

## **Center on Long-term Risk**

### **Annual report and financial statements**

For the period ended 31 December 2022

Charity registration number: 1195079

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## Reference and administrative details

For the period ended 31 December 2022

<b>Trustees</b>	Linh Chi Nguyen Tobias Baumann Max Marian Daniel Jonas Emanuel Vollmer Stefan Torges
<b>Charity registered number</b>	1195079
<b>Registered address &amp; Principal office</b>	3 <sup>rd</sup> Floor, Block C, Imperial Works Perren Street, London NW5 3ED
<b>Independent Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Unity Trust Bank PLC, Four Brindleyplace, Birmingham B1 2JB  Wise Payments Ltd, 6 <sup>th</sup> Floor, Tea Building, 56 Shoreditch High Street, London E1 6JJ
<b>Legal Advisers</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR  Maurice Turnor Gardner LLP 15 <sup>th</sup> Floor, Milton House Milton Street, London EC2Y 9BH  BDB Pitmans LLP One Bartholomew Close London EC1A 7BL

## Trustees' report

For the period ended 31 December 2022

The trustees present their annual report together with the financial statements of Center on Long-term Risk ('the Charity') for the period from 7 July 2021 to 31 December 2022.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Center on Long-term Risk ("CLR", the "Charity") is a Charitable Incorporated Organisation, governed by its Constitution, as dated 25th March 2021.

The Charity has been recently registered as a charitable incorporated organisation (CIO) is a corporate body with a constitution that is registered with and regulated by the Charity Commission. It was registered on 7 July 2021 with its Charity Registration Number being 1195079. See the Affiliations section below for details of the Charity's founding.

#### Appointment of trustees

New trustees are selected by vote of the existing trustees. The trustees seek candidates who have expertise and experience relevant to the Charity's operations and mission. New trustees are given relevant internal documentation and onboarding materials, referred to Charity Commission guidance for new trustees, and introduced to existing trustees and staff.

The Charity is governed by the board of trustees, however day-to-day operations are delegated to the senior management team, consisting of the following individuals:

- Jesse Clifton
- Stefan Torges<sup>1</sup>
- Emery Cooper                      From December 2021
- Daniel Kokotajlo                From December 2021 to April 2022

During the period, Jesse Clifton led the Causes of Conflict Research Group, CLR's largest research program. Emery Cooper and Daniel Kokotajlo led smaller research projects. Stefan Torges led CLR's operations function, and its community-building activities.

Specific trustee and staff duties and delegations are set out in the Charity's delegation scheme.

The trustees consider that they, together with the aforementioned senior management team comprise the Charity's key management personnel. The trustees are not remunerated for their services to the Charity. The remuneration of the senior management team is reviewed and agreed annually by the trustees taking account of employment market information and the needs of the Charity.

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<sup>1</sup> In 2023, Stefan Torges resigned from his senior management team position at CLR and his employment was ended. He was later appointed as a trustee of the Charity.



## **Trustees' report (continued)**

For the period ended 31 December 2022

The Charity is recognised by HMRC for Gift Aid.

The trustees have complete control of the Charity in relation to the application of funds. Trustees are appointed in accordance with the Charity's governing document.

All decision-making of the Center on Long-term Risk is made in accordance with the Charity's Conflict of Interest policy.

### **Trustees**

The trustees who served during the period were:

Ruairi May Donnelly - Chair (appointed on 7 July 2021 and resigned on 3 July 2023)

Linh Chi Nguyen (appointed on 18 January 2022)

Tobias Baumann (appointed on 1 December 2021)

Max Marian Daniel (appointed on 13 September 2021)

Jonas Emanuel Vollmer (appointed on 7 July 2021)

Daniel Kestenholz (appointed on 7 July 2021 and resigned on 15 September 2021)

Following the end of the period, Stefan Torges was appointed as a Trustee on 3 July 2023.

### **Affiliations**

The Charity was founded in order to assume the operations of an existing research project that was previously operated as part of the Effective Altruism Foundation ("EAF Switzerland"), a Swiss non-profit. These operations were transferred to the Charity in 2021-22.

EAF Switzerland still provides support to the Charity, including financial support, and receives donations to provide to CLR. EAF Switzerland's affiliated non-profits in the USA and Germany, namely Effective Altruism Foundation, Inc. ("EAF USA") and Stiftung für Effektiven Altruismus ("EAF Germany"), provide similar support. These three international non-profits have a website at [ea-foundation.org/](https://ea-foundation.org/). CLR provides advice to these organisations, including making grant recommendations, but does not provide funding to them.

CLR has an affiliation with the Cooperative AI Foundation (CAIF), a UK Charity. CLR staff advised on the founding of CAIF, and provided advice and administrative support as it began operations.

CLR has an affiliation with Polaris Ventures, a Swiss non-profit. Polaris provides funding to CLR, and CLR has advised on Polaris's grantmaking in the past.

CLR is also loosely associated with the broader *effective altruism* movement, a community of individuals and organisations focussed on using evidence and reasoning to benefit others as much as possible.

## Trustees' report (continued)

For the period ended 31 December 2022

### OBJECTIVES AND ACTIVITIES

#### Policies and objectives

The principal objectives of the Charity are for the public benefit:

- To advance research, especially in the field of emerging technologies (such as artificial intelligence) and their risks and benefits, by activities such as:
  - Conducting research
  - Supporting individuals and organisations to carry out research via grant making and non-financial support
  - Hosting events such as workshops and retreats
  - Providing coaching, mentoring and scholarships to those interested in working in our research field
- To advance other purposes that are exclusively charitable under the law of England and Wales, as the trustees determine, by grant making.

The trustees confirm that they have complied with the Charity Commission's guidance on public benefit when planning the Charity's activities for this period.

#### Programs

CLR aims to advance research that reduces the worst risks of astronomical suffering ("s-risks") in the future. We currently believe that such scenarios most likely involve transformative AI systems, and so have a primary focus on research aimed at making the development and deployment of artificial intelligence (AI) systems safer.

Our primary research programs are:

- AI conflict: Most of our research efforts are focussed on better understanding on how we can prevent AI systems from engaging in catastrophic conflict.
- Evidential Cooperation in Large Worlds (ECL): applied ethics research investigating the implications of evidential decision theory and findings of modern cosmology for ethical decision-making.
- S-risk macro strategy: Broader research aimed at better understanding how we can reduce suffering in the long-term future, for example identifying causes or considerations that we have overlooked so far.

CLR's team regularly consider the path to impact of our research and prioritise on the basis of the research's eventual implementation. The bulk of our work focusses on identifying risks and possible interventions, and evaluating these interventions, with the goal of informing advocacy for the inclusion of relevant interventions in AI development.

In addition to our staff directly conducting research, we work to advance research in this field by supporting and building the community of people engaged in the field. Our primary programs here are:

- Running an annual Summer Research Fellowship, engaging a cohort of interns to conduct research projects under the supervision of experienced mentors.
- Running events to facilitate research progress and exchange of knowledge.
- Providing mentoring, coaching and scholarships.

## Trustees' report (continued)

For the period ended 31 December 2022

CLR also aims to make grants to support research efforts outside our organisation, but no such grants were made in this period (though grants were made from EAF Switzerland on CLR's recommendation). Grants are evaluated by a committee of fund managers appointed by the board and including two board members; and are made in accordance with a grant making policy.

### Risks and uncertainties

The trustees have considered the key risks and uncertainties to CLR's ability to carry out its charitable purposes, including reputational and organisational risks, and are satisfied that systems, actions and/or procedures are in place in order to manage those risks.

Key risks and uncertainties, and their mitigations, include:

- Strategic uncertainty around the most promising research directions, given the complex path to impact of research into the safety of emerging technologies. This risk is managed via regular review of strategic plans by the trustees, strategy discussions among the team and input from external experts and collaborators.
- Risks to staff retention; managed via regular check-ins of staff satisfaction, and via notice periods and documentation of key operational processes.
- Risk of loss of funding, managed by monitoring the diversity of funding streams and maintaining substantial financial reserves.

## ACHIEVEMENTS AND PERFORMANCE

During 2021 and 2022, the activities of an ongoing research project were transferred from EAF Switzerland to the Charity.

### Detailed strategic report

The below sections provide an overview of CLR's aims, activities and achievements in 2021-22, and plans for 2023. Further detail on all of these topics is available in our [2023 fundraiser post](#) on the Effective Altruism Forum

### Achievements during the period

#### Research

CLR's Causes of Conflict Research Group works on understanding how we can prevent AI systems from engaging in catastrophic conflict. In 2021-22, the group has made research progress on:

- Understanding the reasons why AI systems might engage in conflict
- Understanding the circumstances under which technical work done now could reduce these risks
- Building methods and knowledge to support future work developing and assessing interventions for reducing conflict
- Beginning to develop and evaluate specific interventions, including [surrogate goals](#), preventing [conflict-seeking preferences](#), preventing [commitment races](#), and developing cooperation-related content for a hypothetical manual for overseers of AI training.
- Evaluating the behaviour and reasoning of Large Language Models (LLMs), particularly behaviours relevant to cooperation.

Other researchers at CLR have made progress on various topics relevant to our priorities, including:

- The implications of [Evidential Cooperation in Large Worlds](#) for cause prioritisation.
- The probability that Earth-originating civilisation will encounter alien civilisations.
- The optimal spending schedule for interventions to reduce AI risk.

## Trustees' report (continued)

For the period ended 31 December 2022

CLR's work was disseminated to target audiences in various ways, including:

- Publication in online forums of relevant research communities, for example<sup>2</sup>
    - Jesse Clifton, Samuel Martin and Anthony DiGiovanni's [When does technical work to reduce AGI conflict make a difference?](#) on the AI Alignment Forum
    - Tristan Cook and Guillaume Corlouer's [The optimal timing of spending on AGI safety work](#) on the Effective Altruism Forum.
  - Publication at academic conferences
  - Internal research documents have been shared with relevant individual external researchers.
- Other research work has not yet been shared, but is used to inform future research, and/or will be published in future.

### **Community-building**

In 2022, we undertook the following activities aimed at strengthening and supporting the community of people engaged or interested in s-risk research:

- In February-March 2022, we ran two S-risk Intro Fellowships, intended to help people learn about CLR's thinking on our research topic, with 7 participants each.
- In October 2022, we ran an S-risk Retreat with 33 participants, aimed at facilitating the exchange of ideas between participants in our research community.
- In summer 2022, we ran a Summer Research Fellowship, where Fellows joined our team as interns for two months, to carry out a research project supervised by an experienced mentor.
- We conducted over 150 coaching and advising calls with individuals, and invited several people to visit our offices to talk to our team.

We collected participant feedback after all of our events, which was generally very positive.

### **Grantmaking**

We operate the [CLR Fund](#) to support research in our priority areas. In this period, no grants were made from the UK Charity. However, we recommended nine grants which were made by EAF Switzerland, totalling 304,350 USD.

Details of grants made and recommended may be seen on the [Fund webpage](#).

### **Evaluation**

We collect systematic feedback on community-building and operations projects through surveys and interviews. We collect feedback on our research by submitting articles to journals & conferences and by requesting feedback on drafts of documents from relevant external researchers.

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<sup>3</sup> Additional published work is linked on our website, and in our [2023 fundraiser post](#) on the Effective Altruism Forum

## Trustees' report (continued)

For the period ended 31 December 2022

### Plans for 2023

#### **Research**

The Causes of Conflict Research Group plans the following work streams:

- Evaluating Large Language Models: We will continue building on our work on evaluating LLMs that we started in 2022. As well as publishing our existing results, we plan to scope an agenda for assessing cooperation-relevant capabilities.
- Cooperation-related interventions: We will continue our evaluations of cooperation-related interventions started in 2022, aiming to decide which interventions to prioritise for further development. In parallel, we will continue developing content for an overseer's manual for AI systems.
- S-risk macro strategy: A number of researchers on the team will continue spending some of their time thinking about s-risk prioritization more generally, such as the value of alternative research priorities to AI conflict.

Other researchers at CLR will continue their work on Evidential Cooperation in Large Worlds, and strategy-related qualitative modelling.

#### **Community-building**

At the end of 2022, we planned the following community-building activities for 2023:

- Hosting another S-risk Intro Fellowship and Summer Research Fellowship
- Continuing our coaching meetings and calls
- Hosting another S-risk Retreat
- Creating learning resources for people interested in s-risk research
- Evaluating new activities related to disseminating research ideas

#### **Grantmaking**

In 2023, we plan to continue evaluating grant opportunities through the [CLR Fund](#), both to recommend grants to EAF Switzerland and to make grants ourselves.

### FINANCIAL REVIEW

#### **Result for the period**

The results for the period are shown in the statement of the financial activities on page 12. During the period, the Charity received donations and other income totalling of £3,375,082. The cost of raising funds for the period totalled £3,154. Expenditure on charitable activities of £1,717,793. The result for the period ended 31 December 2022 was a surplus of £1,654,134.

The balance of the unrestricted reserves as at 31 December 2022 was £1,535,347 and restricted reserves £118,787.

#### **Funding**

CLR is funded by grants from several charitable foundations in the UK and overseas, and by donations from individual donors.

CLR maintains one restricted fund, the CLR Fund, for the purpose of grant making. Donors may make unrestricted gifts to CLR, or gifts to the CLR Fund specifically.

#### **Reserves policy**

CLR's policy is to always maintain a minimum of at least 3 months' operating expenses in its own bank accounts, which equates to a target of approximately £430,000 based on spending in 2022. At 31 December 2022, the bank balance (approximately £805,000) less liabilities (approximately £108,000) exceeded this target. As an additional target, CLR'S policy is to always retain at least 6 month's operating expenses including receivables, committed funding and funds earmarked for CLR held with regranteeing partners. This target was also exceeded on 31 December 2022.

## **Trustees' report (continued)**

For the period ended 31 December 2022

### **Going concern**

At the time of writing, it has 10 months of reserves based on the current planned rate of expenditure, including receivables. The trustees are satisfied that the Charity will be able to meet its liabilities for at least a period of 12 months following the end of the accounting period. They therefore consider the state of CLR's finances to be satisfactory and consider it appropriate to prepare the financial statements on a going concern basis.

### **Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for the 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 "Accounting and Reporting by Charities; Statement of recommended practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for maintaining proper accounting records which 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed/constitution. 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.

The trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

This report was approved by the trustees and signed on their behalf by:

Max Marian Daniel

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**Max Marian Daniel**

Trustee

Date: 2023 / 10 / 30

## **Independent auditor's report to the Trustees of Center on Long-term Risk**

For the period from 7 July 2021 to 31 December 2022

### **Opinion**

We have audited the financial statements of Center on Long term Risk for the period ended 31 December 2022, which comprise the Statement of financial activities, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2022 and of its result for the period 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 Charities Act 2011.

### **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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 the report.

### **Other information**

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

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

## **Independent auditor's report to the Trustees of Center on Long-term Risk**

For the period from 7 July 2021 to 31 December 2022

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report, is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement on page 7, the Trustees 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement director 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 Charity through discussions with management and from our knowledge and experience of the Charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the Charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management and review of minutes of trustees' meetings.



## Independent auditor's report to the Trustees of Center on Long-term Risk

For the period from 7 July 2021 to 31 December 2022

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 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; and
- reviewed journal entries to identify 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:

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

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 Trustees 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 31 October 2023

## Statement of financial activities

For the period from 7 July 2021 to 31 December 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
<b>Income from:</b>				
Donations	3	3,256,238	118,787	3,375,025
Other income	4	56	-	56
<b>Total income</b>		<b>3,256,294</b>	<b>118,787</b>	<b>3,375,081</b>
<b>Expenditure on:</b>				
Raising funds	5	3,154	-	3,154
Charitable activities	6	1,717,793	-	1,717,793
<b>Total expenditure</b>	7	<b>1,720,947</b>	<b>-</b>	<b>1,720,947</b>
<b>Net income and net movement in funds</b>		<b>1,535,347</b>	<b>118,787</b>	<b>1,654,134</b>
<b>Reconciliation of funds:</b>				
Total funds at 31 December 2021		-	-	-
<b>Total funds at 31 December 2022</b>	14	<b>1,535,347</b>	<b>118,787</b>	<b>1,654,134</b>

This is the Charity's first period of activity since its formation.

All recognised gains and losses are included in the above statement of financial activities.

The notes on page 15 to 23 form part these financial statements.

## Statement of financial position

As at 31 December 2022

	Note	2022 £	2022 £
<b>Fixed Assets</b>	<b>11</b>		<b>569,634</b>
<b>Current assets</b>			
Debtors	<b>12</b>	<b>277,973</b>	
Cash at bank and in hand		<b>914,356</b>	
		<b>1,192,329</b>	
<b>Creditors: Amounts falling due within one year</b>	<b>13</b>	<b>(107,829)</b>	
		<b>1,084,500</b>	
<b>Net current assets</b>			<b>1,084,500</b>
<b>Total assets less current liabilities</b>			<b>1,654,134</b>
<b>Charity funds</b>			
Unrestricted funds	<b>14</b>		<b>1,535,347</b>
Restricted funds	<b>14</b>		<b>118,787</b>
Total funds			<b>1,654,134</b>

The financial statements were approved by the trustees on 30 October 2023

and signed on their behalf by:

*Max Daniel*

.....

**Max Marian Daniel**  
**Trustee**

## Statement of cash flows

As at 31 December 2022

	2022 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities		1,522,330
Cash flows from investing activities:		
Purchase of Fixed Assets	<u>(607,975)</u>	
Net cash provided by investing activities		<u>(607,975)</u>
Change in cash and cash equivalent in the period		914,355
Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period		<u><u>914,355</u></u>
		£
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>		
Net income for the reporting period (as per the statement of financial activities)		1,654,134
Assets received as donation		(48,612)
Depreciation charges		44,941
Loss on the sale of fixed assets		42,012
Increase in debtors		(277,973)
Increase in creditors		107,828
<b>Net cash provided by operating activities</b>		<u><u>1,522,330</u></u>

The notes on pages 15 to 23 form part of these financial statements.

## Notes to the financial statements

For the period ended 31 December 2022

### 1. General information

Center on Long-term Risk ('the Charity') is a charitable incorporated organisation (CIO), not having share capital, and is incorporated in England and Wales. The Charity registration number is 1195079. Its registered office is in 3<sup>rd</sup> Floor, Block C, Imperial Works Perren Street, London NW5 3ED.

### 2. Accounting Policies

#### 2.1 Basis of preparation of financial statements

These accounts have been prepared for the period from 7 July 2021 to 31 December 2022. The period is more than 12 months due to this being the Charity's first accounting period since registration.

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the financial reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), 'The financial reporting standard applicable in the UK and Republic of Ireland ('FRS' 102)' and the Charities Act 2011.

The Charity continues as public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

#### 2.2 Critical accounting estimates and areas of judgement

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies.

The following principal accounting estimates and judgements have been applied:

- The estimate of the useful economic lives attributed to tangible fixed assets
- The estimate of the value ascribed to donated assets
- The method used for apportioning indirect costs across different expenditure headings
- The judgement made as to whether the accounts should be prepared on a going concern basis (see 2.3 below)

#### 2.3 Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due.

## Notes to the financial statements (continued)

For the period ended 31 December 2022

### 2.4 Fund accounting

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets their criteria is charged to the fund.

Unrestricted general funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the Charity.

### 2.5 Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably, and it is probable that income will be received. Grants and donations received for the general purposes of the Charity are included as unrestricted funds; grants and donations for activities restricted by the wishes of the donor are taken to restricted funds. Donated assets are initially recognised at an estimate of its carrying value at the time of transfer.

### 2.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party or 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 included in the accounts on an accruals basis and includes attributable VAT, which cannot be recovered.

Expenditure is allocated to the particular activity on a direct basis or by allocation based on the level of direct expenditure relating to that activity.

Expenditure comprises the following:

- a. The costs of charitable activities comprise expenditure related to the Charity 's primary charitable purposes. Such costs include:
  - General overhead costs
  - Related support costs
- b. The cost of raising funds comprises expenditure related to the Charity' expenses in relation to raising funds for the Charity. Such costs include:
  - Related support costs
- c. Support costs are the costs associated with the governance arrangements of the Charity and the general running of the Charity. Included within this category are costs associated with the strategic management of the Charity's activities as opposed to day-to-day management. Support costs are allocated on the basis of time spent of these activities.

## Notes to the financial statements (continued)

For the period ended 31 December 2022

### 2.8 Tangible fixed assets

Capitalisation policy of the Charity is that items over £1,000 in individual value are capitalised.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Building improvements	-	25% on straight line
Fixtures and fittings	-	25% on straight line
IT equipment	-	25% on straight line

### 2.9 Debtors

Trade and other debtors are recognised at the settlement amount, less any provisions for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### 2.10 Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisitions.

### 2.11 Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### 2.12 Taxation

Center on Long-term risk is a registered Charity and therefore is not liable to income tax or corporation tax on come derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 2.13 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires managements to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the period end and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from these estimates.

The Trustees believe that there are no areas involving significant estimation, uncertainty or the application of significant judgement.

**Notes to the financial statements (continued)**

For the period ended 31 December 2022

**3. Donations & legacies**

	Unrestricted fund	Restricted fund	Total fund
	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022
	£	£	£
Donations	18,774	-	18,774
Grants	3,184,160	118,787	3,302,947
Gift Aid income	4,693	-	4,693
Grants from EAF group – Donation in Kind(Note 17)	48,611	-	48,611
	<b>3,256,238</b>	<b>118,787</b>	<b>3,375,025</b>

**4. Other income**

	Unrestricted fund	Restricted fund	Total fund
	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022
	£	£	£
Other income	56	-	56
	<b>56</b>	<b>-</b>	<b>56</b>

**5. Raising funds**

	Unrestricted fund	Restricted fund	Total fund
	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022
	£	£	£
Allocated staff cost (note 7)	3,154	-	3,154
	<b>3,154</b>	<b>-</b>	<b>3,154</b>



**Notes to the financial statements (continued)**

For the period ended 31 December 2022

**6. Expenditure on charitable activities**

	Unrestricted fund	Restricted fund	Total fund
	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022	Period from 7 July 2021 to 31 December 2022
	£	£	£
Grants (note 8)	4,878		4,878
Other expenditure on charitable activities (note 7)	1,712,915	-	1,712,915
	<b>1,717,793</b>		<b>1,717,793</b>

**7. Analysis of total expenditure**

	Raising funds (note 5)	Charitable activities (note 6)	Total funds
	£	£	£
Staff Costs (Note 16)	3,154	878,823	881,977
Grants (Note 8)	-	4,878	4,878
Travel & Accommodation	-	110,943	110,943
Staff Welfare expenses	-	68,562	68,562
Contractors' expenses	-	56,542	56,542
Other professional services	-	3,923	3,923
Insurance	-	3,197	3,197
Rent & Maintenance expenses	-	237,934	237,934
Immigration	-	5,308	5,308
Bank fees	-	9,132	9,132
Furnishings under £1000	-	10,937	10,937
Telephone, Printing & Stationery	-	25,791	25,791
Software expenses	-	75,681	75,681
IT equipment under £1000	-	6,374	6,374
Events	-	61,643	61,643
Other operational expenses	-	8,230	8,230
Depreciation	-	44,942	44,942
Loss on disposal of assets	-	42,012	42,012
Bank Revaluations	-	5,057	5,057
Unrealised Currency Gains	-	412	412
Realised Currency Gains	-	(153)	(153)
<b>Total support costs</b>	<b>3,154</b>	<b>1,660,168</b>	<b>1,663,322</b>
<b>Governance cost</b>			
Legal fees	-	39,109	39,109
Audit fees	-	10,000	10,000
Accounting fees	-	8,516	8,516
<b>Total charitable activities</b>	<b>-</b>	<b>57,625</b>	<b>57,625</b>
<b>Total Expenditure</b>	<b>3,154</b>	<b>1,717,793</b>	<b>1,720,947</b>

**Notes to the financial statements (continued)**

For the period ended 31 December 2022

**8. Grants**

	Unrestricted fund Period from 7 July 2021 to 31 December 2022	Restricted fund Period from 7 July 2021 to 31 December 2022	Total fund Period from 7 July 2021 to 31 December 2022
	£	£	£
Scholarship awarded to Individual	4,878	-	4,878
	<u>4,878</u>	<u>-</u>	<u>4,878</u>

**9. Auditors' remuneration**

	Period from 7 July 2021 to 31 December 2022 £
Audit fee	10,000
	<u>10,000</u>

**10. Trustees' remuneration**

No trustees received any emoluments for their services as trustees during the period. Reimbursement of expenses incurred by Trustees are disclosed in Note 17.

**11. Tangible Fixed Assets**

	Building Improvements £	Fixtures and Fittings £	IT Equipment £	Total £
<b>Cost</b>				
Additions	567,354	22,798	17,823	607,975
Donated Assets	8,711	22,702	17,198	48,611
Disposal	(16,218)	(22,702)	(17,198)	(56,118)
<b>At 31 December 2022</b>	<u>559,847</u>	<u>22,798</u>	<u>17,823</u>	<u>600,468</u>
<b>Depreciation</b>				
Charge for the period	29,325	7,458	8,159	44,942
Disposals	(4,132)	(5,676)	(4,300)	(14,108)
<b>At 31 December 2022</b>	<u>25,193</u>	<u>1,782</u>	<u>3,859</u>	<u>30,834</u>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<u>534,654</u>	<u>21,016</u>	<u>13,964</u>	<u>569,634</u>

**Notes to the financial statements (continued)**

For the period ended 31 December 2022

**12. Debtors**

	2022
	£
Other debtors	252,141
Prepayments	25,832
	<u>277,973</u>

**13. Creditors**

	2022
	£
Trade creditors	60,575
Taxation and social security	964
Accruals	46,290
	<u>107,829</u>

**14. Analysis of Movement in Funds**

	Unrestricted fund Period from 7 July 2021 to 31 December 2022 £	Restricted fund Period from 7 July 2021 to 31 December 2022 £	Total fund Period from 7 July 2021 to 31 December 2022 £
Income	3,256,294	118,787	3,375,081
Expenditure	(1,720,947)	-	(1,720,947)
<b>Balance as at 31 December 2022</b>	<u>1,535,347</u>	<u>118,787</u>	<u>1,654,134</u>

- The restricted fund relates to CLR Fund which is used to make grants to organisations and individuals working to advance CLR's priorities, for example supporting independent researchers.

**15. Analysis of assets between funds**

	Unrestricted fund £	Restricted fund £	Total fund £
Tangible fixed assets	569,634	-	569,634
Current assets	1,073,542	118,787	1,192,329
Current liabilities	(107,829)	-	(107,829)
<b>Balance as at 31 December 2022</b>	<u>1,535,347</u>	<u>118,787</u>	<u>1,654,134</u>

**Notes to the financial statements (continued)**

For the period ended 31 December 2022

**16. Analysis of staff costs**

	Raising funds	Charitable activities	Total fund
	2022	2022	2022
	£	£	£
Salaries	2,735	757,790	760,525
Employer's national insurance	285	83,002	83,287
Employer's pension contributions	134	38,031	38,165
<b>Total staff costs</b>	<b>3,154</b>	<b>878,823</b>	<b>881,977</b>

The number of employees whose remuneration (including taxable benefits but excluding employer's pension contributions) was £60,000 or more during the year were as follows:

	2022
£60,000 - £70,000	1
£70,000 - £80,000	-
£80,000 - £90,000	1
£90,001 - £100,000	1
	<u>3</u>

The average number of staff during the period of report (on a head count basis) was 15.

The key management personnel comprise of the trustees and the senior management team, who have the authority and responsibility for planning, directing and controlling the activities of the Charity, under the guidance of the trustees. Total salary given to key management personnel during the period was £245,564. Trustees are not remunerated for their services.

**17. Related Parties**

During the reporting period the following transactions occurred with related parties:

Unrestricted donations and grants totalling £2,731,439 were received from related parties during the reporting period.

The Charity reimbursed out of pocket expenses incurred by trustees in carrying out their duties on behalf of the Charity during the reporting periods as follows:

- A total of £6,983 of travel expenses were met relating to 4 trustees.
- £115 of computing expenses were met relating to 1 trustee.
- £67 for food expenses were met relating to 1 trustee.
- £108 for office supplies were met relating to 1 trustee.

No amounts were due to these trustees at period end.

## Notes to the financial statements (continued)

For the period ended 31 December 2022

### 16. Related Parties (continued)

#### Donation in kind:

A research project previously operated by Effective Altruism Foundation (“EAF Switzerland”) was taken over by Center on Long-term Risk, and the physical assets used by the former in relation to this project were also transferred to the Charity on 31 December 2021 as part of this arrangement.

The carrying values of the assets transferred were as follows:

	<b>2022</b>
	<b>£</b>
Building Improvements	<b>8,711</b>
Furniture & non-IT equipment over £1000	<b>22,702</b>
IT equipment over £1000	<b>17,198</b>
Total	<b>48,611</b>

An equivalent amount has been recorded within income from donations, effectively reflecting the receipt of donated assets, and the above amounts have been taken to equal the deemed cost of the relevant assets for these accounts. There were no other related party transactions during the period of report.

### 18. Commitments under operating lease

As at 31 December 2022, the Charity has future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2022</b>
	<b>£</b>
Not later than 1 year	<b>388,094</b>
Later than 1 year and not later than 5 years	<b>323,412</b>
Total	<b>711,506</b>