

Company number: 06642193

38 Degrees

Report and financial statements
For the year ended 30 September 2023

38 Degrees

Contents

For the year ended 30 September 2023

Reference and administrative details	1
Directors' annual report	2
Independent auditor's report	10
Statement of financial activities (incorporating an income and expenditure account)	14
Balance sheet	15
Notes to the financial statements	16

38 Degrees**Reference and administrative details****For the year ended 30 September 2023**

Company number 06642193**Country of incorporation** United Kingdom**Registered office** First Floor
10 Queen Street Place
London, EC4R 1BE**Directors** Directors who served during the year and up to the date of this report were as follows:Richard Lackmann (Chair)
Oluwabukola Obayiuwana
Peter Tyson
Ellie Ezeria
Sarah Sternberg
Devin O'Shaunessey
Patrick Vernon
Andrew Croxford
Tom Hamilton
Clare Kandola
David Norton
Rudaba Osmani-Edwards (appointed 14 December 2023)
Elizabeth Ward (appointed 14 December 2023)**Bankers** Triodos Bank
Brunel House, 11 The Promenade
BRISTOL
BS8 3NN**Auditor** Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
LONDON
EC1Y 0TG**Solicitor** Bates Wells
10 Queen Street Place
London
EC4R 1BE

The Directors present their report and the audited financial statements for the year ended 30 September 2023.

Aims and Objectives

38 Degrees launched in May 2009 and is now one of the UK's biggest campaigning communities. Our supporters are united by their motivation and passion for creating a country that is fairer and more respectful, and a world that is more sustainable. In the space of a week, hundreds of thousands of our supporters could be campaigning on anything from the cost of living crisis and protecting our NHS to saving local libraries and bus services.

38 Degrees is powered by people - the nurses, taxi drivers, parents, shopkeepers, pensioners and more who take actions every day on the issues they care about. Whether older or younger, from a big city or a small town, Black, White, Asian or Brown, scraping to get by or a bit more comfortable - when we come together, we can be powerful...

- There are hundreds of 38 Degrees supporters in every single UK constituency
- We vote for all parties and none - but convincing us matters: In 60 UK constituencies, the number of 38 Degrees supporters is higher than the local MP's majority
- We unite the Red Wall and the Blue Wall: Our supporters live - and vote - in the areas watched most closely by politicians
- We chip in to make change: Over the last year, people from every single UK constituency have donated to our campaigns

We are supporter-driven in our decision-making and we think this is a wonderful and powerful principle. It has been key to our success as an inclusive, mainstream organisation which brings hundreds of thousands of people together. Most of our famous victories would not have happened without our supporter-driven approach.

But we can't do any of this alone. As well as the hundreds of thousands of people who power our campaigns we join forces with partners to have more impact - and whether it's through donations, bringing more people into campaigns they otherwise wouldn't know about or the story we can tell about the impact we've had together, we're focused on making our movement wider and stronger.

38 Degrees remains fiercely independent. We don't take donations from political parties, or corporate donors. We are primarily funded each year by hundreds of thousands of small donations from the public. This independence means we can truly listen to our supporters and never have to hold ourselves back from taking on powerful decision makers. We could not be more grateful for the support we receive.

Activities and Performance

As the country continued to wade through a long lasting and damaging cost of living crisis and increasingly voiced a desire for change, 38 Degrees had a strong and focussed year campaigning on behalf of our movement. Whilst many people across the country had a difficult year, including our supporters, our movement remained strong and active, a testimony to its resilience and desire for positive social change.

Our impact was widespread and powerful. We welcomed the children of refugees with The Great British Colouring Book and exposed the scandal of energy companies forcibly and illegally installing prepayment meters. We had the back of our hard pressed nurses and teachers in their fight for fair pay for the essential work they do. And we defended our democracy by alerting voters across communities to the undemocratic and unnecessary voter ID requirements, ensuring thousands of votes were cast that may otherwise have been lost. These and other campaigns are highlighted in the next section.

In 2023 we checked the temperature of the country we are trying to change with localised polling that showed the compelling story of a country crying out for change. We will take this forward in '2024: A Chance For Change' in the lead up to a long awaited general election and beyond.

The Directors are very pleased to report that income increased in the year by 4% to £4,471,223 (2021-22: £4,309,030). This growth in the midst of an enduring cost-of-living crisis impacting so many of our supporters, is an important statement of sustainability for 38 Degrees. It is also the first annual increase in income since financial year 2017-18. Supporter income increased modestly in the year and we received our first major donor funding totalling £61,300. Our aim is to thoughtfully build a new and steady income stream from like-minded major donors, whose values and priorities match those of our supporters. But in 2024 and beyond we will remain focussed on building a sustainable and resilient income platform with supporter donations remaining at the very heart of how we fund our work.

Despite the variety of issues demanding our action, we spent a total of £4,661,939 (2021-22: £4,408,091) to deliver our campaigning work and invest in our long-term strategy. We ended the year with a pre-tax deficit of £190,716 (2021-22: deficit £99,061). We ended the year with reserves, after tax, of £2,051,315 (2021-22: £2,249,560) which equates to over 5 months of our annual operating costs and within the policy range of reserves set by the Board.

Looking ahead, we are in a solid position to invest in creative and provocative campaign tactics in the run up to a general election campaign that will likely determine the shape of the country for years to come. In addition, we have started to look beyond the results of the general election to plan for a campaigning environment in the event of a change of government.

We have welcomed a number of new faces to the team through the year, mainly in the areas of technology, fundraising and campaigns. We continued to expand our in-house capacity and capability and reduce, where sensible, our reliance on external providers. We ended the year with a headcount of 42 (2021-22: 39) and with a plan in 2024 to increase further to 45.

We further strengthened our Board with the recent appointments of Rudaba Osmani-Edwards and Liz Wards enhancing both the Board's diversity and skillset. We also reset our relationship with a reinvigorated 38 Degrees Trust, an independent charity, collaborating on fundraising, and exploring ways to maximise the impact of both organisations in areas of mutual benefit.

We want to thank both our staff team and our Board members for their hard work and commitment to the 38 Degrees cause throughout the year.

And finally, the Directors are truly grateful and humbled by the scale and breadth of the actions of our supporters and their essential financial support for our work. This is especially true at this time of enduring financial difficulty for so many. We thank you!!

2022-2023 Campaign Highlights

38 Degrees is a community of a million people who - in a moment away from their busy days - take small actions on issues they care about, which all add up to something bigger. We are a movement for a better Britain for everyone who calls our country home. A place where we all get a fair chance in life and where we were born, or the area we live in, doesn't decide that chance; where we protect our planet and hold those in power to account for doing the same, and where we are treated, and treat one another, with respect.

In 2023 this people-powered movement came together time and time again - in different ways - to fight for that fairer, more respectful and more sustainable country we can unite behind. Below we tell some of our most evocative and impactful campaign stories from the year. But first, here is where the power of our movement came from:

- 1,447,941 people signed their name to a cause
- 13,954,319 people engaged with our content across our social channels
- 2,328 people started their own petition
- £4,358,153 raised through small donations from our supporters
- 100,435 people chipped in to fund our work

For the nearly 1.5m people who, through 38 Degrees, took time out of their busy days to add their name to a campaign or petition, share their stories or a photograph, write to their MP, pop a poster in their window or chip in a few pounds for a newspaper advert or attention grabbing stunt - this is the change they made:

LANDLORDS IN PARLIAMENT

With the Government wobbling on their promise to strengthen renters' rights, 38 Degrees investigated vested interests in Parliament. Our [Landlords in Parliament report](#) hit the headlines. Labour leader Keir Starmer used PMQs to accuse the PM of crumbling "to the landlords on his own backbenches." And we rolled out targeted local pressure aimed at specific MP landlords accused in the media of blocking progress. The Renters (Reform) Bill is still making it's way through Parliament. Once we can say that, while there is more to do to strengthen protections, a key battle was won. Our thanks also go to the unrelenting work from Shelter and the Renters Reform Coalition.

THE GREAT BRITISH COLOURING BOOK

When the then immigration minister Robert Jenrick took the cruel decision to use taxpayer money to paint over a mural of Mickey Mouse at a centre for refugees, because it was 'too welcoming' to children fleeing war and persecution, we helped power a Great British Backlash.

Cue a group of talented and outraged cartoonists, thousands of 38 Degrees supporters and our team joining forces to create and fund the 'The Great British Colouring Book' - a collection of cartoons drawn by the finest cartoonists in our country for children to colour in to their heart's content, delivering a clear message from us all: Welcome to Britain! A huge thank you goes to the Professional Cartoonists Organisation for their wonderful and essential contribution to this campaign.

More than 4,000 colouring books and pencils are now in the hands of newly arrived children across the country because the British public stepped in, contributing big hearted donations to fund the backlash against a small minded government decision.

PREPAYMENT METERS

It could be straight out of a Dickens novel, but such was our reality in 2023: companies breaking into homes - often while people slept - to forcibly install expensive prepayment meters (PPMs) at the height of an energy affordability crisis.

Working alongside partners at End Fuel Poverty following formidable investigative journalism from the i newspaper and The Times, we mobilised more than 113,686 members of the public - and fought back. We gathered stories from 38 Degrees supporters who had faced the injustice themselves, and we put them on BBC Newsnight. And our Freedom of Information investigation, working alongside Debt Justice, made ITV evening news exposing the scale of energy debt weighing down people on these pre-payment meters.

When Ofgem proposed weak reforms, 38 Degrees mobilised 20,028 members of the public to inundate their consultation with one message: it's not good enough. Their final report reflected the views and experiences they shared and ultimately expanded protection against this archaic practice to millions more people.

FAIR PAY FOR OUR NURSES & TEACHERS

With a dwindling workforce and pay and conditions risking patient safety, this year saw nurses forced to take the painful decision to strike. Whilst the soaring cost of living and pay packets failing to keep up meant teaching staff, who had battled to educate our kids through a pandemic, were also pushed onto the picket line.

Instead of getting around the table and finding a deal to keep schools open and patients safe, the government sought to demonise the nurses and teachers. When they did, we just couldn't stand by.

From crowdfunded adverts in Westminster, to messages of public support splashed across regional media, our supporters came together - and alongside trade unions like the National Education Union - sent a clear message to those on strike from the British public: **we have your back**.

THE COVID ENQUIRY: An Ongoing Battle for Justice

Throughout 2023, we worked hand-in-hand with Covid Bereaved Families for Justice to ensure that during the high profile inquiries into the Government's handling of the pandemic and Boris Johnson's conduct as PM, it was the victims of Covid - and their family and friends' tireless pursuit of justice - who were in the spotlight.

As the former PM gave evidence to the House of Commons we parked a van smack outside with messages from the families of the bereaved. When MPs strengthened our democracy by voting to hold Boris Johnson to account for his lies, we ensured the public had a chance to thank them. And on the eve of Dominic Cummings' testimony at the Covid Inquiry, together we lit up at Barnard Castle with a message he could, hopefully, see well enough to read.

VOTER ID

Despite a collective effort with many other organisations in the civic space, the government pushed through an undemocratic solution to a nonexistent problem, introducing voter ID which as of the 2023 local elections is a prerequisite to vote in person.

When the writing was on the wall we turned our attention to making sure the hundreds of thousands of people in our online community could take action to spread the word in their local communities and limit the democratic damage.

In 2023, 38 Degrees:

- Provided 12,001 people with posters to pop in windows across the country, warning neighbours of the rule changes
- Produced an online voter ID quiz, reaching 120,609 people to spread the word over social media
- Crowdfunded reminder billboards to spring up across the country in advance of polling day

These changes don't affect us all equally. Research warned that working class communities and communities of colour would be most affected - and most silenced - by this assault on our democracy. So we distributed our crowdfunded advertising billboards to spread the word in 57 communities likely hardest hit.

One person turned away is one too many. But 177,389 supporters taking part in our campaign no doubt helped ensure some people had their say, when they could have been turned away.

SEWAGE

2023 saw a sharp rise in public anger over the ongoing sewage crisis. As report after report unveiled the increasingly horrifying scale of pollution in our waterways, the government and water companies were doing little more than pointing fingers at one another.

When it became clear that new Environment Minister Thérèse Coffey would not be taking water company to task, we decided to do it ourselves. We publicly challenged the CEOs of Southern and South Eastern Water, the two worst-performing water companies, to 'swim in the mess they've made'. We ran advertisements publicising our dare and sweetened the deal by offering to donate £5,000 to Surfers Against Sewage if they completed the task. While neither CEO put on their swimsuit, they did invite us in to discuss the issue and we brought supporters along to let them have their say.

We also launched a campaign, backed by more than 107,330 of our supporters, calling for water companies to stop paying bonuses until they clean up their act. We mobilised more than 1,000 of our supporters to take part in a DEFRA consultation on sewage plans, which prompted the overwhelmed agency to reach out to us for assistance analysing the data. We created WheresMyPoo.com, a humorous website revealing real sewage discharge data based on postcode, to drive more public awareness. And as Parliament resumed in the autumn, we were there to welcome lawmakers back with an impossible-to-avoid 10-foot tall poo outside the front gates and a clear message from our supporters: **clean up this mess!**

A COUNTRY CRYING OUT FOR CHANGE

38 Degrees consistently checks the temperature of the country we're trying to change, investing heavily in understanding the issues which matter most - and ensuring that politicians and the media understand too. Our localised polling painted a specific picture for every constituency in the country and uncovered a stark national reality where worry about the cost of living and state of the NHS dominated voters' concerns:

- Nearly two-thirds of the UK (62%), are making cutbacks of some kind, including the 21% 'worried about their financial future' and the 33% 'getting by' but having to reduce small luxuries and the things that make life enjoyable
- Voters in key 'Red Wall' seats were suffering even more due to the cost of living crisis, a fact reflected in the poll's prediction that the Government was on track to lose every one of its 44 Red Wall seats

- In Hartlepool, a quarter of people were “financially desperate”, meaning they were taking “extreme measures such as skipping meals or missing rent payments
- 42% said they had struggled to get a GP appointment in the past six months
- One in four said they had waited six hours or more in A&E

Our media coverage meant politicians couldn't ignore our message about the state of the nation - from the front of the Evening Standard ahead of two critical by-elections for the government, to The Observer on the Sunday of the Labour conference and local newspapers up and down the country. 81 MPs and candidates asked us for their local data - and we made the entirety available so anyone pushing for the change we so desperately need can see the state of their local area online.

CHANGED OUR COMMUNITIES WHERE WE LIVE

Alongside our big national campaigns, every day on our Campaigns By You platform, supporters up and down the country have launched campaigns to improve the places where they live. This year Juliana won her campaign to [Keep Childcare in Edinburgh free for all](#). Chris and Nikki won their campaign to [clean up the beach in New Quay](#), Ceredigion. In Haringey in London, Amit and friends won their campaign to [protect a local park](#), and Noah's campaign to [save school busses in Cornwall](#) was a success.

WE WORKED TOGETHER WITH OTHERS TO MAKE A DIFFERENCE

We can't make the change we all want to see in this country on our own. So we work with campaign organisations and media outlets to build an even stronger movement.

To name just a few of our campaign partners: Covid Bereaved Families for Justice, End Fuel Poverty, Hope Not Hate, National Education Union, Professional Cartoonists Organisation, Refugee Council, Renters Reform Coalition, Shelter, Surfers Against Sewage, The Climate Coalition

And to the media who worked with us and shared our campaigns: The Evening Standard, The i Newspaper, The Mirror, The Observer, The Times

Together, we're stronger. We thank you.

Looking Ahead: 2024 – A CHANCE FOR CHANGE

2024 will likely be the year when the British public will head to the polls for a long awaited General Election. People across our country, and our movement, are crying out for change and we'll have a chance to come together to deliver it.

Our campaign for change won't have succeeded when one party or the other crosses the finish line. Instead it will be the changes we see in our everyday lives that will determine our success - a health service which gets us fighting fit sooner, where we're not kept awake at night worrying about the roof over our heads, or where we barely survive at the end of a hard month, meaning that we are able to live a little again.

The upcoming General Election is a chance for change and, without fear or favour, 38 Degrees is ready to fight for it and for our Vision of:

A fairer country

A country where everyone gets a fair chance in life. Where the place we were born, or the area we live in, doesn't decide that chance. Where it's not 'one rule for them', and another for the rest of us.

A more respectful country

A country where we are respectful of each other. Where we focus on what we have in common with one another, rather than what divides us. And where we are not afraid to have discussions or disagree, because we treat one another with kindness.

A more sustainable world

A place where we all take personal responsibility in what we do, big and small, to protect our environment, and we hold big companies and our Government to account for their role in saving our planet.

Scope of this Annual Report

38 Degrees is committed to transparency and campaigns for other organisations to be more transparent.

The information contained within this report therefore goes well beyond minimum statutory requirements. If you are a 38 Degrees supporter and there is other information which you would like to see in future financial statements, please contact us at emailtheteam@38degrees.org.uk

Responsibilities of the Directors

The directors are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditor is unaware. Each of the directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of **all** relevant audit information and that this information has been communicated to the auditor.

Auditor

Sayer Vincent LLP was re-appointed as the company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 28 March 2024 and signed on their behalf by



Richard Lackmann
Director (Chair)

Opinion

We have audited the financial statements of 38 Degrees (the 'company') for the year ended 30 September 2023 which comprise the profit and loss account, balance sheet, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 30 September 2023 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 directors' 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 38 Degrees' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's report thereon. The directors 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.

Opinions 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 directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' annual report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out in the directors' annual report, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the members of

38 Degrees

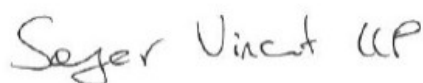
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available 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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Noelia Serrano (Senior statutory auditor)

Date: 24 April 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

38 Degrees**Income and expenditure account****For the year ended 30 September 2023**

	Note	2023 £	2022 £
Income			
Donations	2	4,358,153	4,303,274
Bank interest		39,625	5,756
Grants		69,300	-
Other income		4,145	-
Total income		<u>4,471,223</u>	<u>4,309,030</u>
Expenditure	3		
Staff costs	6	2,630,267	1,985,826
Campaign tactical expenditure		841,105	873,660
Consultants' fees		168,079	192,897
Alliance building direct costs		21,000	45,958
Marketing		47,537	156,555
IT maintenance		207,345	262,708
Office costs		345,056	433,851
Legal and finance		345,872	246,187
Grant making	4	2,500	81,824
Depreciation	8	804	2,803
Other costs		52,374	125,822
Total expenditure		<u>4,661,939</u>	<u>4,408,091</u>
(Deficit) on ordinary activities before taxation		(190,716)	(99,061)
Taxation	7	7,529	1,094
(Deficit) on ordinary activities after taxation		(198,245)	(100,155)
Total funds brought forward		2,249,560	2,349,715
Total funds carried forward		<u>2,051,315</u>	<u>2,249,560</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than the surplus or deficit for the year.

Balance Sheet

As at 30 September 2023

	Note	£	2023 £	£	2022 £
Tangible fixed assets	8		3,552		360
Current assets					
Debtors	9	207,917		99,494	
Cash held on deposit		860,000		255,000	
Cash at bank and in hand		<u>1,460,611</u>		<u>2,522,082</u>	
			2,528,528		2,876,576
Creditors: amounts due within one year	10		(480,765)		(627,376)
Net current assets			<u>2,047,763</u>		<u>2,249,200</u>
Net assets			<u><u>2,051,315</u></u>		<u><u>2,249,560</u></u>
Funds	11				
Unrestricted funds					
General funds			2,051,315		2,249,560
Total funds			<u><u>2,051,315</u></u>		<u><u>2,249,560</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 28 March 2024 and signed on their behalf by



Richard Lackmann, Chair

1. Accounting policies

- a) 38 Degrees Ltd is a private company limited by guarantee and is incorporated in United Kingdom. The registered office address is First Floor, 10 Queen Street Place, LONDON, EC4R 1BE.
- b) These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 Section 1A – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The format of the income and expenditure account has been modified in order to give additional information on the activities of the company and the nature of the income that it receives.

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements. The Directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

- c) Depreciation is provided on all tangible assets to write each asset down to its estimated residual value evenly over its expected useful life. The depreciation rates in use are as follows:

Website development costs	3 years
Computer equipment	3 years

Items of equipment are capitalised where the purchase price exceeds £2,000.

- d) Income is received by way of donations and grants and is included in full income when the amounts are receivable. Income is deferred if it has been received but relates to a specific future period or is dependent upon conditions to be fulfilled by the company.
- e) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the profit or loss for the period.
- f) General funds are set aside in reserve to give 38 Degrees financial resilience in case of a short-term drop in donations or the need to spend more on campaigns.
- g) Expenditure is allocated to activities based on actual costs incurred. The proportions calculated were: Campaigning and Fundraising 85%, Support team 13.8%, Governance 1.2%.
- h) Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- i) Short term trade creditors are measured at the transaction price. Other financial liabilities are measured at fair value.
- j) Cash at bank and cash 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.

1. Accounting policies (continued)

- k) The company makes contributions into employees' personal pension schemes where applicable. The pension cost charge represents contributions payable under the terms of the employees' contracts. The company has no pension liabilities other than for the payment of those contributions.
- l) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

2. Donations

38 Degrees relies heavily on donations for its income. To maintain our independence we do not accept money from government, big business or political parties. In this period, we received £4,358,153 in donations. £2,894,163 through recurring gifts from a monthly average of 30,060 individual donors giving an average monthly donation of £8.04. £1,463,990 was given through one-off donations from 83,334 individual donors, with an average donation of £7.95.

3. Expenditure

Expenditure is allocated to activities based on actual costs incurred. The expenditure for the year to 30 September 2023 has been analysed as follows:

	2023 £	2023 %	2022 £	2022 %
Campaigning & Fundraising	3,965,441	85.0%	3,757,681	85.2%
Support team	641,939	13.8%	586,093	13.3%
Governance	54,559	1.2%	64,317	1.5%
	<u>4,661,939</u>	<u>100.0%</u>	<u>4,408,091</u>	<u>100.0%</u>

Campaigning and Fundraising costs: 38 Degrees monitors expenditure very closely so that we can maximise the amount of donations that go directly to campaigns. In the current year 85.0% of expenditure was attributed to campaigning and fundraising. This money paid for activities such as: media advertising for specific campaigns, the wages of campaigners, campaign research and expert policy advice, staff time spent on fundraising and some fundraising research. It also included the wages of tech staff and the building and maintenance of tech platforms.

Support team costs: 38 Degrees has a small support team that works closely with our campaigning team. They are the team that ensure the health and well-being of our staff and keep the office functioning. They provide vital support in areas such as finance, HR, risk management, administration and daily operations.

Governance costs: this includes costs such as audit, legal fees, recruitment of new board directors and in relation to Data Protection compliance. Plus other costs relating to the board of directors, who play an important role in holding the organisation to account and helping set our campaign strategy.

4. Funds granted to other entities

	2023 £	2022 £
Black Women for Black Lives	-	5,150
British Refugee Council	-	66,674
Uplift	-	10,000
Zazim	2,500	-
	<u>2,500</u>	<u>81,824</u>

5. Surplus on ordinary activities

This is stated after charging / crediting:

	2023 £	2022 £
Depreciation	804	2,803
Directors' remuneration: other services (see Note 13)	-	-
Directors' reimbursed expenses	250	302
Auditors' remuneration (excluding VAT):		
Statutory audit	9,050	7,875
Other services	1,925	5,650
	<u>1,925</u>	<u>5,650</u>

6. Staff costs

	2023 £	2022 £
Salaries and wages	2,232,701	1,678,754
Social security costs	256,777	199,492
Pension contributions	140,789	107,580
	<u>2,630,267</u>	<u>1,985,826</u>

The average salary was £53,749 (2022: £50,681). Some staff work part-time, therefore we have grossed up all salaries in order to calculate this average salary figure. The highest paid member of staff was the Chief Executive Officer, who received a total of £98,819. The ratio between the highest and lowest paid was 2.83 to 1 (2022: 2.88 to 1), based on total remuneration figures.

The average number of employees (head count based on staff employed) during the year was 41.9 (2022: 34.3).

Gender pay gap:

38 Degrees supports campaigns for companies to report on the gap between male and female pay. In the year to September 2023, women earned on average £67 more than men (2022: women earned on average £1,706 more than men).

7. Taxation

The majority of 38 Degrees' activities are funded by donations and so not subject to corporation tax. Corporation tax is payable on the surplus generated from trading activities and bank interest earned.

	2023 £	2022 £
UK corporation tax for 2021/22 at 19%	-	1,094
UK corporation tax for 2022/23 at 19%	<u>7,529</u>	<u>-</u>
	<u>7,529</u>	<u>1,094</u>

8. Tangible fixed assets

	Website development £	Computer equipment £	Total £
Cost			
At the start of the year	58,296	6,510	64,806
Additions in year	-	3,996	3,996
At the end of the year	<u>58,296</u>	<u>10,506</u>	<u>68,802</u>
Depreciation			
At the start of the year	58,296	6,150	64,446
Charge for the year	-	804	804
At the end of the year	<u>58,296</u>	<u>6,954</u>	<u>65,250</u>
Net book value			
At the end of the year	<u>-</u>	<u>3,552</u>	<u>3,552</u>
At the start of the year	<u>-</u>	<u>360</u>	<u>360</u>

9. Debtors

	2023 £	2022 £
Deposits paid	15,300	30,900
Accrued income	74,816	-
Prepayments	117,801	68,594
	<u>207,917</u>	<u>99,494</u>

10. Creditors: amounts due within one year

	2023 £	2022 £
Trade creditors	144,584	113,641
Accruals	239,340	331,922
Tax and social security	78,945	169,316
Pension creditor	17,896	12,497
	<u>480,765</u>	<u>627,376</u>

11. Movements in funds

Current Year	Expenditure including taxation				
	1 Oct 2022 £	Income £	£	Transfers £	30 Sep 2023 £
Unrestricted funds:					
General funds	2,249,560	4,471,223	(4,669,468)	-	2,051,315
Total unrestricted funds	2,249,560	4,471,223	(4,669,468)	-	2,051,315
Total funds	2,249,560	4,471,223	(4,669,468)	-	2,051,315
<i>Prior Year</i>					
	1 Oct 2021 £	Income £	Expenditure including taxation £	Transfers £	30 Sep 2022 £
Unrestricted funds:					
General funds	2,349,715	4,309,030	(4,409,185)	-	2,249,560
Total unrestricted funds	2,349,715	4,309,030	(4,409,185)	-	2,249,560
Total funds	2,349,715	4,309,030	(4,409,185)	-	2,249,560

12. Operating lease commitments

At the reporting end date the company had the following future minimum lease payments under non-cancellable operating leases (all for property) which fall due as follows:

	2023 £	2022 £
Less than one year	122,400	126,311
One to five years	61,200	-
	<u>183,600</u>	<u>126,311</u>

13. Related party transactions

There were no related party transactions to declare for the 2022/23 year.