

THE RAAIS FOUNDATION
UNAUDITED
TRUSTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE RAAIS FOUNDATION
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THE RAAIS FOUNDATION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees Dr Nathan Benaich, Chair

**Company registered
number** CE016424

**Charity registered
number** 1181904

Registered office 16 Great Queen Street
Covent Garden
London
WC2B 5AH

Accountants Blick Rothenberg Limited
Chartered Accountants
16 Great Queen Street
Covent Garden
London
WC2B 5AH

Bankers Natwest Bank plc
45 Tottenham Court Road
London
W1T 2EA

THE RAAIS FOUNDATION

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

The trustee presents his annual report together with the financial statements of the charity for the year 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a trustee report and a directors report under company law. The trustee confirms that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The objective of the foundation is the advancement of education and research in artificial intelligence. The activities of the foundation are, without geographical limitation, for the benefit of the current and future generations of the general public, students, technologists, and researchers who will use and create new artificial intelligence know-how, tools, software and products that themselves and many others can use to accelerate progress in the many and varied fields of artificial intelligence in daily life.

In setting objectives and planning for activities, the trustee has given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the charity's purposes for the public benefit

Statement of public benefit

The trustee is aware of the Charity Commission's guidance on Public Benefit and confirms that he has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it. He considers the information which follows in this annual report, about the CIO's aims, activities and achievements in those areas that the CIO supports demonstrates the public benefit that arises from its activities.

Achievements and performance

a. Main achievements of the charity

In achieving this objective, the CIO aim to increase the availability of accessible education in this field to the wider community, helping the public to understand the methods, benefits and potential consequences of the increasing use of artificial intelligence in daily life, as well as aid the development of capabilities, competencies, and skills of individuals especially those who have limited or no opportunity to participate and encourage greater community participation always without remunerative motives.

Among other ways, the foundation will seek to further this object by:

- issuing research and project grants to individuals or groups who intend to, or are in the process of, creating new knowledge and open source resources in artificial intelligence for the greater benefit and welfare of society in areas such as education and healthcare, but do not have the financial resources to do so independently;
- promoting recent developments, stimulating discussion and exchanging of information, about artificial intelligence, by hosting non-profit making events such as the research and applied artificial intelligence summit (RAAIS) and london.ai, which bring together interested members of the general public, academics, students and thinkers to learn about artificial intelligence. The events facilitate opportunities to engage in

THE RAAIS FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

educational programmes (e.g. internships, research collaborations) in academia and industry and provide educational resources on youtube) such as speaker lectures and accessible knowledge workshops and on the web generally; and

- publishing content that provides the general public with a structured arrangement of introductory resources and information in relation to artificial intelligence (such as the free-to-access state of AI report 2018, which is a comprehensive and accessible guide to artificial intelligence research, industry applications, talent and national implications).

Financial review

a. Going concern

After making appropriate enquiries, the trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The foundation has no outstanding commitments or cash demands which are not adequately covered by existing resources. The net assets of the charity are regarded as free reserves and the funds at 31 March 2023 will be retained to make grants in accordance with the foundation's charitable objects

The trustee considers that freely expendable funds are appropriate and adequate taking into account plans for grants to be awarded in the future and have therefore not yet designated a specific reserves policy. However, the trustee will keep this under constant review. In future years a specific reserves policy may be adopted.

Structure, governance and management

a. Constitution

The RAAIS Foundation is registered charity, number 1181904, and is constituted under a CIO constitution, established on 6 February 2019.

b. Methods of appointment or election of trustee

The management of the charity is the responsibility of the trustee who is elected and co-opted under the terms of the CIO constitution.

c. Internal controls

The trustee has overall responsibility for ensuring that the charity has appropriate systems of internal controls. He is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable him to ensure that the financial statements follow best practice and all applicable laws, regulations and guidance. The trustee is also responsible for safeguarding the charity's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

THE RAAIS FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

d. Financial risk management

A risk assessment has been undertaken which comprises of:

- an annual review of the risks the charity may face:
- the establishment of systems and procedures to mitigate those risks: and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

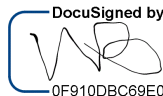
The continuing process will identify risk areas to which the charity is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these financial statements.

The trustee has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and is satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The trustee does not propose to deviate from the current objectives and activities of the charity as detailed above and will further develop and refine his strategies, policies and procedures for the future.

Approved by order of the members of the board of trustee and signed on their behalf by:

DocuSigned by:

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Dr Nathan Benaich
Trustee

Date: 31-Jan-24 | 10:22 GMT

THE RAAIS FOUNDATION**STATEMENT OF TRUSTEE'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

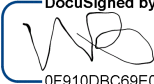
The trustee is responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is 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 Charities Act 2011. He is 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.

Approved by order of the members of the board of trustee and signed on its behalf by:

DocuSigned by:

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Dr Nathan Benaich
Trustee

Date: 31-Jan-24 | 10:22 GMT

THE RAAIS FOUNDATION

CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED FINANCIAL STATEMENTS OF THE RAAIS FOUNDATION FOR THE YEAR ENDED 31 MARCH 2023

In order to assist you to fulfil your duties under the Charities Act 2011, we have prepared for your approval the financial statements of The RAAIS Foundation for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and the related notes from the charity's accounting records and from information and explanations you have given us.

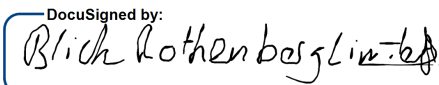
We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales (ICAEW) and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

It is your duty to ensure that The RAAIS Foundation has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and deficit of The RAAIS Foundation. You consider that The RAAIS foundation is exempt from the statutory audit requirement for the year and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of The RAAIS Foundation. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the charity's Trustee, in accordance with the terms of our engagement letter dated 14 February 2022. Our work has been undertaken solely to prepare for your approval the accounts of The RAAIS Foundation and state those matters that we have agreed to state to the charity's trustee in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The RAAIS Foundation and its trustee, for our work or for this report.

DocuSigned by:

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Blick Rothenberg Limited

Chartered Accountants

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 31-Jan-24 | 16:42 GMT

THE RAAIS FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	3	883	883	5
Total income		883	883	5
Expenditure on:				
Charitable activities	5	7,616	7,616	31,583
Total expenditure		7,616	7,616	31,583
Net movement in funds		(6,733)	(6,733)	(31,578)
Reconciliation of funds:				
Total funds brought forward		74,280	74,280	105,858
Net movement in funds		(6,733)	(6,733)	(31,578)
Total funds carried forward		67,547	67,547	74,280


The Statement of financial activities includes all gains and losses recognised in the year.

THE RAAIS FOUNDATION

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Current assets			
Cash at bank and in hand		73,847	80,280
		<u>73,847</u>	<u>80,280</u>
Creditors: amounts falling due within one year	8	(6,300)	(6,000)
		<u></u>	<u></u>
Net current assets		67,547	74,280
		<u></u>	<u></u>
Total assets less current liabilities		67,547	74,280
		<u></u>	<u></u>
Total net assets		67,547	74,280
		<u></u>	<u></u>
Charity funds			
Unrestricted funds	9	67,547	74,280
		<u></u>	<u></u>
Total funds		67,547	74,280
		<u></u>	<u></u>

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

DocuSigned by:

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Dr Nathan Benaich
Trustee

Date: 31-Jan-24 | 10:22 GMT

The notes on pages 9 to 16 form part of these financial statements.

THE RAAIS FOUNDATION

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

1. General information

The Raais Foundation is a charitable incorporated organisation registered at the Charities Commission in England and Wales with charity number 1181904 and Companies House with company number CE16424. The principal office is 16 Great Queen Street, London, WC2B 5AH.

The financial statements are presented in Sterling (£), which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The RAAIS Foundation meets the definition of a public benefit entity under FRS 102.

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

2.2 Fund accounting

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

2.3 Going concern

After making enquiries, the trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

2.4 Income

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

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

THE RAAIS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.5 Expenditure (continued)**

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.6 Foreign currencies

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

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

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

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

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

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

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

2.9 Financial instruments

The charity has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The charity's policies for its major classes of financial assets and financial liabilities are set out below.

THE RAAIS FOUNDATION

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

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets

Basic financial assets, including cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the charity would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

THE RAAIS FOUNDATION

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

2. Accounting policies (continued)

Financial instruments (continued)

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Other income	883	883

	Unrestricted funds 2022 £	Total funds 2022 £
Other income	5	5

4. Analysis of grants

	Grants to Individuals 2023 £	Total funds 2023 £
Grants, awarded to OpenMined	27,863	27,863

	Grants to Individuals 2022 £	Total funds 2022 £
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THE RAAIS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****4. Analysis of grants (continued)**

OpenMined Fellowships were developed to support full and part-time work on an open-source codebase maintained by a community focussed on researching, developing, and promoting tools for secure, privacy-preserving, value aligned artificial intelligence. The foundation funded several Fellowships to further develop and expand this codebase, each worth £2,000 per month for 3-6 months per individual recipient. Recipients of the RAAIS OpenMined Fellowships were commissioned by the United Nations Privacy Task Team, the Broad Institute at MIT and Harvard, the University of Oxford, and Facebook PyTorch.

5. Analysis of expenditure on charitable activities**Summary by fund type**

	Unrestricted funds 2023 £	Total 2023 £
Independent examination fees	8,100	8,100
Gain on foreign exchange	(1,543)	(1,543)
Bank charges	37	37
Website costs	347	347
Other administrative costs	675	675
	<hr/> 7,616 <hr/>	<hr/> 7,616 <hr/>
	 Unrestricted funds 2022 £	 Total 2022 £
Bank charges	27,863	27,863
Independent examination fees	4,000	4,000
Gain on foreign exchange	(1,343)	(1,343)
Website costs	693	693
Other administrative costs	370	370
	<hr/> 31,583 <hr/>	<hr/> 31,583 <hr/>

THE RAAIS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****6. Analysis of expenditure by activities**

	Support costs 2023 £	Total funds 2023 £
Independent examination fees	8,100	8,100
Gain on foreign exchange	(1,543)	(1,543)
Bank charges	37	37
Website costs	347	347
Other administrative costs	675	675
	<u>7,616</u>	<u>7,616</u>

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Bank charges	27,863	-	27,863
Independent examination fees	-	4,000	4,000
Gain on foreign exchange	-	(1,343)	(1,343)
Website costs	-	693	693
Other administrative costs	-	370	370
	<u>27,863</u>	<u>3,720</u>	<u>31,583</u>

7. Trustee's remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no trustee expenses have been incurred (2022 - £NIL).

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	<u>6,300</u>	<u>6,000</u>

THE RAAIS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****9. Statement of funds****Statement of funds - current year**

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
General Funds - all funds	74,280	883	(7,616)	67,547

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General Funds - all funds	105,858	5	(31,583)	74,280

THE RAAIS FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****10. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Total funds 2023 £
Current assets	73,847	73,847
Creditors due within one year	(6,300)	(6,300)
Total	<u>67,547</u>	<u>67,547</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Current assets	80,280	80,280
Creditors due within one year	(6,000)	(6,000)
Total	<u>74,280</u>	<u>74,280</u>

11. Related party transactions

The charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the charity at 31 March 2023.