

SMALL FOUNDATION

# Small Foundation

## Annual Report 2019

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**SMALL FOUNDATION**

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**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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## SMALL FOUNDATION

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### CONTENTS

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	Page
<b>Reference and Administrative Details of the Charity, its Trustees and Advisers</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 11</b>
<b>Directors' Responsibilities Statement</b>	<b>12</b>
<b>Independent Auditors' Report</b>	<b>13 - 14</b>
<b>Statement of Financial Activities</b>	<b>15</b>
<b>Balance Sheet</b>	<b>16</b>
<b>Statement of Cash Flows</b>	<b>17</b>
<b>Notes to the Financial Statements</b>	<b>18 - 31</b>

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## SMALL FOUNDATION

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2019

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<b>Directors</b>	Michael Swift Tony Gannon Anna Brosnan Tim Brosnan Conor Brosnan, Chief Executive Officer and Chairperson
<b>Company registered number</b>	447577
<b>Charity registered number</b>	CHY17841 & 20067151
<b>Registered office</b>	1-2 Cavendish Row Dublin 1
<b>Company secretary</b>	Conor Brosnan (resigned 30 May 2019), Imelda Casey (appointed 30 May 2019)
<b>Independent auditors</b>	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Financial Services Centre Dublin 1
<b>Bankers</b>	Bank of Ireland Ballsbridge Dublin 4  Bank of Ireland UK Townhall Street Enniskillen BT74 7BD

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## SMALL FOUNDATION

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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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 2019. 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. Small Foundation aims to maximise its contribution to the elimination of extreme poverty by focusing its activities here and seeking to help catalyse the proliferation of sustainable income-generating opportunities for extremely poor people in rural areas. It seeks to do this by identifying and supporting highly-leveraged interventions that improve the business ecosystem for on-farm and off-farm micro, small and medium enterprises (MSMEs) by expanding access to knowledge, finance, technology, skilled human resources and markets. It aims to do this in ways that are effective, sustainable and scalable.

##### **b. Strategies for achieving objectives**

Small Foundation continues to consider its strategy on an on going basis. The Company has adopted the following Vision, Mission and Goal:

Vision: Africa free from extreme poverty by 2030.

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

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

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

Based on the Company's 12 year's of experience donating to NGOs and investing in social businesses, it focuses its efforts on business ecosystem development initiatives in the following areas:

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

This is not to say that the Company does not see real potential in areas such as technology and markets, but, given the Company's limited human resource capacity, it sees a need to specialise in order to have the necessary expertise and deep networks to find, catalyse and support the innovative, viable solutions required.

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

- Risk of failure: As Small Foundation is looking for innovative models to tackle poverty in a sustainable and scalable way – in ways that have not been done before – there is a high chance that any individual model supported by Small Foundation will not succeed. However, as existing models are not working at the pace and scale required, Small Foundation feels it is essential to take this risk. Even where individual models supported by the Company do not succeed, Small Foundation believes there can be important lessons for the sector that, where successfully disseminated, can make a significant contribution to its long term vision;
- Evidence risk: As Small Foundation tries to operate at higher points in the rural MSMS ecosystem attributing its efforts and investments to clear impact is likely to be difficult in many cases. The difficulty, even impossibility, of showing clear, linear, causal relationships between Small Foundation's investments and evidence of poverty eradication does not mean that such higher-level ecosystem interventions with the aim of solving extremely complex problems like poverty are not worth making. Small Foundation will continue to focus on these investments while also working to ensure that its impact measurement and monitoring systems are as robust as possible.
- Increased costs: the viable models Small Foundation seeks are rare and take significantly more capacity to find and support (including on going monitoring), and to transfer the learnings from these innovative models to the sector requires deeper network engagement. This necessitates the hands on, intensive and expert engagement of the team, from research, due diligence, and post investment support, to collaboration, dissemination and amplification. Small Foundation believes that investing in its team is vital to finding and supporting the viable, sustainable and scalable models required, and to fostering the sector collaboration necessary to realising its vision.

While the Company's focus in 2020 will be on the implementation of its strategy, it will continue to re-assess and refresh its strategy to remain responsive to new opportunities for impact and continue to maximise its contribution towards the eradication of extreme poverty.

#### c. Activities for achieving objectives

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

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

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

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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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 financial sustainability and scalability. 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 and business ecosystems in which the Company operates. This activity is undertaken directly by Small Foundation team members, or via the engagement of third parties to provide additional expertise as appropriate.

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

#### Achievements and performance

##### a. Key financial performance indicators

Income from unrestricted funds was €12,675 (2018: €11,173) with resources expended for the year of €2,551,709 (2018: €2,553,912). There was net income / (expenditure) of (€2,539,034) (2018: (€2,542,739)). The net assets of the Charity at year end were €4,448,794 (2018: €6,987,832).

During the year, Small Foundation provided direct financial support totalling €1,098,033 to twelve SSA focused entities and €50,000 to one Irish entity (2018: €1,542,712 to eleven SSA entities and €120,000 to two Irish entities).

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

##### b. Review of activities

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

1. The Agribusiness Market Ecosystem Alliance (AMEA) is a global network for accelerating the professionalisation of farmer organisations. AMEA has 27 members dedicated to accelerating the development of professional farmer organisations. Its vision is a future where there are millions of professional farmer organisations that have access to finance and markets, which enables them to deliver significant benefits to their members.

Small Foundation has provided AMEA with multi annual funding to support its start up phase and expand its operations. A Small Foundation representative is also a non executive board member of AMEA. (2019 advance: €80,000, 2018: €140,000)

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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2. The Aspen Network for Development Entrepreneurs (ANDE) is a global membership network of organisations that support entrepreneurship in emerging markets in order to create prosperity for the world's poor. Small Foundation is a member of ANDE and supported the network's development and core activities, particularly in East and West Africa.

In 2019, Small Foundation continued to support ANDE's collaborative initiative to catalyse the entrepreneurial ecosystem in Uganda (2019 advance: €67,068, 2018: €101,378)

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

Small Foundation provided finance to GDI to develop the Collaborative for Frontier Finance (CFF), a multi donor effort to increase finance to small and medium sized enterprises in developing countriesAs part of developing the CFF, GDI facilitated two sub initiatives, one on Early-Stage Capital Provision and one on Alternative Debt.

Small Foundation also funded GDI's work coordinating the Council for Smallholder Finance's (CSAF) financial benchmarking research. (2019 advance: €230,030, 2018: €125,313)

4. Rent to Own Zambia is a financial service provider lending to smallholder farmers and small and medium-sized enterprises in rural and peri-urban areas of Zambia. Small Foundation is a shareholder in Rent to Own, supporting the company's effort to increase scale and commercial viability.

From 2015 to the end of 2019, Rent to Own provided just over 5,000 loans, enabling access to equipment such as irrigation pumps, fridges and small grain processing mills. (2019 advance: €134,556)

5. Root capital USA is a non-profit that invests in poor, environmentally vulnerable places in Africa, Latin America, and Indonesia by lending capital, delivering management training, and strengthening market connections for small and growing agricultural businesses. Small Foundation supports the core costs of Root Capital's lending operations in SSA as well as their field-building work in the agricultural finance sector.

In 2019, Root Capital continued to improve its operational efficiencies and share its learnings in the sector. It continues to directly impact agricultural small and medium-sized enterprises (SMEs) through its lending, and more broadly in the ecosystem through its field-building activities. (2019 advance: €174,735)

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

In 2019, VC launched an agriculture acceleration program in Africa and is having a positive impact on early-stage entrepreneurs. (2019 advance: €89,911)

7. The All-Party Parliamentary Group (APPG) on Agriculture and Food for Development, supported via the University of Greenwich, brings together UK Parliamentarians concerned with agriculture, nutrition and food security in the developing world.

In 2019, Small Foundation made a contribution to the core costs of the group. (2019 advance: €3,978, 2018: €4,046)

8. Genesis Analytics is an economics-based consultancy focusing on Africa. Small Foundation supported them to conduct an analysis of business models and operating procedures with the goal of identifying opportunities for efficiencies and achieving operational viability in agri-SME lending. (2019 advance: €56,791)

## SMALL FOUNDATION

### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

9. Dalberg Consulting (2019 advance: €68,084) is a consulting advisory firm specialising in emerging and frontier markets. Small Foundation supported them to research the small and medium-sized enterprise space, to develop a taxonomy of lending products and financial instruments required for each sub-set of SMEs. (2019 advance: €68,084)

10. Niras is an international multidisciplinary consultancy firm headquartered in Denmark creating sustainable development solutions across the globe. Small Foundation supported them to conduct country studies for Benin and Burkina Faso, assessing the social agricultural enterprise segment in those countries and stress testing the principal assumptions for a new investment vehicle, the Social Enterprise Facility for Agriculture in Africa (SEFAA). (2019 advance: €39,500)

11. Equity for Africa Group (EFAG) is an equipment finance company with operations in Tanzania specialised in serving small and medium enterprises and farmers in East Africa. Small Foundation has provided Seed funding for the expansion of EFAG to Kenya and Uganda. (2019 advance: €17,670)

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

In 2019 Small Foundation provided a grant to IFAD to contribute to the core costs of SAFIN's pilot-phase. (2019 advance: €135,710)

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

TA21 continues to successfully deliver its core program, with educational attainment targets being met, and has been successful in scaling its impact through partnerships with other third level institutions. (2019 advance €50,000, 2018: €100,000)

#### c. Factors relevant to achieve objectives

Research, collaboration and dissemination are core activities of Small Foundation, enabling it to find, catalyse and support the development and business models that, in its judgement, are likely to be effective, sustainable and scalable. During the year, the Company's combined investments in these activities – including salaries, consultancy fees, conference fees, travel expenses, and website maintenance and development – totalled €982,719 (2018: €746,129). The output from this expenditure was:

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

The following are examples of the direct engagement and dissemination activities Small Foundation undertook through 2019:

- Small Foundation is the chair of the Collaborative for Frontier Finance's (CFF), steering committee, working with others to close the missing middle finance gap in emerging markets;
- A Small Foundation team member is a non executive board member of Agribusiness Market Ecosystem Alliance (see above);

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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- Small Foundation continues to be involved with partners in designing phase 2 of the ANDE Uganda Ecosystem project;
- Small Foundation engaged and worked with Converge, experts on building collaborations and networks to tackle complex issues, to provide direct support to many of Small Foundation's network partners;
- Small Foundation is a co-chair of the ANDE corporate learning lab, working with others to increase the impact of corporate/SME collaboration (see above);
- Working through the CFF framework, Small Foundation has engaged with a group of funders and other stakeholders to determine opportunities to build and scale investment funds at the very early stage of enterprise development;
- Small Foundation is a member of the Global Impact Investing Network (GIIN);
- Small Foundation participates in a network of funders led by the UK Department for International Development that are aiming to build the impact investing sector;
- A Small Foundation team member is also on the Steering Committee of Women in Social Finance;
- Small Foundation spoke at the Acumen Collaboration Summit in Nairobi on blended finance investments;
- Small Foundation continued its membership of the All Parliamentary Party Group on Agriculture and Food for Development.

Looking forward to 2020, Small Foundation will continue to focus in this area.

#### d. Measuring impact

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

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

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

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

Notwithstanding the inherent challenges in measuring the impact of its interventions, in 2019 and into 2020, Small Foundation is working on developing and deploying an Impact Management and Measurement (IMM) system across the organisation based on the Impact Management Project (IMP) framework. Small Foundation is also engaged in adapting and developing innovative tools for measuring the impact of its networks practice, including using social network analysis (SNA) and associated tools. 2019 saw the foundations of IMM put in place, with implementation a priority for 2020.

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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

Other key risks facing the Company are:

##### Regulatory Compliance Risk

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

##### c. Reserves policy

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

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

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

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

##### d. Principal funding

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

## **SMALL FOUNDATION**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Structure, governance and management**

##### **a. Constitution**

The Company is registered as a company limited by guarantee, not having share capital, was set up and constituted under a Memorandum of Association and is a registered charity (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 has been no changes in the objectives 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**

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

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

##### **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 executive Directors who have direct management responsibility for the executive team. This is done with reference to individual performance and intelligence on market rates for each role in its respective location. Directors do not receive any remuneration from Small Foundation (see note 9 to the financial statements).

##### **e. Related party relationships**

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

##### **f. Risk management**

The Charity's risk management processes involve identifying risks across the Charity, assessing the potential impact of these risks and providing 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 in the principal risks and

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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uncertainties paragraph. The described risks are reviewed annually and any additional risks that are recognised and incorporated in the paragraph.

#### **Plans for future periods**

##### **a. Future developments**

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

The Company intends to consolidate the recent growth in its internal human capacity to further enhance its ability to perform its research, collaboration and dissemination core activities.

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

#### **Members' liability**

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

#### **Results and dividends**

The Company prohibits payment of dividends to its members.

#### **Accounting Records**

The Directors are responsible for ensuring that accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept. The Directors, through the use of appropriate procedures and systems and the employment of competent persons, have ensured that measures are in place to secure compliance with these requirements. These accounting records are maintained at the registered office at 1-2 Cavendish Row, Dublin 1.

#### **Post Balance Sheet Events**

Since the year end, the world has encountered a pandemic virus which has caused illness and fatalities globally. The World Health Organisation (WHO) has classed this a global pandemic. Whilst this has far reaching implications for the global economy, the Directors do not consider that this will have an impact on the ability of Small Foundation to continue as a going concern. Although the Company has temporarily suspended travel to other countries, its research, cooperation and dissemination activities have continued largely unaffected due the strong relationships already established with investees and potential investees and the transition to exclusively remote communication. The Board is actively monitoring this issue and is taking steps to ensure the minimal impact on our activities continues. The Directors feel that it is appropriate to note and disclose the presence of COVID 19 post year end. While the impact of COVID-19 on poverty in rural sub-Saharan Africa is still very uncertain, the Directors feel that the Vision, Mission and Goal of Small Foundation is likely to remain highly relevant in the medium term. The Directors note that this pandemic will not impact the carrying value of assets held at year end or the ability of the company to continue as a going concern for the foreseeable future. The financial statements do not reflect any adjustments at year end to reflect the emergence of COVID 19 at the date of approving the financial statements.

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## SMALL FOUNDATION

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### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Auditors

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

#### Taxation Status

The Company has received an exemption from taxation as a charitable organisation and is registered under No. CHY 17841 and 20067151. The Company also received approval of the Scheme of Tax Relief for Donations to Eligible Charities and other Approved bodies under Section 848A of the Taxes Consolidation Act 1997.

#### Thanks

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

#### Disclosure of information to auditors

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

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

This report was approved by the Directors, on 16/1/20 and signed on their behalf by:



Conor Brosnan  
Chairman



Michael Swift  
Director

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## SMALL FOUNDATION

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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The Directors (who are also directors of Small Foundation for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with FRS 102 the financial framework applicable in the Republic of Ireland and the provisions of the Companies Act 2014.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

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

## 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 2019 set out on pages 15 to 31, which comprise the statement of financial activities, balance sheet, statement of cash flows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying non-statutory financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been properly prepared in accordance with the requirements of the Companies Act 2014; and
- have been prepared in compliance with the charities Statement of Recommended Practice (FRS 102).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **We have nothing to report on going concern**

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

#### **Other information**

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report. 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.

***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 the directors for the financial statements***

As explained more fully in the Directors' responsibilities statement set out on page 12, 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://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:   
James Casey  
for and on behalf of  
KPMG

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

Date: 16 September 2020

**SMALL FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019	Total funds 2019	Total funds 2018
		€	€	€
<b>Income from:</b>				
Charitable activities	2	12,000	12,000	12,000
Other income	3	675	675	(827)
<b>Total income</b>		<b>12,675</b>	<b>12,675</b>	<b>11,173</b>
<b>Expenditure on:</b>				
Charitable activities:				
Donations to NGOs	4	945,807	945,807	885,198
Movement in Social Investments	4	152,226	152,226	657,514
Donations to Irish charities	4	50,000	50,000	120,000
Partner Support & Network Membership	4	297,978	297,978	59,625
Other Resources Expended	5	982,719	982,719	756,278
Other Costs	6	96,087	96,087	53,406
Governance	7	26,892	26,892	21,891
<b>Total expenditure</b>		<b>2,551,709</b>	<b>2,551,709</b>	<b>2,553,912</b>
<b>Net expenditure before other recognised gains and losses</b>		<b>(2,539,034)</b>	<b>(2,539,034)</b>	<b>(2,542,739)</b>
<b>Net movement in funds</b>		<b>(2,539,034)</b>	<b>(2,539,034)</b>	<b>(2,542,739)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		6,987,832	6,987,832	9,530,571
<b>Total funds carried forward</b>		<b>4,448,798</b>	<b>4,448,798</b>	<b>6,987,832</b>

The notes on pages 18 to 31 form part of these financial statements.

All activities relate to continuing operations.

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

**SMALL FOUNDATION**  
REGISTERED NUMBER: 447577

**BALANCE SHEET**  
AS AT 31 DECEMBER 2019

	Note	€	2019	€	2018
<b>Fixed assets</b>					
Tangible assets	9		8,044		8,679
Investments	10		1		1
			<hr/>		<hr/>
			8,045		8,680
<b>Current assets</b>					
Debtors	11	21,286		11,644	
Cash at bank and in hand		4,475,652		7,005,041	
		<hr/>		<hr/>	
		4,496,938		7,016,685	
<b>Liabilities: Creditors, amounts falling due within one year</b>	12	(56,185)		(37,533)	
<b>Net current assets</b>			<hr/>		<hr/>
<b>Net assets</b>			4,440,753		6,979,152
			<hr/>		<hr/>
<b>Charity Funds</b>			4,448,798		6,987,832
Unrestricted funds	13		<hr/>		<hr/>
<b>Total funds</b>			4,448,798		6,987,832
			<hr/>		<hr/>

The financial statements were approved and authorised for issue by the Directors on 16/9/‘20 and signed on their behalf, by:



Conor Brosnan



Michael Swift

The notes on pages 18 to 31 form part of these financial statements.

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**SMALL FOUNDATION**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 €	2018 €
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	15	(2,527,131)	(2,546,856)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(2,258)	(8,649)
<b>Net cash used in investing activities</b>		(2,258)	(8,649)
<b>Change in cash and cash equivalents in the year</b>		(2,529,389)	(2,555,505)
Cash and cash equivalents brought forward		7,005,041	9,560,546
<b>Cash and cash equivalents carried forward</b>	16	<u><u>4,475,652</u></u>	<u><u>7,005,041</u></u>

The notes on pages 18 to 31 form part of these financial statements.

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## SMALL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### **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 (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2014.

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

##### **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, Upper O'Connell Street, 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.

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## SMALL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 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

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

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## SMALL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### **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 is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

##### **1.10 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 within interest payable and similar charges.

##### **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 2019

#### 1. Accounting Policies (continued)

##### 1.15 Fund accounting

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

##### 1.16 Critical accounting estimates and areas of judgment

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Critical judgments

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

#### 2. Income from donations and legacies

	Unrestricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Donated Services (KPMG and Abbey Capital )	12,000	12,000	12,000
<i>Total 2018</i>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3. Other incoming resources

	Unrestricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Interest / foreign exchange movement	675	675	(827)
<i>Total 2018</i>	<hr/> <hr/> (827)	<hr/> <hr/> (827)	<hr/> <hr/>

#### 4. Analysis of Donations to NGOs and Movements in Social Investments

	Unrestricted funds 2019 €	Total 2019 €	Total 2018 €
Donations to NGOs	945,807	945,807	885,198
Movements in Social Investments	152,226	152,226	657,514
Donations to Irish Charities	50,000	50,000	120,000
Partner support and network memberships	297,978	297,978	59,625
	<hr/> <hr/> 1,446,011	<hr/> <hr/> 1,446,011	<hr/> <hr/> 1,722,337
<i>Total 2018</i>	<hr/> <hr/> 1,722,337	<hr/> <hr/> 1,722,337	<hr/> <hr/>

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	Movement in Social Investments	Donations to NGO's	Partner Support / Network Membership	Donation to Irish Charities	2018 Total €
	€	€	€	€	€
Amea Foundation	-	140,000	-	-	140,000
Aspen Institute	-	101,378	-	-	101,378
Global Development Incubator	-	125,513	-	-	125,513
Root Capital USA	-	88,950	-	-	88,950
University of Greenwich	-	4,046	-	-	4,046
Trinity College Dublin	-	-	-	100,000	100,000
Partner Support	-	-	59,625	-	59,625
Belvedere College Social Diversity Program	-	-	-	20,000	20,000
Business Fights Poverty	-	2,828	-	-	2,828
Yunus Social Business	-	10,000	-	-	10,000
Capria Ventures	-	86,217	-	-	86,217
Engineers Without Borders	-	283,467	-	-	283,467
Partners in Food Solutions	-	42,799	-	-	42,799
Open Capital Group Limited	657,514	-	-	-	657,514
Total	657,514	885,198	59,625	120,000	1,722,337

#### 5. Other resources expended

	Activities	Total 2019	Total 2018
	€	€	€
Research and consultancy	954,757	954,757	731,780
Computer/ IT Cost	16,968	16,968	12,565
Conferences and seminars	10,994	10,994	11,933
	982,719	982,719	756,278
<i>Total 2018</i>	<i>756,278</i>	<i>756,278</i>	

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

#### Staff Costs

The average number of employees during the financial year was 7 (2018: 5)

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The full staff profile is as follows:

	2019	2018
	€	€
Impact related staff	6	4
Support staff	1	1
Total	<u>7</u>	<u>5</u>

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

	2019	2018
	€	€
Salaries	632,054	475,836
Employer's social security contributions	89,148	71,437
Employer's pension contributions - Defined Contribution Scheme	47,419	34,655
Other	5,000	5,000
Total	<u>773,621</u>	<u>586,928</u>

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

	2019	2018
	€	€
€60,000 to €70,000	-	1
€70,001 to €80,000	-	-
€80,001 to €90,000	-	-
€90,001 to €100,000	-	1
€100,001 to €110,000	2	-
€110,001 to €120,000	1	1
€120,001 to €130,000	-	-
€130,001 to €140,000	1	-
Total	<u>4</u>	<u>3</u>

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 6. Other Costs

	Activities	Total 2019	Total 2018
	€	€	€
Office Expenses	4,392	4,392	2,643
Rent Office Space	71,343	71,343	49,800
Bank Charges	1,098	1,098	963
Brand Identity	19,254	19,254	-
	<hr/>	<hr/>	<hr/>
	96,087	96,087	53,406
	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	<i>53,406</i>	<i>53,406</i>	
	<hr/>	<hr/>	

#### 7. Governance costs

	Unrestricted funds 2019	Total funds 2019	Total funds 2018
	€	€	€
Advisory Fees Accountants	8,432	8,432	9,357
Advisory Fees Legal	5,960	5,960	534
Network Membership	500	500	-
Donated services: KPMG	10,000	10,000	10,000
Donated services: Abbey Capital	2,000	2,000	2,000
	<hr/>	<hr/>	<hr/>
	26,892	26,892	21,891
	<hr/>	<hr/>	<hr/>

#### 8. Net income/(expenditure)

	2019	2018
	€	€
Depreciation of tangible fixed assets: - owned by the charity	2,893	-
	<hr/>	<hr/>

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**SMALL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. Tangible fixed assets**

	Computer equipment €
<b>Cost</b>	
At 1 January 2019	8,679
Additions	2,258
<i>At 31 December 2019</i>	<u>10,937</u>
<b>Depreciation</b>	
Charge for the year	2,893
<i>At 31 December 2019</i>	<u>2,893</u>
<b>Net book value</b>	
At 31 December 2019	8,044
<i>At 31 December 2018</i>	<u>8,679</u>

**10. Fixed asset investments**

	Other investments €	
<b>Market value</b>		
At 1 January 2019 and 31 December 2019	1	
<b>Historical cost</b>	1	
 <b>Investments at market value comprise:</b>		
	2019 €	2018 €
Other investments	1	1

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## SMALL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 10. Fixed asset investments (continued)

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 be applied for that purpose or from the proceeds of a fresh subscription of shares made for the purpose. The redemption price to be paid by the company in respect of the Dividend Access shall be a sum equal to the aggregate of the amount paid up on the share (i.e €1.00).

In 2017, Cavendish Capital Limited paid a dividend of €8,937,636 to Small Foundation. Tim Brosnan, Mick Swift and Tony Gannon are directors of both Cavendish Capital Limited and Small Foundation.

#### 11. Debtors

	2019	2018
	€	€
Other debtors	5,107	917
Prepayments and accrued income	16,179	10,727
	<hr/>	<hr/>
	21,286	11,644
	<hr/>	<hr/>

#### 12. Creditors: Amounts falling due within one year

	2019	2018
	€	€
Bank loans and overdrafts	7,763	5,670
Pensions payable	9,915	4,085
Other taxation and social security (see below)	32,157	25,592
Other creditors	5,057	1
Accruals and deferred income	1,293	2,185
	<hr/>	<hr/>
	56,185	37,533
	<hr/>	<hr/>

#### Other taxation and social security

	2019	2018
	€	€
HMRC	10,375	9,561
French Payroll Tax	13,396	8,594
PAYE	8,386	7,437
	<hr/>	<hr/>
	32,157	25,592
	<hr/>	<hr/>

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 13. Statement of funds

##### Statement of funds - current year

	Balance at 1 January 2019 €	Income €	Expenditure €	Balance at 31 December 2019 €
<b>Unrestricted funds</b>				
General Funds - all funds	6,987,832	12,675	(2,551,713)	4,448,794
Other General funds	-	-	4	4
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	6,987,832	12,675	(2,551,709)	4,448,798

##### Statement of funds - prior year

	Balance at 1 January 2018 €	Income €	Expenditure €	Balance at 31 December 2018 €
<b>General Funds - all funds</b>				
General Funds - all funds	9,530,571	11,173	(2,553,912)	6,987,832
Total of funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	9,530,571	11,173	(2,553,912)	6,987,832

#### 14. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

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

## SMALL FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 14. Analysis of net assets between funds (continued)

##### Analysis of net assets between funds - prior year

	Unrestricted funds 2018 €	Total funds 2018 €
Tangible fixed assets	8,679	8,679
Fixed asset investments	1	1
Current assets	7,016,685	7,016,685
Creditors due within one year	(37,533)	(37,533)
	<hr/>	<hr/>
	6,987,832	6,987,832
	<hr/>	<hr/>

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

	2019 €	2018 €
Net expenditure for the year (as per Statement of Financial Activities)	(2,539,034)	(2,542,739)
<b>Adjustment for:</b>		
Depreciation charges	2,893	-
Increase in debtors	(9,642)	(7,479)
Increase in creditors	18,652	3,362
<b>Net cash used in operating activities</b>	<hr/> (2,527,131)	<hr/> (2,546,856)
	<hr/>	<hr/>

#### 16. Analysis of cash and cash equivalents

	2019 €	2018 €
Cash in hand	4,475,652	7,005,041
Total	<hr/> 4,475,652	<hr/> 7,005,041
	<hr/>	<hr/>

#### 17. Members' liability

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

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## SMALL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### **18. Related party transactions**

No members of the board of directors received any remuneration during the year (2018: €Nil).

No member of the board of directors or other person related to the charity had any personal interest in any contract or transaction entered into by the Company during the period apart from the standby credit facility referred to in Note 20 hereof.

#### **19. Post balance sheet events**

Since the year end, the world has encountered a pandemic virus which has caused illness and fatalities globally. The World Health Organisation (WHO) has classed this a global pandemic. Whilst this has far reaching implications for the global economy, the Directors do not consider that this will have an impact on the ability of Small Foundation to continue as a going concern. Although the Company has temporarily suspended its activities involving travel to other countries. The Board is actively monitoring this issue and is taking steps to ensure minimal impact on our activities generally. The Directors feel that it is appropriate to note and disclose the presence of COVID-19 post year end. The Directors note that this pandemic will not impact the carrying value of assets held at year end or the ability of the company to continue as a going concern for the foreseeable future. The financial statements do not reflect any adjustments at year end to reflect the emergence of COVID-19 at the date of approving the financial statements.

#### **20. Standby credit facility**

There is a €2m revolving standby facility in existence under which unsecured bridging advances may be drawn down by the Company from a member of the board Mr. Tim Brosnan as needed. During the year ended 31 December 2019, €NIL was drawn down by the Company (2018: €Nil).

#### **21. Approval of financial statements**

The directors approved these financial statements for issue on

*16/9/20*