

Center for **Emerging Risk Research**

Annual Financial Statement 2020

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Preliminary remarks

The present financial statement of the Center for Emerging Risk Research documents the financial year ended December 31, 2020.

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

Bilanz

December 31, 2020 (31. Dezember 2020)

	CHF / 31.12.2019 (PY / Vorjahr)	CHF / 31.12.2020
Assets (Aktiven)		
<i>Current assets (Umlaufvermögen)</i>		
1020 Bank account CHF (Bankkonto CHF)	0	2,072,569
1021 Bank account EUR (Bankkonto EUR)	-1	201,776
1022 Bank account USD (Bankkonto USD)	48,349	1,063,729
1025 USD Coin	1,692,251	221,213
1026 Tether USD Coin	96	0
1027 TrueUSD Coin	19	18
1028 USD Paxos Standard Coin	181,977	0
1040 Coinbase EUR	2	0
1060 Assets with broker EUR (Maklerguthaben EUR)	0	10,410,158
1061 Assets with broker USD (Maklerguthaben USD)	0	205
1071 FTX Token	17,801,865	5,422,514
1072 Value adjustments on FTX Token (Wertberichtigungen FTX Token)	-728,217	0
1073 MSRM Coin	0	2,283,314
1074 SRM Coin	0	544,764
1075 MAPS Coin	0	399,082
1076 OXY Coin	0	256,910
1077 FIDA Coin	0	45,835
1078 Trumpgo Coin	0	1,619,278
Total Current Assets (Total Umlaufvermögen)	18,996,342	24,541,365
<i>Capital assets (Anlagevermögen)</i>		
1400 Financial fixed assets (Wertschriften (langfristig))	0	484,178
Total capital assets (Total Anlagevermögen)	0	484,178
Total assets (Total Aktiven)	18,996,342	25,025,543
Liabilities and equity (Passiven und Eigenkapital)		
<i>Current liabilities (Kurzfristiges Fremdkapital)</i>		
2300 Accrued expenses (Transitorische Passiven (Aufwand))	21,187	360,432
Total current liabilities (Total kurzfristiges Fremdkapital)	21,187	360,432
<i>Equity capital (Eigenkapital)</i>		
Profit or loss (Jahreserfolg)	18,975,155	5,689,956
2970 Retained earnings (Saldovortrag (Gewinn-/Verlustvortrag))	0	18,975,155
Total equity capital (Total Eigenkapital)	18,975,155	24,665,111
Total liabilities and equity (Total Passiven und Eigenkapital)	18,996,342	25,025,543

Profit and Loss

Erfolgsrechnung

Center for
Emerging Risk Research

January - December 2020 (Januar - Dezember 2020)

	CHF / 2019 (PY / Vorjahr)	CHF / 2020
Operating revenue (Betriebsertag)		
<i>Revenue from donations (Ertrag aus Spenden)</i>		
3000 Donations (Spenden)	20,107,907	501,172
3001 Value adjustments on donations (Wertberichtigungen Spenden)	-752,160	0
Total revenue from donations (Total Ertrag aus Spenden)	19,355,747	501,172
<i>Other operating revenue (Anderer Betriebsertag)</i>		
-	-	-
Total other operating revenue (Total anderer Betriebsertag)	0	0
Total operating revenue (Total Betriebsertag)	19,355,747	501,172
Operating expenses (Betriebsaufwand)		
<i>Grants (Zuwendungen)</i>		
4010 Grants (Zuwendungen)	0	427,126
Total grants (Total Zuwendungen)	0	427,126
<i>Other operating expenses (Anderer Betriebsaufwand)</i>		
5000 Payroll expenses (Lohnaufwand)	0	11,389
5700 Social insurance expenses (Sozialversicherungsaufwand)	0	1,809
5730 Accident insurance (Unfallversicherung)	0	283
5820 Travel expenses (Reisespesen)	3,018	1,816
5822 Accommodation expenses (Übernachtungsspesen)	2,588	1,400
5900 Contractor expenses (Leistungen Dritter)	21,704	10,796
6000 Rent expenses (Miete)	0	14,479
6300 Other insurance expenses (Sonstige Versicherungen)	0	1,964
6530 Legal expenses (Rechtskosten & Beratungsaufwand)	0	91,189
6550 Accounting expenses (Buchhaltung)	0	56,297
6650 Event expenses (Veranstaltungsaufwand)	5,843	0
6700 Other operational expenses (Sonstiger betrieblicher Aufwand)	0	722
Total other operating expenses (Total anderer Betriebsaufwand)	33,153	192,144
Total operating expenses (Total Betriebsaufwand)	33,153	619,270
Operating profit (Betriebsergebnis)	19,322,594	-118,098
Financial and extraordinary profit (Finanz- und ausserordentlicher Erfolg)		
<i>Financial profit (Finanzerfolg)</i>		
6344 Financial intermediary fees (Gebühren Finanzintermediäre)	-2,646	-718
6949 Exchange losses (Währungsverluste)	-344,793	-766,346
6950 Realized gains on investments (Realisierte Gewinne aus Investitionen)	0	6,458,145
6951 Change in unrealized gains on investments (Veränderung nicht realisierte Gewinne aus Investitionen)	0	116,973
Total financial profit (Total Finanzerfolg)	-347,440	5,808,054
<i>Extraordinary profit (Ausserordentlicher Erfolg)</i>		
-	-	-
Total extraordinary profit (Total ausserordentlicher Erfolg)	0	0
Total financial and extraordinary profit (Total Finanz- und ausserordentlicher Erfolg)	-347,440	5,808,054
Profit or loss (Jahreserfolg)	18,975,155	5,689,956

Appendix

I. Foundation and organization

1. Details about the organization

Name	Center for Emerging Risk Research (CERR)
UID	CHE-455.562.321
Legal form	An independent association as defined in Article 60 et seq. of the Swiss Civil Code (ZGB).
Legal foundation	Articles of Association from 16 July, 2019
Purpose	<p>The association aims to improve the quality of life of future generations to the best possible extent. For this purpose, the association in particular promotes the research and implementation of approaches for the prevention of technological risks. Subject areas of particular relevance for this are artificial intelligence, decision and game theory, prioritisation research, moral philosophy and population ethics as well as peace and conflict research.</p> <p>The association realises its purpose in particular by pursuing scientific research and procuring and granting subsidies. It employs scientific methods to achieve its goals in the most cost-efficient way. The association operates both in Switzerland and abroad.</p> <p>It does not pursue any commercial interests and is not profit-oriented.</p>
Seat	Innere Margarethenstrasse 5, 4051 Basel, Switzerland
Board members (March 2020)	<p><i>Name, Period of office, Signature authority</i></p> <p>Ruairí Donnelly, President, joint signature of two David Althaus, Vice President, joint signature of two Jonas Vollmer, Executive Director, joint signature of two Daniel Kestenholz, Finance Officer, joint signature of two</p> <p>The members of the board carry out their duties in an honorary capacity and gratuitously.</p>
Audit authority	Balfina Revision AG (CHE-330.489.601) Lange Gasse 90, 4052 Basel

2. Funding

CERR is financed by donations from private donors and charitable organizations.

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 = 1.081550 CHF
- b. 1 GBP = 1.208300 CHF
- c. 1 USD = 0.883944 CHF

Marketable securities are valued at their market price as of the balance sheet date. The other securities are valued at cost less any necessary value adjustments.

Marketable financial assets are valued at their market price as of the balance sheet date. The other financial assets are valued at acquisition cost less any necessary write-downs.

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

1. 1025 USD Coin

The balance sheet has a USD coin (USDC) credit of CHF 221,213. USDC is a stable US dollar-based cryptocurrency. Each currency unit (so-called “token”) can be redeemed for a US dollar, making USDC a stable cryptocurrency. A USDC can therefore be considered to be a US dollar.

2. 1060 Assets with broker EUR and 1061 Assets with broker USD

CERR invested a part of the liquid funds through the brokerage company InteractiveBrokers. At the end of the year, the equivalent value of these items was CHF 10,410,158 and CHF 205 respectively.

3. 1071 FTX Token und 1072 Value adjustments on FTX Token

The balance sheet has a value-adjusted FTX Token (FTT) credit of CHF 5,422,514. The stock goes back to a major donation of FTX tokens to the association in 2019. In the current financial year, CERR was able to continuously liquidate FTX tokens and thus achieve considerable financial success. Some of the FTX tokens have also been exchanged to other cryptocurrencies (see positions below) to reduce cluster risk.

In the previous year, the value adjustment on FTX tokens was managed as a separate balance sheet account with number 1072. This item was offset against account 1071 in the current financial year.

¹ The rates of exchange correspond to the [ICTAX Course listings](#) as of 31.12.2019

4. 1073 MSRM Coin and 1074 SRM Coin

MSRM and SRM are common cryptocurrencies, whereby 1 MSRM = 1 million SRM. All MSRM and SRM tokens were locked at the balance sheet date (so-called “vesting”²) and will be “unlocked” over time, on pre-defined dates (unlock events), and can be traded from the time of their release. The first release date will take place on 10th August 2021. CERR intends to sell the tokens after their release and to use the proceeds to finance the activities of CERR.

5. 1075 MAPS Coin

MAPS is another cryptocurrency. The stock shown in the balance sheet was closed at the end of the year and can be traded gradually from 14th December 2021.

6. 1076 OXY Coin

OXY is another cryptocurrency. The stock shown in the balance sheet was closed at the end of the year and can be traded gradually from 23rd December 2021.

7. 1077 FIDA Coin

FIDA is another cryptocurrency. The stock shown in the balance sheet was closed at the end of the year and can be traded gradually from 14th December 2021.

8. 1078 Trumpgo Coin

Trumpgo is a cryptocurrency held as a short-term investment. The CHF 1,619,278 shown in the balance sheet was liquidated in the first quarter of 2021.

9. 1400 Financial fixed assets

This account contains securities that are expected to be held for more than 12 months. The CHF 484,178 shown in the balance sheet results from an investment in Equator Therapeutics, a promising research project that is developing a drug that could improve human metabolism and cost-effectively reduce overweight and diabetes.

10. 2300 Accrued expenses

In the 2020 financial year, CERR made two grants which were transferred only at the beginning of 2021 and were accordingly booked as accrued expenses: a grant of CHF 225,000 to the Foundation for Effective Altruism and a grant of CHF 79,113 to the Legal Priorities Project.

In addition, CERR commissioned an external accounting company to keep the accounts for 2020, resulting in an accrued expense of CHF 56,297.

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

² investopedia.com/terms/v/vesting.asp

1. 4010 Grants

CERR makes grants to external research projects which are promising to make important contribution to the association's purpose. The CHF 427,126 shown in the income statement consists of grants totaling CHF 325,000 to the Effective Altruism Foundation, a grant of CHF 79,113 to the Legal Priorities Project, and a grant to Tobias Baumann of CHF 23,013.

2. 6949 Exchange losses

Due to exchange rate fluctuations in the CHF-USD currency pair, a currency loss of CHF 766,346 resulted.

3. 6950 Realized gains on investments

This account records financial income resulting from the sale of assets. The difference between the sale amount and the purchase price is the value of the realized profit. The CHF 6,458,145 shown in the balance sheet is mainly due to the sale of FTX tokens throughout the financial year.

4. 6951 Change in unrealized gains on investments

An unrealized gain is a potential gain that exists on paper and results from an investment. This is an increase in the value of an asset that has not yet been sold for cash. For the 2020 financial year, an unrealized gain of CHF 116,973 resulted, which is mainly due to price gains on an ETF position (Vanguard FTSE All-World UCITS, included in balance sheet account 1060 Brokerage credit EUR).

V. Further details

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

In 2020, CERR employed an average of 0.15 full-time positions. In addition, CERR worked with independent contractors, who accounted for an average of 0.17 full-time positions. The board also provided free work to the extent of approximately 1 full-time position.

2. Confirmation of appropriate allocation of resources

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