

Center on Long-term Risk

Annual report and financial statements

For the year ended 31 December 2023

Charity registration number: 1195079

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 8
Independent auditors' report	9 – 11
Statement of financial activities	12
Comparative statement of financial activities	13
Statement of financial position	14
Statement of cash flow	15
Notes to the financial statements	16 - 27

Reference and administrative details

For the year ended 31 December 2023

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

Trustees' report

For the year ended 31 December 2023

The trustees present their annual report together with the financial statements of Center on Long-term Risk ('the Charity') for the year ended 31 December 2023.

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, 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.

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, Lead Researcher until August 2023, Executive Director from August 2023.
- Emery Cooper, Lead Researcher, until August 2023.
- Harry Day, Director of Operations, From June 2024.
- Amrit Sidhu-Brar, Director of Operations, From March 2023 until June 2024.
- Stefan Torges¹, Director of Operations, until June 2023.

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.

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.

¹ In June 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 year ended 31 December 2023

Trustees

The trustees who served during the year were:

- Tobias Baumann (appointed on 1 December 2021)
- Max Marian Daniel (appointed on 13 September 2021)
- Linh Chi Nguyen (appointed on 18 January 2022)
- Stefan Torges (appointed on 2 July 2023)
- Jonas Emanuel Vollmer (appointed on 7 July 2021)
- Ruairi May Donnelly – Chair (appointed on 07 July 2021 and resigned 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/. CLR provides advice to these organisations, including making grant recommendations, but does not provide funding to them.

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.

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

Trustees' report (continued)

For the year ended 31 December 2023

- 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 year.

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.
- S-risk macrostrategy: 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 learning about our research field, research progress, and exchange of knowledge.
- Providing mentoring, coaching and scholarships.

CLR also aims to make grants to support research efforts outside our organisation. 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 grantmaking 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.

Trustees' report (continued)

For the year ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE

Detailed strategic report

The below sections provide an overview of CLR's aims, activities and achievements in 2023, and plans for 2024. Further detail on these topics is available in our [2023 annual review post](#) on the Effective Altruism Forum.

Achievements during the year

Research

CLR's primary research focus relates to understanding how we can prevent AI systems from engaging in catastrophic conflict. In 2023, we have made research progress on:

- [Commitment races](#) and [safe Pareto improvements](#)
- Paths to implementing [surrogate goals](#)
- Conflict-prone dispositions
- Evaluations of large language models

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

- Publication in online forums of relevant research communities, for example:²
 - Macé, Clifton, Kollin; [Open-minded updatelessness](#)
 - Macé, DiGiovanni, Clifton; [Making AIs less likely to be spiteful](#)
 - DiGiovanni, [Responses to apparent rationalist confusions about game / decision theory](#)
- Presentation at academic conferences and workshops, alongside publication to online preprint servers:
 - Mukobi, Erlebach, Lauffer, Hammond, Chan and Clifton; [Welfare Diplomacy: Benchmarking Language Model Cooperation](#)
 - DiGiovanni, Clifton, Macé: [Safe Pareto Improvements for Expected Utility Maximizers in Program Games](#)
- 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 2023, we undertook the following activities aimed at strengthening and supporting the community of people engaged or interested in s-risk research:

- In February-March 2023, we ran an s-risk Intro Fellowship with 24 participants. This is an online workshop series intended to help participants learn about CLR's thinking on our research topics.
- In summer 2023, we ran a Summer Research Fellowship, where 10 Fellows joined our team as interns for two months, to carry out a research project supervised by an experienced mentor.
- We conducted coaching and advising calls with individuals, and invited several people to visit our offices to talk to our team.

² Additional published work is linked on [our website](#), and in our [2023 annual review post](#) on the Effective Altruism Forum

Trustees' report (continued)

For the year ended 31 December 2023

Grantmaking

We operate the [CLR Fund](#) to support research in our priority areas. In 2023, the Fund made three such grants totalling £31,533. We also recommended a further four grants which were made by EAF Switzerland, totalling £63,900.

Illustrative grants included:

- A teaching buy-out to allow an academic to spend more time focussed on their research on the topic of Cooperative AI
- A travel grant to support an independent researcher to spend time in London collaborating with other researchers in the field.

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.

Plans for 2024

Research

CLR's research team plans the following major projects for 2024:

- Producing, and soliciting external input on, an "overseer's manual" for the overseers of advanced AI systems, with advice for preventing their systems from locking in catastrophic bargaining policies.
- Research into the systematic evaluation of Large Language Models (LLMs) for conflict-conductive properties. In 2024 we also plan to produce an empirical research agenda to guide CLR's ongoing work in this area.

Beyond these two priority areas, we will continue to conduct more exploratory research.

Community-building

In late 2023, we hired a Community Manager to lead our community-building efforts. Our plans for 2024 include:

- Refreshing the strategy for our community-building activities
- Hosting our annual Summer Research Fellowship
- Hosting at least one s-risk Intro Fellowship
- Continuing our coaching meetings and calls with people interested in s-risk research
- Running talks and workshops at relevant conferences

Grantmaking

In 2024, we plan to continue evaluating grant opportunities through the [CLR Fund](#), both to make grants ourselves, and to recommend grants to EAF Switzerland.

Trustees' report (continued)

For the year ended 31 December 2023

FINANCIAL REVIEW

Result for the year

The results for the year are shown in the statement of the financial activities on page 12. A result for the comparative period, which covered the period 7 July 2021 to 31 December 2022, is included at page 13. During the year, the Charity received donations and other income totalling of £3,043,328 (2022: £3,375,082). The cost of raising funds for the year totalled £11,338 (2022: £3,154) and expenditure on charitable activities of £1,996,398 (2022: £1,717,793). The result for the year ended 31 December 2023 was a surplus of £1,035,592 (2022: £1,654,134).

The balance of the unrestricted reserves as at 31 December 2023 was £2,561,682 (2022: £1,535,347) and restricted reserves £128,044 (2022: £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 grantmaking. 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, at current budget rates, in its own bank accounts. This equates to a target of approximately £532,000 based on our 2024 budget.
- A minimum of 6 months' operating expenses including receivables, committed funding and funds earmarked for CLR held with regranteeing partners. We also aim to increase this to 12 months over time. This equates to a target of between £1,410,000 and £2,820,000 based on our 2024 budget.

As of 31 December 2023, our bank balance (£2,070,934) less liabilities (£45,235) and restricted funds (£128,044) exceeded both targets.

Going concern

At the time of writing, the Charity has over 12 months of reserves based on the current planned rate of expenditure, including receivables and funds earmarked for CLR held with regranteeing partners, meeting the target set in the reserves policy. The trustees 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.

Trustees' report (continued)

For the year ended 31 December 2023

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 Daniel

Max Marian Daniel

Trustee

Date: 2024 / 10 / 28

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

For the year ended 31 December 2023

Opinion

We have audited the financial statements of Center on Long term Risk for the year ended 31 December 2023, which comprise the Statement of financial activities, the Comparative 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 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 and Financial Statements, 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 year ended 31 December 2023

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 year ended 31 December 2023

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. 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:

Statement of financial activities

For the year ended 31 December 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income from:				
Donations	3	2,991,074	40,790	3,031,864
Other income	4	11,464	-	11,464
Total income		3,002,538	40,790	3,043,328
Expenditure on:				
Raising funds	5	11,338	-	11,338
Charitable activities	6	1,964,865	31,533	1,996,398
Total expenditure	7	1,976,203	31,533	2,007,736
Net income and net movement in funds		1,026,335	9,257	1,035,592
Reconciliation of funds:				
Total funds at 31 December 2022		1,535,347	118,787	1,654,134
Total funds at 31 December 2023	14	2,561,682	128,044	2,689,726

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

The notes on page 16 to 27 form part these financial statements.

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

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

The notes on page 16 to 27 form part these financial statements

Statement of financial position

As at 31 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets	11		287,611		569,634
Current assets					
Debtors	12	376,416		277,973	
Cash at bank and in hand		2,070,934		914,356	
		2,447,350		1,192,329	
Creditors: amounts falling due within one year	13	(45,235)		(107,829)	
		2,402,115		1,084,500	
Net current assets			2,402,115		1,084,500
Total assets less current liabilities			2,689,726		1,654,134
Charity funds					
Unrestricted funds	14		2,561,682		1,535,347
Restricted funds	14		128,044		118,787
Total funds			2,689,726		1,654,134

The financial statements were approved by the trustees on 2024 / 10 / 28 and signed on their behalf by:

Max Daniel

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Max Marian Daniel
Trustee

Statement of cash flows

As at 31 December 2023

	2023	2023	2022	2022
	£	£	£	£
Cash flows from operating activities				
Net cash provided by operating activities	A	1,166,095		1,522,330
Cash flows from investing activities:				
Purchase of fixed assets		<u>(9,517)</u>	<u>(607,975)</u>	
Net cash provided by investing activities		(9,517)		(607,975)
Change in cash and cash equivalent in the year/period		1,156,579		914,356
Cash and cash equivalents at the beginning of the year/period		914,356		-
Cash and cash equivalents at the end of the year/period		<u>2,070,934</u>		<u>914,356</u>
			£	£
Reconciliation of net income to net cash flow from operating activities		2023	2022	
Net income for the reporting year/period (as per the statement of financial activities)		1,035,592		1,654,134
Assets received as donation		-		(48,612)
Depreciation charges		290,517		44,941
Loss on the sale of fixed assets		1,022		42,012
Increase in debtors		(98,443)		(277,973)
(Decrease)/ increase in creditors		(62,593)		107,828
Net cash provided by operating activities		<u>1,166,095</u>		<u>1,522,330</u>
			£	£
Analysis of cash and cash equivalents				
Cash at bank and in hand		2,070,934		914,356
Net cash provided by operating activities		<u>2,070,934</u>		<u>914,356</u>

The notes on pages 16 to 27 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2023

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 3rd Floor, Block C, Imperial Works Perren Street, London NW5 3ED.

2. Accounting Policies

2.1 Basis of preparation of financial statements

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 year ended 31 December 2023

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 year ended 31 December 2023

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

The Charity has given notice to give up the lease on its current office space at the end of 2024. For this reason, depreciation on building improvements and fixtures and fittings which will not be retained by the charity after giving up the lease, has been accelerated effective from 1st January 2023, on an accelerated straight-line basis to reach zero net book value at the end of 2024.

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.

3. Donations & legacies

	Unrestricted fund Year to 31 December 2023 £	Restricted fund Year to 31 December 2023 £	Total fund Year to 31 December 2023 £
Donations	8,904	-	8,904
Grants	2,979,963	40,790	3,020,753
Gift Aid income	2,207	-	2,207
	2,991,074	40,790	3,031,864

Notes to the financial statements (continued)

For the year ended 31 December 2023

	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
	<u>3,256,238</u>	<u>118,787</u>	<u>3,375,025</u>

4. Other income

	Unrestricted fund Year to 31 December 2023	Restricted fund Year to 31 December 2023	Total fund Year to 31 December 2023
	£	£	£
Other income	11,464	-	11,464
	<u>11,464</u>	<u>-</u>	<u>11,464</u>

	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
	<u>56</u>	<u>-</u>	<u>56</u>

Notes to the financial statements (continued)

For the year ended 31 December 2023

5. Raising funds

	Unrestricted fund Year to 31 December 2023	Restricted fund Year to 31 December 2023	Total fund Year to 31 December 2023
	£	£	£
Allocated costs (note 7)	11,338	-	11,338
	11,338	-	11,338

	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
	£	£	£
Allocated cost (note 7)	3,154	-	3,154
	3,154	-	3,154

6. Expenditure on charitable activities

	Unrestricted fund Year to 31 December 2023	Restricted fund Year to 31 December 2023	Total fund Year to 31 December 2023
	£	£	£
Grants (note 8)	2,471	31,533	34,004
Other expenditure on charitable activities (note 7)	1,962,394	-	1,962,394
	1,964,865	31,533	1,996,398

	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
	£	£	£
Grants (note 8)	4,878		4,878
Other expenditure on charitable activities (note 7)	1,712,915	-	1,712,915
	1,717,793	-	1,717,793

Notes to the financial statements (continued)

For the year ended 31 December 2023

7. Analysis of total expenditure

	Raising funds (note 5) Year to 31 December 2023	Charitable activities (note 6) Year to 31 December 2023	Total Funds Year to 31 December 2023
	£	£	£
Staff Costs (Note 16)	6,826	930,593	937,419
Grants (Note 8)	-	34,004	34,004
Travel & Accommodation	4,512	55,784	60,296
Staff Welfare expenses	-	49,798	49,798
Contractors' expenses	-	31,108	31,108
Other professional services	-	6,120	6,120
Insurance	-	6,438	6,438
Rent & Maintenance expenses	-	441,025	441,025
Immigration	-	18,338	18,338
Bank fees	-	6,927	6,927
Furnishings under £1000	-	7,441	7,441
Telephone, Printing & Stationery	-	12,977	12,977
Software expenses	-	55,289	55,289
IT equipment under £1000	-	2,333	2,333
Events	-	4,315	4,315
Other operational expenses	-	4,805	4,805
Depreciation	-	290,517	290,517
Loss on disposal of assets	-	1,022	1,022
Bank Revaluations	-	1,265	1,265
Realised Currency Gains	-	(166)	(166)
	11,338	1,959,933	1,971,271
Governance cost			
Legal fees	-	18,781	18,781
Audit fees	-	10,400	10,400
Accounting fees	-	7,284	7,284
	-	36,465	36,465
Total expenditure	11,388	1,996,398	2,007,736

Notes to the financial statements (continued)

For the year ended 31 December 2023

7. Analysis of total expenditure (continued)

	Raising funds (note 5) Period from 7 July 2021 to 31 December 2022 £	Charitable activities (note 6) Period from 7 July 2021 to 31 December 2022 £	Total Funds Period from 7 July 2021 to 31 December 2022 £
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	-	5,507	5,507
Unrealised Currency Gains	-	412	412
Realised Currency Gains	-	(153)	(153)
	<u>3,154</u>	<u>1,660,168</u>	<u>1,663,322</u>
Governance cost			
Legal fees	-	39,109	39,109
Audit fees	-	10,000	10,000
Accounting fees	-	8,516	8,516
	<u>-</u>	<u>57,625</u>	<u>57,625</u>
Total Expenditure	<u>3,154</u>	<u>1,717,793</u>	<u>1,720,947</u>

Notes to the financial statements (continued)

For the year ended 31 December 2023

8. Grants

	Unrestricted funds Year to 31 December 2023 £	Restricted funds Year to 31 December 2023 £	Total funds 31 December 2023 £
Scholarships awarded to individuals	2,471	-	2,471
Grants from the CLR Fund (see note 14)	-	31,533	31,533
	2,471	31,533	34,004

	Unrestricted funds Period from 7 July 2021 to 31 December 2022 £	Restricted funds Period from 7 July 2021 to 31 December 2022 £	Total funds Period from 7 July 2021 to 31 December 2022 £
Scholarship awarded to Individual	4,878	-	4,878
	4,878	-	4,878

9. Auditors' remuneration

	Year to 31 December 2023 £	Period from 7 July 2021 to 31 December 2022 £
Audit fee	10,800	10,000
	10,800	10,000

10. Trustees' remuneration

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

Notes to the financial statements (continued)

For the year ended 31 December 2023

11. Fixed assets

	Building improvements £	Fixtures and fittings £	IT equipment £	Total £
Cost				
At 1 January 2023	559,847	22,798	17,823	600,468
Additions	1,900	5,518	2,099	9,517
Disposal	-	-	(1,450)	(1,450)
At 31 December 2023	561,747	28,316	18,472	608,535
Depreciation				
At 1 January 2023	25,193	1,782	3,859	30,834
Depreciation charge for the year	140,015	6,653	4,132	150,800
Impairment charge	139,717	-	-	139,717
Disposals	-	-	(427)	(427)
At 31 December 2023	304,925	8,435	7,564	320,924
Net book value				
At 31 December 2023	256,822	19,881	10,908	287,611
At 31 December 2022	534,654	21,016	13,964	569,634

An impairment charge has been recognized in reflection of the decision taken to vacate the charity's current leasehold premises on 31 December 2024. No other significant costs are expected in relation to the decision to vacate the property.

12. Debtors

	2023 £	2022 £
Other debtors	266,263	252,141
Prepayments	110,153	25,832
	376,416	277,973

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	10,450	60,575
Accruals	9,913	46,290
Taxation and social security	21,014	964
Other creditors	3,858	-
	45,235	107,829

Notes to the financial statements (continued)

For the year ended 31 December 2023

14. Analysis of Movement in Funds

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total fund 2023 £
Balance as on 1 January 2023	1,535,347	118,787	1,654,134
Income	3,002,538	40,790	3,043,328
Expenditure	(1,976,203)	(31,533)	(2,007,736)
Balance as at 31 December 2023	2,561,682	128,044	2,689,726

- 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 2023 £	Restricted fund 2023 £	Total fund 2023 £
Tangible fixed assets	287,611	-	287,611
Current assets	2,319,306	128,044	2,447,350
Current liabilities	(45,235)	-	(45,235)
Balance as at 31 December 2023	2,561,682	128,044	2,689,726

	Unrestricted fund 2022 £	Restricted fund 2022 £	Total fund 2022 £
Tangible fixed assets	569,634	-	569,634
Current assets	1,073,541	118,787	1,192,329
Current liabilities	(107,829)	-	(107,829)
Balance as at 31 December 2023	1,535,347	118,787	1,654,134

16. Analysis of staff costs

	Raising funds 2023 £	Charitable activities 2023 £	Total fund 2023 £
Salaries	5,693	825,576	831,269
Employer's national insurance	666	93,276	93,942
Employer's pension contributions	467	11,741	12,208
Total staff costs	6,826	930,593	937,419

Notes to the financial statements (continued)

For the year ended 31 December 2023

Analysis of staff costs (continued)

	Raising funds 2022 £	Charitable activities 2022 £	Total fund 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
Total staff costs	3,154	878,823	881,977

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

	2023	2022
£60,000 - £70,000	6	1
£70,000 - £80,000	2	-
£80,000 - £90,000	1	1
£90,001 - £100,000	-	1
	9	3

The average number of staff during the year of report (on a pro-rata basis for part-time employees) was 12.7 (2022 - 9).

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 year (including taxable benefits, pension contributions and employer's national insurance) was £264,068 (2022 - £296,844). Trustees are not remunerated for their services.

17. Related Parties

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

Unrestricted donations and grants totalling £1,631,234 (2022 - £2,731,439) were received from related parties during the reporting period.

The following amounts of trustees' expenses were covered in 2023:

- £24 (2022 - £115) of computing expenses relating to 1 trustee
- £7.99 (2022 - £67) of food expenses relating to 1 trustee.

No amounts were due to trustees at year end (2022 - £nil).

£2,813 of travel expenses and £2,231 of accommodation expenses were met in 2023 (2022 - no such reimbursement) for a volunteer who was also the romantic partner of a Lead Researcher. The expenses were met to enable the volunteer's activities providing research mentorship to Fellows as part of the charity's Summer Research Fellowship program.

Notes to the financial statements (continued)

For the year ended 31 December 2023

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:

	2023	2022
	£	£
Building Improvements	-	8,711
Furniture & non-IT equipment over £1000	-	22,702
IT equipment over £1000	-	17,198
Total	<u>-</u>	<u>48,611</u>

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 (2022 – no other).

18. Commitments under operating lease

As at 31 December 2023, the Charity has future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	417,047	388,094
Later than 1 year and not later than 5 years	-	323,412
Total	<u>417,047</u>	<u>711,506</u>