

BREAKTHROUGH FOUNDATION

England & Wales · Charity number 1162536

Details

Other names	MILNER FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	09335387
Registered	2015-07-06
Register	View on the Charity Commission register

Contact

Address	TULLOCH & CO 4 Hill Street London W1J 5NE
Phone	02073181180
Email	atulloch@atulloch.com

Activities

Objects: 1. FOR THE PUBLIC BENEFIT, TO ADVANCE KNOWLEDGE AND LEARNING IN RESEARCH OF USEFUL SUBJECTS OF STUDY BY:• GRANTING AWARDS FOR UNDERTAKING RESEARCH AND DISSEMINATING THE USEFUL RESULTS TO THE PUBLIC; AND• RECOGNISING OUTSTANDING ACHIEVEMENTS IN RESEARCH TO ACT AS AN INCENTIVE TO OTHERS.2. TO PROMOTE SUCH OTHER PURPOSES AS ARE CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES.

Activities: The provision of grants to the US charities, Breakthrough Prize Foundation and Breakthrough Prize in Life Science Foundation, having primarily scientific and educational objects, in the USA, UK and Israel.

Classification

- **How:** Makes Grants To Organisations
- **What:** Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNITED STATES OF AMERICA ISRAEL
- Israel
- United States
- City Of London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£50,048,344	£51,620,336	£1,282,438	0
2023-12-31	£85,418,138	£89,858,295	£2,806,445	0
2022-12-31	£51,969,213	£46,295,963	£6,681,466	0
2021-12-31	£49,017,229	£46,054,003	£3,376,611	0
2020-12-31	£27,466,936	£25,552,629	£8,461,227	0

Trustees

Name	Role	Appointed
Svetlana Pavlova	Chair	2014-12-01
Chun Fung Jonathan Chan		2022-08-24
Esq. James Alexander Hutchinson		2022-08-24
Richard James Bonney		2022-08-24

BREAKTHROUGH FOUNDATION

England & Wales - Charity number 1162536

Accounts

Charity registration number 1162536 (England and Wales)

Company registration number 09335387

BREAKTHROUGH FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

BREAKTHROUGH FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C F J Chan S Pavlova J A Hutchinson R J Bonney
Charity number (England and Wales)	1162536
Company number	09335387
Registered office	4 Hill Street London W1J 5NE
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD
Bankers	J P Morgan Chase Bank. N.A. 390 Madison Ave, Floor 24 New York United States of America NY10017 Goldman Sachs & Co LLC 200 West Street New York United States of America NY10282
Solicitors	Goodwin Procter LLP 901 New York Avenue NW Washington DC United States of America DC 20001

BREAKTHROUGH FOUNDATION

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BREAKTHROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

The main objects of the charity are for the public benefit, to advance knowledge and learning in research of useful subjects of study by:

- (a) granting awards for undertaking research and disseminating the useful results to the public; and
- (b) recognising the outstanding achievements in research to act as an incentive to others.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

The Trustees are of the view that the majority of their grant making will lie in the provision of grants to the two US organizations, Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation. (see <https://breakthroughprize.org>).

The charity current policy is normally to only accept grant proposals which have been initiated by the Trustees.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

The following projects by the Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation were made possible in 2024 with contributions provided by the Charity:

Tech for Refugees

Tech For Refugees is a philanthropic initiative that funds partner technology organizations to bring aid to refugees, including provisions, housing, transport and logistical services. It was founded in 2022 and has since expanded to become a global program.

Since 2022, the initiative has been collaborating with the outreach arm of the global logistics technology company Flexport.org to bring vital necessities to refugees worldwide. In May 2024, it continued the collaboration with a new \$1m grant to support humanitarian aid for refugees and internally displaced people in the Middle East and the Horn of Africa.

Also in May 2024, the initiative expanded another ongoing collaboration, this time with Welcome.US, which supports Americans welcoming newcomers in need of safety and refuge in the United States via sponsorship programs. A \$500,000 grant from Tech For Refugees helped to fund the expansion of the Welcome Connect platform to include seamless access to a fuller range of support and resources, creating a comprehensive "one-stop" hub for both sponsors and beneficiaries.

In June 2024, Tech for Refugees extended a third ongoing partnership, this time with the International Rescue Committee (IRC), donating \$500,000 to support the development of aprendIA, an AI-driven educational chatbot platform that delivers personalized learning experiences to crisis-affected communities. The aprendIA platform uses interactive two-way learning and AI personalization to provide accessible, engaging and effective learning to children, parents and teachers.

BREAKTHROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Tech for Refugees also continued to support IRC's Signpost platform, which provides information and support to refugees working to rebuild their lives in new countries, with \$1,57m grant. In 2024 Signpost supported the information needs of 6.4 million people impacted by humanitarian crisis and offered 243,000 individualized information sessions to people requiring additional support via digital channels. In addition to ongoing projects, 13 new Signpost programs were successfully designed, built, and launched on four continents – detailed further below – bringing the total number of supported programs to over 30 worldwide.

Science Prizes

Breakthrough Prizes

The Charity's 2024 grant-making activities distributed a total of \$18.75 million in prize-money awarded for breakthroughs in science and mathematics.

For advances in particle physics, the Breakthrough Prize in Fundamental Physics recognized over 13,000 different researchers at the European Organization for Nuclear Research (CERN), representing its four main experimental collaborations. In consultation with the leaders of the experiments, the Breakthrough Prize Foundation donated 100 percent of the \$3m prize funds to the CERN & Society Foundation. They are to be used by the collaborations to offer grants for doctoral students from member institutes to spend research time at CERN, giving the students experience working at the forefront of science and new expertise to bring back to their home countries and regions.

A Special Breakthrough Prize in Fundamental Physics was also awarded for fundamental insights into gauge theory and the standard model over decades of research by one of the pioneers of modern theoretical physics.

Three Breakthrough Prizes in Life Sciences were awarded for the following advances: the discovery of the GLP-1 hormone and its development into transformative treatments for diabetes and obesity; the elucidation of the role of B cells in multiple sclerosis, the production of B-cell based treatments, and the discovery that Epstein-Barr virus infection is the leading risk for the disease; and the invention of base editing and prime editing technologies that edit the DNA of living systems, potentially enabling the correction or replacement of virtually any genetic mutation.

The Breakthrough Prize in Mathematics recognized foundational works and numerous breakthrough contributions to the geometric Langlands program and its quantum version.

The following prizes were awarded:

Breakthrough Prize in Fundamental Physics: the ATLAS, CMS, ALICE and LHCb experimental collaborations, in recognition of 13,508 co-authors of publications based on LHC Run-2 data released between 2015 and July 15, 2024.

Special Breakthrough Prize in Fundamental Physics: Gerardus 't Hooft.

Breakthrough Prize in Life Sciences: Daniel J. Drucker, Joel Habener, Jens Juul Holst, Lotte Bjerre Knudsen, Svetlana Mojsov; Alberto Ascherio and Stephen L. Hauser; and David R. Liu.

Breakthrough Prize in Mathematics: Dennis Gaitsgory.

Six \$100,000 New Horizons Prizes were awarded for early-career achievements in Physics and Mathematics.

Three \$50,000 Maryam Mirzakhani New Frontiers Prizes were given to outstanding women mathematicians who had recently completed their PhDs.

BREAKTHROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Breakthrough Junior Challenge

In 2024 the Foundation organized and ran the 10th annual Breakthrough Junior Challenge, a global science video competition for high school students, designed to spread key concepts from science and mathematics among young people and increase their enthusiasm for STEM subjects. Now in its 10th year, the Breakthrough Junior Challenge has attracted more than 100,000 students, parents and teachers, and received applications from more than 30,000 students from over 200 countries across the globe. Since 2015 the Challenge has awarded more than \$2.5 million in college scholarships, \$1 million for science labs, and \$500,000 in awards to inspiring teachers in science or math. The 2024 winner, 16-year-old Jasmine Eyal, from Singapore, was recognized for her video explaining Mechanogenetic Cellular Engineering. She received a \$250,000 university scholarship. A \$50,000 prize was given to her science teacher, and \$100,000 in funding pledged to build a state-of-the-art science lab at a school selected in collaboration with her.

The Foundation's activities in the administration of the Challenge included processing its thousands of applications and video submissions; co-ordinating a peer-to-peer review process and running various rounds of evaluation and expert judging; running a Popular Vote to decide regional winners; and distributing the prizes. In addition, the Foundation ran publicity, media and communications campaigns, including producing videos about the Challenge and the eventual winner.

Scientific research

Breakthrough Initiatives projects

Breakthrough Listen is a global astronomical program searching for "technosignatures" – astronomical evidence of extraterrestrial intelligence. The Listen program collaborates with major telescopes all over the world to search the skies for radio and optical signals, and in 2024 it added another partner telescope to its network, joining forces with Italy's Sardinia Radio Telescope (SRT). The SRT is one of the ten largest radio telescopes on the planet, boasting a 64-meter dish, and the partnership enables Listen to detect radio signals at frequencies around 18 GHz – a range that hasn't been thoroughly explored in previous SETI searches. In their first study using the telescope, Listen researchers used advanced computing equipment installed on the instrument to survey the center of the Milky Way galaxy and 72 carefully selected stars identified by NASA's TESS satellite as potentially hosting planets. This research helped place new constraints on the potential presence of radio technology in the Milky Way galaxy. The resulting peer-reviewed paper was discussed at a workshop held in Cagliari in October 2024, and co-hosted by Listen, which attracted over 100 participants to discuss the future of technosignature searches in Italy and beyond.

During the last decade of Breakthrough Listen research, the surge in demand for GPUs has made it challenging to procure the hardware that is at the core of all the program's telescope backends – the systems that process and store data collected by the telescopes. So in December 2024, Listen launched a direct partnership with researchers at NVIDIA, alongside colleagues at the SETI Institute, to pilot streaming processing of data in real time. The collaboration's initial project used the Allen Telescope Array in California to collect and process data on the Crab pulsar, searching for signals in real time across a bandwidth of 5 GHz.

In 2024 the Listen team also consolidated its relocation of headquarters and some key personnel from the University of California, Berkeley, to Oxford University in the U.K.

Breakthrough Watch is an optical astronomy search for primitive cellular life on nearby exoplanets. In 2024, the Foundation continued work on the TOLIMAN space telescope program, an ongoing collaboration with the University of Sydney and other partners to design, build and launch a space telescope that can search for exoplanets in the around nearby stars. Phase 2 includes the design, build and integration of the spacecraft with the telescope, in partnership with the University of Sydney and Bulgarian aerospace manufacturer EnduroSat.

Breakthrough Starshot is an aerospace engineering program to develop gram-scale robotic space probes that could fly interstellar missions on the timescale of a human generation. Phase 1 of the program, investigating its scientific, engineering and technological feasibility, was launched in 2016 and culminated in 2023. In 2024, the Initiatives team focused on a comprehensive analysis of the results, lessons and implications of Phase 1, to assess the future prospects of the program.

BREAKTHROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Breakthrough Discuss is an annual academic conference sponsored and run by the Breakthrough Initiatives, focusing on the questions of life and civilizations in the universe and the potential for human exploration of space. In July 2024, for the first time the conference was held at the University of Oxford, where Breakthrough Listen is now headquartered, and was co-hosted by the University of Oxford Department of Physics, the University of Manchester Department of Physics and Astronomy, the University of Cambridge Institute of Astronomy, and the SKA Organisation. The conference explored three scientific strands that are transforming our view of the universe and our place in it: Artificial Intelligence, Astrobiology, and Space Missions.

Science communication

In 2024 the Foundation continued its support of the *Big Picture Science* podcast, hosted by the astronomer and author Seth Shostak and science journalist Molly Bentley, as part of its mission to bring big ideas in science to a wider public audience.

Financial review

The results of the charity in the year are set out in the Statement of Financial Activities on page 9. Grants payable in the year amounted to \$64,526,000 (2023: \$114,321,111).

As at 31 December 2024 free reserves (represented by unrestricted funds) were \$1,605,099 (2023: \$3,572,605) surplus.

The charity does not raise money from the public and is dependent on grants from a major donor.

Due to the funding arrangements the Trustees consider there is no requirement for the charity to hold reserves.

Major risks

The major risks, as identified by the trustees, have been reviewed and systems established to mitigate those risks. The charity is dependent on the continued ability of its major donor to continue to support the charity.

Plans for future periods

The charity's future plans are to continue to provide grants the two US Foundations: Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation.

Structure, governance and management

The charity is a charitable company limited by guarantee. The charity is governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C F J Chan

S Pavlova

J A Hutchinson

D A Forsdick

R J Bonney

(Resigned 27 September 2024)

Recruitment and appointment of trustees

The Trustees have been selected from their skills and professionalism and come with many years of experience in different walks of life. New trustees are appointed by the existing board of trustees for a term of 3 years (subject to re-election). New trustees are inducted into their role as trustees in a series of briefings on the work of the charity, where not already familiar with the work of the charity.

Organisational structure

The charity is managed by its Board of trustees.

BREAKTHROUGH FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of trustees' responsibilities

The trustees, who are also the directors of Breakthrough Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

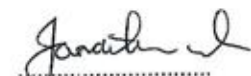
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



C F J Chan

Trustee

Date: 15 September 2025

BREAKTHROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BREAKTHROUGH FOUNDATION

Opinion

We have audited the financial statements of Breakthrough Foundation (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

BREAKTHROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BREAKTHROUGH FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

BREAKTHROUGH FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BREAKTHROUGH FOUNDATION

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of Gravita Audit Oxford LLP, Statutory Auditor

Chartered Accountants

First Floor, Park Central

40-41 Park End Street

Oxford

OX1 1JD

Date: 17/9/2025.....

BREAKTHROUGH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 \$	Unrestricted funds 2023 \$
Income from:			
Donations and legacies	3	62,471,650	108,678,317
Investments	4	168,857	58,973
Total income		<u>62,640,507</u>	<u>108,737,290</u>
Expenditure on:			
Charitable activities	5	64,608,013	114,389,610
Total expenditure		<u>64,608,013</u>	<u>114,389,610</u>
Net gains/(losses) on investments	11	-	1,181,107
Net expenditure and movement in funds		<u>(1,967,506)</u>	<u>(4,471,213)</u>
Reconciliation of funds:			
Fund balances at 1 January 2024		<u>3,572,605</u>	<u>8,043,818</u>
Fund balances at 31 December 2024		<u>1,605,099</u>	<u>3,572,605</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

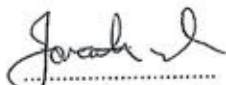
BREAKTHROUGH FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 \$	\$	2023 \$	\$
Fixed assets					
Investments	13		-	2,786,106	
Current assets					
Debtors	14	35,862,119		12,958,138	
Cash at bank and in hand		1,135,787		4,432,178	
		<u>36,997,906</u>		<u>17,390,316</u>	
Creditors: amounts falling due within one year	15	<u>(28,405,179)</u>		<u>(8,616,188)</u>	
Net current assets			<u>8,592,727</u>		<u>8,774,128</u>
Total assets less current liabilities			<u>8,592,727</u>		<u>11,560,234</u>
Creditors: amounts falling due after more than one year	16		<u>(6,987,628)</u>		<u>(7,987,629)</u>
Net assets			<u><u>1,605,099</u></u>		<u><u>3,572,605</u></u>
The funds of the charity					
Unrestricted funds	17		<u>1,605,099</u>		<u>3,572,605</u>
			<u><u>1,605,099</u></u>		<u><u>3,572,605</u></u>

The financial statements were approved and authorised for issue by the trustees on 15 September 2025


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C F J Chan
Trustee

Company registration number 09335387 (England and Wales)

BREAKTHROUGH FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		\$	\$	\$	\$
Cash flows from operating activities					
Cash absorbed by operations	19	(5,338,553)		(5,952,714)	
Investing activities					
Proceeds from disposal of investments		1,873,305		431,363	
Investment income received		168,857		58,973	
		<u> </u>		<u> </u>	
Net cash generated from investing activities		2,042,162		490,336	
Net cash generated from financing activities			-		-
		<u> </u>		<u> </u>	
Net decrease in cash and cash equivalents		(3,296,391)		(5,462,378)	
Cash and cash equivalents at beginning of year		4,432,178		9,894,556	
		<u> </u>		<u> </u>	
Cash and cash equivalents at end of year		1,135,787		4,432,178	
		<u> </u>		<u> </u>	

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Breakthrough Foundation is a public benefit entity and private company limited by guarantee incorporated in England and Wales, and a registered charity in England and Wales. The registered office is 4 Hill Street, London, W1J 5NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in US Dollars, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments to be included at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Interest income is recognised on a receivable basis.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. Grants are recognised as an expense when they have been approved by the Trustees and communicated to the beneficiary unless the charity retains discretion over whether or not to make future payments.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

1.6 Fixed asset investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

1.9 Foreign exchange

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2024 \$	Unrestricted funds 2023 \$
Donations	62,471,650	108,678,317

4 Income from investments

	Unrestricted funds 2024 \$	Unrestricted funds 2023 \$
Interest receivable	168,857	58,973

5 Expenditure on charitable activities

	Grant funding 2024 \$	Grant funding 2023 \$
Direct costs		
Bank charges	59	246
Grant funding of activities (see note 6)	64,526,000	114,321,111
Share of support and governance costs (see note 7)		
Governance	81,954	68,253
	64,608,013	114,389,610
Analysis by fund		
Unrestricted funds	64,608,013	114,389,610

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 Grants payable

	Grant funding 2024 \$	Grant funding 2023 \$
Grants to institutions:		
Breakthrough Prize Foundation	50,182,000	85,777,000
Breakthrough Prize in Life Sciences Foundation	8,044,000	-
Trustees of the University of Pennsylvania	1,000,000	1,000,000
Friends of Tel Aviv Sourasky Medical Centre	-	17,519,111
Jewish Agency for Israel	5,000,000	5,000,000
Previous grant commitments no longer payable	-	(1,000,000)
Foundation CERN & Societe	-	2,500,000
American Friends of Magen David	-	3,525,000
American Friends of Tel Aviv University	150,000	-
American Technion Society	150,000	-
	<u>64,526,000</u>	<u>114,321,111</u>

7 Support costs allocated to activities

	2024 \$	2023 \$
Governance costs	81,954	68,253
Analysed between:		
Grant funding	<u>81,954</u>	<u>68,253</u>

8 Net movement in funds

	2024 \$	2023 \$
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	15,025	14,846
- for the preparation of the charity's financial statements	5,259	-
	<u>20,284</u>	<u>14,846</u>

9 Trustees

None of the trustees (or any persons connected with them) received any expenses, remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	<u>-</u>	<u>-</u>

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

11 Gains and losses on investments

	Unrestricted funds 2024 \$	Unrestricted funds 2023 \$
Gains/(losses) arising on:		
Revaluation of investments	-	1,181,107

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Fixed asset investments

	Other Investments \$
Cost or valuation	
At 1 January 2024	178,102
Disposals	(178,102)
At 31 December 2024	-
Impairment	
At 1 January 2024	(2,608,004)
Disposals	2,608,004
At 31 December 2024	-
Carrying amount	
At 31 December 2024	-
At 31 December 2023	2,786,106

On 18 May 2021 a donation was made of an interest in Maxwell Investment Holdings, L.P, a limited liability partnership. The interest currently has no reliably measurable economic value so has not been included.

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Debtors

	2024	2023
	\$	\$
Amounts falling due within one year:		
Other debtors	912,801	-
Prepayments and accrued income	29,461,690	7,470,510
	<u>30,374,491</u>	<u>7,470,510</u>
	2024	2023
	\$	\$
Amounts falling due after more than one year:		
Prepayments and accrued income	5,487,628	5,487,628
	<u>5,487,628</u>	<u>5,487,628</u>
Total debtors	<u>35,862,119</u>	<u>12,958,138</u>

15 Creditors: amounts falling due within one year

	2024	2023
	\$	\$
Other accruals	20,284	-
Accruals for grants payable	28,384,895	8,616,188
	<u>28,405,179</u>	<u>8,616,188</u>

16 Creditors: amounts falling due after more than one year

	2024	2023
	\$	\$
Accruals for grants payable	6,987,628	7,987,629
	<u>6,987,628</u>	<u>7,987,629</u>

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Income	Expenditure	Gains and losses	At 31 December 2024
	\$	\$	\$	\$	\$
General funds	3,572,605	62,640,507	(64,608,013)	-	1,605,099
	<u>3,572,605</u>	<u>62,640,507</u>	<u>(64,608,013)</u>	<u>-</u>	<u>1,605,099</u>

BREAKTHROUGH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Unrestricted funds (Continued)

Previous year:	At 1 January 2023	Income	Expenditure	Gains and losses	At 31 December 2023
	\$	\$	\$	\$	\$
General funds	8,043,818	108,737,290	(114,389,610)	1,181,107	3,572,605

18 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

\$50,182k (2023: \$78,744k) of grants were issued to Breakthrough Prize Foundation, an entity over which Breakthrough Foundation has the power to appoint the Directors, of which \$16,935k (2023: \$Nil) were outstanding at year end.

\$8,044k (2023: \$7,033k) of grants were issued to Breakthrough Prize in Life Sciences Foundation, an entity over which Breakthrough Foundation has the power to appoint the Directors, of which \$3,883k (2023: \$Nil) were outstanding at year end.

19 Cash absorbed by operations	2024	2023
	\$	\$
Deficit for the year	(1,967,506)	(4,471,213)
Adjustments for:		
Investment income recognised in statement of financial activities	(168,857)	(58,973)
Fair value gains and losses on investments	-	(1,181,107)
Movements in working capital:		
(Increase) in debtors	(21,991,180)	(9,845,238)
Increase in creditors	18,788,990	9,603,817
Cash absorbed by operations	<u>(5,338,553)</u>	<u>(5,952,714)</u>

20 Analysis of changes in net funds

The charity had no material debt during the year.

BREAKTHROUGH FOUNDATION

England & Wales - Charity number 1162536

Accounts

COMPANY REGISTRATION NUMBER: 09335387
CHARITY REGISTRATION NUMBER: 1162536

Breakthrough Foundation
Company Limited by Guarantee
Financial Statements
For the year ended
31 December 2023

CRITCHLEYS AUDIT LLP

Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Breakthrough Foundation
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2023

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Statement of financial activities (including income and expenditure account)	14
Statement of financial position	15
Statement of cash flows	16
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Breakthrough Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Directors' Report)
Year ended 31 December 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2023.

Reference and administrative details

Registered charity name Breakthrough Foundation

Charity registration number 1162536

Company registration number 09335387

Principal office and registered office 4 Hill Street
London
W1J 5NE

The trustees

Ms S Pavlova
Mrs D A Forsdick
R J Bonney
C F J Chan
J A Hutchinson

Company secretary Mrs D A Forsdick

Auditor Critchleys Audit LLP
Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers J P Morgan Chase Bank. N.A
390 Madison Ave, Floor 24
New York
NY10017
United States of America

Goldman Sachs & Co LLC
200 West Street
New York
NY 10282
United States of America

Solicitors Goodwin Procter LLP
901 New York Avenue NW
Washington DC 20001; and
100 Cheapside
London EC2V 6DY

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management

The charity is a charitable company limited by guarantee. The charity is governed by its Memorandum and Articles of Association.

The charity is managed by its Board of trustees.

The major risks, as identified by the trustees, have been reviewed and systems established to mitigate those risks. The charity is dependent on the continued ability of its major donor to continue to support the charity.

The Trustees have been selected from their skills and professionalism and come with many years of experience in different walks of life. New trustees are appointed by the existing board of trustees for a term of 3 years (subject to re-election). New trustees are inducted into their role as trustees in a series of briefings on the work of the charity, where not already familiar with the work of the charity.

The Trustees, who are also the directors for the purpose of Company Law and who were directors during the year or were appointed prior to the date of signature of the financial statements are:

S Pavlova
D A Forsdick
R J Bonney
C F J Chan
J A Hutchinson

Objectives and activities

The main objects of the charity are for the public benefit, to advance knowledge and learning in research of useful subjects of study by:

- (a) granting awards for undertaking research and disseminating the useful results to the public; and
- (b) recognising the outstanding achievements in research to act as an incentive to others.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

Grant-making policy

The Trustees are of the view that the majority of their grant making will lie in the provision of grants to the two US organizations, Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation. (see <https://breakthroughprize.org>).

The charity current policy is normally to only accept grant proposals which have been initiated by the Trustees.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Achievements and performance

The following projects by the Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation were made possible in 2023 with contributions provided by the Charity:

Humanitarian relief

In response to the global refugee crisis resulting from the war in Ukraine, the earthquakes in Turkey and Syria, and other causes, the Breakthrough Prize Foundation donated funds to several humanitarian programs in 2023.

Ukraine donations

In March 2023, the Breakthrough Prize Foundation announced a donation of \$500,000 to a consortium of universities including Tel Aviv University, the Hebrew University of Jerusalem and the Technion, to fund a special program of emergency fellowships, enabling scientists forced to flee from Ukraine to maintain their livelihoods and continue their research.

To further support Ukrainian scientists, in August the Foundation provided \$2.1 million to the National Academy of Sciences (NAS), in the form of a challenge grant to encourage additional philanthropic support and to help cover the costs of several Ukrainian-led research projects.

Tech for Refugees

Tech For Refugees was launched by the Breakthrough Prize Foundation in 2022. The initiative distributes funds to partner technology organizations to bring provisions, housing, transport, logistical services and other aid to refugees around the world.

In February 2023, the initiative built on its highly successful collaboration with Flexport.org, the outreach arm of the global logistics technology company, with a new \$6 million grant to bring provisions and support to refugees from Ukraine, Pakistan, and the Horn of Africa, as well as people in crisis zones around the globe, including those affected by the earthquakes in Turkey and Syria.

Also in February 2023, the initiative made a multi-year commitment to support the humanitarian efforts of the International Rescue Committee (IRC), helping to drive the expansion of the IRC's Signpost platform, which provides information and support to refugees working to rebuild their lives in new countries. The three-year commitment targeted the rollout of Signpost in 10 locations in Africa, the Middle East, Asia Pacific and the Americas. Later that year, Tech For Refugees funded another of its technology partners, Uber, to provide the IRC with ride credits to address refugees' transport needs as they seek work, education, and economic opportunities.

In May 2023, Tech For Refugees launched another collaboration with Uber to help victims of the Turkey and Syria earthquakes. The initiative provided grants to data-matching platform NeedsMap, another of its partner organizations, enabling users in the region to buy Uber ride credits that cover all fees and support costs for all rides taken. The scheme focused on a region severely affected by the earthquake, including eleven cities.

In June 2023, the initiative partnered with UNICEF USA, the United Nations Children's Fund, to bring vital educational assistance to children affected by the war in Ukraine, providing a grant to support education programming for young people in humanitarian disaster areas around the world.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Science Prizes

Breakthrough Prizes

The Charity's 2023 grant-making activities distributed \$15.75 million in prize-money awarded for scientific advances. Breakthrough Prizes in Life Sciences were given for the development of CAR T cells, a transformative cancer immunotherapy treatment, which have eliminated the disease in patients with certain blood cancers, including types of leukaemia; for the creation of the first effective treatment for the underlying cause of cystic fibrosis, greatly improving quality and length of life for people with this disease; and for the discovery of the most common genetic causes of Parkinson's Disease. In Fundamental Physics, the prize went to two pioneers of statistical physics, who have spent half a century studying quantum field theories with relevance to systems ranging from magnetism and superconducting materials to the information content of black holes. In Mathematics, the prize honoured major advances in differential geometry, a field that uses the tools of calculus to study curves, surfaces and spaces.

The following prizes were awarded:

Breakthrough Prizes in Life Sciences to: Carl H. June and Michel Sadelain; Sabine Hadida, Paul Negulescu, and Fredrick Van Goor; Thomas Gasser, Ellen Sidransky and Andrew Singleton.

Breakthrough Prize in Fundamental Physics: John Cardy and Alexander Zamolodchikov.

Breakthrough Prize in Mathematics: Simon Brendle.

Six \$100,000 New Horizons Prizes were awarded for early-Career achievements in Physics and Mathematics.

Three \$50,000 Maryam Mirzakhani New Frontiers Prizes were given to outstanding women mathematicians who had recently completed their PhDs.

Breakthrough Junior Challenge

The Breakthrough Junior Challenge is a global science video competition for high school students, designed to spread key concepts from science and mathematics among young people and increase their enthusiasm for STEM subjects. In 2023 the Foundation organized and ran the 9th annual Challenge. Entries were submitted by 2,400 students from over 100 countries, with their videos reaching more than 50 million people on Facebook and YouTube. The winner, 17-year-old Sia Godika from Bangalore, was recognized for her video about induced pluripotent stem cells, receiving a \$250,000 university scholarship. A \$50,000 prize was given to her science teacher, and \$100,000 in funding pledged to build a state-of-the-art science lab at a school in her neighbourhood in Bangalore.

The Foundation's activities in the administration of the Challenge included processing its thousands of applications and video submissions; co-ordinating a peer-to-peer review process and running various rounds of evaluation and expert judging; running a Popular Vote to decide regional winners; and distributing the prizes. In addition, the Foundation ran publicity, media and communications campaigns, including producing videos about the Challenge and the eventual winner.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Scientific research

Breakthrough Initiatives projects

Breakthrough Listen is a global astronomical program searching for "technosignatures" - astronomical evidence of extraterrestrial intelligence. In January 2023 the Listen team published a paper in the journal *Nature Astronomy* describing a new artificial intelligence-driven method for searching astronomical data. Analysis of 480 hours of data from the Green Bank Telescope (GBT) in West Virginia produced eight previously undetected "signals of interest" - signals with characteristics expected of genuine technosignatures - from approximately 3 million signals identified in scans of 820 stars.

The Listen program also initiated the move of its headquarters from the University of California, Berkeley, to Oxford University in the U.K. The move will enable the team to better co-ordinate its activities with global partners including the Square Kilometre Array (SKA), a global effort to deliver a transformational radio telescope array by 2030, for which Listen is developing innovative hardware, software and theoretical contributions to radio astrophysics to leverage the SKA for the search for life on extrasolar planets.

Breakthrough Watch is an optical astronomy search for primitive cellular life on nearby exoplanets. In February 2023, the Foundation began funding Phase 2 of its TOLIMAN space telescope program, a mission to discover potentially habitable exoplanets in the Alpha Centauri system, the closest star system to our own. The TOLIMAN mission is an ongoing collaboration with the University of Sydney and other partners to design, build and launch a space telescope that can search for exoplanets in the around nearby stars. Phase 2 includes the design, build and integration of the spacecraft with the telescope, in partnership with the University of Sydney and Bulgarian aerospace manufacturer EnduroSat.

Breakthrough Starshot is an aerospace engineering program to develop gram-scale robotic space probes that could fly interstellar missions on the timescale of a human generation. Phase 1 of the program, investigating its scientific, engineering and technological feasibility, was launched in 2016. 2023 saw the culmination of this phase, in which the Starshot team conducted a large-scale analysis of the results of the previous 7 years of proposals, investigations and experiments, including design and structure of the proposed craft, the laser-driven launch system, the challenges of interstellar communications, and the analysis of the entire Starshot concept, from launch to final signal reception, as a unified aerospace system.

Breakthrough Discuss is an annual academic conference sponsored and run by the Breakthrough Initiatives, focusing on the questions of life and civilizations in the universe and next-generation possibilities for space travel. The 2023 conference was held in June at UC Santa Cruz as well as online. It was co-hosted by the African Astronomical Society, Caltech, NASA's Ames Research Center, the SETI Institute, the University of Arizona, UC Santa Cruz, UC Berkeley, the University of Manchester and the University of Oxford Department of Physics. The event brought together leaders in astronomy, space science, engineering and other fields to debate how near-Earth locations can advance the search for extraterrestrial intelligence; new ways to look for potentially habitable exoplanets in our cosmic backyard; and how human technology could reach nearby stars.

Medical Research

The Charity signed a 3-year grant of \$14,994,111 with Friends of Tel Aviv Medical Center in Israel, funding the establishment of a new AI Global Center of Excellence. The project aims to integrate Artificial Intelligence (AI) into healthcare systems, and help make the benefits of medical AI technologies accessible to patients and healthcare providers worldwide. Programs that the Center of Excellence will develop include prediction of patients' pathologies and service use, new medical appliances, and tools for data management, learning and operational planning.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Science communication

As part of the Foundation's mission to popularize the biggest ideas in science, in 2023 it began a three-year commitment to support the Big Picture Science podcast. The podcast, hosted by the astronomer and author Seth Shostak and science journalist Molly Bentley, focuses on connections between the latest science and technology research to produce an overview of the current state-of-the-art, with a particular interest in the question of extraterrestrial life and intelligence.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2023

Financial review

The results of the charity in the year are set out in the Statement of Financial Activities on page 14.

As at 31 December 2023 free reserves (represented by unrestricted funds) were \$3,572,605, surplus.

The charity does not raise money from the public and is dependent on grants from a major donor.

Due to the funding arrangements the Trustees consider there is no requirement for the charity to hold reserves.

Plans for future periods

The charity's future plans are to continue to provide grants the two US Foundations: Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Breakthrough Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*
Year ended 31 December 2023

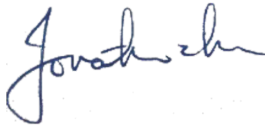
Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 23 September 2024 and signed on behalf of the board of trustees by:



C F J Chan
Trustee

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

Year ended 31 December 2023

Opinion

We have audited the financial statements of Breakthrough Foundation (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 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 charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2023

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. 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 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation *(continued)*

Year ended 31 December 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2023

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

* the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

* we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;

* we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;

* we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and

* identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

* making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

* considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

* performed analytical procedures to identify any unusual or unexpected relationships;

* tested journal entries to identify unusual transactions;

* assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

* investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

* agreeing financial statement disclosures to underlying supporting documentation;

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2023

- * reading the minutes of meetings of those charged with governance;
- * enquiring of management as to actual and potential litigation and claims;
- * reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of
Critchleys Audit LLP
Chartered Accountants & statutory auditor

Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

26 September 2024

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2023

		2023	2022
	Note	Unrestricted funds \$	Total funds \$
Income and endowments			
Donations and legacies	5	108,678,317	62,539,865
Investment income	6	58,973	25,871
Total income		<u>108,737,290</u>	<u>62,565,736</u>
Expenditure			
Expenditure on raising funds:			
Costs of raising donations and legacies	7	–	40,614
Expenditure on charitable activities	8,9	114,389,610	55,695,097
Total expenditure		<u>114,389,610</u>	<u>55,735,711</u>
(Recovery)/Losses on impairment (note 15)		(1,181,107)	3,341,053
Net (expenditure)/income and net movement in funds		<u>(4,471,213)</u>	<u>3,488,972</u>
Reconciliation of funds			
Total funds brought forward		8,043,818	4,554,846
Total funds carried forward		<u>3,572,605</u>	<u>8,043,818</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.
In 2022, all funds were unrestricted.

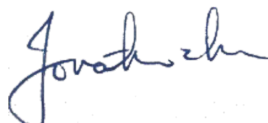
The notes on pages 17 to 23 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Position
31 December 2023

	Note	2023 \$	2022 \$
Fixed assets			
Investments	15	2,786,106	2,036,362
Current assets			
Debtors	16	12,958,138	3,112,900
Cash at bank and in hand		4,432,178	9,894,556
		<u>17,390,316</u>	<u>13,007,456</u>
Creditors: amounts falling due within one year	17	<u>8,616,188</u>	3,500,000
Net current assets/(liabilities)		<u>8,774,128</u>	<u>9,507,456</u>
Total assets less current liabilities		<u>11,560,234</u>	<u>11,543,818</u>
Creditors: amounts falling due after more than one year	18	<u>7,987,629</u>	3,500,000
Net assets		<u><u>3,572,605</u></u>	<u><u>8,043,818</u></u>
Funds of the charity			
Unrestricted funds		<u>3,572,605</u>	8,043,818
Total charity funds	19	<u><u>3,572,605</u></u>	<u><u>8,043,818</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of trustees and authorised for issue on 23 September 2024, and are signed on behalf of the board by:



C F C Chan
Trustee

Company registration number: 09335387 (England and Wales)

The notes on pages 17 to 23 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Net (expenditure)/income	(4,471,213)	3,488,972
<i>Adjustments for:</i>		
(Recovery)/Losses on impairment (note 15)	(1,181,107)	3,341,053
Bank interest received	(58,973)	(25,871)
Accrued expenses/(income)	9,603,817	(12,067,000)
<i>Changes in:</i>		
Trade and other debtors	(9,845,238)	8,555,866
Cash generated from operations	(5,952,714)	3,293,020
Interest received	3,809	25,871
Net cash (used in)/from operating activities	<u>(5,948,905)</u>	<u>3,318,891</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	55,164	–
Proceeds from sale of other investments	431,363	4,424,245
Net cash from investing activities	<u>486,527</u>	<u>4,424,245</u>
Net (decrease)/increase in cash and cash equivalents	(5,462,378)	7,743,136
Cash and cash equivalents at beginning of year	9,894,556	2,151,420
Cash and cash equivalents at end of year	<u>4,432,178</u>	<u>9,894,556</u>

The notes on pages 17 to 23 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 4 Hill Street, London, W1J 5NE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements are prepared in US dollars, which is the functional currency of the entity. All amounts presented in the financial statements are rounded to the nearest dollar.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. Grants are recognised as an expense when they have been approved by the Trustees and communicated to the beneficiary unless the charity retains discretion over whether or not to make future payments.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The company is limited by guarantee. Every member of the charity undertakes to contribute such amount as may be required (not exceeding £1) to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

5. Donations and legacies

	Unrestricted Funds \$	Total Funds 2023 \$	Unrestricted Funds \$	Total Funds 2022 \$
Donations				
Donations	108,678,317	108,678,317	62,539,865	62,539,865

6. Investment income

	Unrestricted Funds \$	Total Funds 2023 \$	Unrestricted Funds \$	Total Funds 2022 \$
Bank interest received	58,973	58,973	25,871	25,871
	<u>58,973</u>	<u>58,973</u>	<u>25,871</u>	<u>25,871</u>

7. Costs of raising donations and legacies

	Unrestricted Funds \$	Total Funds 2023 \$	Unrestricted Funds \$	Total Funds 2022 \$
Costs of raising donations and legacies - Investment management costs	-	-	40,614	40,614
	<u>-</u>	<u>-</u>	<u>40,614</u>	<u>40,614</u>

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	\$	\$	\$	\$
Donations	114,321,111	114,321,111	55,591,000	55,591,000
Bank charges	246	246	3,934	3,934
Support costs	68,253	68,253	100,163	100,163
	<u>114,389,610</u>	<u>114,389,610</u>	<u>55,695,097</u>	<u>55,695,097</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Grant funding of activities	Support costs	Total funds 2023	Total fund 2022
	\$	\$	\$	\$	\$
Donations	–	114,321,111	–	114,321,111	55,591,000
Bank charges	246	–	–	246	3,934
Governance costs	–	–	68,253	68,253	100,163
	<u>246</u>	<u>114,321,111</u>	<u>68,253</u>	<u>114,389,610</u>	<u>55,695,097</u>

10. Analysis of grants

	2023 \$	2022 \$
Grants to institutions		
Breakthrough Prize Foundation	85,777,000	42,186,000
Breakthrough Prize in Life Sciences Foundation	–	555,000
The San Francisco Foundation	–	5,000,000
Trustees of the University of Pennsylvania	1,000,000	1,000,000
Conference of Europe Rabbis Stiftung	–	3,000,000
Friends of Tel Aviv Sourasky Medical Centre	17,519,111	2,250,000
Jewish Agency for Israel	5,000,000	–
GoFundMe.org	–	2,000,000
Previous grant commitments no longer due	(1,000,000)	(500,000)
Foundation CERN & Societe	2,500,000	–
American Friends of Magen David	3,525,000	–
Other	–	100,000
	<u>114,321,111</u>	<u>55,591,000</u>
Total grants	<u>114,321,111</u>	<u>55,591,000</u>

11. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):		
	2023 \$	2022 \$
Foreign exchange differences	<u>1,060</u>	<u>5,083</u>

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2023

12. Auditors remuneration

	2023	2022
	\$	\$
Fees payable for the audit of the financial statements	<u>14,846</u>	<u>14,846</u>

13. Staff costs

The average head count of employees during the year was Nil (2022: Nil).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees; As at 31 December 2023, no travel costs (2022: Nil) were incurred by trustees.

15. Investments

	Other investments \$
Cost	
At 1 January 2023	4,368,880
Additions	-
Disposals	(4,190,778)
At 31 December 2023	<u>178,102</u>
Unrealised gain/(impairment)	
At 1 January 2023	(2,332,518)
Disposals	3,759,415
Recovery of impairment losses	1,181,107
At 31 December 2023	<u>2,608,004</u>
Carrying amount	
At 31 December 2023	<u>2,786,106</u>
At 31 December 2022	<u>2,036,362</u>

All investments shown above are held at valuation.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

15. Investments *(continued)*

All investments shown above are held at fair value.

The investment remained as convertible investment securities as of 31 December 2021. In May 2022, following the sale of assets by the issuer of the convertible investment securities, the charity exchanged the convertible investment securities for an initial cash distribution of \$1,460,707, and 65,281 shares in the acquiring group.

In January 2023, the charity sold its remaining shares in the acquiring group for \$431,363. In March 2024, the liquidator of the issuer of the convertible investment securities notified the charity that the final distribution to the initial holders of the convertible investment securities would be effected in April 2024. After a deduction of withholding tax of \$912,801, the charity received \$1,873,305 from the final distribution.

On 18 May 2021 a donation was made of an interest in Maxwell Investment Holdings, L.P, a limited liability partnership. The interest currently has no economic value.

16. Debtors

	2023	2022
	\$	\$
Prepayments and accrued income	<u>12,958,138</u>	<u>3,112,900</u>

There is \$5,487,628 debtors falling due after more than one year.

17. Creditors: amounts falling due within one year

	2023	2022
	\$	\$
Accrual for grants payable	<u>8,616,188</u>	<u>3,500,000</u>

18. Creditors: amounts falling due after more than one year

	2023	2022
	\$	\$
Accrual for grants payable	<u>7,987,629</u>	<u>3,500,000</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2023	Income	Expenditure	Gains and losses	31 December 2023
	\$	\$	\$	\$	\$
General funds	<u>8,043,818</u>	<u>108,737,290</u>	<u>(114,389,610)</u>	<u>1,181,107</u>	<u>3,572,605</u>

	At 1 January 2022	Income	Expenditure	Gains and losses	31 December 2022
	\$	\$	\$	\$	\$
General funds	<u>4,554,846</u>	<u>62,565,736</u>	<u>(55,735,711)</u>	<u>(3,341,053)</u>	<u>8,043,818</u>

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2023

20. Analysis of changes in net debt

	At 1 Jan 2023	Cash flows	At 31 Dec 2023
	\$	\$	\$
Cash at bank and in hand	9,894,556	(5,462,378)	4,432,178

21. Related parties

There were no related party transactions in the year.

BREAKTHROUGH FOUNDATION

England & Wales - Charity number 1162536

Accounts

COMPANY REGISTRATION NUMBER: 09335387
CHARITY REGISTRATION NUMBER: 1162536

Breakthrough Foundation
Company Limited by Guarantee
Financial Statements
For the year ended
31 December 2022

CRITCHLEYS AUDIT LLP
Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Breakthrough Foundation
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2022

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Statement of financial position	13
Statement of cash flows	14
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Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name Breakthrough Foundation

Charity registration number 1162536

Company registration number 09335387

Principal office and registered office 4 Hill Street
London
W1J 5NE

The trustees

B G J Gripton (Retired 22 August 2022)
Ms S Pavlova
Mrs D A Forsdick
R J Bonney (Appointed 24 August 2022)
C F J Chan (Appointed 24 August 2022)
J A Hutchinson (Appointed 24 August 2022)

Company secretary Mrs D A Forsdick

Auditor Critchleys Audit LLP
Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers Credit Suisse AG
Talacker 16,
8001 Zurich,
Switzerland; and
1 Cabot Square, London E14 4QJ

JP Morgan Chase Bank, N.A
390 Madison Ave, Floor 24
New York,
NY10017
United States of America

Solicitors Goodwin Procter LLP
901 New York Avenue NW
Washington DC 20001; and
100 Cheapside
London EC2V 6DY

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2022

Structure, governance and management

The charity is a charitable company limited by guarantee. The charity is governed by its Memorandum and Articles of Association.

The charity is managed by its Board of trustees.

The major risks, as identified by the trustees, have been reviewed and systems established to mitigate those risks. The charity is dependent on the continued ability of its major donor to continue to support the charity.

The Trustees have been selected from their skills and professionalism and come with many years of experience in different walks of life. New trustees are appointed by the existing board of trustees for a term of 3 years (subject to re-election). New trustees are inducted into their role as trustees in a series of briefings on the work of the charity, where not already familiar with the work of the charity.

The Trustees, who are also the directors for the purpose of Company Law and who were directors during the year or were appointed prior to the date of signature of the financial statements are:

B G T Gripton	(resigned 22nd August 2022)
S Pavlova	
D A Forsdick	(appointed 22nd April 2021)
R J Bonney	(appointed 24th August 2022)
C F J Chan	(appointed 24th August 2022)
J A Hutchinson	(appointed 24th August 2022)

Objectives and activities

The main objects of the charity are for the public benefit, to advance knowledge and learning in research of useful subjects of study by:

- (a) granting awards for undertaking research and disseminating the useful results to the public; and
- (b) recognising the outstanding achievements in research to act as an incentive to others.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

Grant-making policy

The Trustees are of the view that the majority of their grant making will lie in the provision of grants to the two US organizations, Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation. (see <https://breakthroughprize.org>).

The charity current policy is normally to only accept grant proposals which have been initiated by the Trustees.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2022

Achievements and performance

The following projects by the Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation were made possible in 2022 with contributions provided by the Charity:

Humanitarian relief

In response to the war in Ukraine and refugee crises resulting from that and other causes, the Breakthrough Prize Foundation donated funds to several humanitarian programs in 2022.

Ukraine donations

Breakthrough Prize Foundation pledged \$6 million to aid Ukrainian scientists affected by the conflict. This included \$1 million for relocating displaced Ukrainian researchers through the U.S. National Academy of Sciences; \$3 million for an international coalition of scientific organizations to directly support Ukrainian science; \$1.5 million to ALLEA for aiding affected scientists via European academic entities; and A\$800,000 to the Australian Academy of Sciences for enhancing research collaborations and providing Ukrainian scientists access to Australian resources.

Tech for Refugees

In April 2022, Breakthrough Prize Foundation launched a major new initiative - Tech for Refugees. This new initiative is focused on distributing philanthropic funds to partner organizations, including the International Rescue Committee, Airbnb.org, Flexport.org, Spotify and Welcome.US, to provide refugees with shelter, essentials, assistance and comfort. In 2022 the Foundation provided Breakthrough Prize Foundation with \$29 million grants to fund Tech for Refugees programs that, among other things, helped coordinate 409 shipments of aid to 6 countries that took in Ukrainian refugees, impacting the lives of over 6 million Ukrainians; housed 100,000 Ukrainian refugees in neighbouring countries; provided 120,000 winter boots for displaced Ukrainian families; and expanded operations to initiate programs in Pakistan and the Horn of Africa.

Breakthrough Prizes

The Charity's 2022 grant-making activities distributed \$16.15 million in prize money awarded for scientific advances. Breakthrough Prizes in Life Sciences were given for: the invention of AlphaFold, the extraordinary machine learning system that has largely solved the protein folding problem, one of the biggest outstanding problems in biology, with enormous implications for medicine, ecology and industry; the revolutionary discovery of a new, ubiquitous system of organization within cells; and the identification by two researchers, independently, of the causes of narcolepsy. In Fundamental Physics, four pioneers of quantum information were recognized, whose theoretical work has led to modern quantum computing and quantum cryptography, as well as new insights into the foundations of physics. The winner of the Mathematics prize was honored for his work at the interface of theoretical computer science and pure mathematics.

The following prizes were awarded:

Breakthrough Prizes in Life Sciences to: Demis Hassabis and John Jumper; Emmanuel Mignot and Masashi Yanagisawa; Clifford P. Brangwynne and Anthony A. Hyman.

Breakthrough Prize in Mathematics to: Daniel A. Spielman.

Breakthrough Prize in Fundamental Physics to: Charles H. Bennett, Gilles Brassard, David Deutsch and Peter W. Shor.

Breakthrough Foundation
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*
Year ended 31 December 2022

Six New Horizons Prizes were awarded for early-Career achievements in Physics and Mathematics.

Three Maryam Mirzakhani New Frontiers Prizes were given to outstanding women mathematicians who had recently completed their PhDs.

Breakthrough Junior Challenge

2022 saw the launch and running of the 7th annual Breakthrough Junior Challenge, the annual global science video competition for high school students. Organization of the competition includes worldwide publicity, media and communications activities, procession of applications, co-ordination of peer-to-peer review, evaluation and judging rounds, and distribution of prizes. 2,400 students from over 100 countries submitted videos, from which 30 contestants competed in a popular vote. Collectively, during the 15-day contest, these 30 videos reached more than half a million people on Facebook and YouTube, bringing scientific and mathematical ideas to their peers and other audiences around the world. 17-year-old Noor Haideri from Kansas was chosen as the 2022 winner for her video about the effect of light from computer screens on photoreceptors in the retina and its impact on the sleep/wake cycle. She received a \$250,000 scholarship to the university of her choice. A \$50,000 prize also went to the science teacher who inspired her, as well as a new \$100,000 science lab to her school.

Breakthrough Initiatives projects

Breakthrough Listen is a global astronomical program searching for evidence of extraterrestrial intelligence. In 2022 Listen announced the beginning of observations using a new instrument on the MeerKAT radio telescope in South Africa's Karoo region. This new survey increases the number of technosignature targets by 1,000 times, covering an area of the sky 50 times larger than other systems and allowing for high-resolution scans. The first primary target for observation was the Alpha Centauri system, after which, operating almost constantly, Listen was able to scan 64 targets simultaneously, while innovative software began processing data in near-real-time.

Breakthrough Watch is an optical astronomy search for primitive life on nearby exoplanets. Its primary project in 2022 was continued work on the Toliman telescope, a small space telescope that will look for exoplanets in the 'Goldilocks' zone around Alpha Centauri. just four light years away, where temperatures could allow for liquid surface water on rocky planets. The Watch team collaborated with partners at the University of Sydney, Saber Astronautics in Australia and NASA's Jet Propulsion Laboratory to design and build the telescope.

Breakthrough Starshot is a research and engineering program to develop the world's first interstellar travel to Alpha Centauri and other nearby star systems on generational timescales. During 2020 the Starshot team focused on the closing stages of their objectives for Phase 1 of the program, falling into the following main areas: the design of materials, surfaces and structures for an ultra-thin "lightsail" that will push the probe by photon pressure; research into aligning the phases of large numbers of lasers to form a coherent beam, and use of adaptive optics to maintain beam coherence through atmospheric turbulence; studying the problems of interstellar communication; and the analysis of the entire Starshot concept, from launch to final signal reception, as a unified aerospace system.

The 2022 Breakthrough Discuss conference on life in the universe and human space travel was held in June 2022, both online and with about 150 attendees in person at the University of California, Santa Cruz. It was co-hosted by NASA Ames Research Center, the UC Berkeley Radio Astronomy Lab, ASU Interplanetary Initiative, Caltech and the Harvard-Smithsonian Center for Astrophysics. The theme was low-cost innovations for astronomy and space science, including the search for bio- and technosignatures, cosmology and reducing costs to expand the human presence in the solar system.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2022

Financial review

The results of the charity in the year are set out in the Statement of Financial Activities on page 12.

As at 31 December 2022 free reserves (represented by unrestricted funds) were \$8,043,818, surplus.

The charity does not raise money from the public and is dependent on grants from a major donor.

Due to the funding arrangements the Trustees consider there is no requirement for the charity to hold reserves.

Plans for future periods

The charity's future plans are to continue to provide grants the two US Foundations: Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2022

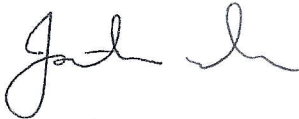
Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 14 September 2023 and signed on behalf of the board of trustees by:



Mr C F J Chan
Trustee

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

Year ended 31 December 2022

Opinion

We have audited the financial statements of Breakthrough Foundation (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2022

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. 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 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2022

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- * the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- * we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- * we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- * we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- * identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- * making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- * considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- * performed analytical procedures to identify any unusual or unexpected relationships;
- * tested journal entries to identify unusual transactions;
- * assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- * investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- * agreeing financial statement disclosures to underlying supporting documentation;

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation (continued)

Year ended 31 December 2022

- * reading the minutes of meetings of those charged with governance;
- * enquiring of management as to actual and potential litigation and claims;
- * reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of
Critchleys Audit LLP
Chartered Accountants & statutory auditor

Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

20 September 2023

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2022

		2022		2021
	Note	Unrestricted funds \$	Total funds \$	Total funds \$
Income and endowments				
Donations and legacies	5	62,539,865	62,539,865	66,121,302
Investment income	6	25,871	25,871	–
Total income		<u>62,565,736</u>	<u>62,565,736</u>	<u>66,121,302</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	7	40,614	40,614	71,390
Expenditure on charitable activities	8,9	55,695,097	55,695,097	62,052,697
Total expenditure		<u>55,735,711</u>	<u>55,735,711</u>	<u>62,124,087</u>
Losses on impairment (note 15)		3,341,053	3,341,053	198,340
Net income and net movement in funds		<u>3,488,972</u>	<u>3,488,972</u>	<u>3,798,875</u>
Reconciliation of funds				
Total funds brought forward		4,554,846	4,554,846	755,971
Total funds carried forward		<u>8,043,818</u>	<u>8,043,818</u>	<u>4,554,846</u>

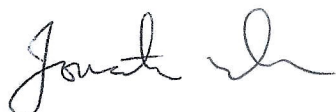
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 21 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Position
31 December 2022

	Note	2022 \$	2021 \$
Fixed assets			
Investments	15	2,036,362	9,801,660
Current assets			
Debtors	16	3,112,900	11,668,766
Cash at bank and in hand		9,894,556	2,151,420
		<u>13,007,456</u>	<u>13,820,186</u>
Creditors: amounts falling due within one year	17	<u>3,500,000</u>	13,317,000
Net current assets		<u>9,507,456</u>	503,186
Total assets less current liabilities		11,543,818	10,304,846
Creditors: amounts falling due after more than one year	18	<u>3,500,000</u>	5,750,000
Net assets		<u><u>8,043,818</u></u>	<u><u>4,554,846</u></u>
Funds of the charity			
Unrestricted funds		<u>8,043,818</u>	4,554,846
Total charity funds	19	<u><u>8,043,818</u></u>	<u><u>4,554,846</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 14 September 2023, and are signed on behalf of the board by:



Mr C F J Chan
Trustee
Company registration number: 09335387 (England and Wales)

The notes on pages 15 to 21 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2022

	2022	2021
	\$	\$
Cash flows from operating activities		
Net income	3,488,972	3,798,875
<i>Adjustments for:</i>		
Losses on impairment (note 15)	3,341,053	198,340
Other interest receivable and similar income	(25,871)	–
Accrued expenses	(12,067,000)	8,567,000
<i>Changes in:</i>		
Trade and other debtors	8,555,866	(11,668,766)
Cash generated from operations	3,293,020	895,449
Interest received	25,871	–
Net cash from operating activities	<u>3,318,891</u>	<u>895,449</u>
Cash flows from investing activities		
Proceeds from sale of other investments	4,424,245	–
Net cash from investing activities	<u>4,424,245</u>	<u>–</u>
Net increase in cash and cash equivalents	7,743,136	895,449
Cash and cash equivalents at beginning of year	<u>2,151,420</u>	<u>1,255,971</u>
Cash and cash equivalents at end of year	<u>9,894,556</u>	<u>2,151,420</u>

The notes on pages 15 to 21 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 4 Hill Street, London, W1J 5NE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements are prepared in US dollars, which is the functional currency of the entity. All amounts presented in the financial statements are rounded to the nearest dollar.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. Grants are recognised as an expense when they have been approved by the Trustees and communicated to the beneficiary unless the charity retains discretion over whether or not to make future payments.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The company is limited by guarantee. Every member of the charity undertakes to contribute such amount as may be required (not exceeding £1) to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

5. Donations and legacies

	Unrestricted Funds \$	Total Funds 2022 \$	Unrestricted Funds \$	Total Funds 2021 \$
Donations				
Donations	62,539,865	62,539,865	66,121,302	66,121,302

6. Investment income

	Unrestricted Funds \$	Total Funds 2022 \$	Unrestricted Funds \$	Total Funds 2021 \$
Bank interest received	25,871	25,871	–	–

7. Costs of raising donations and legacies

	Unrestricted Funds \$	Total Funds 2022 \$	Unrestricted Funds \$	Total Funds 2021 \$
Costs of raising donations and legacies - Investment management costs	40,614	40,614	71,390	71,390

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds \$	Total Funds 2022 \$	Unrestricted Funds \$	Total Funds 2021 \$
Donations	55,591,000	55,591,000	61,993,083	61,993,083
Bank charges	3,934	3,934	1,277	1,277
Support costs	100,163	100,163	58,337	58,337
	<u>55,695,097</u>	<u>55,695,097</u>	<u>62,052,697</u>	<u>62,052,697</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly \$	Grant funding of activities \$	Support costs \$	Total funds 2022 \$	Total fund 2021 \$
Donations	–	55,591,000	–	55,591,000	61,993,083
Bank charges	3,934	–	–	3,934	1,277
Governance costs	–	–	100,163	100,163	58,337
	<u>3,934</u>	<u>55,591,000</u>	<u>100,163</u>	<u>55,695,097</u>	<u>62,052,697</u>

10. Analysis of grants

	2022 \$	2021 \$
Grants to institutions		
Breakthrough Prize Foundation	42,186,000	56,820,000
Breakthrough Prize in Life Sciences Foundation	555,000	3,974,000
The San Francisco Foundation	5,000,000	–
Trustees of the University of Pennsylvania	1,000,000	1,000,000
Conference of Europe Rabbis Stiftung	3,000,000	–
Friends of Tel Aviv Sourasky Medical Centre	2,250,000	–
GoFundMe.org	2,000,000	–
Previous grant commitments no longer due	(500,000)	–
Bay Area Council Foundation	–	75,000
Social Impact Fund	–	100,000
Other	100,000	24,083
	<u>55,591,000</u>	<u>61,993,083</u>
Total grants	<u>55,591,000</u>	<u>61,993,083</u>

11. Net income

Net income is stated after charging/(crediting):

	2022 \$	2021 \$
Foreign exchange differences	<u>5,083</u>	<u>(108)</u>

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

12. Auditors remuneration

	2022	2021
	\$	\$
Fees payable for the audit of the financial statements	<u>14,846</u>	<u>–</u>

13. Staff costs

The average head count of employees during the year was Nil (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees; As at 31 December 2022, no travel costs (2021: \$nil) were incurred by trustees.

15. Investments

	Other investments
	\$
Cost	
At 1 January 2022	10,000,000
Additions	–
Disposals	(5,631,120)
At 31 December 2022	<u>4,368,880</u>
Impairment	
At 1 January 2022	(198,340)
Disposals	1,206,875
Impairment losses	(3,341,053)
At 31 December 2022	<u>(2,332,518)</u>
Carrying amount	
At 31 December 2022	<u>2,036,362</u>
At 31 December 2021	<u>9,801,660</u>

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

15. Investments *(continued)*

All investments shown above are held at fair value.

The investment remained as convertible investment securities as of 31 December 2021. In May 2022, following the sale of assets by the issuer of the convertible investment securities, the charity exchanged the convertible investment securities for an initial cash distribution of \$1,460,707, and 65,281 shares in the acquiring group.

Subsequently, in January 2023, the charity sold its remaining shares in the acquiring group for \$431,363. In July 2023, the liquidator of the issuer of the convertible investment securities notified the charity that, subject to certain conditions, the issuer may effect a final distribution to the initial holders of the convertible investment securities. Based on information currently available, it is estimated that the charity will receive \$1,605,000, which is subject to change.

On 18 May 2021 a donation was made of an interest in Maxwell Investment Holdings, L.P, a limited liability partnership. The interest currently has no economic value.

16. Debtors

	2022	2021
	\$	\$
Prepayments and accrued income	<u>3,112,900</u>	<u>11,668,766</u>

17. Creditors: amounts falling due within one year

	2022	2021
	\$	\$
Accrual for grants payable	<u>3,500,000</u>	<u>13,317,000</u>

18. Creditors: amounts falling due after more than one year

	2022	2021
	\$	\$
Accrual for grants payable	<u>3,500,000</u>	<u>5,750,000</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	Gains and losses	At 31 December 2022
	\$	\$	\$	\$	\$
General funds	<u>4,554,846</u>	<u>62,565,736</u>	<u>(55,735,711)</u>	<u>(3,341,053)</u>	<u>8,043,818</u>

	At 1 January 2021	Income	Expenditure	Gains and losses	At 31 December 2021
	\$	\$	\$	\$	\$
General funds	<u>755,971</u>	<u>66,121,302</u>	<u>(62,124,087)</u>	<u>(198,340)</u>	<u>4,554,846</u>

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

20. Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	\$	\$	\$
Cash at bank and in hand	2,151,420	7,743,153	9,894,573
Bank overdrafts	-	(17)	(17)
	<u>2,151,420</u>	<u>7,743,136</u>	<u>9,894,556</u>

21. Related parties

There were no related party transactions in the year.

BREAKTHROUGH FOUNDATION

England & Wales - Charity number 1162536

Accounts

COMPANY REGISTRATION NUMBER: 09335387
CHARITY REGISTRATION NUMBER: 1162536

Breakthrough Foundation
Company Limited by Guarantee
Financial Statements
For the year ended
31 December 2021

CRITCHLEYS AUDIT LLP

Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford

Breakthrough Foundation
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2021

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Independent auditor's report to the members	6 to 10
Statement of financial activities (including income and expenditure account)	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14 to 20

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2021.

Reference and administrative details

Registered charity name	Breakthrough Foundation	
Charity registration number	1162536	
Company registration number	09335387	
Registered office	4 Hill Street London W1J 5NE	
The trustees	B G T Gripton	(resigned 22nd August 2022)
	S Pavlova	
	D A Forsdick	(appointed 22nd April 2021)
	R J Bonney	(appointed 24th August 2022)
	C F J Chan	(appointed 24th August 2022)
	J A Hutchinson	(appointed 24th August 2022)
Secretary	Mrs D A Forsdick	
Auditor	Critchleys Audit LLP Chartered Accountants & statutory auditor Beaver House 23 - 38 Hythe Bridge Street Oxford	
Bankers	Credit Suisse AG Talacker 16, 8001 Zurich, Switzerland; and 1 Cabot Square, London E14 4QJ	
Solicitors	Goodwin Procter LLP 901 New York Avenue NW Washington DC 20001; and 100 Cheapside London EC2V 6DY	

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Structure, governance and management

The charity is a charitable company limited by guarantee. The charity is governed by its Memorandum and Articles of Association.

The charity is managed by its Board of trustees.

The major risks, as identified by the trustees, have been reviewed and systems established to mitigate those risks. The charity is dependent on the continued ability of its major donor to continue to support the charity.

The Trustees have been selected from their skills and professionalism and come with many years of experience in different walks of life. New trustees are appointed by the existing board of trustees for a term of 3 years (subject to re-election). New trustees are inducted into their role as trustees in a series of briefings on the work of the charity, where not already familiar with the work of the charity.

The Trustees, who are also the directors for the purpose of Company Law and who were directors during the year or were appointed prior to the date of signature of the financial statements are:

B G T Gripton	(resigned 22nd August 2022)
S Pavlova	
D A Forsdick	(appointed 22nd April 2021)
R J Bonney	(appointed 24th August 2022)
C F J Chan	(appointed 24th August 2022)
J A Hutchinson	(appointed 24th August 2022)

Objectives and activities

The main objects of the charity are for the public benefit, to advance knowledge and learning in research of useful subjects of study by:

- (a) granting awards for undertaking research and disseminating the useful results to the public; and
- (b) recognising the outstanding achievements in research to act as an incentive to others.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

Grant-making policy

The Trustees are of the view that the majority of their grant making will lie in the provision of grants to the two US organizations, Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation (see <https://breakthroughprize.org>).

The charity current policy is normally to only accept grant proposals which have been initiated by the Trustees.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The following projects by Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation were made possible with contributions provided by the charity

Breakthrough Prizes

Through the grant making activities of the Charity in 2021, the following prizes were awarded:

\$15.75 Million in Prizes Awarded for Discoveries Leading to Covid-19 Vaccines, Treatments For Neurological Diseases, Unprecedentedly Precise Quantum Clocks, and Other Major Discoveries.

Breakthrough Prize in Life Sciences Awarded to Shankar Balasubramanian, David Klenerman and Pascal Mayer; Katalin Karikó and Drew Weissman; and Jeffery W. Kelly.

Breakthrough Prize in Mathematics Awarded to Takuro Mochizuki.

Breakthrough Prize in Fundamental Physics Awarded to Hidetoshi Katori and Jun Ye.

Six New Horizons Prizes Awarded for Early-Career Achievements in Physics and Math.

Three Maryam Mirzakhani New Frontiers Prizes Awarded to Women Mathematicians for Early-Career Achievements.

Breakthrough Junior Challenge

The 2021 Breakthrough Junior Challenge, the annual global science video competition for high school students, was launched and coordinated, including the creation of a new category for videos about space exploration. There were more than 3,400 applicants for the Challenge across 202 countries, with young people aged 13-18 communicating complex scientific theories and ideas to their peers around the world. The 30 top videos received over half a million views on Facebook and thousands more on YouTube. After a three-month judging period, the winner, Amber Kwok was chosen.

Breakthrough Initiatives projects

Breakthrough Watch optical astronomy program was rolled out a new observing technology with unprecedented sensitivity, enhancing the European Space Agency's VLT telescope in Chile to directly image nearby exoplanets. This resulted in Watch's detection of a new candidate planet in Earth's nearest star system, Alpha Centauri, announced in a scientific paper in Nature Communications. And, in collaboration with NASA's Jet Propulsion Laboratory and Australian partners Saber Astronautics and the University of Sydney, the Watch team went on to launch TOLIMAN, a project to design and build an interferometric space telescope that could reveal more planets in Alpha Centauri.

The Breakthrough Listen radio astronomy SETI program, performed an intensive analysis over several months of a radio signal of interest apparently from another star in the Alpha Centauri system. The team reported its findings in two papers in Nature Astronomy, concluding that the signal was likely to be of terrestrial origin. This work is considered by the astrobiology community to represent a new gold standard in rigorous scientific analysis of "signals of interest" from space.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

The annual Breakthrough Discuss space science conference was held virtually, with hundreds of invited speakers and attendees. There were keynotes from astronaut John Grunsfeld and geneticist George Church.

Financial review

The results of the charity in the year are set out in the Statement of Financial Activities on page 11.

As at 31 December 2021 free reserves (represented by unrestricted funds) were \$4,554,846.

The charity does not raise money from the public and is dependent on grants from a major donor.

Due to the funding arrangements the Trustees consider there is no requirement for the charity to hold reserves.

Plans for future periods

The charity's future plans are to continue to the two US Breakthrough Foundations.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2021

- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 27 October 2022 and signed on behalf of the board of trustees by:



Mrs D A Forsdick
Trustee

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

Year ended 31 December 2021

Opinion

We have audited the financial statements of Breakthrough Foundation (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2021

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. 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 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation *(continued)*

Year ended 31 December 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2021

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Comparative information in the financial statements is derived from the charitable company's prior period financial statements which were not audited.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation (continued)

Year ended 31 December 2021

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of
Critchleys Audit LLP
Chartered Accountants & statutory auditor

Beaver House
23 - 38 Hythe Bridge Street
Oxford
28
~~27~~ October 2022

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2021

		2021	2020
	Note	Unrestricted funds \$	Total funds \$
			Total funds \$
Income and endowments			
Donations and legacies	5	66,121,302	66,121,302
Investment income	6	–	–
Total income		<u>66,121,302</u>	<u>66,121,302</u>
Expenditure			
Expenditure on raising funds:			
Costs of raising donations and legacies	7	(71,390)	(71,390)
Expenditure on charitable activities	8,9	(62,052,697)	(62,052,697)
Total expenditure		<u>62,124,087</u>	<u>62,124,087</u>
Losses on impairment (note 14)		198,340	198,340
Net income and net movement in funds		<u>3,798,875</u>	<u>3,798,875</u>
Reconciliation of funds			
Total funds brought forward as previously reported		11,255,971	11,255,971
Prior year adjustment		(10,500,000)	(10,500,000)
Total funds brought forward as restated		<u>755,971</u>	<u>755,971</u>
Total funds carried forward		<u>4,554,846</u>	<u>4,554,846</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 20 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Position
31 December 2021

	Note	2021 \$	2020 \$
Fixed assets			
Investments	14	9,801,660	10,000,000
Current assets			
Debtors	15	11,668,766	–
Cash at bank and in hand		<u>2,151,420</u>	<u>1,255,971</u>
		<u>13,820,186</u>	<u>1,255,971</u>
Creditors: amounts falling due within one year	17	<u>13,317,000</u>	<u>2,500,000</u>
Net current assets/(liabilities)		<u>503,186</u>	<u>(1,244,029)</u>
Total assets less current liabilities		<u>10,304,846</u>	<u>8,755,971</u>
Creditors: amounts falling due after more than one year	18	<u>5,750,000</u>	<u>8,000,000</u>
Net assets		<u>4,554,846</u>	<u>755,971</u>
Funds of the charity			
Unrestricted funds		<u>4,554,846</u>	<u>755,971</u>
Total charity funds	19	<u>4,554,846</u>	<u>755,971</u>

These financial statements were approved by the board of trustees and authorised for issue on 27 October 2022, and are signed on behalf of the board by:



Mrs D A Forsdick
Trustee

The notes on pages 14 to 20 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Net income	3,798,875	52,317
<i>Adjustments for:</i>		
Impairment of investments	198,340	–
Dividends, interest and rents from investments	–	(20,265)
Accrued expenses	8,567,000	2,750,000
Donation received in-kind	–	(10,000,000)
<i>Changes in:</i>		
Trade and other debtors	(11,668,766)	–
Cash generated from operations	<u>895,449</u>	<u>(7,217,948)</u>
Net cash from/(used in) operating activities	<u>895,449</u>	<u>(7,217,948)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	–	20,265
Net cash from investing activities	<u>–</u>	<u>20,265</u>
Net increase/(decrease) in cash and cash equivalents	895,449	(7,197,683)
Cash and cash equivalents at beginning of year	1,255,971	8,453,654
Cash and cash equivalents at end of year	<u>2,151,420</u>	<u>1,255,971</u>

The notes on pages 14 to 20 form part of these financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 4 Hill Street, London, W1J 5NE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements are prepared in US dollars, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. Grants are recognised as an expense when they have been approved by the Trustees and communicated to the beneficiary.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The company is limited by guarantee. Every member of the charity undertakes to contribute such amount as may be required (not exceeding £1) to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

5. Donations and legacies

	Unrestricted Funds \$	Total Funds 2021 \$	Unrestricted Funds \$	Total Funds 2020 \$
Donations				
Donations	66,121,302	66,121,302	36,519,000	36,519,000

6. Investment income

	Unrestricted Funds \$	Total Funds 2021 \$	Unrestricted Funds \$	Total Funds 2020 \$
Income from cash investments	—	—	20,265	20,265

7. Costs of raising donations and legacies

	Unrestricted Funds \$	Total Funds 2021 \$	Unrestricted Funds \$	Total Funds 2020 \$
Costs of raising donations and legacies - Investment management costs	71,390	71,390	—	—

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds \$	Total Funds 2021 \$	Unrestricted Funds \$	Total Funds 2020 \$
Donations	61,993,083	61,993,083	36,485,981	36,485,981
Bank charges	1,277	1,277	967	967
Support costs	58,337	58,337	–	–
	<u>62,052,697</u>	<u>62,052,697</u>	<u>36,486,948</u>	<u>36,486,948</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly \$	Grant funding of activities \$	Support costs \$	Total funds 2021 \$	Total fund 2020 \$
Donations	–	61,993,083	–	61,993,083	36,485,981
Bank charges	1,277	–	–	1,277	967
Governance costs	–	–	58,337	58,337	–
	<u>1,277</u>	<u>61,993,083</u>	<u>58,337</u>	<u>62,052,697</u>	<u>36,486,948</u>

10. Analysis of grants

	2021 \$	2020 \$
Grants to institutions		
Breakthrough Prize Foundation	56,820,000	21,446,000
Breakthrough Prize in Life Sciences Foundation	3,974,000	2,142,000
Trustees of the University of Pennsylvania	1,000,000	500,000
Friends of Tel Aviv Sourasky Medical Centre	–	1,000,000
Academy Foundation	–	1,000,000
Magen David Adom in Israel	–	1,000,000
Stanford University - Development Services	–	1,000,000
Keren Hayesod Jerusalem	–	300,000
University of Cambridge	–	103,988
Friends of the Israel	–	500,000
Tel Aviv University	–	1,000,000
The Foundation to Combat Anti-Semitism	–	5,000,000
Beijing Xiaomi Foundation	–	1,423,710
Bay Area Council Foundation	75,000	–
Social Impact Fund	100,000	–
Other	24,083	70,283
	<u>61,993,083</u>	<u>36,485,981</u>
Total grants	<u>61,993,083</u>	<u>36,485,981</u>

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

11. Net income

Net income is stated after charging/(crediting):

	2021	2020
	\$	\$
Foreign exchange differences	(108)	—
	<u> </u>	<u> </u>

12. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees; and no trustee expenses have been incurred.

14. Investments

	Other investments
	\$
Cost or valuation	
At 1 January 2021	10,000,000
Additions	—
At 31 December 2021	<u>10,000,000</u>
Impairment	
At 1 January 2021	—
Disposals	—
Impairment losses	(198,340)
At 31 December 2021	<u>(198,340)</u>
Carrying amount	
At 31 December 2021	<u>9,801,660</u>
At 31 December 2020	<u>10,000,000</u>

All investments shown above are held at valuation.

The investment remained as convertible investment securities as of 31 December 2021, while subsequently, in May 2022, following the sale of assets by the issuer of the convertible investment securities, the charity exchanged the convertible investment securities for \$1,460,707 cash, and 65,281 shares in the acquiring group.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

15. Debtors

	2021	2020
	\$	\$
Prepayments and accrued income	<u>11,668,766</u>	<u>–</u>

16. Investments

On 18 May 2021 a donation was made of an interest in Maxwell Investment Holdings, L.P, a limited liability partnership. The interest currently has no economic value.

17. Creditors: amounts falling due within one year

	2021	2020
	\$	\$
Accrual for grants payable	<u>13,317,000</u>	<u>2,500,000</u>

18. Creditors: amounts falling due after more than one year

	2021	2020
	\$	\$
Accrual for grants payable	<u>5,750,000</u>	<u>8,000,000</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2021	Income	Expenditure	Gains and losses	Prior year adjustments	At 31 Dec 2021
	\$	\$	\$	\$	\$	\$
General funds	<u>11,255,971</u>	<u>66,121,302</u>	<u>(62,124,087)</u>	<u>(198,340)</u>	<u>(10,500,000)</u>	<u>4,554,846</u>

	At 1 Jan 2020	Income	Expenditure	Gains and losses	Prior year adjustments	At 31 Dec 2020
	\$	\$	\$	\$	\$	\$
General funds	<u>8,453,654</u>	<u>36,539,265</u>	<u>(36,486,948)</u>	<u>–</u>	<u>(7,750,000)</u>	<u>755,971</u>

20. Prior year adjustments

The prior period financial statements have been restated to included grants payable not previously included.

Breakthrough Foundation
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

21. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	\$	\$	\$
Cash at bank and in hand	1,255,971	895,449	2,151,420

BREAKTHROUGH FOUNDATION

England & Wales - Charity number 1162536

Accounts

COMPANY REGISTRATION NUMBER: 09335387
CHARITY REGISTRATION NUMBER: 1162536

Breakthrough Foundation
Company Limited by Guarantee
Amended Financial Statements
For the year ended
31 December 2020

These accounts replace the original accounts.
These accounts are now the statutory accounts.
These accounts are prepared as they were at the date of the original accounts.

D H Forsdick

.....
Denise Forsdick
Company Secretary

CRITCHLEYS AUDIT LLP
Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Breakthrough Foundation
Company Limited by Guarantee
Amended Financial Statements
Year ended 31 December 2020

	Pages
Trustees' annual report (incorporating the directors' report)	1 to 6
Independent auditor's report to the members	7 to 10
Statement of financial activities (including income and expenditure account)	11
Statement of financial position	12
Statement of cash flows	13
Notes to the amended financial statements	14 to 20

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2020

The trustees, who are also the directors for the purposes of company law, present their report and the amended financial statements of the charity for the year ended 31 December 2020.

With effect from 2 April 2020, the name of the company was changed from Milner Foundation to Breakthrough Foundation.

Reference and administrative details

Registered charity name Breakthrough Foundation

Charity registration number 1162536

Company registration number 09335387

Principal office and registered office 4 Hill Street
London
W1J 5NE

The trustees

B G J Gripton	(Retired 22 August 2022)
Ms S Pavlova	
Mrs D A Forsdick	(Appointed 22 April 2021)
R J Bonney	(Appointed 24 August 2022)
C F J Chan	(Appointed 24 August 2022)
J A Hutchinson	(Appointed 24 August 2022)

Company secretary Mrs D A Forsdick

Auditor Critchleys Audit LLP
Chartered Accountants & statutory auditor
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers Credit Suisse AG
Talacker 16,
8001 Zurich,
Switzerland; and
1 Cabot Square, London E14 4QJ

Solicitors Goodwin Procter LLP
901 New York Avenue NW
Washington DC 20001; and
100 Cheapside
London EC2V 6DY

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Structure, governance and management

The charity is a charitable company limited by guarantee. The charity is governed by its Memorandum and Articles of Association.

The charity is managed by its Board of trustees.

The major risks, as identified by the trustees, have been reviewed and systems established to mitigate those risks. The charity is dependent on the continued ability of its major donor to continue to support the charity.

The Trustees have been selected from their skills and professionalism and come with many years of experience in different walks of life. New trustees are appointed by the existing board of trustees for a term of 3 years (subject to re-election). New trustees are inducted into their role as trustees in a series of briefings on the work of the charity, where not already familiar with the work of the charity.

The Trustees, who are also the directors for the purpose of Company Law and who were directors during the year or were appointed prior to the date of signature of the financial statements are:

B G T Gripton	(resigned 22nd August 2022)
S Pavlova	
D A Forsdick	(appointed 22nd April 2021)
R J Bonney	(appointed 24th August 2022)
C F J Chan	(appointed 24th August 2022)
J A Hutchinson	(appointed 24th August 2022)

Objectives and activities

The main objects of the charity are for the public benefit, to advance knowledge and learning in research of useful subjects of study by:

- (a) granting awards for undertaking research and disseminating the useful results to the public; and
- (b) recognising the outstanding achievements in research to act as an incentive to others.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

Grant-making policy

The Trustees are of the view that the majority of their grant making will lie in the provision of grants to the two US organizations, Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation. (see <https://breakthroughprize.org>).

The charity current policy is normally to only accept grant proposals which have been initiated by the Trustees.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

Grants from the Charity and other donors in 2020 included \$21.75 million in Breakthrough Prizes and New Horizons prizes for researchers working in fundamental science.

Breakthrough Prizes in Life Sciences were awarded for discovering fetal DNA in maternal blood, and the resultant development of safe, non-invasive pre-natal tests now used by millions of women around the world; for insights into the neural circuitry underlying sex-specific parenting behaviors in mammals; for the design of synthetic proteins with the potential for a new class of medical therapies; and for describing a quality control pathway that clears damaged mitochondria and thereby protects against Parkinson's Disease. Breakthrough Prizes in Fundamental Physics went to the lead scientists of the the Eöt-Wash Group at the University of Washington, which has designed and build precise table-top experiments to test our understanding of phenomena such as gravity and dark matter; and a Special Breakthrough Prize honored Steven Weinberg, one of the greatest physicists of the last generation, who was integral to the development of the Standard Model of particle physics. Meanwhile, the Breakthrough Mathematics went to Martin Hairer, who has transformed the study of stochastic partial differential equations.

Along with 6 New Horizons Prizes for early-career physicists and mathematicians, 2021's cohort of laureates also included 3 inaugural recipients of the Maryam Mirzakhani New Frontiers Prize for young female mathematicians.

The following prizes were awarded:

Breakthrough Prizes in Life Sciences to: David Baker, Catherine Dulac, Yuk Ming Dennis Lo, Richard J. Youle.

Breakthrough Prize in Mathematics to: Martin Hairer.

Breakthrough Prize in Fundamental Physics to: Eric Adelberger, Jens H. Gundlach, Blayne Heckel.

Special Breakthrough Prize in Fundamental Physics to: Steven Weinberg.

Six New Horizons Prizes and three Maryam Mirzakhani New Frontiers Prize were awarded for early-career achievements in Physics and Mathematics.

Breakthrough Junior Challenge

The 5th annual Breakthrough Junior Challenge took place in 2020, with high school students around the world entering the competition for the best short video explaining an idea or principle in science or mathematics. Operations to run the competition included processing the thousands of applications and co-ordinating the various stages of adjudication (peer-to-peer review, expert judging, candidate evaluation and fact-checking), as well as the distribution of prizes (including funding Cold Spring Harbor Laboratory to build a state-of-the-art science lab for the winner's high school). Promotion of the Challenge involved worldwide publicity and communications, video production, and managing relationships with partner organizations. In 2020 5,600 applicants from over 200 countries took part in the competition, which was ultimately won by 17-year-old Maryam Tsegaye from Canada. She received a \$250,000 scholarship, and is now studying at Stanford University. In 2023, she was chosen to represent Canada at the coronation of Charles III, as part of Prime Minister Justin Trudeau's official delegation. The science teacher who inspired her also won a \$50,000 prize, and her school, École McTavish High School in Fort McMurray, Alberta, received a new \$100,000 science lab.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Breakthrough Initiatives projects

Although the Foundation's scientific research programs in SETI and astrobiology, the Breakthrough Initiatives, were affected by the Covid-19 pandemic in 2020, important work on the programs nevertheless took place.

Breakthrough Listen is a global astronomical program searching for scientific evidence of the existence of civilizations beyond our planet. In 2020, the program released data from the most comprehensive survey ever taken of radio emissions from the plane of the Milky Way Galaxy and the region around the supermassive black hole of its center, as well as from the interstellar comet 2I/Borisov. A "data dump" of nearly 2 petabytes of data were released (the second major data dump from the Listen program, after one the previous year), and some results of the survey were presented at an annual meeting of the American Association for the Advancement of Science. About half of the data came from observations by the Parkes Radio Telescope in New South Wales, Australia.

Later that year, Listen released a catalog of "Exotica" - a diverse list of objects of potential interest to astronomers searching for technosignatures. The catalog is a collection of over 700 distinct targets intended to include "one of everything" in the observed Universe, from comets to galaxies, from mundane objects to the most rare and violent celestial phenomena. The comprehensive new catalog is the first in recent times that aims to span the entire breadth of astrophysical phenomena, from distant galaxies to objects in our own solar system. The Listen team developed it conceptually, compiled it, and shared it with the astronomical community in the hope that it can guide future surveys - studying life beyond Earth and/or natural astrophysics - and serve as a general reference guide for the field.

The Breakthrough Initiatives also launched a new research study into the possibility of primitive cellular life on the planet Venus. Inspired by the possible presence in the Venutian atmosphere of the chemical phosphine, identified in recent observations, the study brought together a team of outstanding world-class physicists, astronomers, astrobiologists, chemists and engineer from the Massachusetts Institute of Technology, Caltech, Georgia Tech, the Planetary Science Institute and the Breakthrough Initiatives itself to investigate the scientific case for life and analyze the technical challenges of an exploratory mission in the event that such evidence should prove compelling.

Meanwhile, the Breakthrough Watch program continued to perform observations and develop instrumentation for optical searches for primitive life on exo-planets in our local star systems. These included using the upgraded planet-finding instrument on the Very Large Telescope in Chile to scan nearby stars Alpha Centauri A and B. And the Breakthrough Starshot program - also focused on Alpha Centauri, in this case research and engineering for a proof-of-concept uncrewed mission to the star system - continued its Phase I work. Progress in the three key areas of lightsail metamaterials and design, laser phasing and adaptive optics, and design of the miniature "starchip" at the heart of the mission concept.

Planning and logistical work was done on the annual Breakthrough Discuss academic conference, but ultimately the event had to be canceled due to the pandemic.

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

COVID-19 Response

In the spring of 2020, during the global COVID-19 pandemic, the Foundation donated funds to various charitable organizations around the world. The specific projects included:

- \$3 million was committed to three Israeli institutions working to prevent the spread of the novel coronavirus in Israel. The donation was split between:
 - Magen David Adom, Israel's national emergency medical response organization, supporting its innovative telemedicine project to reduce the number of people coming to clinics
 - Tel Aviv University's Sackler Faculty of Medicine and George S. Wise Life Sciences, helping to fund research efforts aimed at developing treatments for the virus
 - Tel Aviv Sourasky Medical Center, Ichilov Hospital, an intensive care unit caring for COVID-19 patients

Israel related donations

Following the celebration of 70th anniversary of Israel the Charity went on to establish Friends of Israel MBA Fellowship at the Wharton School of Business. This \$10m fund provides full tuition over the course of the two-year Wharton MBA program for over 60 students over the course of a decade. The first tranche of this program was funded in 2020.

The Charity continued to fund the 70 at 70 Fellowship, a \$7 million program to support postgraduate students at three Israeli universities: Tel Aviv University, the Hebrew University and the Technion. The program will award 70 outstanding science PhD candidates, each of whom will receive \$25,000 a year for 4 years.

Financial review

The results of the charity in the year are set out in the Statement of Financial Activities on page 11.

As at 31 December 2020 free reserves (represented by unrestricted funds) were \$755,971, surplus.

The charity does not raise money from the public and is dependent on grants from a major donor.

Due to the funding arrangements the Trustees consider there is no requirement for the charity to hold reserves.

Plans for future periods

The charity's future plans are to continue to provide grants the two US Foundations: Breakthrough Prize Foundation and Breakthrough Prize in Life Sciences Foundation.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the amended financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Breakthrough Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2020

Company law requires the charity trustees to prepare amended financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these amended financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the amended financial statements comply with the Companies Act 2006. 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.

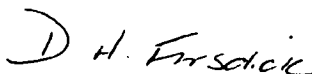
Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 1 August 2023 and signed on behalf of the board of trustees by:



Mrs D A Forsdick
Trustee

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

Year ended 31 December 2020

Opinion

We have audited the amended financial statements of Breakthrough Foundation (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the amended financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 amended financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the amended financial statements in the UK, including the FRC'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 amended financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the amended 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 charity's ability to continue as a going concern for a period of at least twelve months from when the amended 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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2020

Other information

The other information comprises the information included in the annual report, other than the amended financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the amended 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 amended financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the amended 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 amended 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 2006

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

- the information given in the trustees' report for the financial year for which the amended financial statements are prepared is consistent with the amended financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the amended 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.

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2020

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the amended 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 amended financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the amended financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the amended 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

Breakthrough Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Breakthrough Foundation

(continued)

Year ended 31 December 2020

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of
Critchleys Audit LLP
Chartered Accountants & statutory auditor

Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

14 August 2023

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 December 2020

	Note	2020		2019
		Unrestricted funds \$	Total funds \$	Total funds \$
Income and endowments				
Donations and legacies	5	36,519,000	36,519,000	35,000,000
Investment income	6	20,265	20,265	82,523
Total income		<u>36,539,265</u>	<u>36,539,265</u>	<u>35,082,523</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	7	53,537	53,537	-
Expenditure on charitable activities	8,9	35,825,540	35,825,540	27,680,061
Total expenditure		<u>35,879,077</u>	<u>35,879,077</u>	<u>27,680,061</u>
Net income and net movement in funds		<u>660,188</u>	<u>660,188</u>	<u>7,402,462</u>
Reconciliation of funds				
Total funds brought forward		95,783	95,783	(7,306,679)
Total funds carried forward		<u>755,971</u>	<u>755,971</u>	<u>95,783</u>

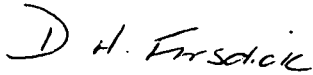
The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 20 form part of these amended financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Financial Position
31 December 2020

	Note	2020 \$	2019 \$
Fixed assets			
Investments	15	10,000,000	—
Current assets			
Cash at bank and in hand		1,255,993	8,453,383
Creditors: amounts falling due within one year	17	<u>2,500,022</u>	<u>1,607,600</u>
Net current assets/(liabilities)		<u>(1,244,029)</u>	<u>6,845,783</u>
Total assets less current liabilities		<u>8,755,971</u>	<u>6,845,783</u>
Creditors: amounts falling due after more than one year	18	<u>8,000,000</u>	<u>6,750,000</u>
Net assets		<u>755,971</u>	<u>95,783</u>
Funds of the charity			
Unrestricted funds		<u>755,971</u>	<u>95,783</u>
Total charity funds	19	<u>755,971</u>	<u>95,783</u>

These amended financial statements were approved by the board of trustees and authorised for issue on 1 August 2023, and are signed on behalf of the board by:



Mrs D A Forsdick
Trustee

The notes on pages 14 to 20 form part of these amended financial statements.

Breakthrough Foundation
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Net income		660,188	7,402,462
<i>Adjustments for:</i>			
Dividends, interest and rents from investments		(20,265)	(82,523)
Accrued expenses/(income)		2,142,422	(355,366)
Donation received in-kind		(10,000,000)	-
<i>Changes in:</i>			
Trade and other debtors		-	4,359
Trade and other creditors		-	(250,000)
Cash generated (used in)/ from operations		<u>(7,217,655)</u>	<u>6,718,932</u>
Net cash (used in)/from operating activities		<u>(7,217,655)</u>	<u>6,718,932</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		<u>20,265</u>	<u>82,523</u>
Net cash from investing activities		<u>20,265</u>	<u>82,523</u>
Net (decrease)/increase in cash and cash equivalents		(7,197,390)	6,801,455
Cash and cash equivalents at beginning of year		<u>8,453,383</u>	<u>1,651,928</u>
Cash and cash equivalents at end of year	16	<u>1,255,993</u>	<u>8,453,383</u>

The notes on pages 14 to 20 form part of these amended financial statements.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Amended Financial Statements

Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 4 Hill Street, London, W1J 5NE.

2. Statement of compliance

These amended financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements are prepared in US dollars, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Amended Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. Grants are recognised as an expense when they have been approved by the Trustees and communicated to the beneficiary.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Breakthrough Foundation
Company Limited by Guarantee

Notes to the Amended Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The company is limited by guarantee. Every member of the charity undertakes to contribute such amount as may be required (not exceeding £1) to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the charity's debts and liabilities contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

5. Donations and legacies

	Unrestricted Funds \$	Total Funds 2020 \$	Unrestricted Funds \$	Total Funds 2019 \$
Donations				
Donations	36,519,000	<u>36,519,000</u>	35,000,000	<u>35,000,000</u>

6. Investment income

	Unrestricted Funds \$	Total Funds 2020 \$	Unrestricted Funds \$	Total Funds 2019 \$
Income from cash investments	<u>20,265</u>	<u>20,265</u>	<u>82,523</u>	<u>82,523</u>

7. Costs of raising donations and legacies

	Unrestricted Funds \$	Total Funds 2020 \$	Unrestricted Funds \$	Total Funds 2019 \$
Costs of raising donations and legacies - Investment management costs	<u>53,537</u>	<u>53,537</u>	<u>—</u>	<u>—</u>

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Amended Financial Statements *(continued)*

Year ended 31 December 2020

8. Expenditure on charitable activities by fund type

	Unrestricted Funds \$	Total Funds 2020 \$	Unrestricted Funds \$	Total Funds 2019 \$
Sponsorship	–	–	250,000	250,000
Donations	35,824,844	35,824,844	27,390,961	27,390,961
Bank charges	967	967	769	769
Support costs	(271)	(271)	38,331	38,331
	<u>35,825,540</u>	<u>35,825,540</u>	<u>27,680,061</u>	<u>27,680,061</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly \$	Grant funding of activities \$	Support costs \$	Total funds 2020 \$	Total fund 2019 \$
Sponsorship	–	–	–	–	250,000
Donations	–	35,824,844	–	35,824,844	27,390,961
Bank charges	967	–	–	967	769
Governance costs	–	–	(271)	(271)	38,331
	<u>967</u>	<u>35,824,844</u>	<u>(271)</u>	<u>35,825,540</u>	<u>27,680,061</u>

10. Analysis of support costs

	Analysis of support costs activity 1 \$	Total 2020 \$	Total 2019 \$
Finance costs	(271)	(271)	(111)
Legal and professional fees	–	–	25,799
Travel expenses	–	–	12,643
	<u>(271)</u>	<u>(271)</u>	<u>38,331</u>

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Amended Financial Statements *(continued)*

Year ended 31 December 2020

11. Analysis of grants

	2020 \$	2019 \$
Grants to institutions		
Breakthrough Prize Foundation	21,446,000	16,600,000
Breakthrough Prize in Life Sciences Foundation	2,142,000	9,694,208
Trustees of the University of Pennsylvania	500,000	-
Academy Foundation	1,000,000	-
Friends of Tel Aviv Sourasky Medical Centre	1,000,000	-
Los Angeles County Museum of Art	-	1,000,000
Magen David Adom in Israel	1,000,000	-
Stanford University - Development Services	1,000,000	-
Keren Hayesod Jerusalem	300,000	-
University of Cambridge	(3,612)	(3,247)
The Foundation to Combat Anti-Semitism	5,000,000	-
Tel Aviv University	1,000,000	-
Beijing Xiaomi Foundation	1,423,710	-
Teach for America	-	100,000
Other	16,746	-
	<u>35,824,844</u>	<u>27,390,961</u>
Total grants	<u>35,824,844</u>	<u>27,390,961</u>

12. Net income

Net income is stated after charging/(crediting):

	2020 \$	2019 \$
Foreign exchange differences	<u>(271)</u>	<u>(111)</u>

13. Staff costs

The average head count of employees during the year was Nil (2019: Nil).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees; As at 31 December 2020, no travel costs (2019: \$6,170 to 1 trustee) were incurred by trustees.

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Amended Financial Statements *(continued)*

Year ended 31 December 2020

15. Investments

	Other investments \$
Cost or valuation	
At 1 January 2020	-
Additions	10,000,000
At 31 December 2020	<u>10,000,000</u>
Impairment	
At 1 January 2020 and 31 December 2020	-
Carrying amount	
At 31 December 2020	<u>10,000,000</u>
At 31 December 2019	<u>-</u>

All investments shown above are held at fair value.

The investment remained as convertible investment securities as of 31 December 2020.

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2020 \$	2019 \$
Cash at bank and in hand	1,255,993	8,453,383
	<u>1,255,993</u>	<u>8,453,383</u>

17. Creditors: amounts falling due within one year

	2020 \$	2019 \$
Bank loans and overdrafts	22	-
Accrual for grants payable	2,500,000	1,607,600
	<u>2,500,022</u>	<u>1,607,600</u>

18. Creditors: amounts falling due after more than one year

	2020 \$	2019 \$
Accrual for grants payable	8,000,000	6,750,000
	<u>8,000,000</u>	<u>6,750,000</u>

Breakthrough Foundation

Company Limited by Guarantee

Notes to the Amended Financial Statements *(continued)*

Year ended 31 December 2020

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020 \$	Income \$	Expenditure \$	At 31 December 2020 \$
General funds	95,783	36,539,265	(35,879,077)	<u>755,971</u>

	At 1 January 2019 \$	Income \$	Expenditure \$	At 31 December 2019 \$
General funds	(7,306,679)	35,082,523	(27,680,061)	<u>95,783</u>

20. Analysis of net assets between funds

	Unrestricted Funds \$	Total Funds 2020 \$
Investments	10,000,000	10,000,000
Current assets	1,255,993	1,255,993
Creditors: amounts falling due within one year	(2,500,022)	(8,000,022)
Creditors: amounts falling due after more than one year	(8,000,000)	(2,500,000)
Net assets	<u>755,971</u>	<u>755,971</u>

	Unrestricted Funds \$	Total Funds 2019 \$
Investments	-	-
Current assets	8,453,383	8,453,383
Creditors: amounts falling due within one year	(1,607,600)	(1,607,600)
Creditors: amounts falling due after more than one year	(6,750,000)	(6,750,000)
Net assets	<u>95,783</u>	<u>95,783</u>

21. Analysis of changes in net debt

	At 1 January 2020 \$	Cash flows \$	At 31 December 2020 \$
Cash at bank and in hand	8,453,383	(7,197,390)	1,255,993
Bank overdrafts	-	(22)	(22)
	<u>8,453,383</u>	<u>(7,197,412)</u>	<u>1,255,971</u>

22. Related parties

There were no related party transactions in the year.