

Company number: 07038751
Charity number: 1139325

38 Degrees Trust

Report and financial statements
For the year ended 30 September 2023

Contents

For the year ended 30 September 2023

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Reference and administrative information

For the year ended 30 September 2023

Company number 07038751
Country of incorporation United Kingdom

Charity number 1139325
Country of registration England & Wales

Registered office and operational address 10 Queen Street Place
London
EC4R 1BE

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lawrence Simanowitz – Chair
Warren Puckett
Zoe Arden
Benedict Southworth
Peter Tyson

Bankers CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Independent examiner Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
110 Golden Lane
LONDON
EC1Y 0TG

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

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The objects of the charity are:

- a) The prevention or relief of poverty;
- b) The advancement of education
- c) The advancement of health or the saving of lives
- d) The advancement of citizenship or community development by such charitable purposes as the Trustees see fit
- e) The advancement of the arts, culture, heritage or science by such charitable purposes as the Trustees see fit
- f) The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity by such charitable purposes as the Trustees see fit
- g) The advancement of environmental protection or improvement
- h) The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage; and
- i) The advancement of animal welfare by such charitable purposes as the Trustees see fit.

The Trust's main activities are the provision of grants to organisations that can help meet its charitable objects.

Achievements and performance

The Directors are pleased to report that the year saw an increase in the activity of the charity giving the opportunity to provide the first grant funding in a number of years with the potential for more to come in the future.

The Trust received a substantial unrestricted donation of £100,000 from the Jubilee Foundation and made its first grant from this funding of £61,300 to 38 Degrees Ltd. The Trust also continued to receive a modest stream of small donations through the year.

The grant to 38 Degrees Ltd aimed to improve public access to the democratic process and develop the ecosystem of civic society in line with the Trust's charitable object of the advancement of citizenship or community development.

Financial review

The Trust's income for the year was £105,883, with the main source of income being the donation from the Jubilee Foundation. After making the grant to 38 Degrees and taking into account some modest administrative costs the Trust held free reserves of £59,711 at 30 September 2023.

Our approach to financial sustainability is to maintain enough reserves to pay anticipated administrative and financial fees including audits and to make all other monies available for grants.

Plans for the future

The Trust has been essentially dormant for some years, with no substantive grant making activity since 2018 until this year. Trustees consulted with the Directors of 38 Degrees Ltd to help determine the best course of future action for the Trust. As a result the Trust reengaged with 38 Degrees Ltd, developing a common understanding of mutual benefit and formalising the working relationship between the two organisations.

The immediate benefit has been secured funding from the Jubilee Foundation with the expectation of future funding to come in 2024. In addition we were able to distribute our first substantial grant as described above.

The Trustees are conscious that the Trust must remain an independent, charitable entity. Whilst we will continue to develop close ties with 38 Degrees Ltd and other organisations when appropriate, we will only accept donations and distribute funding where the purpose is fully aligned to our charitable objectives and the integrity of our independence is maintained.

Structure, governance and management

The organisation incorporated as a charitable company limited by guarantee on 13 October 2009. The entity registered as a charity on 14 December 2010. The company was established under a memorandum of association which set out the objects and powers of the charitable company and is governed under its articles of association.

The Board consists of no fewer than three and no more than ten persons. Our Trustees have all been in post for a number of years and we are grateful for all their volunteer time and commitment to the charity. All trustees give their time voluntarily and receive no benefits from the charity. No expenses were reclaimed from the charity in the period.

In light of increased funding and collaboration with 38 Degrees Ltd, in 2024 the Trustees will complete a review of the Trustee Board and governance to ensure that we are fit for a more impactful and exciting future.

The Trust has no staff. The Trust has outsourced the administrative and bookkeeping capacity to 38 Degrees Ltd an arrangement that is kept under review.

Related parties and relationships with other organisations

We are a legally independent organisation, however we work in close collaboration with 38 Degrees Ltd on matters of mutual benefit. In the year we worked with 38 Degrees Ltd to secure funding of £100,000 from the Jubilee Foundation. In addition 38 Degrees Ltd donated services-in-kind for administering the activities of the charity.

Statement of responsibilities of the trustees

The trustees (who are also directors of 38 Degrees Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming

Trustees' annual report

For the year ended 30 September 2023

resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 presume that the charity will continue in operation

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

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

The opinion of the trustees is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The trustees acknowledge the following responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 September 2023 was 5 (2022: 5). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

38 Degrees Trust

Trustees' annual report

For the year ended 30 September 2023

The trustees' annual report has been approved by the trustees on 20 May 2024 and signed on their behalf by:

Lawrence Simanowitz

Chair of Trustees

Independent examiner's report

To the trustees of

38 Degrees Trust

I report to the trustees on my examination of the accounts of 38 Degrees Trust for the year ended 30 September 2023.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of the Company you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011 ('the 2011 Act').

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Name: Joanna Pittman

Relevant professional qualification or membership of professional bodies: FCA

Address: Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG

Date: 26 June 2024

38 Degrees Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2023

	Note	Unrestricted £	2023 Total £	Unrestricted £	2022 Total £
Income from:					
Donations		105,883	105,883	1,752	1,752
Total income		105,883	105,883	1,752	1,752
Expenditure on:					
Grants	2	61,300	61,300	–	–
Accountancy and independent examination		3,000	3,000	840	840
Bank charges		66	66	221	221
Admin costs		4,400	4,400	–	–
Total expenditure		68,766	68,766	1,061	1,061
Net income for the year	3	37,117	37,117	691	691
Net movement in funds		37,117	37,117	691	691
Reconciliation of funds:					
Total funds brought forward		22,594	22,594	21,903	21,903
Total funds carried forward		59,711	59,711	22,594	22,594

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All funds and movements are unrestricted and movements in funds are disclosed above.

38 Degrees Trust

Balance sheet

Company no. 07038751

As at 30 September 2023

	Note	£	2023 £	£	2022 £
Current assets:					
Cash at bank and in hand		124,011		2,191	
Debtors	7	–		21,243	
		<u>124,011</u>		<u>23,434</u>	
Liabilities:					
Creditors: amounts falling due within one year	8	64,300		840	
		<u> </u>		<u> </u>	
Net current assets			59,711		22,594
			<u> </u>		<u> </u>
Total assets less current liabilities			59,711		22,594
			<u> </u>		<u> </u>
Total net assets			59,711		22,594
			<u> </u>		<u> </u>
The funds of the charity:					
Unrestricted income funds:					
General funds		59,711		22,594	
		<u> </u>		<u> </u>	
Total unrestricted funds			59,711		22,594
			<u> </u>		<u> </u>
Total charity funds			59,711		22,594
			<u> </u>		<u> </u>

The opinion of the trustees is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the trustees on 20 May 2024 and signed on their behalf by

Lawrence Simanowitz
Chair of trustees

1 Accounting policies

a) Statutory information

The organisation incorporated as a charitable company limited by guarantee on 13 October 2009.

The entity registered as a charity on 14 December 2010

The registered office address is 10 Queen Street Place, London, England, EC4R 1BE

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), and the Companies Act 2006.

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

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees intend the charity continue its operations and therefore the accounts are prepared on the going concern basis.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of grants awarded to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are all allocated to charitable activities.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. These are also re-allocated to charitable activity.

k) Debtors

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.

l) Cash at bank and in hand

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.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

38 Degrees Trust

Notes to the financial statements

For the year ended 30 September 2023

2 Grants

One grant of £61,300 was awarded in the year to 38 Degrees Limited (2022: none).

3 Net income for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Independent examiner's Fee (excluding VAT):		
Independent examination	1,750	–
Accounts preparation	750	700
	<u>2,500</u>	<u>700</u>

4 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

No payments were made to or on behalf of trustees in respect of attendance at meetings of the trustees (2022: £nil).

The trust has no staff and therefore no payments were made to key management personnel (2022: £nil).

5 Related party transactions

There are no related party transactions to disclose for 2023 (2022: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

6 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 Debtors: amounts falling due within one year

	2023 £	2022 £
HM treasury	–	21,243
	<u>–</u>	<u>21,243</u>

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Grants payable	61,300	–
Accruals	3,000	840
	<u>64,300</u>	<u>840</u>