

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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# **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**

<b>Registered charity name</b>	Breakthrough Foundation	
<b>Charity registration number</b>	1162536	
<b>Company registration number</b>	09335387	
<b>Registered office</b>	4 Hill Street London W1J 5NE	
<b>The trustees</b>	B G T Gripton S Pavlova D A Forsdick R J Bonney C F J Chan J A Hutchinson	(resigned 22nd August 2022)  (appointed 22nd April 2021) (appointed 24th August 2022) (appointed 24th August 2022) (appointed 24th August 2022)
<b>Secretary</b>	Mrs D A Forsdick	
<b>Auditor</b>	Critchleys Audit LLP Chartered Accountants & statutory auditor Beaver House 23 - 38 Hythe Bridge Street Oxford	
<b>Bankers</b>	Credit Suisse AG Talacker 16, 8001 Zurich, Switzerland; and 1 Cabot Square, London E14 4QJ	
<b>Solicitors</b>	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
		Unrestricted funds	Total funds
	Note	\$	\$
Income and endowments			
Donations and legacies	5	66,121,302	66,121,302
Investment income	6	—	—
Total income		66,121,302	66,121,302
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		62,124,087	62,124,087
Losses on impairment (note 14)		198,340	198,340
Net income and net movement in funds		3,798,875	3,798,875
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		755,971	755,971
Total funds carried forward		4,554,846	4,554,846

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 \$
<b>Fixed assets</b>			
Investments	14	9,801,660	10,000,000
<b>Current assets</b>			
Debtors	15	11,668,766	—
Cash at bank and in hand		2,151,420	1,255,971
		<u>13,820,186</u>	<u>1,255,971</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>13,317,000</u>	<u>2,500,000</u>
<b>Net current assets/(liabilities)</b>		<b>503,186</b>	<b>(1,244,029)</b>
<b>Total assets less current liabilities</b>		<b>10,304,846</b>	<b>8,755,971</b>
<b>Creditors: amounts falling due after more than one year</b>	18	<u>5,750,000</u>	<u>8,000,000</u>
<b>Net assets</b>		<u><b>4,554,846</b></u>	<u><b>755,971</b></u>
<b>Funds of the charity</b>			
Unrestricted funds		<u>4,554,846</u>	<u>755,971</u>
<b>Total charity funds</b>	19	<u><b>4,554,846</b></u>	<u><b>755,971</b></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 \$
<b>Cash flows from operating activities</b>		
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>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	–	20,265
Net cash from investing activities	<u>–</u>	<u>20,265</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>895,449</b>	<b>(7,197,683)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,255,971</b>	<b>8,453,654</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>2,151,420</u></b>	<b><u>1,255,971</u></b>

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 \$
<b>Donations</b>				
Donations	66,121,302	<b>66,121,302</b>	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	<b>71,390</b>	—	—

# 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	<b>61,993,083</b>	36,485,981	36,485,981
Bank charges	1,277	<b>1,277</b>	967	967
Support costs	58,337	<b>58,337</b>	—	—
	<u>62,052,697</u>	<u><b>62,052,697</b></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	—	<b>61,993,083</b>	36,485,981
Bank charges	1,277	—	—	<b>1,277</b>	967
Governance costs	—	—	58,337	<b>58,337</b>	—
	<u>1,277</u>	<u>61,993,083</u>	<u>58,337</u>	<u><b>62,052,697</b></u>	<u>36,486,948</u>

#### 10. Analysis of grants

	2021 \$	2020 \$
<b>Grants to institutions</b>		
Breakthrough Prize Foundation	<b>56,820,000</b>	21,446,000
Breakthrough Prize in Life Sciences Foundation	<b>3,974,000</b>	2,142,000
Trustees of the University of Pennsylvania	<b>1,000,000</b>	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	<b>75,000</b>	—
Social Impact Fund	<b>100,000</b>	—
Other	<b>24,083</b>	70,283
	<u><b>61,993,083</b></u>	<u>36,485,981</u>
Total grants	<u><b>61,993,083</b></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):

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

**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**

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

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**

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

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

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

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Accrual for grants payable	<b><u>5,750,000</u></b>	<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
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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>	<b><u>4,554,846</u></b>

  

	At 1 Jan 2020	Income	Expenditure	Gains and losses	Prior year adjustments	At 31 Dec 2020
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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	<b>2,151,420</b>