

FOUNDERS PLEDGE LTD

Formerly Founders for Good Ltd
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees

V Bhargava
D C Bonas (Resigned 24 July 2023)
R I Chapman
L H L Ding
N D Hutchinson (Resigned 2 August 2023)
I Morton (appointed 1 December 2023)
A McLoughlin
A McKelvey (appointed 17 January 2024)
E Platts (appointed 20 May 2024)

Company registered number

08565148

Charity registered number

1162201

Registered office

Runway East
20 St. Thomas Street
London
SE1 9RS

Chief executive officer

David Goldberg

Independent auditor

Crowe U.K. LLP
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Bankers

JP Morgan Chase
401 California Street
San Francisco
CA 94104

HSBC Innovation Bank Limited
Alphabeta
14-18 Finsbury Square
London
EC2A 1BR

Pictet Group
6th Floor
5 Stratton Street
London
W1J 8LA

Silicon Valley Bank
14-18 Finsbury Square
London
EC2A 1BR

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Legal Advisor	Cooley UK LLP 69 Old Broad Street London EC2M 1 QS
Legal Advisors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Legal Advisor	Withers Worldwide 20 Old Bailey London EC4M 7AN
Legal Advisor	Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH
Legal Advisor	Watson, Farley & Williams 15 Appold St London EC2A 2HB

Trustees Report

For the year ended 31 December 2023

The Trustees present their annual report and strategic report, together with the audited financial statements for the year 1 January 2023 to 31 December 2023. This report is intended for Founders Pledge as a group comprising Founders Pledge Ltd, Founders Pledge Inc and Founders Pledge gGmbH, and all references to the “group” are intended to refer to all three entities. During 2023, Founders Pledge Ltd also wholly owned Founders Pledge Trading Ltd, a dormant company. Founders Pledge Trading Ltd was dissolved in April 2024. Separately, Pledge Ventures Ltd is an associate company of Founders Pledge Ltd.

The Trustees confirm that the annual report and financial statements of the group comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as amended by the updates.

Administrative Details for Founders Pledge Ltd

In January 2023, Founders For Good Ltd changed its name to Founders Pledge Ltd to align with its trading name both in the UK and overseas.

Charity Number: 1162201

Company Number: 08565148

Trading Name: Founders Pledge

The Trustees of Founders Pledge Ltd are:

- Vikrant Bhargava (Chair)
- Robert Chapman
- Luke Ding
- Andrew McLoughlin
- Isobel Morton (appointed December 2023)
- Anna McKelvey (appointed January 2024)
- Erin Platts (appointed May 2024)

Former Trustees who resigned within the year:

- Neil Hutchinson (resigned 2 August 2023)
- Dafna Bonas (resigned 24 July 2023)

All Trustees can be reached via the principal office address of Founders Pledge Ltd: Runway East, 20 St Thomas Street, London SE1 9RS.

Strategic Report

Mission, Vision and Model

Founders Pledge's mission is to empower entrepreneurs to do immense good. Our vision is that the value created by technology benefits those who need it most. We work to achieve this by helping our members become more informed and strategic philanthropists.

Once a member has joined Founders Pledge (FP), we engage them in a variety of ways. Through our theory of change, each member's journey is different, so there is no set path of which or how many intervention activities each member will engage with before granting to charities. But we believe that members will need to engage with at least one intervention activity to be more likely to support our mission.

Intervention activities include: our Community, Programmes & Events, and Communications teams engaging members; our Research team researching the best funding opportunities that our Advisory team then present to members; and our Philanthropic Services (PS) and Product teams providing services that make their giving convenient as well as delivering assurances around due diligence.

Our key output is to move *additional* money to High Impact Funding Opportunities (HIFO). This implies counterfactuality: as a result of our work, more money has gone to HIFO than would have otherwise happened. This may be through direct influence, where we have explicitly recommended that member to give to a HIFO, or they only heard of the HIFO because of it being featured on the Member App or in our comms. It may also occur indirectly, because the member is generally giving more money to charity as FP had influenced them to increase and honour their pledge, or our PS team facilitated their donation in such a way that they were able to give more.

There are also secondary outputs that are either a positive byproduct of our work or easy wins that we take because they are still positive even if they are not what we optimise for. These include members giving more to charity in general, giving to non-HIFO non-profits that were comparatively better than the alternatives, learning about impactful giving, our published research, or members supporting a wider culture of charitable giving by signalling their philanthropy to their peers.

Our Achievements

In 2023, our community guided more than \$150m (more than £117m) to charities, through Founders Pledge's DAFs, our thematic Funds or other means.

Through our members (including Philanthropy Partners) and the wider public, more than \$84m (£66m) was granted to our recommended charities (HIFO). This was against our objective of moving \$50m (£39m) to HIFO. We welcomed 129 new members who pledged a total of \$472m (£367m).

Member Journey

Despite challenging economic conditions, including historically low liquidity amongst many of our members and limited venture funding across the sector, we saw good levels of engagement in deployments to HIFO as well as through event and retreat attendance, engagement with our research, and in consultations with our advisory service.

In July 2023, the decision was made to increase our focus and intent within the US by promoting our Growth Director to a newly created role of US Managing Director with the responsibility of developing and executing a US-specific strategy aimed at reinvigorating and growing our US membership.

We have continued to refine and improve our overall member experience across every stage of their journey in ways that will enable us to scale our offering, such as:

- Doubling the size of our advisory team, responsible for providing philanthropic advice and giving portfolios to our members, enabling more consultations and a more consistent service across our membership at the point of giving;
- Improved features on our member app, including the ability for members to sign their pledge direct in the app, increased visibility on our HIFO and time-sensitive opportunities, an in-app events calendar and the ability to make multiple grants at once; and
- Launching the ability for our US DAF-holders to invest their DAF funds through our global investment partner, UBS.

We continue to make efforts to increase diversity within our membership, and we work consciously to diversify attendees of and speakers at our events.

Research & Advisory

Identifying the most effective charities to solve the world's most pressing problems is a challenging but critical element of our work. During 2023, our researchers continued to identify new high impact funding opportunities (HIFO). We have 58 recommendations with the ability to absorb productively more than \$1 billion in funding. Our advisors continued to support our members in building tailored giving portfolios, informed by the latest charity research. With our values-based approach, our advisors guided members through big questions and helped them articulate the core values that underpinned their giving decisions.

As part of our Philanthropy Partnership programme, we work with Ultra-High Net Worth donors in a collaborative arrangement in which we co-develop research and recommendations in their interest areas, integrate our evidence-based view of impact into this work, and aim to expand these donors' visions of effective philanthropy. This resulted in more than \$71m (£55m) of grants in 2023.

Future Plans

We will continue to focus on how we can leverage what matters most to our community and maximise every charitable dollar. In 2025, we want to be able to actively influence \$100m to our recommended charities.

In 2024, on the path towards this goal, we plan to:

- Drive \$75m (£58.6m) to HIFO;
- Unlock our product-market fit in the US;
- Relaunch a compelling DAF service so we can fully support our members needs;
- Reinforce our ability to hit HIFO targets, through key drivers of value proposition;
- Make a step change in process efficiencies, so we can support more members more efficiently in the future; and
- Ensure the FP team thrives.

Fundraising

Support from FP's members and other generous donors drives our impact and ensures we can continue providing our members with: cutting-edge research and advisory services; events and programming to engage, challenge and inspire our community; our DAF and global giving infrastructure; and access to a community of impact-driven peers.

Our fundraising strategy centres around securing medium term commitments. Membership of the Foundry (major donors >\$250k for non-members, \$100k for members) requires a multi-year commitment, and Sustaining Partners (members donating >\$5k) is an annual giving programme for a larger pool of donors.

In 2023, we achieved 91% of our stretch fundraising target, which has ensured a solid fundraising foundation for 2024. We are continuing our focus on identifying and cultivating non-member donor prospects, as well as request multi-year gift commitments from both existing and new donors, which allow us to plan ahead and create organisational stability.

Principal funding sources

Our principal funding sources are pledge fulfilment (when our donors become liquid and choose to put their pledged assets into one of the Founders Pledge Donor Advised funds) and Opex gifts in support of our mission from members, other generous individuals, corporations and foundations. Donations from our members supported 44% of our operating expenses in 2023.

Founders Pledge recognises the provisions of the Charities (Protection and Social Investment) Act 2016, and takes a responsible approach to its fundraising, ensuring that pledgers and potential pledgers are treated with respect. FP has not used any commercial fundraising partners or outsourced its fundraising activity. No complaints were received in respect of our fundraising operations.

Financial Review

Total income for the year was £111,338,352 (2022: £53,702,104), of which £110,640,883 (2022: £53,592,023) related to donations. This was due to the success of our Philanthropy Partnerships programme, launched in late 2022.

Our main source of income over the period was pledge income from our members and donations from individuals and philanthropists. We are especially grateful for all the contributions received without which we will not be able to fulfil our objectives.

Total expenditure for the year was £108,291,142 (2022: £45,944,643) of which £101,073,249 (2022: £41,299,317) related to grants.

Our total funds at year-end were £38,390,785 (2022: £34,881,441) of which £27,712,845 were restricted (2022: £24,293,099) and £10,677,940 (2022: £10,588,342) were unrestricted.

Going Concern

It is our assessment that Founders Pledge has a strong foundation and will continue as a going concern. Founders Pledge Ltd intends to remain in operation beyond the foreseeable future. Discussion of increased and continued donations from our major donors is an ongoing process. As at 31 December 2023, our secured committed funds totalled \$18.1 million which equated to a runway of 25 months.

Despite the ongoing market conditions affecting pledge fulfilment, Founders Pledge ended 2023 in a strong financial position with cash balances. Founders Pledge successfully raised funds through the year, and anticipates continuing its managed growth in operations. This has been helped by a strong start in fundraising in 2024. Nevertheless, the cash position is monitored by management on a monthly basis and quick action will be taken if there are indications of reduced reserve levels.

As a result, the Trustees confirm their assumptions that Founders Pledge is a going concern and that no significant uncertainty exists in this respect and the financial statements have been prepared on that basis.

Investment Policy

Following the collapse of SVB in March 2023, and working closely with the Trustees and the Investment Committee, we developed an investment plan which invests both Opex and DAF money. There is no specific income target for 2024, but the Trustees seek to produce a long-term financial return with an acceptable level of risk.

As we rely on long-term investment return to further our mission, the Trustees recognise the key risks to the long-term sustainability of the charity include, but are not limited to, inflation, commercial investment risk, currency risk and market risk. We are able to tolerate volatility in the capital value of the funds and also to tolerate currency risk in line with the potential international distribution of funds. The nature of the DAFs will require consideration of a wide range of potential investments including some which may be regarded as speculative but are intended to generate long-term capital gains to be distributed for charitable purposes. These are considered by the Trustees on a case by case basis.

As a matter of policy, FP does not "self manage" and all funds other than short-term cash holdings are placed with or through reputable investment management professionals.

With the arrival of our CFO, a new longer-term treasury management arrangement will be developed in the summer of 2024 to allow Founders Pledge to maximise our investment returns within agreed risk parameters. Specifically, we seek to provide donors with a range of investment options that they may recommend their donated funds to be invested into. Asset

allocation in these options will accommodate different investment time horizons, spending rates and risk tolerances from capital preservation to short term and long term growth.

Reserves Policy

We maintained minimum reserves¹ of 12 months throughout 2023. As at 31 December 2023, unrestricted cash reserves amounted to \$10.7m which represents a 14 months of operations. We have a forecasted runway² of 25 months. Both these metrics are in line with our position at the start of the year. We believe that these targets continue to be both important to track for our financial health as well as being set at the right level to provide assurance during continued difficult economic conditions.

In line with the Charity Commission's definition our free reserves stood at £10,562,282 which equates to our unrestricted funds excluding fixed assets.

Grant-Making Policy

The Philanthropic Services team recommends grants for approval either to the Trustees or to those with delegated authority to approve on their behalf. The team conducts due diligence on the potential recipient and as part of the approval process it is ensured that any grants made are aligned with Founders Pledge's Charitable Purposes.

Stakeholder Considerations

Section 172 of the Companies Act 2006 requires the directors (Trustees) to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

- **The likely consequence of any decision in the long term**

Our mission, vision and model, as set out above, have been carefully considered and selected as a long term strategy to meaningfully address some of the world's most pressing problems. The Board routinely reviews external factors that could have an impact on the success of the charity, and ensures that we have a suitable strategy in place to continue to be able to deliver on our charitable objectives in the long term.

- **The interests of the company's employees**

The employees of the charity are critical to the success of our mission, and as such the Board gives ongoing consideration to ways in which we can ensure that employees are adequately supported in their roles. Our overall score from our monthly engagement and welfare survey (Peakon) was above the industry benchmark. In addition, we carried out a comprehensive review of salaries in December, and we made adjustments to align them as closely as possible with comparative roles in the industries we benchmark against (tech & charity/non-profits). By assessing every salary against

¹ Reserves duration is the period that FP could continue with zero additional income (ie current closing cash balance divided by forward looking 12-month average spend).

² Runway duration is the period that FP could continue with total secure funds (cash + funding commitments discounted to 95%) using a forward looking 12-month average spend.

market conditions, we ensured that employees are earning a competitive salary for their role.

- **The need to foster the company's business relationships with suppliers, customers and others**

Relationships with our partners, suppliers and members are paramount to the success of the charity. A single point of contact is assigned to each partner, supplier or member of the Founders Pledge community so that we can ensure a seamless and efficient experience for those who the charity works alongside. Any concerns are appropriately escalated and swiftly addressed, and we continuously receive overwhelmingly positive feedback from those members of the community with whom we have been actively engaged.

- **The impact of the company's operations on the community and the environment**

Founders Pledge recognises our responsibility to sustainability, and the impact of the charity's operations. A key focus since 2021 has been the growth of the Founders Pledge Climate Fund, which seeks to save lives that would otherwise be lost to air pollution, reduce energy poverty, and protect the planet for current and future generations.

- **The desirability of the company maintaining a reputation for high standards of business conduct**

The Trustees take their responsibility for the reputation of the charity seriously, and consider the reputational and ethical repercussions of all decisions that are taken by the company. This not only covers strategic decisions, but also extends to the consideration of partnerships, and decisions made about suppliers or contractors.

- **The need to act fairly as members of the company**

The company is a company limited by guarantee, with the Trustees fulfilling the duties of members of the company. The company does not have shareholders. As such, all members have equal responsibility and rights, and each member is considered equally through the company's decision-making process and actions.

Future Performance & Risks

We take a data-led and quantitative approach to risk management. Our aim is to ensure we are allocating resources as effectively as possible to manage and mitigate risks.

Factors likely to affect future financial performance

Overall, Founders Pledge mainly relies on both grant and individual funding to support its operations. The performance of the organisation, however, is measured both in how much money we can secure in committed pledge funds, as well as how many grants we make. The main factors in securing pledge commitments are: trust in Founders Pledge by the public and potential members, our members' ability to benefit from tax relief, the professionalism with which we can maintain our relationships with our members, and the ability of the team to meet with founders and entrepreneurs at our own events as well as external events. The main factors in maintaining donor support for our operations are: the effectiveness of the grants we make, our ability to report that the donors' money isn't better spent elsewhere, and our ability to influence the money our members donate for grants.

Principal Risks and Uncertainties

The Trustees have established a risk management policy for the Founders Pledge group. It sets out what we do to manage risk and who is accountable and responsible for risk management. The Trustees have overall accountability for risk management and they delegate responsibility to management for managing risk day-to-day. The Trustees have also appointed an Audit and Risk Committee which supports the Trustees in exercising their duties by advising on the effectiveness of management action in response to risk.

Risk is reported on for the group as a whole, with any entity specific risks identified as appropriate. The Trustees review risk and receive reports from the Audit and Risk Committee at every meeting.

The Trustees have considered the principal risks and uncertainties of the Group and identified the following as significant risks for attention:

Risks & Uncertainties	How FP is managing the risk
Funding Stability and Donor Dependency FP relies on non-members for a majority (56%) of Opex income, and a majority of HIFO funds come from a small number of donors. A sudden withdrawal or reduction of their support, possibly due to economic downturns, strategic realignment, or dissatisfaction with FP's outcomes, could severely impact operational funding and the availability of HIFO resources. This scenario would jeopardise ongoing projects and the organisation's ability to meet its strategic goals.	To mitigate this risk, we are continuously seeking to grow and diversify our funding from new and existing members and donors, as well as corporate partnerships, and grants from charities and foundations. We secure multi-year commitments wherever possible on the donation side, and we also carefully monitor our reserves and runway.
Data Security and Compliance In an era of increasing digital threats, the risk of data breaches poses a significant risk, particularly with the potential loss of sensitive member information. Non-compliance with stringent data protection regulations in different operational regions (UK, USA, Germany) could also lead to legal actions, substantial fines, and reputational damage, undermining trust among stakeholders.	We have and will continue to strengthen our data security infrastructure by implementing state-of-the-art cybersecurity measures, including encrypted data storage, multi-factor authentication, and regular vulnerability assessments. Comprehensive training is provided to all employees to ensure understanding and compliance with global data protection laws.
Bank and Economic Instability Founders Pledge faces exposure to global economic fluctuations and banking instability. Economic downturns or crises, such as a recession, could lead to reduced donor contributions and affect member liquidity and pledge value. As we saw in 2023, banking instability could pose risks to our ability to manage and transfer funds effectively.	While we can neither fully predict nor influence global events, in 2023 we improved our financial oversight with a new CFO role, a strengthened Investment Committee, new treasury management (including investment options) and diversification of banking providers.

Regulatory and Legal Compliance

As we operate across multiple jurisdictions, we face the risk of non-compliance with complex regulations and laws. This could lead to penalties, fines, or the loss of FP's tax-exempt status. These issues could also lead to delays in grant disbursements and potentially hinder the organisation's ability to operate effectively in those regions.

We have detailed processes, including robust grantee due diligence, to mitigate the risk of breaching laws or regulations in our grantmaking. We also have 'Know Your Donor' processes to ensure we know the source of the money we receive. We will continue to work closely with external legal advisors to ensure adherence to all applicable laws and regulations.

This strategic report was approved by the Trustees in their capacity as company directors on 22 May 2024 and signed on their behalf by Vikrant Bhargava, Chair of Trustees.

Vikrant Bhargava

Vikrant Bhargava

Trustees Report

Structure, Governance and Management

Founders Pledge Ltd has two wholly owned subsidiaries, each of which have their own governance structures:

- Founders Pledge Inc, a Delaware non-stock corporation which is a 501(c)(3) private foundation registered in the USA; and
- Founders Pledge gGmbH, a registered non-profit limited liability company in German.

In 2023, Founders Pledge Ltd also owned Founders Pledge Trading Ltd (FPT), a dormant company. In November 2023, FP Ltd's Trustees and FPT's Directors agreed to dissolve the company. The final dissolution date was 2 April 2024.

As Founders Pledge Ltd has overall control, these are consolidated on a line by line basis.

During the year, Founders Pledge Ltd invested in Pledge Ventures Limited, a venture fund investing in private technology companies sourced from the Founders Pledge network. Founders Pledge Ltd holds a 45% shareholding in Pledge Ventures Limited and this has been accounted for as an associate within these financial statements.

Governing Document

Founders Pledge Ltd is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new Trustees

Founders Pledge recognises that an effective Board of Trustees is essential if the charity is to be effective in achieving its objects. The Board must seek to be representative of the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity. Individual Trustees must have sufficient knowledge, both of trusteeship in general and of the charity's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

Individuals who appear suitable candidates will be invited to attend individual meetings with existing Trustees and will receive further information regarding the role of being a Trustee. If, following this meeting, at least two Trustees wish to proceed the candidate will need to be approved by a two-thirds vote of existing Trustees. New Board members are inducted via sharing a data-pack of relevant reading materials, after which a series of meetings are scheduled with relevant employees for briefing and Q&A.

Decision-Making

The Trustees focus on strategy, performance and assurance, and delegate operational matters to the CEO and staff of Founders Pledge. Specific Trustee delegations are set out in the Founders Pledge Signing Matrix. Trustees approve budgets, policies, and remuneration proposals for the CEO. All grants are approved by the Trustees or by senior staff according to

the Founders Pledge Due Diligence and Grant-Making Policy. The Founders Pledge Signing Matrix and the Financial Approvals Matrix outline where Trustees delegate approvals and signatory authority to staff members and at which thresholds. Staff proactively bring any decisions which are high risk or novel to the Trustees for their oversight, and the Trustees regularly review the Founders Pledge risk register and make recommendations. The Audit and Risk Committee also make recommendations to the Trustees to inform their decision making.

Pay policy for key management personnel

The Trustees consider and assess pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. The pay of the key management personnel is reviewed annually by the Trustees to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Objectives and Activities

Objectives and aims for the public benefit

The objects of the Charity are:

- to support the charitable sector by promoting and improving the efficiency and effectiveness of methods used to secure charitable resources, in particular (but not exclusively) by raising awareness among individuals involved in the digital business community;
- to advance the education of individuals and organisations working in technology, digital media and other digital industries as to the ways in which their business knowledge and experience could be used to improve the effectiveness of charities, in particular but not exclusively by:
 - the provision of training; and
 - the provision of educational programmes
- to further such purpose(s) which are exclusively charitable according to the law of England and Wales in such manner as the Trustees in their absolute discretion think fit.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The Charity carries out these objects through its charitable activities by:

- Delivering 28 events in 2023, almost double the number in 2022, and engaging a total of 370 members of the FP community. Our offering included a ski retreat and a summer retreat in France, and a one-day immersive event in California, USA. The one-day immersive model allowed us to engage meaningfully with our US members and build momentum in the US market. In January 2024, we again delivered our flagship ski retreat; later this year we will host another one-day retreat in California as well as a summer retreat in Morocco. We will continue to increase our reach globally by offering community gatherings across the US and Europe (UK, Germany, France) including intimate dinners and larger networking events.

- Making a significant number of grants: as at 31 December 2023, we and our members had made 2,874 grants, of which 21% were made in 2023. All time, we have moved \$148M to more than 70 high impact charities.
- Maintaining our ambition to grow our community of members and increase the pledge value of commitments.
- Continuing to expand our research expertise and publishing a number of reports, on topics ranging from Climate Change to Great Power Conflict, which are available online.

As at 31 December 2023, our members have committed around \$10 billion to the charitable sector by signing a Founders Pledge pledge.

Statement of Trustees Responsibilities

The Trustees (who are also directors of Founders Pledge Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice (UK Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any
- material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 2006 and the provisions of the charity's articles of association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

The Trustees reappointed Crowe UK LLP as their auditors for this accounting period. Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself

aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe UK LLP will therefore continue in office.

This report was approved by the Trustees in their capacity as company directors on 22 May 2024 and signed on their behalf by Vikrant Bhargava, Chair of Trustees.

Vikrant Bhargava

Vikrant Bhargava

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD

Opinion

We have audited the financial statements of Founders Pledge Ltd ('the charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Director's Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 the Trustees 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 Trustees are responsible for assessing the the charitable 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 the Trustees either intend to liquidate the charitable 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102) 2019 and the Internal Revenue Service for compliance with the local tax regulations in the United States of America. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing audit procedures over donation income and reading minutes of meetings of those charged with governance.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

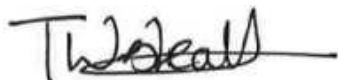
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD (CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James' Square

Cheltenham

GL50 3PR

Date: 4 June 2024

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations	4	5,244,745	105,396,138	110,640,883	53,592,023
Other trading activities	5	241,330	-	241,330	109,768
Investments	6	62,056	386,169	448,225	313
Share of associate net income	18	7,914	-	7,914	-
Total income		5,556,045	105,782,307	111,338,352	53,702,104
Expenditure on:					
Raising funds	7	94,325	-	94,325	13,161
Charitable activities	8	6,634,714	101,562,103	108,196,817	45,931,482
Total expenditure		6,729,039	101,562,103	108,291,142	45,944,643
Net (expenditure)/income before net (losses)/gains on investments		(1,172,994)	4,220,204	3,047,210	7,757,461
Net gains on investments		(225)	799,964	799,739	4,099
Net (expenditure)/income		(1,173,219)	5,020,168	3,846,949	7,761,560
Transfers between funds	18	1,683,217	(1,683,217)	-	-
Foreign exchange (losses)/gains		(420,400)	82,795	(337,605)	1,088,841
Net movement in funds		89,598	3,419,746	3,509,344	8,850,401
Reconciliation of funds:					
Total funds brought forward		10,588,342	24,293,099	34,881,441	26,031,040
Net movement in funds		89,598	3,419,746	3,509,344	8,850,401
Total funds carried forward		10,677,940	27,712,845	38,390,785	34,881,441

The notes on pages 22 to 42 form part of these financial statements.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08565148

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	42,699	23,159
Investments	14	2,517,749	1,245,348
		<u>2,560,448</u>	<u>1,268,507</u>
Current assets			
Debtors	15	2,592,846	471,162
Cash at bank and in hand		33,724,501	33,748,836
		<u>36,317,347</u>	<u>34,219,998</u>
Creditors: amounts falling due within one year	16	(487,010)	(607,064)
Net current assets		<u>35,830,337</u>	<u>33,612,934</u>
Net assets		<u><u>38,390,785</u></u>	<u><u>34,881,441</u></u>
Charity funds			
Restricted funds	18	27,712,845	24,293,099
Unrestricted funds	18	10,677,940	10,588,342
Total funds		<u><u>38,390,785</u></u>	<u><u>34,881,441</u></u>

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

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

Vikrant Bhargava

V Bhargava
Chair of Trustees
Date: 22/05/2024

The notes on pages 24 to 47 form part of these financial statements.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08565148

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	22,825	11,961
Investments	14	1,734,812	1,245,348
		<u>1,757,637</u>	<u>1,257,309</u>
Current assets			
Debtors	15	3,108,041	929,807
Cash at bank and in hand		27,984,824	24,515,279
		<u>31,092,865</u>	<u>25,445,086</u>
Creditors: amounts falling due within one year	16	(238,523)	(378,780)
Net current assets		<u>30,854,342</u>	<u>25,066,306</u>
Total net assets		<u><u>32,611,979</u></u>	<u><u>26,323,615</u></u>
Charity funds			
Restricted funds	18	26,167,453	21,034,660
Unrestricted funds	18	6,444,526	5,288,955
Total funds		<u><u>32,611,979</u></u>	<u><u>26,323,615</u></u>

The Company's net movement in funds for the year was £6,288,364 (2022 - £11,834,208).

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

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

Vikrant Bhargava

V Bhargava
Chair of Trustees
Date: 22/05/2024

The notes on pages 24 to 47 form part of these financial statements.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	70,995	9,802,452
Cash flows from investing activities			
Dividends, interests and rents from investments		1,006,085	313
Purchase of investment in associate		(45)	-
Purchase of tangible fixed assets		(46,495)	(21,996)
Proceeds from sale of investments		-	390,677
Purchase of investments		(1,054,875)	(1,631,926)
Net cash used in investing activities		(95,330)	(1,262,932)
Change in cash and cash equivalents in the year		(24,335)	8,539,520
Cash and cash equivalents at the beginning of the year		33,748,836	25,209,316
Cash and cash equivalents at the end of the year	21	33,724,501	33,748,836

The notes on pages 24 to 47 form part of these financial statements

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

1. General information

Founders Pledge Ltd is a charitable company, limited by guarantee, domiciled in England and Wales, company registration number 08565148 and charity registered number 1162201. The registered office is Runway East, 20 St Thomas Street, London, SE1 9RS.

The charity previously operated under the name Founders for Good Ltd however this was amended to Founders Pledge Ltd from 17 January 2023.

The members of the company are the Trustees named on page 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Founders Pledge Ltd meets the definition of a public benefit entity under FRS 102.

The financial statements consolidate the accounts of Founders Pledge Ltd and its subsidiary undertakings. The subsidiary charities, Founder Pledge Inc. and Founders Pledge GmbH have been included in the consolidation as Founders Pledge Ltd is deemed to have control as they are able to appoint the Trustees of the charities. The results of the subsidiaries have been consolidated on a line by line basis.

Founders Pledge Ltd also has a 100% holding in a dormant subsidiary, Founders Pledge Trading Ltd.

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

2.2 Going concern

Despite the prevailing market conditions caused by global economic uncertainty, high interest rates and rising inflation, Founders Pledge ended 2023 in a strong financial position with 14 months' reserves cover (two months better than target). Founders Pledge successfully fundraised through the year, and anticipates sustaining its managed growth in operations during 2024. The cash position is being closely monitored by management on a monthly basis and quick action will be taken if there are indications of reduced reserve levels.

As a result, the Trustees confirm their assumptions that Founders Pledge is a going concern and that no significant uncertainty exists in this respect and the financial statements have been prepared on that basis.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable. 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.

Costs of raising funds relates to activities that are intended to generate income.

Expenditure on charitable activities is allocated to the relevant charitable activities on a basis consistent with resources used against the strategic plan.

Governance costs relate to the governance of the group apportioned to charitable activities.

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.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the spot rate on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

2.6 Taxation

As a charity the group is exempt from UK corporation tax to the extent that its income is applied to its charitable objects.

Founders Pledge Ltd is a VAT registered charity and therefore required to comply with VAT law. Quarterly VAT returns are submitted in arrears to HMRC.

2.7 Tangible fixed assets and depreciation

All items with a value over £1,000 are reviewed to identify if they are of a capital nature. 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 residual value on a straight line basis over their estimated useful lives.

Depreciation is provided on the following basis:

Office equipment	-	25%
Computer equipment	-	33%

Where any assets are impaired in value, provisions are made to reduce the book value on such assets to the recoverable amount.

2.8 Investments

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

Founders Pledge Ltd holds a 45% shareholding in Pledge Ventures Ltd and has been accounted for as an associate. Investments in associates are stated at the amount of the Group's share of net assets. The Consolidated Statement of Financial Activities includes the Group's share of the associated companies' net income or expenditure using the equity accounting basis.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 Financial instruments

The group 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.

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.

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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.12 Fund accounting

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

Restricted funds are donor funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Patient Philanthropy Fund (PPF) was set up during 2021. This is not a separate legal entity and is included within the charity's own results. This is a restricted fund and is treated as a special trust.

3. Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Critical accounting estimates and assumptions:

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Income recognition

In applying the group's policy for income recognition the Trustees are required to consider the group's entitlement to the receipt of the income based on the terms of the 'pledge'. The applied accounting treatment is that of receipts, given the uncertainty of whether the funds would be received through Founders Pledge or whether the 'pledge' funds would be directed through a private foundation or other charity.

4. Income from donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	5,244,745	105,396,138	110,640,883	53,592,023
<i>Total 2022</i>	<i>5,756,041</i>	<i>47,835,982</i>	<i>53,592,023</i>	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Fundraising event	241,330	241,330	109,768
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2022</i>	<u>109,768</u>	<u>109,768</u>	

6. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Dividend income	-	-	-	112
Bank interest	62,056	386,169	448,225	201
	<u>62,056</u>	<u>386,169</u>	<u>448,225</u>	<u>313</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total 2022</i>	<u>313</u>	<u>-</u>	<u>313</u>	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Website	94,325	94,325	9,198
Travel and subsistence	-	-	3,189
Advertising	-	-	774
Total 2023	<u>94,325</u>	<u>94,325</u>	<u>13,161</u>
<i>Total 2022</i>	<u>13,161</u>	<u>13,161</u>	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Charitable activities	6,634,714	101,562,103	108,196,817	45,931,482
<i>Total 2022</i>	4,632,165	41,299,317	45,931,482	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	354,567	101,073,249	6,769,001	108,196,817	45,931,482
<i>Total 2022</i>	307,774	41,299,317	4,324,391	45,931,482	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Direct activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	4,771,770	4,771,770	3,836,295
Depreciation	26,955	26,955	18,973
Events costs	130,236	130,236	89,032
Freelance fees	31,768	31,768	114,250
Consultancy fees	-	-	13,600
IT costs	224,419	224,419	90,865
Staff training	8,188	8,188	14,956
Recruitment	7,944	7,944	5,051
Other staff costs	404,002	404,002	311,657
Support travel costs	46,379	46,379	6,616
Foreign exchange loss/(gain)	599,679	599,679	(605,688)
Audit and accountancy	19,878	19,878	19,816
Bank charges	46,867	46,867	26,118
Telephone and internet	2,597	2,597	3,066
Legal expenses	101,838	101,838	103,712
General office expenses	63,742	63,742	79,770
Property rent and other costs	187,047	187,047	114,117
Other costs	66,898	66,898	41,233
Governance costs	28,794	28,794	40,952
	<u>6,769,001</u>	<u>6,769,001</u>	<u>4,324,391</u>

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

10. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Grants	101,073,249	101,073,249	41,299,317
<i>Total 2022</i>	<i>41,299,317</i>	<i>41,299,317</i>	

Name of institution

The Group has made the following material grants to institutions during the year:

	2023 £	<i>2022 £</i>
Teaching at the Right Level (TaRL) Africa	8,108,089	1,728,467
Lead Exposure Elimination Project (LEEP)	5,177,723	-
Ukraine TrustChain	4,873,023	1,000,000
Evidence Action Inc.	4,205,337	-
OCCRP (Journalism Development Network)	4,145,763	-
Imagine Worldwide - Building Education Foundations Malawi	3,514,715	-
Helen Keller International (HKI)	3,317,307	966,381
Charity Entrepreneurship	3,280,210	-
Tsinghua Education Foundation North America Inc.	3,166,703	-
Nuclear Threat Initiative (NTI)	2,590,040	-
Sightsavers	2,539,328	792,630
Clean Air Task Force (CATF)	2,493,467	3,178,250
Center for Applied Rationality (CFAR)	2,396,221	1,202,407
GiveWell	2,368,890	-
Alignment Research Centre	2,301,470	1,787,677
Cooperative AI Foundation	2,245,869	-
Ubongo	2,005,240	-
Allfed Institute	1,977,319	-
Resolve to Save Lives	1,950,210	-
MIT Foundation (UK) Limited	1,945,000	767,335
XPRIZE for Global Learning Recovery and Acceleration	1,684,402	-
Energy for Growth Hub	1,647,781	-
Language and Learning Foundation	1,604,195	-
Berkeley Risk and Security Lab	-	1,577,287

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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

Manifold for Charity (AKA Manifold Markets)	1,547,196	-
Project InnerSpace	1,500,000	-
FAR AI Inc	1,430,003	-
We Help Ukrainians	1,400,000	1,200,000
TerraPraxis	-	1,397,216
Massachusetts Institute Of Tech	1,371,531	-
Effective Ventures Foundation USA	1,367,666	-
SecureBio	1,352,960	-
Players Philanthropy Fund	1,312,810	-
EIDU	1,300,000	750,000
Strong Towns	1,292,859	-
Carnegie Mellon University	1,246,733	-
Meridian Prime	1,246,733	-
Kaivalya Education Foundation	1,211,165	-
Center for Artificial Intelligence Safety, Inc.	1,133,281	-
Berkeley Existential Risk Initiative	1,098,372	-
Deploy/US	1,090,892	-
Center on Long-Term Risk	1,064,382	-
Friends of IHES	1,000,000	-
EvE Bio (Convergent Research)	988,984	-
Suvita	920,314	-
Effective Altruism Foundation	-	899,949
Effective Ventures Foundation UK	-	860,380
Mercatus Center	-	828,514
Topos Institute	-	819,224
Zaka North Inc	802,096	-
Convergent Research	793,563	-
Open Collective Foundation	785,416	-
Redwood Research	745,547	1,031,278
Centre for Long-Term Resilience / Alpenglow	-	757,007
New Incentives	-	748,190
StrongMinds	-	669,933
Grants less than £645,000	3,908,365	18,337,192
	101,449,170	41,299,317

The totals shown above for 2022 have been amended in order to provide a more accurate analysis.

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

11. Auditor's remuneration

	2023	<i>2022</i>
	£	<i>£</i>
Fees payable for the audit of the consolidated group accounts	20,000	<i>18,240</i>
Fees payable to the group's auditor in respect of:		
Audit of the US subsidiary	13,195	<i>9,378</i>
All non-audit services not included above	3,663	<i>3,781</i>
	=====	<i>=====</i>

12. Staff costs

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£	<i>£</i>	£	<i>£</i>
Wages and salaries	4,231,408	<i>3,384,152</i>	2,381,800	<i>1,934,700</i>
Social security costs	436,668	<i>369,857</i>	272,414	<i>241,632</i>
Contribution to defined contribution pension schemes	103,694	<i>82,286</i>	61,709	<i>44,496</i>
	=====	<i>=====</i>	=====	<i>=====</i>
	4,771,770	<i>3,836,295</i>	2,715,923	<i>2,220,828</i>

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

	Group	<i>Group</i>
	2023	<i>2022</i>
	No.	<i>No.</i>
Employees	50	<i>43</i>
Directors	11	<i>11</i>
	=====	<i>=====</i>
	61	<i>54</i>

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

12. Staff costs (continued)

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	8	4
In the band £70,001 - £80,000	6	4
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	9	7
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	3	-
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-
In the band £160,001 - £170,000	1	1

Total remuneration in respect of key management personnel was £1,755,305 (2022: £1,261,851).

During the year ended 31 December 2023, no Trustee received remuneration (2022: £nil) and no Trustee expenses have been incurred (2022: £nil).

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

13. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2023	494	99,788	100,282
Additions	-	46,495	46,495
At 31 December 2023	<u>494</u>	<u>146,283</u>	<u>146,777</u>
Depreciation			
At 1 January 2023	494	76,629	77,123
Charge for the year	-	26,955	26,955
At 31 December 2023	<u>494</u>	<u>103,584</u>	<u>104,078</u>
Net book value			
At 31 December 2023	<u>-</u>	<u>42,699</u>	<u>42,699</u>
At 31 December 2022	<u>-</u>	<u>23,159</u>	<u>23,159</u>

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

13. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2023	494	74,135	74,629
Additions	-	29,725	29,725
At 31 December 2023	494	103,860	104,354
Depreciation			
At 1 January 2023	494	62,174	62,668
Charge for the year	-	18,861	18,861
At 31 December 2023	494	81,035	81,529
Net book value			
At 31 December 2023	-	22,825	22,825
At 31 December 2022	-	11,961	11,961

14. Fixed asset investments

	Investments in associates £	Listed investments £	Total £
Group			
Cost or Valuation			
At 1 January 2023	-	1,245,348	1,245,348
Additions	45	1,054,875	1,054,920
Revaluations	-	209,567	209,567
Share of profit/(loss)	7,914	-	7,914
At 31 December 2023	7,959	2,509,790	2,517,749

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

14. Fixed asset investments (continued)

Company	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2023	-	1,245,348	1,245,348
Additions	45	279,852	279,897
Revaluations	-	209,567	209,567
At 31 December 2023	<u>45</u>	<u>1,734,767</u>	<u>1,734,812</u>

Founders Pledge Ltd holds a 45% equity investment in Pledge Ventures Limited. The investment is accounted for using the equity method in the group.

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	-	53	-	53
Amounts owed by subsidiaries	-	-	560,197	495,356
Other debtors	66,376	17,717	57,999	9,726
Prepayments and accrued income	2,526,470	453,392	2,489,845	424,672
	<u>2,592,846</u>	<u>471,162</u>	<u>3,108,041</u>	<u>929,807</u>

FOUNDERS PLEDGE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	5,052	74,139	5,887	51,091
Amounts owed to subsidiaries	-	-	21,178	24,761
Other taxation and social security	119,234	113,064	119,234	113,064
Other creditors	49,767	14,811	1,541	14,811
Accruals and deferred income	312,957	405,050	90,683	175,053
	487,010	607,064	238,523	378,780

Deferred income relates to a consultancy contract.

17. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at fair value through income and expenditure	1,734,767	1,245,348	1,734,767	1,245,348

Financial assets measured at fair value through income and expenditure comprise listed investments.

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

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General Funds - all funds	10,588,342	5,548,131	(6,729,039)	1,683,217	(420,625)	10,670,026
Share of net income from associates		7,914				7,914
Total		5,556,045				10,677,940
Restricted funds						
Pledge fulfilment fund	24,293,099	105,782,307	(101,562,103)	(1,683,217)	882,759	27,712,845
Total of funds	34,881,441	111,338,352	(108,291,142)	-	462,134	38,390,785

Restricted funds

Pledge fulfilment fund represents pledges received from members where due diligence on a potential recipient has not been completed.

The Patient Philanthropy Fund (PPF)

The Fund was launched as a special trust within Founders Pledge Ltd in October 2021. The PPF is an FP-incubated grant-making vehicle which invests to give for maximum long-term impact.

The PPF takes a patient approach to philanthropy: it invests contributions until the time is optimal for it to make large grants aimed at improving the long-term future. This means that - in addition to identifying the highest-impact giving opportunities at any particular point in time - it aims to identify the point in time when the highest-impact opportunities are available, which may be years, decades, or even centuries ahead.

In accordance with its long-term strategy and purpose (and Charity Commission guidance). Founders Pledge Ltd is the sole trustee of the PPF. It has appointed and devolved all management responsibilities to a Management Committee (MC) consisting of purpose-aligned experts on timing of giving

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

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
Unrestricted funds					
General Funds - all funds	8,274,606	5,866,122	(4,645,326)	1,092,940	10,588,342
Restricted funds					
Pledge fulfilment fund	17,756,434	47,835,982	(41,299,317)	-	24,293,099
Total of funds	<u>26,031,040</u>	<u>53,702,104</u>	<u>(45,944,643)</u>	<u>1,092,940</u>	<u>34,881,441</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	42,699	-	42,699
Fixed asset investments	7,959	2,509,790	2,517,749
Current assets	10,937,554	25,379,793	36,317,347
Creditors due within one year	(310,272)	(176,738)	(487,010)
Total	<u>10,677,940</u>	<u>27,712,845</u>	<u>38,390,785</u>

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	23,159	-	23,159
Fixed asset investments	-	1,245,348	1,245,348
Current assets	11,172,247	23,047,751	34,219,998
Creditors due within one year	(607,064)	-	(607,064)
Total	10,588,342	24,293,099	34,881,441

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

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	3,846,949	7,761,560
Adjustments for:		
Depreciation charges	26,955	18,973
Share of income in associate	(7,914)	-
Gain on investments	(209,567)	(4,099)
Dividends and interest from investments	(1,006,085)	(313)
(Increase)/decrease in debtors	(2,681,881)	559,325
Increase in creditors	440,143	378,165
Foreign exchange losses	(337,605)	1,088,841
Net cash provided by operating activities	70,995	9,802,452

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

21. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	33,724,501	33,748,836
Total cash and cash equivalents	33,724,501	33,748,836

22. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	33,748,836	(24,335)	33,724,501
	33,748,836	(24,335)	33,724,501

23. Operating lease commitments

At 31 December 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Not later than 1 year	86,908	103,271	58,464	50,784
Later than 1 year and not later than 5 years	-	201,665	-	175,392
	86,908	304,936	58,464	226,176

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Operating lease rentals	182,368	113,067	135,398	60,580

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24. Related party transactions

During the year ended 31 December 2023, donations and contributions totalling £1,141,647 (2022: £1,224,309) were received from Trustees and key management personnel (and their immediate relatives).

In addition, during the year ended 31 December 2023, grants were made totalling £2,029,706 to Givewell UK. This is a charity in which L.H.L Ding is also a trustee for. The year amount owing to Givewell UK was £nil. No donations occurred during 2023 and no balances were outstanding at 31 December 2023.

Furthermore, during the year, the entity received donations of £117,642 from Pledge Ventures, a company which Founders Pledge limited owns 45% of the issued share capital.

FOUNDERS PLEDGE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

25. Subsidiaries

Founders Pledge Inc.

The above charity is registered at 228 Park Ave S, PMB 71081, New York, New York 10003 in the United States of America, and is consolidated as control exists through the ability of Founders Pledge Ltd to appoint members of the Founders Pledge, Inc Board of Directors.

The financial results for the year translated to GBP (£) were:

	2023	2022
Income	27,759,831	19,218,051
Expenditure	29,541,337	23,007,660
Investment gains	Nil	542
(Loss)/Profit	(1,990,879)	(3,790,151)
Net assets	5,273,055	7,277,440

Amounts owed from Founders Pledge Inc. are included as a debtor in the parent charity's results and totalling £560,197 (2022: debtor of £489,144).

Founders Pledge gGmbH

The above charity is registered c/o Effektiv Spenden, Müllerstraße 138D, 13353 Berlin, Germany, and was acquired on 4 December 2020. The entity was donated to the group by the sole shareholder for no cost and therefore is consolidated on the basis of ownership.

During the prior year a grant of £86,145 was awarded to Founders Pledge gGmbH from Founders Pledge Ltd.

The financial results for the year translated to GBP (£) were:

	2023	2022
Income	555,374	1,169,758
Expenditure	992,135	1,344,460
(Loss)/Profit	(464,850)	(174,702)
Net assets	824,956	1,290,129

Amounts owed to Founders Pledge gGmbH are included as a creditor in the parent entity's results and totalled £8,603 (2022: creditor of £1,538).

For both subsidiaries, the foreign exchange differences on consolidation are shown in the consolidated SOFA beneath the net income for the year.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Principal associates

The following was an associate of the Company:

Name	Fair value of investment at 31 December 2023 £	Registered office or principal place of business	Class of shares	Holding	Income for the year £
Pledge Ventures Ltd	45	Runway East, 20 St Thomas Street, London, SE1 9RS	A Shares	100%	751,757

Expenditure for the year £	Profit for the year £
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(734,170)	17,586
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During the year, Founders Pledge Ltd received a donation of £117,642 from Pledge Ventures Ltd.

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