

Smurfit Kappa Foundation
(A company limited by guarantee and
not having a share capital)
Directors' Report and Financial Statements
for the year ended 31 December 2017



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2017**

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COMPANY INFORMATION

<p>DIRECTORS</p> <p>Alain Baudant (appointed Director 14 June 2017 & Chairman 1 September 2017) Gerard Fagan (resigned as Chairman 1 September 2017) Marie Barrett Jim Fitzharris</p>	<p>SECRETARY</p> <p>Gillian Carson-Callan (appointed 28 March 2017, replacing Jim Fitzharris)</p>	<p>REGISTERED OFFICE</p> <p>C/o Smurfit Kappa Group Beech Hill Clonskeagh Dublin 4</p>	<p>COMPANY REGISTRATION NUMBER</p> <p>504110</p>	<p>REGISTERED CHARITY NUMBER</p> <p>CHY 19867</p>	<p>SOLICITORS</p> <p>William Fry 2 Grand Canal Square Dublin 2</p>	<p>BANKERS</p> <p>Danske Bank International House 3 Harbournmaster Place IFSC Dublin 1</p>	<p>AUDITORS</p> <p>Bank of Ireland University Branch Montrose Stillorgan Road Dublin 4</p> <p>Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2</p>
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CHAIRMAN'S FOREWORD

I, together with the Board of Directors have the pleasure in presenting the Directors' Report and Financial Statements for the year ended 31 December 2017.

This is my last year as Chairman having held this position since the inception of the Smurfit Kappa Foundation in 2011. I wish to extend a warm welcome to my successor, Alain Baudant, and to wish him well in the role. Smurfit Kappa Foundation (the 'Foundation') was formed in 2011 and supports sustainable projects in the countries where Smurfit Kappa Group ('SKG') has the privilege to operate, with the focus being on projects involving disadvantaged children in the areas of health and nutrition, basic care and early education. In 2017, the Foundation supported 16 such charities in both Europe and Latin America as set out below.

PROJECTS FUNDED IN 2017

1. Richard Krajicek Foundation, Netherlands. This project is concerned with providing scholarships to young people thereby enabling them to continue their education, in return for which they work as part-time volunteers at the Krajicek playgrounds. These playgrounds are aimed at boosting sports activities for young people in districts where possibilities are otherwise limited. This third donation covered the cost of seven scholarships, including tuition fees, guidance and educational materials.
2. Fundacion Tambien, Spain. This is a non-profit organization whose aim is the social integration of people, especially the young, with any physical, mental, intellectual or sensory disability. The project, 'Sports for All', tailors sport to the needs of disabled people, helping them to overcome difficulties and gain valuable life habits shared with children without disabilities.
3. Inselhaus, Germany. This is an organization that helps disadvantaged children and young refugees who arrive without parents in Bavaria. Inselhaus offers these children a home and a wide range of social programmes to provide stability and the opportunity to grow up in a protected environment. Our funding enabled Inselhaus to build and maintain a multi-sports field.
4. Suas Education Development, Ireland. Suas help children with low reading scores to improve their literacy. They recruit and train local volunteers (corporate, community, student) to deliver innovative, evidence-based literacy interventions.
5. Sports Dans la Ville, France. This is the main French non-profit organization dedicated to helping youth through sport with each programme aimed at building up social and professional integration for the 5,000 youngsters enrolled in the association. The ApprentiBus programme helps children aged 9 to 11, who live in difficult neighbourhoods, to improve their reading, writing and oral expression skills during workshops in a bus.
6. MS Ireland. This project is focused on those under the age of 18 who provide care for a family or household member who has Multiple Sclerosis. Through the provision of a 'Young Carer Respite Weekend', MS Ireland, give respite, advice, and counselling to the young carers across the country who live full-time with MS.

7. The Salvation Army, Ireland. The funding went towards the restoration of Lefroy House, a 95 year old building in urgent need of repair. Lefroy House has two specialised services that look after homeless children and young people: the Nightlight project, which provides emergency accommodation for 12 to 17-year-olds, and the support flats for young people aged 17 to 19.
8. Croí, West of Ireland Cardiac Foundation, Ireland. The objective of this organization is to raise awareness across Ireland of FH (familial hypercholesterolaemia), an extremely high level of cholesterol in children which, if left undetected, causes early fatalities. Croí are looking initially to raise awareness of the condition and then progress to a screening project whereby, with a simple blood test, they can look to identify children with FH.
9. St. John of God Foundation, Ireland. The charity runs Suzanne House where it provides specialised individual respite care for children with life-limiting conditions in a small homelike environment, allowing families to have a well-deserved break. The funding allowed the charity to transform the back garden into a specially adjusted playground and sensory garden.
10. Fundacion Empressarial Para el Desarrollo Educativo (FEPADE), El Salvador. This project is aimed at improving the infrastructure and updating the computer equipment of a school in a disadvantaged area near SKG's plant in San Salvador. This donation is the second instalment of the total approved in 2016. To show its commitment to making a difference in the community, the plant will provide additional funding.
11. The Merseyside Forest, UK. This is one of the UK's largest community forests with over 9 million trees planted so far. It works with children's centres and schools in deprived areas of Merseyside and Cheshire to deliver forest school education programmes. These help children with little access to green spaces to engage with the natural environment through natural play, mindfulness and adventure skills. The multi-annual funding from the Foundation plays a significant role in supporting this programme.
12. Make-A-Wish International, Spain and Portugal. This international charity aims to give a moment of happiness to children battling life-threatening illnesses in order to enrich their lives and those of their families. Make-A-Wish has developed an approach to make the impact of a wish experience even bigger - they call this approach the 'Wish Journey'. The funding will enable them to choose a few wishes in Spain and Portugal during the year and involve SKG employees in their provision.
13. Fundacion Castro Limon, Mexico. This local foundation helps child patients receiving treatment for cancer. The funding provided by the Foundation in 2017 and 2016 helped to equip a multimedia playroom for the children so they can spend time together with their families while they are receiving their medical treatment. Using virtual reality technology via a special display system, children can be entertained and educated, depending on their development stage which will help them handle their current condition.

14. Irish Youth Foundation, Northern Ireland. The Irish Youth Foundation funds projects and develops programmes for children and young people living in disadvantaged circumstances. The project 'Fighting Words' provides free tutoring, mentoring and publishing in the field of creative writing for children and young people from Belfast and the surrounding area. The funding covered the fitting out of a new premises in East Belfast and the opening of two additional centres outside Belfast in 2018.

15. De Rijpende Popschool, Netherlands. The charity provides a travelling music school in the provinces of Groningen and Drenthe enabling children from small villages to learn how to play music together. The Popschool enhances social cohesion and community participation. The funding is for the cost of musical instruments.

16. Verein zu Haus, Germany. This project, 'Vacation at Home', involves bringing mentally handicapped children together with non-handicapped children so that they can experience activities and pleasure during their school holidays. It is run by the Lebenshilfe Special Needs Educational Centre (HPZ), a provider of various outpatient and inpatient services in the field of integration assistance for people with intellectual disabilities and high support and integration needs, along with a youth organization (katholische Jugendagentur) focused on economically disadvantaged children.

A number of other projects are under active consideration for 2018 and some have already been approved including, in December 2017, an amount of US\$120,000 to fund the re-building of a theatre in SKG's Pirapetinga plant in Brazil. This project will see the conversion of the building into a cultural and entertainment centre catering for children under the age of eighteen. We hope to continue our geographical expansion in the coming years.

HOW TO APPLY FOR FUNDS

Please visit www.smurfitkappafoundation.com to learn more about the projects we support and how to apply for funding. The process is quite simple and all applications are welcome, provided they comply with the conditions and are in line with the primary focus of the Foundation, that is, projects which involve young disadvantaged children in the areas of health and nutrition, basic care and early education.

We are particularly interested in projects in which SKG employees or their families are involved and where they would benefit from support from our Foundation. Any support we give is in addition to and not a substitute for funding such projects might already receive from the local SKG operations.

We are looking forward to hearing from you soon and helping to support projects in your region.



Gerard Fagan

Dublin, Ireland

Date: 7 August 2018

DIRECTORS' REPORT

for the year ended 31 December 2017

The directors present herewith their report together with the audited financial statements for the year ended 31 December 2017. The directors confirm that the directors' report and financial statements comply with the current statutory requirements of the company's governing documents.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Smurfit Kappa Foundation (the 'Foundation') was established on 26 September 2011 as a company limited by guarantee and not having a share capital. At 31 December 2017, the Foundation had seven members who, in the event of a winding up, have guaranteed the liabilities of the Company up to a maximum of €1 each. This guarantee continues in force for one year after membership ceases.

The Foundation is recognised by the Revenue Commissioners as having registered charity status.

OBJECTIVES AND ACTIVITIES

The Foundation was created with the aim of supporting sustainable projects in the areas where Smurfit Kappa Group ('SKG') has the privilege to operate. The focus of the Foundation's activities is on projects involving young disadvantaged children in the areas of health and nutrition, basic care and early education. The Foundation is particularly interested in projects in which SKG employees or their families are involved and where they would benefit from support.

The directors acknowledge the support provided to the Foundation by SKG.

ACHIEVEMENTS AND PERFORMANCE

The aim of the Foundation is to fund projects in the communities in which SKG operates, particularly those which are sustainable and focus on helping young and disadvantaged children through education. The Chairman's Foreword gives details of 16 projects supported in 2017 in eight different countries: six in Europe and two in The Americas. All of these conformed to our stated aims and mission.

FUTURE DEVELOPMENTS

The Foundation hopes to continue the geographical expansion of donations in the coming years.

FINANCIAL REVIEW

The statement of financial activities is as set out on page 13. The movement in total funds in the year is as follows:

	Charity funds at 31 December 2016
€	3,536,837
289,242	Net Income for the financial year
<u>3,826,079</u>	Charity funds at 31 December 2017

REFERENCE AND ADMINISTRATION DETAILS

Details are included on page 2.

DIRECTORS AND SECRETARY

The current directors and secretary are as shown on page 2. On 14 June 2017, Alain Baudant was appointed a director and Gianluca Castellini and Juan Guillermo Castaneda resigned as directors and were appointed advisors on the same date. On 28 March 2017, Jim Fitzharris resigned as company secretary and was replaced by Gillian Carson-Callan. While remaining a director, Gerard Fagan resigned as Chairman of the Foundation on 1 September 2017 with Alain Baudant being appointed in his place,

Neither the directors nor secretary who held office at the year-end, nor their immediate families, had a material interest in any contract of significance in relation to the business of the Foundation at 31 December 2017.

RESEARCH AND DEVELOPMENT

The company did not engage in any research and development during the year.

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, regarding accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the company's registered office, which is c/o Smurfit Kappa Group, Beech Hill, Clonskeagh, Dublin 4.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the greatest risk and uncertainty to be that the source of charitable donations will cease. The directors regularly review and assess this risk.

The sole current provider of funds to the Company is SKG. While SKG has contributed consistently since the formation of the Company in 2011, there can be no guarantee that this funding will continue indefinitely or at the same level. For this reason, the directors currently hold €1.5 million in reserve to cover future donations in the event of a change in the current funding arrangement.

POLITICAL DONATIONS

The company did not make any political donations during the year.

POST BALANCE SHEET EVENTS

There have been no significant events since the balance sheet date.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the statutory auditors are unaware.


DIRECTORS' REPORT (Continued)

for the year ended 31 December 2017

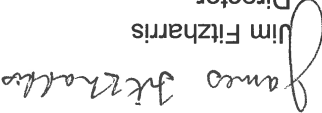
AUDITORS

Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act, 2014.

On behalf of the board


Gerard Fagan
Director

Date: 7 August 2018


James J. Kinnally
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council, including FRS102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland). 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 as at the end of the financial year, and the profit or loss for the company for the financial year, and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the 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 SMURFIT KAPPA FOUNDATION

Opinion

We have audited the financial statements of Smurfit Kappa Foundation ('the Company') for the year ended 31 December 2017, which comprise the Statement of Financial Activities and Charity Funds, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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 Accounting Standards including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

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 2017 and of its excess of income over expenditure for the year then ended;
- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT KAPPA FONDATION

Other information

The directors are responsible for the other information. The other information comprises the information included in the Chairman's foreword and the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- 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

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

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT KAPPA FOUNDATION

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

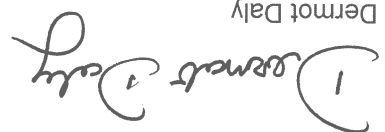
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 further description of our responsibilities for the audit of the financial statements is located on the IASA's website at: http://www.iasa.ie/getmedia/b2389013-1c16-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

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.



Dermot Daly

for and on behalf of

Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 8 August 2018

STATEMENT OF FINANCIAL ACTIVITIES AND CHARITY FUNDS
for the financial year ended 31 December 2017

	2017	2016	
	€	€	Note
Income from:			
Donations	1,000,000	1,000,000	2
Investments	32	5,447	3
Total Income	1,000,032	1,005,447	
Expenditure on:			
Charitable activities	(705,136)	(526,272)	4
Administrative expenses	(5,654)	(5,114)	5
Total Expenditure	(710,790)	(531,386)	
Net Income	289,242	474,061	
Charity funds brought forward	3,536,837	3,062,776	
Charity funds carried forward	3,826,079	3,536,837	

All amounts above relate to continuing operations.

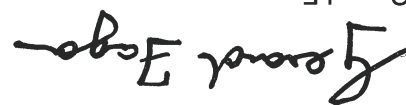
BALANCE SHEET

at 31 December 2017

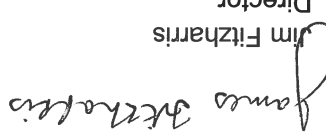
	2017	2016
	€	€
Current Assets		
Debtors	1,000,000	1,000,062
Cash at bank	2,831,614	2,541,695
Total current assets	3,831,614	3,541,757
Current Assets		
Debtors	1,000,000	1,000,062
Cash at bank	2,831,614	2,541,695
Total current assets	3,831,614	3,541,757
Net Current Assets	3,826,079	3,536,837
Total Assets less Current Liabilities	3,826,079	3,536,837
The Funds of the Charity		
Designated Funds	1,731,058	3,156,414
Undesignated Funds	2,095,021	380,423
Charity Funds	3,826,079	3,536,837

The notes on pages 15 to 20 form an integral part of these financial statements.

Gerard Fagan
Director



James Fitzharris
Director



Date: 7 August 2018

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2017

	2017	2016
Cash flows from Operating Activities	€ 289,887	€ 472,327
Net Cash flow provided by operating activities	289,887	472,327
Cash Flows from Investing Activities	32	5,447
Investment Income	32	5,447
Changes in Cash and Cash Equivalents for the reporting period	289,919	477,774

Reconciliation net income to net cash inflow from operating activities

Net income for the reporting period	289,242	474,061
Investment Income	(32)	(5,447)
Increase in creditors	615	-
Decrease in other debtors	62	3,713
Net Cash flow provided by operating activities	289,887	472,327

Reconciliation of net cash flow to movement in net cash

Cash at beginning of year	2,541,695	2,063,921
Net cash inflow for the year	289,919	477,774
Cash at end of year	2,831,614	2,541,695

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2017

1. Summary of Significant Accounting Policies

Statement of compliance

Smurfit Kappa Foundation (the 'Foundation') was incorporated on 26 September 2011 as a company limited by guarantee and not having a share capital. The company's registered office is c/o Smurfit Kappa Group, Beech Hill, Clonskeagh, Dublin 4. The nature of the Foundation's operations are set out in the Chairman's Foreword on page 3. The entity financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards issued by the Financial Reporting Council, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 1.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements cover the year ended 31 December 2017. They are presented in euro (€).

Donations and legacies

Donations are recognised when their receipt is probable and the income can be quantified with reasonable certainty. Income is shown gross before deduction of associated costs. No amounts are included for services donated by volunteers.

Resources expended

Expenditure is analysed between expenditure on charitable activities and administrative expenses. Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included with the expense items to which it relates.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1. Summary of significant accounting policies (continued)

Fund accounting

Designated funds are those which are immediately available for use at the discretion of the directors in furtherance of the objectives of the Foundation. If part of a designated fund is earmarked for a particular project, it may be classified as a separate fund, but the classification has an administrative purpose only, and does not legally restrict the company's discretion to apply the fund. The Foundation retains a reserve of €1.5 million for the future and on-going life of the charity but the directors still have complete control over how it is spent. It also sets aside funding for projects it has already committed to.

Undesignated funds are those funds which have not been specifically committed at the balance sheet date.

Administrative expenses

Administrative expenses are those functions that assist the work of the company but do not directly relate to charitable activities. These include back office costs, finance, personnel, payroll and governance costs which support the company's programmes and activities.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any, are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost. Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the company financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2017 (Continued)

	2017	2016
2. Donations and Legacies	€ 1,000,000	€ 1,000,000
3. Income from Investments	€ 32	€ 5,447
Bank interest		

4. Expenditure on Charitable Activities	2017	2016
<i>Charitable expenditure includes donations to:</i>	€	€
Richard Krajicek Foundation - Netherlands	47,250	-
Fundacion Tambien - Spain	31,285	-
Inselhaus - Germany	55,000	-
Suas Educational Development - Ireland	65,000	-
Sports dans la Ville - France	30,000	-
MS Ireland	4,200	-
The Salvation Army - Ireland	100,000	-
Croi - West of Ireland Cardiac Foundation	5,700	-
St, John of God - Ireland	62,985	-
Fundacion Empresarial Para el Desarrollo Educativo – El Salvador	25,508	65,907
Merseyside Forest – U.K.	28,200	43,622
Make-a-Wish International – Spain and Portugal	100,000	-
Fundacion Castro Limon AC - Mexico	34,308	48,668
Irish Youth Foundation – Northern Ireland	45,700	-
Rijdende Popschool - Netherlands	40,000	-
Ferein zu Haus - Germany	30,000	-
Join 4energy - Netherlands	30,000	-
Incredible Edible Growing Ltd - UK	4,655	-
Walburgisheim - Germany	30,000	-
St Bridgid's Primary School – Dublin inner city, Ireland	25,000	-
Child Vision - Ireland	10,000	-
First Steps Women's Centre – Northern Ireland	18,142	-
Our Lady of Mercy Primary School - Kells, Co. Meath Ireland	-	25,000
Sub-total c/f	705,136	300,994

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2017 (Continued)

	2017	2016
4. Expenditure on Charitable Activities (continued)	€	€
<i>Charitable expenditure includes donations to:</i>		
Sub-total b/f	705,136	300,994
Adaptive Design Association – Ecuador	-	4,875
Association Bambini Cri Du Chat – Italy	-	49,970
Barnardo's – Ireland	-	100,000
Fior di Lota society – Italy	-	30,000
Pilares – Argentina	-	16,110
Make-a-Wish International - Chile	-	24,323
	705,136	526,272
	€	€
5. Administrative Expenses	2017	2016
Bank fees	119	194
Auditors' remuneration	5,535	4,920
	5,654	5,114
6. Directors Emoluments		
The foundation does not pay any remuneration or expenses to the volunteer board of directors.		
7. Taxation		
As a result of the company's charitable status, no charge to corporation tax arises.		
8. Debtors	2017	2016
	€	€
Donations receivable from SKG	1,000,000	1,000,000
Deposit Interest receivable	-	62
	1,000,000	1,000,062

All amounts are receivable within one year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2017 (Continued)

	2017	2016
9. Cash at Bank	1,518,877	1,518,783
Cash on deposit	1,312,737	1,022,912
Cash and bank balance	2,831,614	2,541,695
	€	€
10. Creditors (amounts falling due within one year)	2017	2016
Accruals	5,535	4,920
11. Designated Funds	2017	2016
Funding – reserve	1,500,000	3,000,000
Join 4energy	10,000	10,000
Association Bambini Cri Du Chat – Italy	80,000	80,000
Pirapetinga Theatre – Brazil (US\$120,000)	100,058	-
Rijpende Popschool	41,000	-
Fundacion Empresarial Para El Desarrollo Educativo (US\$30,000)	-	28,463
Fundacion Castro Limon AC - Mexico (US\$40,000)	-	37,951
Total designated funds	1,731,058	3,156,414

Following the approval of the SKG Board in June 2017, the Foundation will retain a reserve of €1.5 million for future funding. Previously, the Foundation had set aside 50% of the €1 million received annually from SKG.

In addition to the reserve, designated funds at 31 December 2017 included amounts approved but unpaid at 31 December 2017. The amount of €80,000.00 in respect of the Association Bambini Cri du Chat, which was approved during 2016, was paid in March 2018.

12. Related Party Transactions

The Foundation is a related party of its donor of funds, SKG.

13. Approval of Financial Statements

The Board of Directors approved and authorised for issue the financial statements of the company in respect of the financial year ended 31 December 2017 on 7 August 2018.