

COOPERATIVE AI FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



COOPERATIVE AI FOUNDATION
(A company limited by guarantee)

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COOPERATIVE AI FOUNDATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	A Dafoe, Chair D Amodei R Donnelly G Hadfield E Horvitz
Company registered number	13485176
Charity registered number	1201294
Registered office	Courtenay House Pynes Hill Exeter EX2 5AZ
Key management personnel	L Hammond (Research Director) D Norman (Managing Director) M Virgo (People and Operations Manager)
Independent auditors	Griffin Chartered Accountants Courtenay House Pynes Hill Exeter EX2 5AZ

COOPERATIVE AI FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Objectives and activities

a. Policies and objectives

The Cooperative AI Foundation's (henceforth, "CAIF") charitable objectives are as follows:

1. To advance education and research for the public benefit, in particular (but not exclusively) by promoting and supporting research into artificial intelligence ("AI") and related fields, with a focus on cooperative intelligence in the context of AI systems, and to disseminate the useful results of such research.
2. To promote the preservation and protection of the safety and health of the public by promoting the use, development and regulation of AI systems in ways that are safe for the public.

"Cooperative intelligence" refers to methods for achieving or enhancing cooperation (with other AI systems and/or with humans). In what follows, we provide a more detailed description of how these objectives inform our organisational strategy and activities.

b. Vision

As progress in AI continues and AI systems are deployed increasingly widely, the cooperative intelligence of such systems will become increasingly important. On the one hand, coordination failures could lead to catastrophic consequences; on the other hand, better tools to help humans coordinate could enable us to solve many of our biggest challenges.

CAIF's vision is of a future in which humanity has a strong understanding of cooperative intelligence as it applies to AI systems. This understanding is put into practice, so that AI systems improve our collective ability to overcome cooperative challenges and the worst cooperation failures involving AI are avoided. Cooperative AI becomes a large, diverse, and thriving research field, central to the creation, deployment, and governance of AI systems. CAIF serves this field as a hub, enabling the research community to better address the most important problems. Cooperative AI anticipates, and is compatible with, the advent of AI systems that surpass human intelligence, contributing to a flourishing future for all.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and activities (continued)

c. Strategy

We aim to achieve this by supporting research and practice that has the potential to improve the cooperative intelligence of advanced AI for the benefit of all. We also promote ideas from cooperative AI, so that decision-makers and others with influence understand the importance of our field, its research is put into practice, and the benefits shared.

Our strategy can be broken down into: a) helping produce research; and b) helping to disseminate (or otherwise put into practice) such research. Cooperative AI is still an emerging field in 2023, so the priority is research production and this is reflected in the balance of CAIF's work.

In producing and funding research, we engage with the world's leading experts on these topics, increasing both the volume of work in this area and its relevance to the most important problems (from the perspective of public safety). This involves researchers from academia, industry, other non-profits, and governments, with a 2023 focus on academia in line with our goal of helping to build the foundations of the field.

d. Current goals

Our 2023 goals prioritised building the field of cooperative AI and CAIF's stability:

1. Run flagship events and projects that strengthen the field of cooperative AI
2. Increase CAIF's grantmaking for promising research in cooperative AI
3. Assemble a group of competent and mission-aligned people working to build the field of cooperative AI, both within CAIF's core team and through a wider network.

These goals all contribute directly to CAIF's first organisational objective (advancing education and research in cooperative AI). They also lay the foundations for CAIF's second organisational objective (preservation and protection of the safety and health of the public in relation to AI systems) through building the field of cooperative AI, with a focus on the field's contributions to AI safety and the application of research to enable this.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and activities (continued)

e. Activities undertaken to achieve objectives

Flagship Events and Projects

We ran four major events and projects in 2023, all aiming to strengthen the field of cooperative AI:

- A workshop on AI for institutions in April, which CAIF ran alongside the Collective Intelligence Project. We convened around 25 international participants from top universities and companies. The event led to the launch of the AI for Institutions website, hosting proposals (project cards) for further work in this area, as well as plans for further workshops and a summary report.
- An academic retreat for senior cooperative AI researchers in July. This helped refine research priorities for the field and capacity building priorities for CAIF, and strengthened collaborative connections between leaders in academia and corporate AI labs.
- A summer school for promising early career researchers with an interest in cooperative AI. This aimed to increase the number of researchers in the field and gave them a grounding in the fundamentals of cooperative AI research. We published the lecture videos from the event to support others considering this career path.
- A cooperative AI contest, held at the world's largest AI conference (NeurIPS) in December. CAIF collaborated with Google DeepMind and MIT to create the Melting Pot Contest, which encouraged researchers to push the boundaries of multi-agent reinforcement learning by developing agents that engage in cooperative behaviour while pursuing their own goals.

CAIF also advised in preparations for the AI Safety Summit held in the UK in November 2023, developing good connections with both the UK and the US AI Safety Institutes. We helped build the field through a number of public (or later made public) talks, such as at NeurIPS 2024, the New Orleans Alignment Workshop, the Foresight Institute, the London Initiative for Safe AI, and the Metagovernance Project.

Grantmaking

2023 saw CAIF's grantmaking rising rapidly, with new grant approvals for awards totalling the equivalent of £1,811,577. These grants support leading researchers in cooperative AI at some of the world's top academic institutions, including Harvard, Stanford, Berkeley, Washington, Cornell, and Bonn.

We also completely revised our grantmaking process and put out our first grant call under the new system at the end of 2023. The streamlined process enables four grant calls per year, with internal, external, and then Grantmaking Committee reviews of applications all aligned with CAIF Board meetings to facilitate rapid approval or requests for revisions from promising applicants. Our due diligence process and communications with applicants have also been improved.

We decided to focus on our core cooperative AI grantmaking capacity in 2023. Possible investments in scholarships, field-building grants (such as support for others' workshops), and minor grants (such as for travel or small ad hoc costs) will be considered in future years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Objectives and activities (continued)

Building the Team and Network

We hired a People and Operations Manager and a Program Manager in 2023, both essential roles in building up CAIF's systems, our team, and our grantmaking. We extended our informal circle of advisors through conversations with leading researchers around the cooperative AI retreat; some of these leaders in the field will take on official advisory roles in 2024.

CAIF's Chief Operating Officer left the organisation in May 2023. We took the opportunity to create a new Executive team, recruiting a new Managing Director who started in November 2023. CAIF's acting Executive Director became our Research Director. The MD and RD now lead CAIF jointly, working with our Board to Trustees to set strategic priorities and budget, overseeing the delivery of CAIF's activities and the management of finances and risk, and representing CAIF through our outreach and partnerships.

Activity	Status (On 31 Dec 2023)	Goal(s)
Run a workshop on AI for institutions	Complete	1
Run a cooperative AI retreat	Complete	1
Run a cooperative AI summer school	Complete	1
Run A cooperative AI contest	Complete	1
Refine CAIF's grantmaking process	Complete	2
Increase CAIF grant disbursements	Complete	2
Create a fellowships program	On Hold	2
Hire a People and Operations Manager, Program Manager, and Managing Director	Complete	3
Hire a Partnerships/Events Manager	In Progress	3
Build a circle of advisors	In Progress	3

f. Volunteers

CAIF solicited expert volunteer advice from senior researchers when reviewing grant applications, and our Board members are all volunteers. Otherwise we did not work with a significant number of volunteers during 2023.

COOPERATIVE AI FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

a. Main achievements of the Company

CAIF's major milestones in 2023:

- Made grant commitments totalling £1,811,577 to support cooperative AI research at leading universities, exceeding our target of USD £1.18 million.
- Transformed our grantmaking process to enable a rapid cycle of four grant rounds per year
- Ran an AI for Institutions workshop for around 25 participants from multiple countries
- Ran a cooperative AI retreat for around 30 leading researchers in the field
- Ran a cooperative AI summer school for around 50 early career researchers
- Ran the Melting Pot cooperative AI contest, in partnership with MIT and Google DeepMind, at NeurIPS, the world's largest AI conference
- Recruited and onboarded CAIF's People and Operations Manager, Program Manager, and Managing Director
- Secured income of £1,948,409 as the 2023 tranche within a four year commitment of £8.95 million from Polaris Ventures.

b. Measuring success

In 2023, CAIF tracked our success primarily through metrics of successful completion of activity. This is appropriate for a new organisation supporting the early development of a nascent research field. Success of our events, such as our cooperative AI retreat and summer school, and the AI for Institutions workshop, encompasses the smooth running of the projects, productivity of the discussions, and contributions to strengthening the cooperative AI field. We track these through participant surveys (covering subjective experience as well as outcomes of the events) and through review meetings afterwards.

We began refining CAIF's theory of change in late 2023. This enables a more systematic approach to monitoring results: we have identified specific pathways to change that CAIF prioritises, for example in the areas where we believe CAIF has greatest potential to contribute to building our field. This will be the basis for our outcome and impact measurement from 2024 onwards, and will also enable us to prioritise work in new areas for CAIF including outreach, partnerships, and public policy engagement

c. Investment policy and performance

CAIF's reserves are held in cash. We do not currently invest in interest bearing accounts or make other investments to generate income.

COOPERATIVE AI FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance (continued)

d. Future plans

i. Fund Priority Research Production and Application

We have developed a new short-cycle grantmaking process and call for proposals with quarterly deadlines throughout the year. Subject to an assessment of their potential for impact, we plan to allocate further funding via fellowship schemes. We will also explore opportunities for project-specific grants in which CAIF takes a more active role (such as further cooperative AI contests or workshop support), and allocating a small proportion of our funding to minor grants. In total, we expect to commit to new research funding totalling up to £1.57 million in 2024, depending on the availability of high quality proposals aligned with CAIF's mission.

ii. Strengthen the Cooperative AI Community

Our research will contribute to setting an agenda for the field, and we will complement this by convening conversations among the field's leaders to reach agreement on theories of change, priority open questions, and research roadmaps to define pathways for making progress. To support this agenda setting and help make other connections across the field, we will host a further retreat for leading researchers in cooperative AI in the summer of 2024. CAIF will set up a resource hub for the community, producing materials such as bibliographies, curricula, or summaries for external audiences. We will also explore opportunities for resourcing partnerships, potentially focused on co-funding, provision of computing resources, or talent exchange.

We will also strengthen our work on increasing the flow of new research talent into cooperative AI. We will run our popular summer school again, and will make resources from this available to people not able to attend in person. We will connect with other organisations running courses (on AI safety or AI governance, for example) and offer modules on cooperative AI to be included in these. We will also engage with organisations helping people make impactful early career choices, and will consider communicating the opportunity to work in cooperative AI more directly with the early career audience, for example through podcast appearances.

iii. Increase Cooperative AI Influence in AI Governance and Safety

We will increase CAIF's work to bring insights from cooperative AI to inform decision-making in governments and in major tech companies. Our starting point will be the new AI Safety Institutes in the US and UK: we will build on initial conversations, drawing on analysis from our new multi-agent risks report (see next subheading), and will work towards more substantive opportunities to contribute research on evaluations for cooperative capabilities. We will take a similar approach with company labs, looking to establish the relevance of cooperative AI for them as a basis for moving on to more practical collaboration, again potentially on evaluations.

We will convene and promote a network of experts from the field, aiming to broker influencing opportunities for them through our policy contacts. CAIF-hosted workshops at global AI conferences will be one route for promoting their work, and will aim to demonstrate the relevance of cooperative AI to others outside the field. Our work on curriculum development will not only aim to encourage early career researchers to join our field, but will also promote the central insights of cooperative AI with others on different but potentially influential career paths. We will position cooperative AI as an impactful opportunity for other funders, and will position CAIF and our advisors to help funders target the most promising work in this field. We will also make a modest increase in our more broadly focused including online seminars, seeking to amplify our targeted influencing and outreach efforts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance (continued)

iv. Produce and Disseminate Influential Research

We will launch a flagship report on “Multi-Agent Risks from Advanced AI”. The report is intended as a broad reference for the field, accessible to both expert researchers and policymakers. It aims to establish the relevance of multi-agent risks for those with broader concerns; clarify why these risks are different from well-studied problems in single-agent settings; and outline potential pathways forward for the field and for related policy areas. Other planned research papers include a report on the Melting Pot Contest at NeurIPS 2023. We expect to do further work on defining cooperative intelligence, setting boundaries for the field and clarifying the distinctive contributions of cooperative AI, which in turn will help clarify roles in partnerships with others in adjacent fields working on cooperation. We will take a leading role in research that either produces, or supports the production of, evaluations of LLMs for cooperative capabilities and ‘dispositions’. CAIF research staff will also make contributions on cooperative AI via other research collaborations.

Financial review

a. Going concern

The Trustees consider that there are no material uncertainties about the charity’s ability to continue as a going concern.

b. Reserves policy

Cooperative AI Foundation aims to hold a minimum of 3 months’ of general operating costs at any time which is approximately £25,000. On 31 December 2023, the Charity is holding £3,605,905 of unrestricted cash funds, which is adequate to meet this policy.

c. Financial statement

The Statement of Financial Activities shows total income received for the period to 31 December 2023 of £1,970,726 (2022: £2,423,943) with total expenditure for the year of £2,345,257 (2022: £91,509), to generate a deficit of £374,531 (2022: £2,332,434 surplus). Therefore, the charity has closing reserves of £2,084,607 (2022: £2,459,138) which is way in excess of its reserve policy.

Structure, governance and management

a. Constitution

Cooperative AI Foundation is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

COOPERATIVE AI FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Under CAIF's scheme of delegation, trustees set overall strategic direction, appoint members of the Executive Team, approve the main organisational policies, and make spending decisions above £200,000. Implementation of the strategic plan and day to day management are delegated to the Executive Team, currently comprising the Managing Director and Research Director, who jointly lead CAIF's staff team. A Grantmaking Committee (including external advisors) makes recommendations to trustees for approval or rejection of grant applications; the final decision on grants is made by trustees where a prospective grant exceeds £200,000, or by the Executive Team for grants of less than £200,000.

d. Policies adopted for the induction and training of Trustees

CAIF currently has no process for induction and training of trustees: the organisation is still led by our five founding trustees. We plan to recruit new board members in 2024, and induction and role expectations will be in place before new trustees start.

e. Pay policy for key management personnel

CAIF's compensation policy aims to ensure that we can attract and retain good team members regardless of where they live; that we value and reward positive impact; and that our broad salary bands keep up with inflation. Trustees set the salary of Executive Team members; other team members' salary is set annually by the Executive Team in line with the compensation policy.

Statement of Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COOPERATIVE AI FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Griffin, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on
06/16/2024 and signed on their behalf by:

Allan Dafoe

A Dafoe
Chair of Trustees

COOPERATIVE AI FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COOPERATIVE AI FOUNDATION

Opinion

We have audited the financial statements of Cooperative AI Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

COOPERATIVE AI FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COOPERATIVE AI FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements 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, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

COOPERATIVE AI FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COOPERATIVE AI FOUNDATION
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COOPERATIVE AI FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Laura Waycott FCA (Senior statutory auditor)

for and on behalf of Griffin
Courtenay House
Pynes Hill
Exeter
EX2 5AZ

Date: 6/8/24

Griffin are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

COOPERATIVE AI FOUNDATION
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds Period ended 31 December 2022 £</i>
	Note			
Income from:				
Donations and legacies	4	1,948,409	1,948,409	2,423,939
Charitable activities	5	21,393	21,393	-
Investments	6	924	924	4
Total income		<u>1,970,726</u>	<u>1,970,726</u>	<u>2,423,943</u>
Expenditure on:				
Charitable activities		2,345,257	2,345,257	91,509
Total expenditure		<u>2,345,257</u>	<u>2,345,257</u>	<u>91,509</u>
Net movement in funds		<u>(374,531)</u>	<u>(374,531)</u>	<u>2,332,434</u>
Reconciliation of funds:				
Total funds brought forward		2,459,138	2,459,138	126,704
Net movement in funds		(374,531)	(374,531)	2,332,434
Total funds carried forward		<u>2,084,607</u>	<u>2,084,607</u>	<u>2,459,138</u>

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

The notes on pages 19 to 33 form part of these financial statements.

COOPERATIVE AI FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 13485176

BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	2,554	778
		<u>2,554</u>	<u>778</u>
Current assets			
Debtors	13	15,429	2,263,484
Cash at bank and in hand		3,605,905	201,436
		<u>3,621,334</u>	<u>2,464,920</u>
Creditors: amounts falling due within one year	14	(1,539,281)	(6,560)
Net current assets		2,082,053	2,458,360
Total assets less current liabilities		<u>2,084,607</u>	<u>2,459,138</u>
Net assets excluding pension asset		<u>2,084,607</u>	<u>2,459,138</u>
Total net assets		<u><u>2,084,607</u></u>	<u><u>2,459,138</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		2,084,607	2,459,138
Total funds		<u><u>2,084,607</u></u>	<u><u>2,459,138</u></u>

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BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on
06/16/2024 and signed on their behalf by:

Allan Dafoe

A Dafoe
Chair of Trustees

The notes on pages 19 to 33 form part of these financial statements.

COOPERATIVE AI FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	3,407,183	74,299
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,714)	(1,038)
Net cash used in investing activities	(2,714)	(1,038)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	3,404,469	73,261
Cash and cash equivalents at the beginning of the year	201,436	128,175
Cash and cash equivalents at the end of the year	3,605,905	201,436

The notes on pages 19 to 33 form part of these financial statements

COOPERATIVE AI FOUNDATION
(A company limited by guarantee)

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

1. General information

Cooperative AI Foundation is a Charitable Company registered in England and Wales, registration number 13485176. The registered office is Courtenay House, Pynes Hill, Exeter, EX2 5AZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cooperative AI Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The directors confirm that, having considered their expectations and intentions for the next twelve months, and the availability of working capital, the company is a going concern.

2.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

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

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

COOPERATIVE AI FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Foreign currencies

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

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

Exchange gains and losses are recognised in the Statement of financial activities.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	25% straight-line
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2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

COOPERATIVE AI FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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

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

2.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Company operates a defined benefits pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 Fund accounting

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There were no estimates or assumptions that we considered to be significant.

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Grants	1,948,409	1,948,409

	<i>Unrestricted funds Period ended 31 December 2022 £</i>	<i>Total funds Period ended 31 December 2022 £</i>
Grants	2,423,939	2,423,939

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Event funding	21,393	21,393	-

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	924	924

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Investment income (continued)

	<i>Unrestricted funds Period ended 31 December 2022 £</i>	<i>Total funds Period ended 31 December 2022 £</i>
Investment income	4	4

7. Analysis of grants

	Grants to Institutions 2023 £	Grants to Individuals 2023 £	Total funds 2023 £
Grant disbursements	1,801,577	10,000	1,811,577

	<i>Grants to Institutions Period ended 31 December 2022 £</i>	<i>Total funds Period ended 31 December 2022 £</i>
Grant disbursements	12,750	12,750

During the year ended 31 December 2023, the following grant disbursements were made:

1. £10,000 to Akbir Khan
2. £110,044 to Massachusetts Institute of Technology
3. £194,277 to Cornell University
4. £176,713 to University of California
5. £293,158 to Harvard College
6. £308,855 to Carnegie Mellon University
7. £149,122 to University of Bonn
8. £176,713 to University of Washington
9. £392,695 to Stanford University

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable activities	354,771	1,811,577	178,909	2,345,257

	<i>Activities undertaken directly Period ended 31 December 2022 £</i>	<i>Grant funding of activities Period ended 31 December 2022 £</i>	<i>Support costs Period ended 31 December 2022 £</i>	<i>Total funds Period ended 31 December 2022 £</i>
Charitable activities	50,659	12,750	28,100	91,509

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2023 £	Total funds 2023 £
Staff costs	165,473	165,473
Events	148,313	148,313
Grantmaking	40,985	40,985
	<u>354,771</u>	<u>354,771</u>

	<i>Activities Period ended 31 December 2022 £</i>	<i>Total funds Period ended 31 December 2022 £</i>
Staff costs	41,197	41,197
Events	1,622	1,622
Grantmaking	1,320	1,320
Consulting	6,520	6,520
	<u>50,659</u>	<u>50,659</u>

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £	Total funds 2023 £
Depreciation	938	938
Recruitment costs	17,956	17,956
Advertising and marketing	1,136	1,136
IT costs	8,809	8,809
Accountancy	6,917	6,917
Insurance	1,195	1,195
(Gain)/loss of foreign transactions	75,637	75,637
Travel and subsistence	5,416	5,416
Entertainment	4,820	4,820
Office costs	597	597
Legal and professional fees	49,818	49,818
Governance costs	5,670	5,670
	178,909	178,909

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities Period ended 31 December 2022 £</i>	<i>Total funds Period ended 31 December 2022 £</i>
Depreciation	260	260
Recruitment costs	8,815	8,815
Web design	430	430
Advertising and marketing	2,534	2,534
IT costs	3,025	3,025
Accountancy	3,546	3,546
Insurance	360	360
(Gain)/loss of foreign transactions	(2,161)	(2,161)
Travel and subsistence	1,130	1,130
Entertainment	98	98
Governance costs	10,063	10,063
	<u>28,100</u>	<u>28,100</u>

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,670 (2022 - £5,400).

10. Staff costs

	<i>2023 £</i>	<i>Period ended 31 December 2022 £</i>
Wages and salaries	148,995	39,952
Social security costs	8,472	-
Contribution to defined contribution pension schemes	8,006	1,245
	<u>165,473</u>	<u>41,197</u>

COOPERATIVE AI FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	<i>Period ended</i> <i>31</i> <i>December</i> 2023 No.	<i>2022</i> <i>No.</i>
Average number of employees	5	3

No employee received remuneration amounting to more than £60,000 in either year.

The total employee benefits, including employers pension costs, of the key management personnel of the charity were £122,372 (2022 - £35,147). Key management personnel costs are significantly higher as the 2022 figure only represents a 6 month period. A Managing Director was also appointed in November 2023.

11. Trustees' remuneration and expenses

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2023	1,038
Additions	2,714
At 31 December 2023	3,752
Depreciation	
At 1 January 2023	260
Charge for the year	938
At 31 December 2023	1,198
Net book value	
At 31 December 2023	2,554
<i>At 31 December 2022</i>	778

13. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	28	51
Prepayments and accrued income	15,401	2,263,433
	15,429	2,263,484

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	5,727	128
Pension fund loan payable	8,118	1,032
Accruals and deferred income	1,525,436	5,400
	<u>1,539,281</u>	<u>6,560</u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
General funds	<u>2,459,138</u>	<u>1,970,726</u>	<u>(2,345,257)</u>	<u>2,084,607</u>

Summary of funds - prior year

	<i>Balance at 1 July 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2022 £</i>
General funds	<u>126,704</u>	<u>2,423,943</u>	<u>(91,509)</u>	<u>2,459,138</u>

COOPERATIVE AI FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,554	2,554
Current assets	3,621,334	3,621,334
Creditors due within one year	(1,539,281)	(1,539,281)
Total	<u>2,084,607</u>	<u>2,084,607</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	778	778
Current assets	2,464,920	2,464,920
Creditors due within one year	(6,560)	(6,560)
Total	<u>2,459,138</u>	<u>2,459,138</u>

COOPERATIVE AI FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(374,531)	2,332,434
Adjustments for:		
Depreciation charges	938	260
Decrease/(increase) in debtors	2,248,055	(2,262,634)
Increase in creditors	1,532,721	4,239
Net cash provided by operating activities	3,407,183	74,299

18. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	3,605,905	201,436
Total cash and cash equivalents	3,605,905	201,436

19. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	201,436	3,404,469	3,605,905
	201,436	3,404,469	3,605,905

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

20. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £8,006 (2022 - £1,245) and £4,635 (2022- £1,032) were payable to the fund at the balance sheet date and are included in creditors.

21. Related party transactions

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