

Effective Altruism Foundation
Annual Financial Statement 2018

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Preliminary remarks

The present financial statement of the Effective Altruism Foundation documents the financial year ended December 31, 2018.

The financial statement is composed of the balance sheet, the profit and loss statement, and an appendix.

All amounts are shown in Swiss francs (CHF).

Balance Sheet

Stiftung für **Effektiven Altruismus**

Bilanz

Effective Altruism Foundation

December 31, 2018 (31. Dezember 2018)

	CHF / 31.12.2017 (PY / Vorjahr)	CHF / 31.12.2018
Assets (Aktiven)		
<i>Current assets (Umlaufvermögen)</i>		
1002 Cash USD (Bargeld USD)	0	801
1020 Bank account CHF (Bankkonto CHF)	761,914	1,173,473
1021 Bank account EUR (Bankkonto EUR)	271,101	312,776
1022 Bank account USD (Bankkonto USD)	518,286	475,976
1023 Bank account GBP (Bankkonto GBP)	128,817	300,010
1024 Bank account EUR restricted (Bankkonto EUR restricted)	1,150	0
1026 Bank account GBP restricted (Bankkonto GBP restricted)	326,832	0
1029 Blocked bank account CHF (Sperrkonto CHF)	50,009	50,014
1040 Skrill balance (Skrill-Guthaben)	126,374	106,225
1042 Stripe balance CHF (Stripe-Guthaben CHF)	-1,369	922
1043 Stripe balance EUR (Stripe-Guthaben EUR)	1,136	0
1044 GoCardless balance EUR (GoCardless Guthaben EUR)	210	2,274
1045 PayPal balance CHF (PayPal-Guthaben CHF)	6,836	4,323
1046 PayPal balance EUR (PayPal-Guthaben EUR)	5,074	2,079
1047 PayPal balance USD (PayPal-Guthaben USD)	16,584	22,214
1048 PayPal balance GBP (PayPal-Guthaben GBP)	4,517	6,760
1051 CurrencyFair balance EUR (CurrencyFair-Guthaben EUR)	2,580	2,485
1192 Prepaid expenses webdomains (Geleistete Anzahlungen Webdomains)	412	722
1140 Other current receivables (Übrige kurzfristige Forderungen)	2,294	0
1300 Prepaid expenses (Transitorische Aktiven (Aufwand))	726	9,332
1301 Accrued revenue (Transitorische Aktiven (Ertrag))	1,029,394	1,553,154
Total Current Assets (Total Umlaufvermögen)	3,252,877	4,023,539
<i>Capital assets (Anlagevermögen)</i>		
1450 Deposits (Kautionen)	11,964	11,964
1510 Furniture & equipment (asset) (Mobiliar & Einrichtungen (Aktivum))	50,139	0
1519 Value adjustments on furniture & equipment (Wertberichtigungen Mobiliar & Einrichtungen)	-15,396	0
1520 IT & office machines (asset) (Informatik- & Büromaschinen (Aktivum))	33,855	49,571
1529 Value adjustments on IT & office machines (Wertberichtigungen Informatik- & Büromaschinen)	-18,389	-30,862
1700 Intangible fixed assets (Immaterielle Werte)	60	0
Total capital assets (Total Anlagevermögen)	62,233	30,673
Total assets (Total Aktiven)	3,315,110	4,054,212
Liabilities and equity (Passiven und Eigenkapital)		
<i>Current liabilities (Kurzfristiges Fremdkapital)</i>		
2050 Grants payable (Zuwendungen)	2,254,689	2,043,586
2060 EAF Fund	0	330,568
2070 Reserves Sentience Politics (Reserven Sentience Politics)	0	198,828
2071 Reserves WAS Research (Reserven WAS Research)	0	305,534
2100 Credit card account (Kreditkarte Kartenkonto)	26,735	13,050
2200 Value-added tax payable (Geschuldete Mehrwertsteuer)	0	24,810
2300 Accrued expenses (Transitorische Passiven (Aufwand))	5,338	22,534
Total current liabilities (Total kurzfristiges Fremdkapital)	2,286,762	2,938,910
<i>Equity capital (Eigenkapital)</i>		
Profit or loss (Jahreserfolg)	235,524	86,955
2800 Foundation capital (Stiftungskapital)	100,000	100,000
2970 Retained earnings (Saldovortrag (Gewinn-/Verlustvortrag))	692,823	928,348
Total equity capital (Total Eigenkapital)	1,028,348	1,115,302
Total liabilities and equity (Total Passiven und Eigenkapital)	3,315,110	4,054,212

Profit and Loss

Stiftung für **Effektiven Altruismus**

Erfolgsrechnung

Effective Altruism Foundation

January - December 2018 (Januar - Dezember 2018)

	CHF / 2017 (PY / Vorjahr)	CHF / 2018
Operating revenue (Betriebsertrag)		
<i>Revenue from donations (Ertrag aus Spenden)</i>		
3000 Donations (Spenden)	1,285,272	1,787,254
3010 Externally restricted donations (Extern zweckgebundene Spenden)	2,031,246	2,364,144
3020 Grants from EAF group (Zuwendungen von EAS-Gruppe)	1,077,226	1,715,182
Total revenue from donations (Total Ertrag aus Spenden)	4,393,744	5,866,580
<i>Other operating revenue (Anderer Betriebsertrag)</i>		
3400 Participation fees (Teilnahmegebühren)	9,712	0
Total other operating revenue (Total anderer Betriebsertrag)	9,712	0
Total operating revenue (Total Betriebsertrag)	4,403,456	5,866,580
Operating expenses (Betriebsaufwand)		
<i>Grants (Zuwendungen)</i>		
4010 Grants (Zuwendungen)	3,108,472	4,534,953
4020 Grants to EAF group (Zuwendungen an EAS-Gruppe)	0	80,740
Total grants (Total Zuwendungen)	3,108,472	4,615,693
<i>Other operating expenses (Anderer Betriebsaufwand)</i>		
5000 Payroll expenses (Lohnaufwand)	355,013	299,119
5079 Tax at source (Quellensteuer)	49,189	66,294
5700 Social insurance expenses (Sozialversicherungsaufwand)	149,156	127,070
5720 Occupational pension funds (Berufliche Vorsorge)	4,072	3,122
5730 Accident insurance (Unfallversicherung)	3,118	3,787
5800 Other staff expenses (Übriger Personalaufwand)	602	0
5810 Training expenses (Fortbildungskosten)	2,147	2,078
5820 Travel expenses (Reisespesen)	46,054	56,402
5821 Food expenses (Verpflegungsspesen)	6,682	4,829
5822 Accommodation expenses (Übernachtungsspesen)	24,473	43,807
5890 Catering / cafeteria (Verpflegung / Kantine)	30,771	35,928
5900 Contractor expenses (honoraria) (Leistungen Dritter (Honorare))	181,565	83,731
5901 Contractor expenses (honoraria) other (Leistungen Dritter (Honorare) andere)	20,462	63,551
6000 Rent expenses (Miete)	78,688	77,833
6030 Energy & utilities expenses (Nebenkosten)	2,164	984
6040 Cleaning expenses (Reinigung)	4,506	6,423
6050 Maintenance workspace (Unterhalt Geschäftsräume)	2,727	4,942
6200 Vehicle expenses (Fahrzeug- & Transportaufwand)	603	1,350
6300 Other insurance expenses (Sonstige Versicherungen)	3,064	4,034
6310 Professional dues, licenses, subscriptions expenses (Abgaben, Gebühren, Bewilligungen)	3,492	5,065
6500 Office supplies (Büromaterial)	10,715	15,648
6510 Telecommunications (Telekommunikation)	1,968	4,222
6530 Legal expenses (Rechtskosten & Beratungsaufwand)	24,853	51,177
6540 Auditing (Revision)	2,620	2,166
6570 Software (Software)	13,452	15,724
6572 Webhosting (Webhosting)	337	314
6573 Domains (Domains)	5,933	4,244
6579 Other IT expenses (Übriger Informatikaufwand)	50	0
6600 Advertising expenses (Werbeaufwand)	1,808	6,562
6620 Advertising print works (Werbedrucksachen)	7,415	10,190
6650 Event expenses (Veranstaltungsaufwand)	14,113	5,495

6700 Other operational expenses (Sonstiger betrieblicher Aufwand)	907	3,173
6800 Depreciation & value adjustments (Abschreibungen & Wertberichtigungen Anlagevermögen)	21,949	39,343
Total other operating expenses (Total anderer Betriebsaufwand)	1,074,670	1,048,607
Total operating expenses (Total Betriebsaufwand)	4,183,142	5,664,300
Operating profit (Betriebsergebnis)	220,314	202,280
Financial and extraordinary profit (Finanz- und ausserordentlicher Erfolg)		
<i>Financial profit (Finanzerfolg)</i>		
6344 Financial intermediary fees (Gebühren Finanzintermediäre)	-12,753	-11,325
6940 Other financial expenses (Übriger Finanzaufwand)	-344	-5,345
6949 Exchange losses (Währungsverluste)	28,293	-60,280
6950 Interest from liquid assets (Zinsertrag aus flüssigen Mitteln)	5	5
6990 Other financial income (Übriger Finanzertrag)	210	0
Total financial profit (Total Finanzerfolg)	15,411	-76,945
<i>Extraordinary profit (Ausserordentlicher Erfolg)</i>		
8500 Extraordinary costs (Ausserordentlicher Aufwand)	-201	-39,450
8510 Extraordinary income (Ausserordentlicher Ertrag)	0	1,069
Total extraordinary profit (Total ausserordentlicher Erfolg)	-201	-38,381
Total financial and extraordinary profit (Total Finanz- und ausserordentlicher Erfolg)	15,210	-115,326
Profit or loss (Jahreserfolg)	235,524	86,955

Appendix

I. Foundation and organisation

1. Details about the organisation

Name	Effective Altruism Foundation (EAF)
UID	CH-270.7.003.183-6
Legal form	An independent Foundation as defined in Article 80 et seq. of the Swiss Civil Code (ZGB).
Legal foundation	Foundation charter from July 24, 2015
Purpose	<p>The Foundation's purpose is to improve the quality of life of as many sentient beings as extensively as possible, making use of scientific methods in order to do so. As a think tank it contributes to the development and discussion of fundamental conceptions and understandings of effective ethical behavior and action. In particular, it is committed to an evidence-based approach to poverty reduction, the reduction of animal suffering, the improvement of international cooperation and stability, and the development and promotion of responsible approaches to future technologies. It promotes the philosophy and social movement 'Effective Altruism'.</p> <p>The Foundation is active domestically and internationally. The Foundation is exclusively not-for-profit.</p>
Seat	Efringerstrasse 25, CH-4057 Basel
Board members (March 2019)	<p><i>Name, Period of office, Signature authority</i></p> <p>Lukas Gloor, President, 2015-2019, joint signature of two Jonas Vollmer, Vice-president, 2015-2019, joint signature of two David Althaus, 2016-2019, none Ruairí Donnelly, 2016-2019, none Caspar Österheld, 2017-2019, none Max Daniel, 2017-2019, none Tobias Baumann, 2017-2019, none</p> <p>The members of the board carry out their duties in an honorary capacity and gratuitously.</p>
Audit authority	Hägi Treuhand AG (CHE-107.733.400) Wartenbergstrasse 41, CH-4052 Basel
Supervision	Eidgenössische Stiftungsaufsicht Inselgasse 1, CH-3003 Bern

2. Funding

EAF is financed by donations from private donors.

II. Bookkeeping and assessment

1. Details about the guidelines used in the financial statement

The present financial statement was generated according to the guidelines established by Swiss law, in particular Articles 957 to 962 (*Artikel über die kaufmännische Buchführung und Rechnungslegung des Obligationenrechts*).

2. Assessment

Bank credit balances and receivables have been included at their nominal value. Foreign currency items were evaluated at the end of the year according to the following conversion rates¹:

- a. 1 EUR = 1.126900 CHF
- b. 1 GBP = 1.255528 CHF
- c. 1 USD = 0.985784 CHF

III. Details, breakdown and clarification of items in balance sheet

1. 1300 Prepaid expenses

At the end of the year, EAF had a credit balance of CHF 9,331.60 with the Ausgleichskasse Basel-Stadt due to overpaid social security contributions.

2. 1301 Accrued revenue

Stiftung für Effektiven Altruismus e.V. (EAF-DE), a partner organisation in Germany, collected donations in the amount of CHF 1,168,062 for external charities in the second half of 2018. EAF-DE transferred this amount to EAF in the first quarter of 2019.

In addition, GiveWell, a partner organization in the U.S., raised donations equivalent to CHF 385,092 for EAF. GiveWell transferred this amount to EAF in the first quarter of 2019.

3. 2050 Grants

EAF in collaboration with EAF-DE raised a total of CHF 2,043,586 for external charities in the second half of 2018. Those donations will be transferred to the respective organisations in the first half of 2019.

4. 2060 EAF Fund

In 2018, EAF established the EAF Fund with the aim of financially supporting particularly promising projects in the field of risks and opportunities from emerging technologies. Individual donors can thus benefit from the expertise of the fund managers, who periodically make recommendations to the EAF Board for grants from the fund.

¹ The rates of exchange correspond to the [ICTAX Course listings](#) as of 31.12.2018

5. 2070 Reserves Sentience Politics

The former EAF project Sentience Politics founded an independent corporation in Switzerland in 2018 and obtained tax exemption. The project reserves were previously recorded as equity, but have now been classified as liabilities as a result of the project spin-off. The entire amount is to be transferred to the new corporation in 2019.

6. 2071 Reserves WAS Research

Similar to Sentience Politics, the Wild-Animal Suffering Research project was also spun off. The previous activities will be continued by the new U.S. corporation Wild-Animal Initiative. The project reserves were classified as liabilities and are to be transferred to Wild-Animal Initiative in 2019.

IV. Details, breakdown and clarification of items in profit and loss statement

1. 3000 Donations

This revenue account comprises incoming donations used to support the projects of EAF directly.

2. 3010 Externally restricted donations

This revenue account comprises incoming donations used to support other charitable organisations (see *III.3. 2050 Grants* and *IV.4. 4010 Grants*).

3. 3020 Grants from EAF group

EAF collaborates with the Germany-based non-profit association Stiftung für Effektiven Altruismus e. V. to enable German donors to provide tax-exempt support for international effective charities. Stiftung für Effektiven Altruismus e.V. transfers collected donations semi-annually to EAF, which in turn adds these amounts to its planned grants.

4. 4010 Grants

This expense account gathers grants made to other charitable organisations. EAF awards grants to charitable organisations on a semiannual basis. The CHF 4,534,953 stated in the profit and loss statement are composed of donations collected for external charities in the financial year 2018 (CHF 4,028,579) as well as equity which will be transferred to the spin-offs Sentience Politics (CHF 198,828, see *III.5. 2070 Reserves Sentience Politics*) and WAS Research (CHF 305,534, see *III.6. 2071 Reserves WAS Research*). The remaining CHF 2,012 was a grant out of donations restricted to WAS Research.

5. 4020 Grants to EAF group

Since 2018, EAF has been cooperating with the U.S. charity Effective Altruism Foundation, Inc (EAF-US). EAF-US pursues the same charitable purpose as EAF.

6. 6000 Rent

In August 2018, EAF moved into a shared office on Französische Strasse in Berlin. The main tenant provides these offices rent-free and fully furnished. Since March 2018, EAF has also maintained an office in San Francisco, USA, in cooperation with EAF-US.

7. Clarification on extraordinary, one-time, or off-period positions in profit and loss statement

Towards the end of 2018, we discovered that certain services purchased from independent contractors since 2016 are subject to VAT. We have contacted the Federal Tax Administration in Switzerland to settle the resulting VAT debt. For the financial years 2016 and 2017, we expect charges of CHF 6,825 and CHF 12,869, respectively, which we recorded as extraordinary expenses in the financial statement at hand.

In addition, we hired an independent contractor in Germany retroactively to June 2017, which resulted in additional social security contributions and withholding tax of CHF 16,503 for the 2017 financial year.

V. Further details

1. Number of employees (annual average of full-time positions)

In 2018, EAF employed 11.8 full-time positions on average. In addition, EAF worked with a number of independent contractors who made up the equivalent of 3.3 full-time positions on average.

2. Confirmation of appropriate allocation of resources

The assets and proceeds of the foundation were allocated according to the foundation's purpose as defined in its charter.