |
| In the band €90,001 - €100,000 | 1 | - |
| In the band €110,001 - €120,000 | 1 | 1 |
| In the band €120,001 - €130,000 | 1 | - |
| In the band €130,001 - €140,000 | 1 | - |
| In the band €150,001 - €160,000 | - | 2 |
| In the band €180,001 - €190,000 | 1 | 1 |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Other Costs

| | Unrestricted funds 2023 € | Total funds 2023 € |
|-----------------------------|------------------------------------|-----------------------------|
| Recruitment charges | 55,235 | 55,235 |
| Office expenses | 23,148 | 23,148 |
| Rent | 63,052 | 63,052 |
| Bank charges | 1,612 | 1,612 |
| Interest / foreign exchange | 3,548 | 3,548 |
| VAT refund | (2,924) | (2,924) |
| | <u>143,671</u> | <u>143,671</u> |

| | Unrestricted funds 2022 € | Total funds 2022 € |
|-----------------------------|------------------------------------|-----------------------------|
| Recruitment charge | 26,529 | 26,529 |
| Branding / Website | 13,774 | 13,774 |
| Office expenses | 14,305 | 14,305 |
| Rent | 10,506 | 10,506 |
| Bank charges | 1,175 | 1,175 |
| Interest / foreign exchange | 11,011 | 11,011 |
| | <u>77,300</u> | <u>77,300</u> |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Governance costs

| | Unrestricted funds 2023 € | Total funds 2023 € |
|---------------------------|------------------------------------|-----------------------------|
| Internal research fees | 2,884 | 2,884 |
| Advisory Fees Accountants | 6,574 | 6,574 |
| Donated Services - Audit | 10,000 | 10,000 |
| Donated Services - Legal | 700 | 700 |
| General Insurance | 4,073 | 4,073 |
| Legal Fees | 5,415 | 5,415 |
| | <hr/> | <hr/> |
| | 29,646 | 29,646 |
| | <hr/> | <hr/> |

| | Unrestricted funds 2022 € | Total funds 2022 € |
|--|------------------------------------|-----------------------------|
| Advisory Fees Accountants | 623 | 623 |
| Advisory Fees Legal | 7,415 | 7,415 |
| Donated Services - Audit | 10,000 | 10,000 |
| Donated Services - Legal | 12,845 | 12,845 |
| Donated Services - Meeting room rental | 1,035 | 1,035 |
| | <hr/> | <hr/> |
| | 31,918 | 31,918 |
| | <hr/> | <hr/> |

9. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2022 - €NIL).

During the year ended 31 December 2023, no Director expenses have been incurred (2022 - €NIL).

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Tangible fixed assets

| | Computer equipment € |
|-----------------------|----------------------------|
| Cost | |
| At 1 January 2023 | 26,954 |
| Additions | 34,084 |
| At 31 December 2023 | <u>61,038</u> |
| Depreciation | |
| At 1 January 2023 | 16,834 |
| Charge for the year | 5,339 |
| At 31 December 2023 | <u>22,173</u> |
| Net book value | |
| At 31 December 2023 | <u>38,865</u> |
| At 31 December 2022 | <u>10,120</u> |

11. Social investments

| | Investments € |
|---------------------|-------------------|
| Cost | |
| At 1 January 2023 | 9,253,255 |
| Additions | 3,310,659 |
| At 31 December 2023 | <u>12,563,914</u> |
| Impairment | |
| At 1 January 2023 | 8,544,766 |
| Charge for the year | 2,756,042 |
| At 31 December 2023 | <u>11,300,808</u> |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Social investments (continued)

Net book value

| | |
|---------------------|-----------|
| At 31 December 2023 | 1,263,106 |
| At 31 December 2022 | 708,489 |

12. Debtors

| | 2023 € | 2022 € |
|--------------------------------|---------------|----------------|
| Due within one year | | |
| Facility fee income | 1,560 | 234,143 |
| Prepayments and accrued income | 12,643 | 2,000 |
| | <u>14,203</u> | <u>236,143</u> |

13. Current asset investments

| | 2023 € | 2022 € |
|-------------------------|----------------|-----------|
| Loan amounts receivable | <u>142,624</u> | <u>-</u> |

14. Creditors: Amounts falling due within one year

| | 2023 € | 2022 € |
|------------------------------------|---------------|---------------|
| Bank loans and overdrafts | 14,246 | 7,607 |
| Staff salary payable | - | 13,912 |
| Pensions payable | 11,759 | 9,949 |
| Other taxation and social security | 45,115 | 33,602 |
| Other creditors | 1 | - |
| Accruals and deferred income | 16,728 | 2,351 |
| | <u>87,849</u> | <u>67,421</u> |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2023 € | Income € | Expenditure € | Balance at 31 December 2023 € |
|---------------------------|--------------------------------------|-------------|------------------|---|
| Unrestricted funds | | | | |
| General Funds - all funds | 1,985,391 | 7,513,186 | (6,817,406) | 2,681,171 |

Statement of funds - prior year

| | <i>Balance at 1 January 2022 €</i> | <i>Income €</i> | <i>Expenditure €</i> | <i>Balance at 31 December 2022 €</i> |
|---------------------------|--|---------------------|--------------------------|--|
| Unrestricted funds | | | | |
| General Funds - all funds | 2,109,651 | 5,024,845 | (5,149,105) | 1,985,391 |

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 € | Total funds 2023 € |
|-------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 38,865 | 38,865 |
| Fixed asset investments | 1,263,106 | 1,263,106 |
| Current assets | 1,467,049 | 1,467,049 |
| Creditors due within one year | (87,849) | (87,849) |
| Total | 2,681,171 | 2,681,171 |

SMALL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2022 €</i> | <i>Total funds 2022 €</i> |
|-------------------------------|--|---------------------------------------|
| Tangible fixed assets | 10,120 | 10,120 |
| Fixed asset investments | 708,488 | 708,488 |
| Current assets | 1,334,204 | 1,334,204 |
| Creditors due within one year | (67,421) | (67,421) |
| Total | <u><u>1,985,391</u></u> | <u><u>1,985,391</u></u> |

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

| | 2023 € | 2022 € |
|--|-----------------------|-------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | <u>695,780</u> | <u>(124,260)</u> |
| Adjustments for: | | |
| Depreciation charges | 5,339 | 3,993 |
| Decrease/(increase) in debtors | 221,940 | (228,068) |
| (Decrease)/increase in creditors | 20,428 | (41,301) |
| Net cash provided by/(used in) operating activities | <u><u>943,487</u></u> | <u><u>(389,636)</u></u> |

18. Analysis of cash and cash equivalents

| | 2023 € | 2022 € |
|--|-------------------------|-------------------------|
| Cash in hand | <u>1,310,222</u> | <u>1,098,061</u> |
| Total cash and cash equivalents | <u><u>1,310,222</u></u> | <u><u>1,098,061</u></u> |

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19. Analysis of changes in net debt

| | At 1 January 2023 | Cash flows | At 31 December 2023 |
|--------------------------|-------------------------|----------------|---------------------------|
| | € | € | € |
| Cash at bank and in hand | 1,098,061 | 212,161 | 1,310,222 |
| Credit cards | (7,607) | (6,639) | (14,246) |
| Liquid investments | - | 142,624 | 142,624 |
| | <u>1,090,454</u> | <u>348,146</u> | <u>1,438,600</u> |

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 €90,000 for the year ended 31 December 2023 (2022 - €81,776).

21. Guarantee

During 2022 Small Foundation provided a guarantee for a partner, WARC, to Alterfin CV for \$130,000. This guarantee expired in January 2023 and remained undrawn.

22. 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.

23. Related party transactions

No members of the board of directors received any remuneration during the year (2022: €NIL).

During the year, Cavendish Capital, which has directors in common with the Company, donated €7,500,000. (2022: €5,000,000)

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 25 hereof.

During August 2023, Small Foundation entered into a licence to occupy agreement with the charity, Long Term Foundation in relation to office space in Dublin. Long Term Foundation has directors in common with Small Foundation.

SMALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

24. Post balance sheet events

There were no events subsequent to the reporting date which would require disclosure or amendment to the figures included in the financial statements.

25. Standby credit facility

There was a €2m revolving standby facility in existence under which unsecured bridging advances may be drawn down by the Company from a former member of the board, Mr. Tim Brosnan as needed. During the year ended 31 December 2023 €NIL was drawn down by the Company (2022 €NIL). This facility expired on 6 September, 2023.

26. Approval of financial statements

The financial statements for the year ended 31 December 2023 were approved and authorised for issue by the Directors on 19 September 2024.