

Company number: 06642193

38 Degrees

Report and financial statements
for the year ended 30 September 2024



38 Degrees

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For the year ended 30 September 2024

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38 Degrees

Reference and administrative details

For the year ended 30 September 2024

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)
Sarah Sternberg (Vice Chair)
Oluwabukola Obayiuwana
Peter Tyson
Ellie Ezeria
Devin O'Shaunessey
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 2024.

Aims and objectives

Since its launch in May 2009, 38 Degrees has grown into one of the UK's biggest campaigning communities, acting as a trail blazer in digital campaigning and lowering the bar to democratic participation for millions of people. With the change in government in July 2024, this now represents the biggest political change since our inception, but our aims and objectives remain as clear and strong as ever.

Our supporters live in every constituency of the country, vote for all parties and come from all walks of life. What unites them is the small actions they take - from signing a petition, to chipping in for an attention grabbing stunt, to contacting their MP. These all add up to something much bigger: campaigning for 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. These people, and what can happen when we come together, is what makes 38 Degrees a powerful force.

- There are hundreds of 38 Degrees supporters in every single UK constituency
- Prior to the 2024 General Election, in over 90 UK constituencies, the number of 38 Degrees supporters was higher than the local MP's majority
- We chip in to make change: over the last year, people from every single UK constituency have donated to our campaigns.

We are also supporter powered in our decision making: this 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 this 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. 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. Almost all of our funding comes from hundreds of thousands of small donations from the public, but we have taken the careful decision to diversify our income stream in the light of the continued pressure arising from the cost of living crisis and the change in government.

We will only work with a pool of carefully vetted donors whose views are aligned with ours. It remains our intention to be overwhelmingly funded by our grassroots supporters. 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

The year under review has been an eventful and impactful one for 38 Degrees and our campaigning. The year included our biggest ever petition, with over 1.2 million people calling for former Post Office boss Paula Vennells to be stripped of her CBE and a high profile campaign victory splashing over newspaper front pages showing people power in action.

Dominating the year has been the biggest shift in the political landscape since 38 Degrees came into existence, as we worked to ensure our supporters' priorities were front and centre of the General Election, and navigated what the change of government meant for our community, positioning ourselves as strongly as possible in the post-election period.

The directors are pleased to report that income has remained steady in the year, falling by just 0.5% to £4,449,918 (2022-23: £4,471,223). Maintaining these levels in the light of the continued cost of living crisis, combined with the competing attention of funding requests during the General Election, continues to be an important statement of sustainability for 38 Degrees. Supporter income decreased by 4% in the year, but this has been offset by our efforts to diversify our income streams. Major donor funding has nearly tripled to £192,000 (2022-23: £69,300) with grants from Betterworld Foundation Ltd and the European Climate Foundation, the latter supporting our work to create a fairer, more sustainable country, including through our campaigning to support British farmers and push supermarkets to label food more accurately, our ongoing campaigning to end the sewage scandal, and work to curb the rise of the radical right. Our aim is to thoughtfully build a new and steady income stream from like minded donors, whose values and priorities match those of our supporters. But we will remain focused on building a sustainable and resilient income platform with grassroots 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 £4,765,546 (2022-23: £4,661,939), an increase of just 2% in an election year, to deliver our campaigning work and invest in our long term strategy. We ended the year with a pre-tax deficit of £315,628 (2022-23: deficit £190,716). We ended the year with reserves, after tax, of £1,719,117 (2021-22: £2,051,315) which equates to over four months of our annual operating costs and is within the policy range of reserves set by the Board.

Looking ahead, we prepare to implement the outcomes from Pathways to Impact, a strategy refresh designed to set us up for maximum impact and success in the current environment, we are ready to move into the new financial year in a solid position with a team united behind a shared vision, ready to utilise our resources effectively.

We have welcomed a number of new faces to the team through the year, including in our finance and campaigns team, as well as bringing in our first Philanthropy Lead. We continued to expand our inhouse capacity and capability and reduced, where sensible, our reliance on external providers. We ended the year with a headcount of 47 (2022-23: 42) and with a plan to reduce this back to 43 in the next financial year.

After the General Election, and with the recent recruitment of the Philanthropy Lead, we have continued to focus on developing the 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 would like to thank our staff team for their hard work and commitment to the 38 Degrees cause throughout the year. And finally, the directors continue to be truly grateful and humbled by the scale and breadth of the actions of our supporters and for their essential financial support for our work. The directors also welcome our new donors. We thank you!

2023-24 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 2024, 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:

- **2,443,803** people signed their name to a cause
- **21.3 million** people saw our content across our social channels
- **2,842** people started their own petition
- **£4,176,798** raised through small donations from our supporters
- **98,964** people chipped in to fund our work

For the nearly 2.5 million people who, through 38 Degrees, took time out of their busy days to add their name to a campaign or petition, share their stories, 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:

THE POST OFFICE HORIZON SCANDAL

Following the terrible Post Office scandal, as dramatised in the ITV production "Mr Bates vs The Post Office" a 38 Degrees petition started by a member of the public quickly caught the national consciousness, eventually growing to be our largest petition of all time. [David Smith's petition called for Post Office CEO Paula Vennells to be stripped of her CBE](#) due to her role in the Post Office scandal.

With the support of the 38 Degrees staff team pushing the campaign via our email list and on social media, a total of over 1.2 million people signed. It became headline national news with TV and papers covering the quickly escalating petition total.

Within just a few days of the petition numbers rocketing up, Paula Vennells bowed to the voice of the public, saying she was "truly sorry for the devastation caused to the subpostmasters and their families" and that she was continuing to support and co-operate with the inquiry into the scandal. She added: "I am, however, aware of the calls from sub-postmasters and others to return my CBE. I have listened and I confirm that I return my CBE with immediate effect."

A CHANCE FOR CHANGE

Entering 2024, our campaigning focus was the General Election that we knew the year would bring. Having developed Chance for Change, our 2024 election strategy at the end of 2023, we had identified key issues we would focus on ahead of and at the election; set out a series of 'tests' and set us up to implement our post election strategy, showing supporters that whilst the election was a chance for change, once it was over, our work was only beginning. From January 2024, the General Election and our Chance for Change campaign was our focus. With a series of powerful partnerships, from campaigning alongside the British Dental Association and The Mirror to fix the NHS dentistry crisis; to putting then chancellor Jeremy Hunt under pressure with targeted polling ahead of the Spring budget, showing how desperate for more cost of living help and an end to long NHS waiting times voters were.

Our election work had the following goal:

*We want to have **engaged large numbers of people** in an **inspiring and exciting campaign**, influencing **them, decision makers and the media** - and **proving that we're powerful** - to boost our reputation, our brand and ultimately the strength of our movement.*

During the short campaign, we used voice, visibility and volume to:

- Push our pledges up the agenda
- Mobilise a vote for change across our networks
- Create the foundation to thrive into the future

We did this through large scale, creative tactics we employed; merchandise (such as posters) that we knew had fundraised well in the past; and media tactics that would put real lives front and centre, including our innovative Rapid Response Voter Panels.

Key achievements during the short campaign

- Eight creative and ambitious stunts around our key election issues - including our sewage ice cream van, and NHS/ cost of living hot air balloon - planned and delivered across the country in a matter of weeks.
- £135,435 raised during the six week short campaign.
- Over 60 media hits including three podcast interviews with our CEO, Matthew McGregor, three newspaper front pages, two media partnerships and hits and appearances including Times Radio, Good Morning Britain and BBC news.
- Rapid Response Voter Panel media partnerships with Yorkshire Post and LBC generating high profile brand coverage.
- Over 8,000 38 Degrees election campaign posters displayed in supporter homes across the country.
- 19 election campaign videos were produced, reaching 5.2 million people, and were played 6.4 million times.

RESPONDING TO THE RACIST RIOTS

Following the Southport attack in July, and subsequent racist riots that erupted across the country, the 38 Degrees community came together in solidarity and unity with those affected, to send a clear message: not in our name.

We launched an open letter of solidarity for people in Southport following the heartbreaking knife attack and took out front page advertising in the local paper, the Liverpool Echo, to deliver the message. We used our social media channels to [speak out against the racist and Islamophobic mobs, celebrating the communities that have stood against the far right](#), and calling for action to [defend communities](#) from these thugs. We launched actions calling out the racism and violence on our streets, saying that we stood with Muslim communities and people of colour; and another for the Online Safety Bill to be made stronger, to counter social media misinformation and prevent any more horrific racist violence on our streets. We also joined forces with over 200 campaign organisations, including our sister organisation Uplift, in an open letter urging Westminster, Dublin and Belfast to come together to hold social media companies to account over misinformation.

We made five donations, each of £1,000, to grassroots organisations either working on the ground to clean up local communities hit by the riots, or those working to further anti-racism. The recipients were HOPE not Hate, City of Sanctuary, Tell Mama, Asylum Link Merseyside and the Amal Project in Middlesbrough, whose CEO sent a heartfelt response telling of the personal racism and abuse she had faced in the wake of the riots

and the value of this act of allyship.

Once again, we undertook powerful partnership campaigning with the Refugee Council - this time sending over 3,000 postcards, each with a personal message of welcome from a 38 Degrees supporter directly to newly arrived refugees and asylum seekers in hotels including those targeted in attacks - again, sending the message that those behind racism and violence, never speak for us.

PUSHING TO END THE SEWAGE SCANDAL ONCE AND FOR ALL

Sewage was not only at the forefront of our work ahead of and during the election - with a new government who have manifesto commitments to bring in new measures to tackle the scandal plaguing our rivers and seas, we spent autumn and winter campaigning for water companies to be held to account. Through obtaining powerful Freedom of Information data on the number of criminal convictions water companies had received, we made big newspaper headlines, engaged with the Secretary of State's office, briefed MPs and took creative stunts directly to the British Water Annual Conference. Meanwhile 9,244 supporters of 38 Degrees proudly displayed posters calling out water companies' convictions in their windows. As the Water Bill began moving through Parliament, we worked in partnership with People vs Profiteers, River Action and Surfers Against Sewage, to amplify our collective call for action to ensure this legislation, when it passes in 2025, is as strong as possible.

FIGHTING FOR FAIRNESS AT THE FIRST BUDGET OF THE LABOUR GOVERNMENT

The Autumn budget, the first under the new government, was a key opportunity for us to push for the chance for change our supporters so overwhelmingly wanted, when it came to using the Budget to build a fairer country. This saw us push for a [wealth tax on the ultra rich](#) (a 2% tax on assets over £10 million, paid by the richest 2,000 to raise £24 billion); efforts to reverse the decision on the [winter fuel allowance](#); and our campaign to [scrap the two child benefit cap](#).

We commissioned qualitative and quantitative message testing research on the two child benefit limit and a new wealth tax on the ultra rich, on how to move voters and build support on these issues, which we used to brief both MPs and those in the sector working on policy on this. We also commissioned research from The Institute for Public Policy Research on the constituency level impact of scrapping the two child benefit limit, and the ways that raising £24 billion from a wealth tax on the ultra rich could be spent, which we splashed in the media. And, thanks to donations from supporters chipping in, we took this campaign to the Labour Party conference in Liverpool, with a projection stunt around this campaign lighting up city landmarks, sending a message directly to government ministers they couldn't miss. Underpinning all of this were our supporters, acting as case study surveys and speaking to supporters across the country whose voices, in media and social media work, ensuring real lives were front and centre as Rachel Reeves set her first budget.

LOWERING THE BARRIERS TO PARTICIPATION IN CONSULTATIONS

Once again, we found opportunities to break down the barriers to democratic engagement, empowering supporters to easily and meaningfully participate in a number of government consultations and support:

- 33,307 supporters contributed to the Modernisation Committee's inquiry into MP standards.
- Over the course of less than 12 hours on the final day that submissions were open, just over 14,300 supporters used the budget consultation to call for a tax on the ultra-rich.
- 40,686 supporters had their say on the future of the NHS, as we worked directly with NHS England to feed into their consultation. We used an AI Large Language Model to analyse supporters' responses - both quantitative and qualitative - to produce a more robust analysis of the key findings and themes.

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. [Anne's campaign to stop a new Coal Mine in Cumbria](#) was a success. [Mike's campaign calling to protect Stonehenge](#) from a road scheme won after the Government scrapped the plans in July. Jane won her [campaign to save two mature trees](#) from being felled and [Ulster rugby club dropped their sponsor Kingspan](#) who made the insulation for the Grenfell tower after a campaign from Nicola and the team at ActNow in Northern Ireland.

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: End Fuel Poverty, Hope Not Hate, National Education Union, Refugee Council, Renters Reform Coalition, Shelter, River Action, Surfers Against Sewage, The Climate Coalition, Black Equality Organisation, Gambling with Lives, Women's Aid and Bloody Good Period.

And to the media who worked with us and shared our campaigns: The Mirror, The i Newspaper, The Times and Times Radio, LBC, Good Morning Britain, The Observer, the Yorkshire Post and many others.

Together, we're stronger. We thank you.

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 20th March 2025 and signed on their behalf by

Signed by:

1DF2A29510A74D6...

Richard Lackmann
Director (Chair)

Opinion

We have audited the financial statements of 38 Degrees (the 'company') for the year ended 30 September 2024 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 2024 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.
- 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.

Independent auditor's report

To the members of

38 Degrees

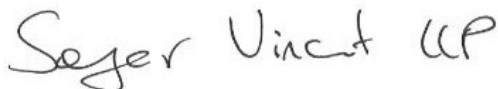
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual 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: 15 April 2025

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 2024

| | Note | Unrestricted £ | Restricted £ | 2024 £ | 2023 £ |
|---|------|-------------------|-----------------|------------------|------------------|
| Income | | | | | |
| Donations | 2 | 4,176,798 | - | 4,176,798 | 4,358,153 |
| Bank interest | | 76,680 | - | 76,680 | 39,625 |
| Grants | | 25,000 | 167,000 | 192,000 | 69,300 |
| Other income | | 4,440 | - | 4,440 | 4,145 |
| Total income | | 4,282,918 | 167,000 | 4,449,918 | 4,471,223 |
| Expenditure | 3 | | | | |
| Staff costs | 6 | 2,765,593 | 24,338 | 2,789,931 | 2,630,267 |
| Campaign tactical expenditure | | 807,972 | 31,409 | 839,381 | 841,105 |
| Consultants' fees | | 31,816 | - | 31,816 | 168,079 |
| Alliance building direct costs | | - | - | - | 21,000 |
| Marketing | | 72,840 | - | 72,840 | 47,537 |
| IT maintenance | | 311,624 | - | 311,624 | 207,345 |
| Office costs | | 243,497 | - | 243,497 | 345,056 |
| Legal and finance | | 329,964 | - | 329,964 | 345,872 |
| Grant making | 4 | 39,079 | - | 39,079 | 2,500 |
| Depreciation | 8 | 2,299 | - | 2,299 | 804 |
| Other costs | | 105,115 | - | 105,115 | 52,374 |
| Total expenditure | | 4,709,799 | 55,747 | 4,765,546 | 4,661,939 |
| Deficit on ordinary activities before taxation | | (426,881) | 111,253 | (315,628) | (190,716) |
| Taxation | 7 | 16,570 | - | 16,570 | 7,529 |
| Deficit on ordinary activities after taxation | | (443,451) | 111,253 | (332,198) | (198,245) |
| Total funds brought forward | | 2,051,315 | - | 2,051,315 | 2,249,560 |
| Total funds carried forward | | 1,607,864 | 111,253 | 1,719,117 | 2,051,315 |

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.

38 Degrees
Balance Sheet
As at 30 September 2024

Company number 06642193

| | Note | £ | 2024 £ | £ | 2023 £ |
|---|------|------------------|------------------|-----------|-----------|
| Tangible fixed assets | 8 | | 6,261 | | 3,552 |
| Current assets | | | | | |
| Debtors | 9 | 160,191 | | 207,917 | |
| Cash held on deposit | | 1,113,493 | | 860,000 | |
| Cash at bank and in hand | | 871,294 | | 1,460,611 | |
| | | | 2,144,978 | | 2,528,528 |
| Creditors: amounts due within one year | 10 | | (432,122) | | (480,765) |
| Net current assets | | | 1,712,856 | | 2,047,763 |
| Net assets | | | 1,719,117 | | 2,051,315 |
| Funds | | | | | |
| Unrestricted funds | 12 | | | | |
| General funds | | | 1,607,864 | | 2,051,315 |
| Restricted funds | 11 | | 111,253 | | - |
| Total funds | | | 1,719,117 | | 2,051,315 |

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

Approved by the directors and signed on their behalf by

Signed by:

1DF2A29510A74D6...
 Richard Lackmann, Chair

Date: 20-March-2025

1. Accounting policies

- a) 38 Degrees 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 85.9%, Support team 13%, Governance 1.1%.
- 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 the year, we received £4,176,798 in donations. £2,845,827 through recurring gifts from a monthly average of 30,109 individual donors giving an average monthly donation of £7.87. £1,330,971 was given through one-off donations from 127,533 individual donors, with an average donation of £10.44.

3. Expenditure

Expenditure is allocated to activities based on actual costs incurred. The expenditure for the year to 30 September 2024 has been analysed as follows:

| | 2024 | 2024 | 2023 | 2023 |
|-----------------------------|------------------|---------------|------------------|---------------|
| | £ | % | £ | % |
| Campaigning and fundraising | 4,091,096 | 85.9% | 3,965,441 | 85.0% |
| Support team | 620,767 | 13.0% | 641,939 | 13.8% |
| Governance | 53,683 | 1.1% | 54,559 | 1.2% |
| | 4,765,546 | 100.0% | 4,661,939 | 100.0% |

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 85.9% 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

| | 2024 | 2023 |
|-------------------------|---------------|--------------|
| | £ | £ |
| Grants: | | |
| Zazim | 25,000 | 2,500 |
| British Refugee Council | 5,000 | - |
| Uplift | 2,500 | - |
| Donations: | | |
| Amal Project | 1,000 | - |
| Asylum Link | 1,000 | - |
| City of Sanctuary | 1,000 | - |
| HOPE not Hate | 1,000 | - |
| Tell Mama | 1,000 | - |
| Other | 1,579 | - |
| | <u>39,079</u> | <u>2,500</u> |

5. Surplus on ordinary activities

This is stated after charging / crediting:

| | 2024 | 2023 |
|---|--------------|---------------|
| | £ | £ |
| Depreciation | 2,299 | 804 |
| Directors' reimbursed expenses | 183 | 250 |
| Auditors' remuneration (excluding VAT): | | |
| Statutory audit | 9,650 | 9,050 |
| Other services | - | 1,925 |
| | <u>9,832</u> | <u>11,979</u> |

6. Staff costs

| | 2024 | 2023 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Salaries and wages | 2,367,624 | 2,232,701 |
| Social security costs | 270,347 | 256,777 |
| Pension contributions | 151,960 | 140,789 |
| | <u>2,789,931</u> | <u>2,630,267</u> |

The average salary was £56,529 (2023: £53,749). 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 £101,864. The ratio between the highest and lowest paid was 2.97 to 1 (2023: 2.83 to 1), based on total remuneration figures.

The average number of employees (head count based on staff employed) during the year was 41.6 (2023: 41.9).

Gender pay gap

38 Degrees supports campaigns for companies to report on the gap between male and female pay. In the year to September 2024, men earned on average £5,407 more than women (2023: women earned on average £67 more than men).

38 Degrees

Notes to the financial statements

For the year ended 30 September 2024

7. Taxation

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

| | 2024 | 2023 |
|---------------------------------------|---------------|--------------|
| | £ | £ |
| UK corporation tax for 2022-23 at 19% | - | 7,529 |
| UK corporation tax for 2023-34 at 25% | 16,570 | - |
| | 16,570 | 7,529 |

8. Tangible fixed assets

| | Website development £ | Computer equipment £ | Total £ |
|--------------------------|-----------------------------|----------------------------|---------------|
| Cost | | | |
| At the start of the year | 58,296 | 10,506 | 68,802 |
| Additions in year | - | 5,008 | 5,008 |
| At the end of the year | 58,296 | 15,514 | 73,810 |
| Depreciation | | | |
| At the start of the year | 58,296 | 6,954 | 65,250 |
| Charge for the year | - | 2,299 | 2,299 |
| At the end of the year | 58,296 | 9,253 | 67,549 |
| Net book value | | | |
| At the end of the year | - | 6,261 | 6,261 |
| At the start of the year | - | 3,552 | 3,552 |

9. Debtors

| | 2024 | 2023 |
|----------------|----------------|----------------|
| | £ | £ |
| Deposits paid | 15,000 | 15,300 |
| Accrued income | 51,153 | 74,816 |
| Prepayments | 94,038 | 117,801 |
| | 160,191 | 207,917 |

10. Creditors: amounts due within one year

| | 2024 | 2023 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 95,798 | 144,584 |
| Accruals | 239,850 | 239,340 |
| Tax and social security | 79,243 | 78,945 |
| Pension creditor | 17,231 | 17,896 |
| | 432,122 | 480,765 |

11. Restricted funds

| Current year | 1 Oct 2023 | Income | Expenditure | Transfers | 30 Sep 2024 |
|-------------------------------|------------|----------------|-----------------|-----------|----------------|
| | £ | £ | £ | £ | £ |
| European Climate Foundation | - | 167,000 | (55,747) | - | 111,253 |
| Total restricted funds | - | 167,000 | (55,747) | - | 111,253 |

12. Movements in funds

| Current year | 1 Oct 2023 | Income | Expenditure including taxation | Transfers | 30 Sep 2024 |
|---------------------------------|------------------|------------------|---------------------------------------|------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | |
| General funds | 2,051,315 | 4,282,918 | (4,726,369) | - | 1,607,864 |
| Total unrestricted funds | 2,051,315 | 4,282,918 | (4,726,369) | - | 1,607,864 |
| Restricted funds | - | 167,000 | (55,747) | - | 111,253 |
| Total funds | 2,051,315 | 4,449,918 | (4,782,116) | - | 1,719,117 |
| Prior year | | | <i>Expenditure including taxation</i> | <i>Transfers</i> | <i>30 Sep 2023</i> |
| | 1 Oct 2022 | Income | £ | £ | £ |
| | £ | £ | £ | £ | £ |
| 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 |

13. 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:

| | 2024 | 2023 |
|--------------------|---------------|----------------|
| | £ | £ |
| Less than one year | 61,200 | 122,400 |
| One to five years | - | 61,200 |
| | 61,200 | 183,600 |

14. Related party transactions

During the year, 38 Degrees provided administrative services to 38 Degrees Trust, which has a trustee who is also a director of 38 Degrees. These were charged at a rate of £4,440 in line with estimated actual costs incurred.

There were no other related party transactions to declare for the 2023-24 year (2022-23: None).