

Registered number: 08565148
Charity number: 1162201

FOUNDERS PLEDGE LTD
Formerly Founders for Good Ltd
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

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FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees	V Bhargava D C Bonas R I Chapman L H L Ding N D Hutchinson P D Kimmelman (Resigned 22 July 2022) A McLoughlin (appointed 8 July 2022)
Company registered number	08565148
Charity registered number	1162201
Registered office	Runway East 20 St. Thomas Street London SE1 9RS
Chief executive officer	David Goldberg
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	Silicon Valley Bank 14-18 Finsbury Square London EC2A 1BR Hypovereinsbank Potsdamer Platz 10 10785 Berlin Germany Pictet Group Stratton House 6th Floor 5 Stratton Street London W1J 8LA

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Legal Advisor	Cooley UK LLP 69 Old Broad Street London EC2M 1 QS
Legal Advisors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Legal Advisor	Withers Worldwide 20 Old Bailey London EC4M 7AN
Legal Advisor	Taylor Vinters Tower 42, 33rd Floor 25 Old Broad Street London EC2N 1HQ
Legal Advisor	Watson, Farley & Williams 15 Appold St London EC2A 2HB

Trustees Report

For the year ended 31 December 2022

The Trustees present their annual report and strategic report, together with the audited financial statements for the year 1 January 2022 to 31 December 2022. This report is intended for Founders Pledge as a group comprising Founders Pledge Ltd (formerly Founders for Good Ltd), Founders Pledge Inc, and Founders Pledge gGmbH, and all references to the “group” are intended to refer to all three entities. The Trustees confirm that the Annual Report and financial statements of the group comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2019) as amended by the updates.

Administrative Details for Founders Pledge Ltd

Charity Number: 1162201

Company Number: 08565148

Trading Name: Founders Pledge

The Trustees of Founders Pledge Ltd are:

- Vikrant Bhargava (Chair)
- Dafna Ciechanover Bonas
- Robert Ian Chapman
- Luke Hsi Lin Ding
- Neil David Hutchinson
- Andrew McLoughlin

All Trustees can be reached via the principal office address of Founders Pledge Ltd: Runway East, 20 St Thomas Street, London SE1 9RS.

Strategic Report

Mission, Vision and Model

Founders Pledge's mission is to empower entrepreneurs to do immense good. Our vision is that the value created by technology benefits those who need it most. We work to achieve this by helping our members become more informed and strategic philanthropists. The steps on this journey are:

1. **Pledge** - members commit a portion of their current or future wealth to charity.
2. **Connect** - we provide opportunities to collaborate with each other and learn from experts.
3. **Learn** - we provide philanthropic advice and in-depth charity research so that members can maximise the impact of their donations.
4. **Give** - we facilitate members' donations, providing a global Donor Advised Fund and end-to-end giving infrastructure.

Our Achievements

In 2022 we guided \$66m in grants to end user charities and our thematic funds of which \$26m was granted to our recommended high impact funding opportunities (HIFO), and welcomed 80 new members who pledged a total of \$1.26bn. This is against our objectives of moving \$30m to HIFO and adding \$1bn in pledge value.

Member Journey

We continued to have good engagement from our members in 2022. We fine-tuned the member experience across every stage of their journey, improving our products and services to be more robust, efficient and future-proof, such as:

- Combining many of our products and services into a single digital product - a Member App from which members can make contributions to their Donor Advised Fund, make grants to end-user charities, and see their giving history;
- Creating optimal member journeys to maximise member engagement to and within our philanthropic advisory service, allowing our team to deliver a quality, values-aligned service more efficiently;
- Standardising our charity evaluation process, increasing research specialisation across cause areas and expanding our relationships with research partners, such as GiveWell, Open Philanthropy, Charity Entrepreneurship, and the Happier Lives Institute, enabling us to source recommendations more rapidly;
- Refining our global grantmaking infrastructure to support a sustainable, consistent, seamless service based on industry best practice;
- Launching the Global Catastrophic Risks (GCR) Fund, which will tackle threats posed by the likes of pandemics, great power conflict, AI, nuclear disaster, and frontier military and civilian technologies.

We continue to make efforts to increase diversity within our membership, and we work consciously to diversify attendees of and speakers at our events.

Research & Advisory

Identifying the most effective charities to solve the world's most pressing problems is a challenging but critical element of our work. During 2022, our researchers continued to identify new high impact funding opportunities (HIFO). We have 49 recommendations with the ability to absorb productively up to \$2.3 billion in funding. Our advisors continued to support our members in building tailored giving portfolios, informed by the latest charity research. With our values-based approach, our advisors guided members through big questions and helped them articulate the core values that underpinned their giving.

We also trialled a new concept of working in a high-touch, bespoke way with an UHNW on a joint research agenda which resulted in £11.1m of grants. The experiment was deemed to be a success so we extended the experiment through into 2023 by signing up two additional UHNWs.

Patient Philanthropy Fund

2022 marked the first anniversary of the Patient Philanthropy Fund (PPF), a first of its kind fund designed to safeguard and improve the future of humanity. In 2022 the PPF invested just under \$2 million into an Index Fund. These funds will be disbursed during especially pivotal moments (for

example, when there is a major opportunity to protect our future or respond to an existential catastrophe that threatens it). In June 2022, the Fund (known by the Charity Commission as 'the linked charity') was formally registered as part of Founders Pledge ('the reporting charity'). This means that, in future, PPF can be separated out as a stand-alone charity; until then its governance, financial management, audit and all other operational issues are managed by Founders Pledge.

Future Plans

We will continue to focus on how we can leverage what matters most to our community and maximise every charitable dollar. In 2025, we want to be able to actively influence the granting of \$100m to our recommended charities (HIFO).

In 2023, on the path towards this goal, we plan to:

- Double the amount of money moved to HIFO from \$26m in 2022 to \$50m in 2023;
- Deliver a better giving experience for our community, through enhanced Donor Advised Fund offerings such as investment services and complex gift acceptance;
- Research cause areas and identify high-impact charities working in the areas of global catastrophic risk, climate, maternal and neonatal mortality, education, and scientific research;
- Bring our members even closer to the changes our high-impact charities are making around the world;
- Improve our website and Member App.

Fundraising

Support from FP's members and other generous donors drives our impact and ensures we can continue providing our members with: cutting-edge research and advisory services; events and programming to engage, challenge and inspire our community; our DAF and global giving infrastructure; and access to a community of impact-driven peers.

Our fundraising strategy centres around securing medium term commitments. Membership of the Foundry (major donors >\$250k for non-members, \$100k for members) requires a multi-year commitment, and Sustaining Partners (members donating >\$5k) is an annual giving programme for a larger pool of donors.

While we ended the year in a healthy financial position, 2022 was challenging from a fundraising perspective given the overall market conditions, in particular the impact on the tech sector. However, we secured several three-year Foundry-level gifts, which has ensured we have a solid fundraising foundation for 2023. We are doubling-down on requesting multi-year gift commitments, which allow us to plan ahead and create organisational stability.

Principal funding sources

Our principal funding sources are pledge fulfilment (when our donors become liquid and choose to put their pledged assets into one of the Founders Pledge Donor Advised Funds) and Opex gifts from members, other generous individuals, corporations and foundations for support of Founders Pledge's mission. Donations from our members supported 60% of our operating expenses in 2022.

Founders Pledge recognises the provisions of the Charities (Protection and Social Investment) Act 2016, and takes a responsible approach to its fundraising, ensuring that pledgers and potential pledgers are treated with respect. FP has not used any commercial fundraising partners or outsourced its fundraising activity. No complaints were received in respect of our fundraising operations.

Financial Review

Total income for the year was £53,702,104 (2021: £41,769,485), of which £5,756,041 (2021: £5,870,756) related to donations. Total expenditure for the year was £45,944,643 (2021: £35,637,551) of which £41,299,317 (2021: £31,979,692) related to grants.

Our main source of income over the period was pledge income from our members and donations from individuals and philanthropists. We are especially grateful for all the contributions received without which we will not be able to fulfil our objectives.

Our total funds at year-end were £34,881,441 (2021: £26,031,040) of which £24,293,099 were restricted (2021: £17,756,434) and £10,588,342 (2021: £8,274,606) were unrestricted.

Going Concern

It is our assessment that Founders Pledge has a strong foundation and will continue as a going concern. Founders Pledge Ltd intends to remain in operation beyond the foreseeable future. Discussion of increased and continued donations from our major donors is an ongoing process. As at 31 December 2022, our secured committed funds totalled \$16.7 million which equated to a runway of 25 months.

Despite the prevailing market conditions caused by global economic uncertainty, high interest rates and rising inflation, Founders Pledge ended 2022 in a strong financial position with 14 months' reserves cover (two months better than target). Founders Pledge successfully fundraised through the year, and anticipates sustaining its managed growth in operations during 2023. The cash position is being closely monitored by management on a monthly basis and quick action will be taken if there are indications of reduced reserve levels.

As a result, the Trustees confirm their assumptions that Founders Pledge is a going concern and that no significant uncertainty exists in this respect and the financial statements have been prepared on that basis.

Investment Policy

In 2022, the majority of our operational funds were held in cash, with a portion (\$1.75m) moved to a 12-month fixed term deposit account in December 2022.

Following the collapse of SVB in March 2023, and working closely with the Trustees and the Investment Committee, we developed a short-term investment plan. A new, longer-term financial arrangement will be in place by the summer of 2023.

Reserves Policy

In 2021, the management team set a policy to maintain a reserves target of 12 months cash at bank throughout the year, a reduction from 15 months during the COVID-19 pandemic, and 24 months runway target of cash at bank plus committed funding. We were able to maintain an average of 14 months throughout 2022 and ended 2022 with a runway figure of 25 months. We believe that these targets continue to be both important to track for our financial health as well as being set at the right level to provide assurance during continued difficult economic conditions. As at 31 December 2022, unrestricted cash reserves amounted to \$10.7 million, which would cover an estimated 14 months of operation.

In line with the Charity Commission's definition our free reserves stood at £10,565,183 which equates to our unrestricted funds excluding fixed assets.

Grant-Making Policy

The Philanthropic Services Team recommends grants for approval either to the Trustees or to those with delegated authority to approve on their behalf. The Philanthropic Services team conducts due diligence on the potential recipient and as part of the approval process it is ensured that any grants made are aligned with Founders Pledge's Charitable Purposes.

Stakeholder Considerations

Section 172 of the Companies Act 2006 requires the directors (Trustees) to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term

Our mission, vision and model, as set out above, have been carefully considered and selected as a long term strategy to meaningfully address some of the world's most pressing problems. The Board routinely reviews external factors that could have an impact on the success of the charity, and ensures that we have a suitable strategy in place to continue to be able to deliver on our charitable objectives in the long term.

The interests of the company's employees

The employees of the charity are critical to the success of our mission, and as such the Board gives ongoing consideration to ways in which we can ensure that employees are adequately supported in their roles. In 2022 we were able to get our average weekly engagement and welfare survey scores above the industry benchmark. The flexibility of this metric enables the Board and management to react quickly to any shifts or dips in factors contributing to culture and engagement to ensure the ongoing welfare of the team. Additionally, it was decided that given the cost of living crisis faced by our employees, we would use a portion of an underspend in our 'Salaries' budget line to provide a cost of living payment to all Founders Pledge employees, equal to £3,500 / €3,500 / \$4,000. This payment has been delivered in two instalments in December 2022 and March 2023.

The need to foster the company's business relationships with suppliers, customers and others

Relationships with our partners, suppliers and members are paramount to the success of the charity. A single point of contact is assigned to each partner, supplier or member of the Founders Pledge community so that we can ensure a seamless and efficient experience for those who the charity works alongside. Any concerns are appropriately escalated and swiftly addressed, and we continuously receive overwhelmingly positive feedback from those members of the community with whom we have been actively engaged.

The impact of the company's operations on the community and the environment

Founders Pledge recognises our responsibility to sustainability, and the impact of the charity's operations. A key focus since 2021 has been the growth of the Founders Pledge Climate Fund, which seeks to save lives that would otherwise be lost to air pollution, reduce energy poverty, and protect the planet for current and future generations.

The desirability of the company maintaining a reputation for high standards of business conduct

The Trustees take their responsibility for the reputation of the charity seriously, and consider the reputational and ethical repercussions of all decisions that are taken by the company. This not only covers strategic decisions, but also extends to the consideration of partnerships, and decisions made about suppliers or contractors.

The need to act fairly as between members of the company

The company is a company limited by guarantee, with the Trustees fulfilling the duties of members of the company. The company does not have shareholders. As such, all members have an equal responsibility and rights, and each member is considered equally through the company's decision-making process and actions.

Future Performance & Risks

In 2022 we appointed a new Risk & Compliance Manager and the Trustees approved a new Risk Management Strategy. Our strategy is to move towards a data-led and quantitative approach to risk management. Our aim is to ensure we are allocating resources as effectively as possible to manage and mitigate risks.

Factors likely to affect future financial performance

Overall, Founders Pledge mainly relies on both grant and individual funding to support its operations. The performance of the organisation, however, is measured both in how much money we can secure in committed pledge funds, as well as how many grants we make. The main factors in securing pledge commitments are: trust in Founders Pledge by the public and potential members, our members ability to benefit from tax relief, , the professionalism with which we can maintain our relationships with our members, and the ability of the team to meet with founders at our own events as well as external events. The main factors in maintaining donor support for our operations are: the effectiveness of the grants we make, our ability to report that the donors' money isn't better spent elsewhere, and our ability to influence the money our members donate for grants.

Principal Risks and Uncertainties

The Trustees have established a risk management policy for the Founders Pledge group. It sets out what we do to manage risk and who is accountable and responsible for risk management. The Trustees have overall accountability for risk management and they delegate responsibility to management for managing risk day-to-day. The Audit and Risk Committee supports the Trustees in exercising their duties by advising on the effectiveness of management action in response to risk.

Risk is reported on for the group as a whole, with any entity specific risks identified as appropriate. The Trustees review risk and receive reports from the Audit and Risk Committee at every meeting.

The Trustees have considered the principal risks and uncertainties of the Group and identified the following as the most significant risks for attention:

Risks & Uncertainties	How FP is managing the risk
Global Economic Climate High interest rates and the threat of recession continues to impact tech valuations and financing. The risk to FP is that this reduces Members' liquidity, which reduces their available funds, which then reduces our impact. This might then reduce our opex funding from donors. There is also a risk that it directly affects our donors and reduces their ability to fund our work.	<p>We have managed this risk throughout 2022 but we continue to be alert to the risk in 2023. The Trustees and Management regularly review the reserves and runway to ensure we are able to manage fluctuations in donor giving. This includes reporting on fundraising and the donor pipeline.</p> <p>We also monitor data on charitable giving from our Members to identify any trends that would indicate reductions in giving as a result of this risk.</p>
Loss of a High Value Member Losing a high value Member, specifically a Member who gives significant sums to our recommended HIFO, would reduce our impact, which then might reduce our funding from donors.	<p>We have prioritised actions to focus on Member services and their connection to Founders Pledge, including a new events programme, ongoing improvements to the Member App, and creating a new website.</p> <p>We monitor Member affinity and feedback and we also ensure we are capturing our impact to demonstrate the value we add to donors and funders.</p>
IT & Data Security If we had a major cyber attack and/or a significant data breach, there is a risk that we could face fines or penalties if we were found to have failed to protect personal data adequately. This would also damage our reputation with our Members and stakeholders.	<p>Ensuring the security of the data we hold is a top priority. We have invested in improving IT and data security over the last 12 months and we are continuing to prioritise internal projects that will make our data more secure. This includes ongoing work to ensure compliance with data protection good practice, and penetration testing of our key systems.</p>
Compliance with Laws & Regulations We operate across the globe and are committed to providing grants to the most effective charities wherever they operate. This increases the risk that we might breach laws or regulations, especially in our grantmaking, as we navigate the complexities of different charitable regulatory environments.	<p>We have detailed processes, including robust grantee due diligence, to mitigate the risk of breaching laws or regulations in our grantmaking. We also have 'Know Your Donor' processes to ensure we know the source of the money we receive.</p> <p>We have also invested in internal compliance resources, creating a new Risk & Compliance Manager post, and we have access to legal advisors to help us manage legal risks in our operations.</p>

This strategic report was approved by the Trustees in their capacity as company directors on 23 May 2023 and signed on their behalf by Vikrant Bhargava, Chair of Trustees.

[SIGNED] *Vikrant Bhargava*

Vikrant Bhargava

Trustees Report

Structure, Governance And Management

Founders Pledge Ltd has two wholly owned subsidiaries, each of which have their own governance structures:

- Founders Pledge Inc, a Delaware non-stock corporation which is a 501(c)(3) private foundation registered in the USA; and
- Founders Pledge gGmbH, a registered non-profit limited liability company in Germany.

As Founders Pledge Ltd has overall control, these are consolidated on a line by line basis.

Governing Document

Founders Pledge Ltd is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new Trustees

Founders Pledge recognises that an effective Board of Trustees is essential if the charity is to be effective in achieving its objects. The Board must seek to be representative of the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity. Individual Trustees must have sufficient knowledge, both of trusteeship in general and of the charity's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

Individuals who appear suitable candidates will be invited to attend individual meetings with existing Trustees and will receive further information regarding the role of being a Trustee. If, following this meeting, at least two Trustees wish to proceed the candidate will need to be approved by a two-thirds vote of existing Trustees/Board directors. New Board members are inducted via sharing a data-pack of relevant reading materials, after which a series of meetings are scheduled with CEO, COO and other key employees for briefing and Q&A.

Decision-Making

The Trustees focus on strategy, performance and assurance and delegate operational matters to the CEO and staff of Founders Pledge. Specific Trustee duties and delegations are set out in the Founders Pledge Signing Matrix. Trustees approve budgets, policies and remuneration proposals for the CEO. All Founders Pledge Ltd grants are reviewed by the Board and approvals are conducted by the Trustees or by senior staff according to the Founders Pledge Grant Approvals

Delegation framework. The Founders Pledge Signatory and Approvals Matrix document outlines where Trustees delegate approvals and signatory authority to staff members and at which thresholds. Staff proactively bring any decisions which incur medium to high level of risk to the Trustees for their oversight, and the Trustees regularly review the Founders Pledge risk register and make recommendations. The Founders Pledge Audit and Risk Committee also make recommendations to the Trustees to inform their decision making.

Pay policy for key management personnel

The Trustees consider and assess pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. The pay of the key management personnel is reviewed annually by the Trustees to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Objectives And Activities

Objectives and aims for the public benefit

The objects of the Charity are:

- to support the charitable sector by promoting and improving the efficiency and effectiveness of methods used to secure charitable resources, in particular (but not exclusively) by raising awareness among individuals involved in the digital business community;
- to advance the education of individuals and organisations working in technology, digital media and other digital industries as to the ways in which their business knowledge and experience could be used to improve the effectiveness of charities, in particular but not exclusively by:
 - the provision of training; and
 - the provision of educational programmes
- to further such purpose(s) which are exclusively charitable according to the law of England and Wales in such manner as the Trustees in their absolute discretion think fit.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The Charity carries out these objects through its charitable activities by:

- Running in person and virtual events for our members, with 173 in-person attendees during the year; we also ran three retreats hosting 89 members. Post-pandemic, we are experiencing increased engagement in our events and are scaling our in-person offering for 2023, as well as continuing with virtual programming. In 2023, we'll be offering three retreats and will be trialling new event formats such as Community Socials, virtual salon-style events on member giving journeys and field trip excursions.
- Making a significant number of grants: as at 31 December 2022, we and our members had made 2,522 grants, of which 30% were made in 2022. All time, we have moved \$52.1M to more than 70 high impact charities.
- Maintaining our ambition to grow our community of members and increase the pledge value of commitments.
- Continuing to expand our research expertise and publishing a number of reports, on topics ranging from Climate Change to Great Power Conflict, which are available online.

As at 31 December 2022, our members have committed around \$9.5bn to the charitable sector by signing a Founders Pledge pledge.

Statement of Trustees Responsibilities

The Trustees (who are also directors of Founders Pledge Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice (UK Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's articles of association. 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.

Disclosure of Information to Auditors

The Trustees reappointed Crowe UK LLP as their auditors for this accounting period. Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe UK LLP will therefore continue in office.

This report was approved by the Trustees in their capacity as company directors on 23 May 2023 and signed on their behalf by Vikrant Bhargava, Chair of Trustees.

[SIGNED]

Vikrant Bhargava

Vikrant Bhargava

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD

Opinion

We have audited the financial statements of Founders Pledge Ltd ('the charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated 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 group's and the charitable company's affairs as at 31 December 2022 and of the group's 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Group's or the parent 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.

FOUNDERS PLEDGE LTD
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Director's Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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 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.

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:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102) 2019 and the Internal Revenue Service for compliance with the local tax regulations in the United States of America. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing audit procedures over donation income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDERS PLEDGE LTD (CONTINUED)

material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 27 June 2023

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations	4	5,756,041	47,835,982	53,592,023	41,730,792
Other trading activities	5	109,768	-	109,768	38,239
Investments	6	313	-	313	454
Total income		5,866,122	47,835,982	53,702,104	41,769,485
Expenditure on:					
Raising funds	7	13,161	-	13,161	31,713
Charitable activities	8	4,632,165	41,299,317	45,931,482	35,605,838
Total expenditure		4,645,326	41,299,317	45,944,643	35,637,551
Net income before net gains on investments		1,220,796	6,536,665	7,757,461	6,131,934
Net gains on investments		4,099	-	4,099	6,251
Net income		1,224,895	6,536,665	7,761,560	6,138,185
Foreign exchange gains/(losses)		1,088,841	-	1,088,841	(34,140)
Net movement in funds		2,313,736	6,536,665	8,850,401	6,104,045
Reconciliation of funds:					
Total funds brought forward		8,274,606	17,756,434	26,031,040	19,926,995
Net movement in funds		2,313,736	6,536,665	8,850,401	6,104,045
Total funds carried forward		10,588,342	24,293,099	34,881,441	26,031,040

The notes on pages 22 to 42 form part of these financial statements.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08565148

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	23,159	20,136
Investments	14	1,245,348	-
		<u>1,268,507</u>	<u>20,136</u>
Current assets			
Debtors	15	471,162	1,030,487
Cash at bank and in hand		33,748,836	25,209,316
		<u>34,219,998</u>	<u>26,239,803</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(607,064)	(228,899)
		<u>33,612,934</u>	<u>26,010,904</u>
Net current assets			
		<u>34,881,441</u>	<u>26,031,040</u>
Net assets			
		<u>34,881,441</u>	<u>26,031,040</u>
Charity funds			
Restricted funds	18	24,293,099	17,756,434
Unrestricted funds	18	10,588,342	8,274,606
		<u>34,881,441</u>	<u>26,031,040</u>
Total funds			
		<u>34,881,441</u>	<u>26,031,040</u>

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 were approved and authorised for issue by the Trustees and signed on their behalf by:

Vikrant Bhargava

V Bhargava
Chair of Trustees
Date: 23 May 2023

The notes on pages 22 to 42 form part of these financial statements.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08565148

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	11,961	12,172
Investments	14	1,245,348	-
Current assets			
Debtors	15	929,807	641,232
Cash at bank and in hand		24,515,279	14,109,851
Current liabilities		25,445,086	14,751,083
Creditors: amounts falling due within one year	16	(378,780)	(273,848)
Net current assets		25,066,306	14,477,235
Net assets		26,323,615	14,489,407
Charity funds			
Restricted funds	18	21,034,660	11,566,779
Unrestricted funds	18	5,288,955	2,922,628
Total funds		26,323,615	14,489,407

The Company's net movement in funds for the year was £11,834,208 (2021 - £3,122,981).

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 were approved and authorised for issue by the Trustees and signed on their behalf by:

Vikrant Bhargava

V Bhargava
Chair of Trustees
Date: 23 May 2023

The notes on pages 22 to 42 form part of these financial statements.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	20	9,802,452	5,755,632
Cash flows from investing activities			
Dividends, interests and rents from investments		313	454
Purchase of tangible fixed assets		(21,996)	(13,014)
Proceeds from sale of investments		390,677	1,075,316
Purchase of investments		(1,631,926)	(859,706)
Net cash (used in)/provided by investing activities		(1,262,932)	203,050
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		8,539,520	5,958,682
Cash and cash equivalents at the beginning of the year		25,209,316	19,250,634
Cash and cash equivalents at the end of the year	21	33,748,836	25,209,316

The notes on pages 22 to 42 form part of these financial statements

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Founders Pledge Ltd is a charitable company, limited by guarantee, domiciled in England and Wales, company registration number 08565148 and charity registered number 1162201. The registered office is Runway East, 20 St Thomas Street, London, SE1 9RS.

The charity previously operated under the name Founders for Good Ltd however this was amended to Founders Pledge Ltd from 17 January 2023.

The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Founders Pledge Ltd meets the definition of a public benefit entity under FRS 102.

The financial statements consolidate the accounts of Founders Pledge Ltd and its subsidiary undertakings. The subsidiary charities, Founder Pledge Inc. and Founders Pledge GmbH have been included in the consolidation as Founders Pledge Ltd is deemed to have control as they are able to appoint the Trustees of the charities. The results of the subsidiaries have been consolidated on a line by line basis.

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

2.2 Going concern

Despite the prevailing market conditions caused by global economic uncertainty, high interest rates and rising inflation, Founders Pledge ended 2022 in a strong financial position with 14 months' reserves cover (two months better than target). Founders Pledge successfully fundraised through the year, and anticipates sustaining its managed growth in operations during 2023. The cash position is being closely monitored by management on a monthly basis and quick action will be taken if there are indications of reduced reserve levels.

As a result, the Trustees confirm their assumptions that Founders Pledge is a going concern and that no significant uncertainty exists in this respect and the financial statements have been prepared on that basis.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Income

All income is recognised once the group 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 Consolidated 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable. 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.

Costs of raising funds relates to activities that are intended to generate income.

Expenditure on charitable activities is allocated to the relevant charitable activities on a basis consistent with resources used against the strategic plan.

Governance costs relate to the governance of the group apportioned to charitable activities.

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.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 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 spot rate on the date of the transaction.

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

2.6 Taxation

As a charity the group is exempt from UK corporation tax to the extent that its income is applied to its charitable objects.

Founders Pledge Ltd is a VAT registered charity and therefore required to comply with VAT law. Quarterly VAT returns are submitted in arrears to HMRC.

2.7 Tangible fixed assets and depreciation

All items with a value over £1,000 are reviewed to identify if they are of a capital nature. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value on a straight line basis over their estimated useful lives.

Depreciation is provided on the following basis:

Office equipment	-	25%
Computer equipment	-	33%

Where any assets are impaired in value, provisions are made to reduce the book value on such assets to the recoverable amount.

2.8 Investments

Fixed asset investments are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

2.9 Financial instruments

The group 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.

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.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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.

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 Consolidated Statement of Financial Activities as a finance cost.

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.12 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 Group and which have not been designated for other purposes.

Restricted funds are donor funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Patient Philanthropy Fund (PPF) was set up during 2021. This is not a separate legal entity and is included within the charity's own results. This is a restricted fund and is treated as a special trust.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Critical accounting estimates and areas of judgement

Estimates and judgements 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 group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Income recognition

In applying the group's policy for income recognition the Trustees are required to consider the group's entitlement to the receipt of the income based on the terms of the 'pledge'. The applied accounting treatment is that of receipts, given the uncertainty of whether the funds would be received through Founders Pledge or whether the 'pledge' funds would be directed through a private foundation or other charity.

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Income from donations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	5,756,041	47,835,982	53,592,023	41,730,792
<i>Total 2021</i>	<i>5,870,756</i>	<i>35,860,036</i>	<i>41,730,792</i>	

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising event	109,768	109,768	10,435
DAF Fees	-	-	27,804
	109,768	109,768	38,239
<i>Total 2021</i>	<i>38,239</i>	<i>38,239</i>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	201	201	228
Dividend Income	112	112	226
	313	313	454
<i>Total 2021</i>	<i>454</i>	<i>454</i>	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Website	9,198	9,198	17,298
Travel and subsistence	3,189	3,189	4,759
Advertising	774	774	9,656
Total 2022	<u>13,161</u>	<u>13,161</u>	<u>31,713</u>
<i>Total 2021</i>	<u>31,713</u>	<u>31,713</u>	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable activities	4,632,165	41,299,317	45,931,482	35,605,838
<i>Total 2021</i>	<i>3,626,146</i>	<i>31,979,692</i>	<i>35,605,838</i>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	307,774	41,299,317	4,324,391	45,931,482	35,605,838
<i>Total 2021</i>	<i>222,724</i>	<i>31,979,692</i>	<i>3,403,422</i>	<i>35,605,838</i>	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Direct activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	3,836,295	3,836,295	2,624,582
Depreciation	18,973	18,973	26,593
Events costs	89,032	89,032	2,665
Freelance fees	114,250	114,250	18,199
Consultancy fees	13,600	13,600	10,654
IT costs	90,865	90,865	75,914
Staff training	14,956	14,956	3,657
Recruitment	5,051	5,051	13,574
Other staff costs	311,657	311,657	135,335
Support travel costs	6,616	6,616	592
Foreign exchange (gain)/loss	(605,688)	(605,688)	143,985
Audit and accountancy	19,816	19,816	36,162
Bank charges	26,118	26,118	18,546
Telephone and internet	3,066	3,066	2,918
Legal expenses	103,712	103,712	143,453
General office expenses	79,770	79,770	54,901
Property rent and other costs	114,117	114,117	63,721
Other costs	41,233	41,233	(1,329)
Governance costs	40,952	40,952	29,300
	<u>4,324,391</u>	<u>4,324,391</u>	<u>3,403,422</u>

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants	41,299,317	41,299,317	31,979,692
<i>Total 2021</i>	31,979,692	31,979,692	

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Name of institution

The Group has made the following material grants to institutions during the year:

	2022 £	2021 £
Action for Happiness	-	735,000
Alpenglow Group	756,900	-
Berkeley Existential Risk Initiative	-	1,160,244
Berkeley Risk and Security Lab	1,577,287	-
Center for Applied Rationality	-	1,949,733
Center for Human-Compatible AI (CHAI)	-	1,426,761
Centre for Effective Altruism (CEA)	-	2,691,242
Centre for Long-Term Resilience / Alpenglow	-	1,432,645
Clean Air Task Force (CATF)	-	971,517
Climate Change Fund	-	1,020,693
Climate Fund	-	2,994,467
EIDU	750,000	-
Emergent Ventures	828,514	-
HKI Vitamin A	750,000	-
Impact Challenge	-	726,970
M33	-	1,031,923
Ocean Conservancy Inc	-	872,364
Redwood Research	-	966,870
Sightsavers	750,000	-
Surgo Ventures UK	-	750,000
Teaching at the Right Level (TaRL) Africa	1,701,650	951,784
TerraPraxis	-	1,675,335
Ukraine TrustChain	1,000,000	-
We Help Ukrainians	1,200,000	-
Grants less than £645,000	31,984,966	10,622,144
	41,299,317	31,979,692

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the consolidated group accounts	18,240	16,550
Fees payable to the group's auditor in respect of:		
Audit of the US subsidiary	9,378	9,195
All non-audit services not included above	3,781	3,576
	<u>3,781</u>	<u>3,576</u>

12. Staff costs

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Wages and salaries	3,384,152	2,309,363	1,934,700	1,635,757
Social security costs	369,857	271,064	241,632	191,672
Contribution to defined contribution pension schemes	82,286	44,155	44,496	32,673
	<u>3,836,295</u>	<u>2,624,582</u>	<u>2,220,828</u>	<u>1,860,102</u>

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

	Group 2022	Group 2021
	No.	No.
Employees	43	29
Directors	11	11
	<u>54</u>	<u>40</u>

FOUNDERS PLEDGE LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	7	2
In the band £100,001 - £110,000	2	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	1
In the band £150,001 - £160,000	-	1
In the band £160,001 - £170,000	1	-

Total remuneration in respect of key management personnel was £1,261,851 (2021: £1,155,474).

During the year ended 31 December 2022, no Trustee received remuneration (2021: £nil) and no Trustee expenses have been incurred (2021: £nil).

FOUNDERS PLEDGE LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	20,873	86,427	107,300
Additions	-	21,996	21,996
Disposals	(20,379)	(8,635)	(29,014)
At 31 December 2022	<u>494</u>	<u>99,788</u>	<u>100,282</u>
Depreciation			
At 1 January 2022	19,427	67,737	87,164
Charge for the year	1,446	17,527	18,973
On disposals	(20,379)	(8,635)	(29,014)
At 31 December 2022	<u>494</u>	<u>76,629</u>	<u>77,123</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>23,159</u>	<u>23,159</u>
At 31 December 2021	<u>1,446</u>	<u>18,690</u>	<u>20,136</u>

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13. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	20,873	69,187	90,060
Additions	-	13,583	13,583
Disposals	(20,379)	(8,635)	(29,014)
At 31 December 2022	494	74,135	74,629
Depreciation			
At 1 January 2022	19,427	58,461	77,888
Charge for the year	1,446	12,348	13,794
On disposals	(20,379)	(8,635)	(29,014)
At 31 December 2022	494	62,174	62,668
Net book value			
At 31 December 2022	-	11,961	11,961
At 31 December 2021	1,446	10,726	12,172

14. Fixed asset investments

	Listed investments £
Group and Company	
Valuation	
Additions	1,631,926
Disposals	(390,677)
Revaluations	4,099
At 31 December 2022	1,245,348

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15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	53	37,810	53	35,000
Amounts owed by subsidiaries	-	-	495,356	18,432
Other debtors	17,717	8,521	9,726	6,593
Prepayments and accrued income	453,392	984,156	424,672	581,207
	471,162	1,030,487	929,807	641,232

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	74,139	572	51,091	322
Amounts owed to subsidiaries	-	-	24,761	73,254
Other taxation and social security	113,064	52,900	113,064	52,900
Other creditors	14,811	9,799	14,811	9,799
Accruals and deferred income	405,050	165,628	175,053	137,573
	607,064	228,899	378,780	273,848

Deferred income relates to a consultancy contract.

17. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through income and expenditure	1,245,348	-	1,245,348	-

Financial assets measured at fair value through income and expenditure comprise listed investments.

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18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds - all funds	8,274,606	5,866,122	(4,645,326)	1,092,940	10,588,342
Restricted funds					
Pledge fulfilment fund	17,756,434	47,835,982	(41,299,317)	-	24,293,099
Total of funds	26,031,040	53,702,104	(45,944,643)	1,092,940	34,881,441

Restricted funds

Pledge fulfilment fund represents pledges received from members where due diligence on a potential recipient has not been completed.

The Patient Philanthropy Fund (PPF)

The Fund was launched as a special trust within Founders Pledge Ltd in October 2021. The PPF is an FP-incubated grant-making vehicle which invests to give for maximum long-term impact.

The PPF takes a patient approach to philanthropy: it invests contributions until the time is optimal for it to make large grants aimed at improving the long-term future. This means that - in addition to identifying the highest-impact giving opportunities at any particular point in time - it aims to identify the point in time when the highest-impact opportunities are available, which may be years, decades, or even centuries ahead.

In accordance with its long-term strategy and purpose (and Charity Commission guidance), FFG is the sole trustee of the PPF. It has appointed and devolved all management responsibilities to a Management Committee (MC) consisting of purpose-aligned experts on timing of giving

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18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
Unrestricted funds						
General Funds - all funds	5,378,997	5,909,449	(3,657,859)	678,159	(34,140)	8,274,606
Restricted funds						
Pledge fulfilment fund	14,547,998	35,860,036	(31,979,692)	(678,159)	6,251	17,756,434
Total of funds	<u>19,926,995</u>	<u>41,769,485</u>	<u>(35,637,551)</u>	<u>-</u>	<u>(27,889)</u>	<u>26,031,040</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	23,159	-	23,159
Fixed asset investments	1,245,348	-	1,245,348
Current assets	9,926,899	24,293,099	34,219,998
Creditors due within one year	(607,064)	-	(607,064)
Total	<u>10,588,342</u>	<u>24,293,099</u>	<u>34,881,441</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	20,136	-	20,136
Current assets	8,483,369	17,756,434	26,239,803
Creditors due within one year	(228,899)	-	(228,899)
Total	8,274,606	17,756,434	26,031,040

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	7,761,560	6,138,185
Adjustments for:		
Depreciation charges	18,973	26,650
(Gain)/Loss on investments	(4,099)	6,251
Dividends and interest from investments	(313)	(454)
Decrease/(increase) in debtors	559,325	(391,126)
Increase in creditors	378,165	38,497
Foreign exchange losses	1,088,841	(62,821)
Net cash provided by operating activities	9,802,452	5,755,182

21. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	33,748,836	25,209,316
Total cash and cash equivalents	33,748,836	25,209,316

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22. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	25,209,316	8,539,520	33,748,836
	<u>25,209,316</u>	<u>8,539,520</u>	<u>33,748,836</u>

23. Operating lease commitments

At 31 December 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	103,271	-	50,784	-
Later than 1 year and not later than 5 years	201,665	-	175,392	-
	<u>304,936</u>	<u>-</u>	<u>226,176</u>	<u>-</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Operating lease rentals	113,067	-	60,580	-

24. Related party transactions

During the year ended 31 December 2022, donations and contributions totalling £1,224,309 (2021: £1,153,591) were received from Trustees and key management personnel (and their immediate relatives).

During the prior year, grants were made to Founders Pledge gGmbH totalling £86,145. This was a related party through the CEO of Founders Pledge Ltd who held a majority stake in the entity before donating to the group. No transactions occurred during 2022 and no balances were outstanding at either 31 December 2022 or 31 December 2021.

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25. Subsidiaries

Founders Pledge Inc.

The above charity is registered at 228 Park Ave S, PMB 71081, New York, New York 10003 in the United States of America, and is consolidated as control exists through the ability of Founders Pledge Ltd to appoint members of the Founders Pledge, Inc Board of Directors.

The financial results for the year translated to GBP (£) were:

	2022	2021
Income	19,218,051	21,401,629
Expenditure	23,007,660	19,322,300
Investment gains	542	6,252
(Loss)/Profit	(3,790,151)	2,079,328
Net assets	7,277,440	10,082,362

Amounts owed to Founders Pledge Inc. are included as a debtor in these accounts were £489,144 (2021: £17,422).

Founders Pledge gGmbH

The above charity is registered at Friedrichstr, 206, c/o e.ventures, 10969 Berlin, Germany, and was acquired on 4 December 2020. The entity was donated to the group by the sole shareholder for no cost and therefore is consolidated on the basis of ownership.

During the year a grant of £86,145 was awarded to Founders Pledge gGmbH from Founders Pledge Ltd.

The financial results for the year translated to GBP (£) were:

	2022	2021
Income	1,169,758	2,356,345
Expenditure	1,344,460	1,526,528
(Loss)/Profit	(174,702)	829,816
Net assets	1,290,129	1,412,512

Amounts owed from Founders Pledge gGmbH are included as a debtor in these accounts were £1,538 (2021: creditor of £74,840).

For both subsidiaries, the foreign exchange differences on consolidation are shown in the consolidated SOFA beneath the net income for the year.