



The DEGREES Initiative

Annual Report and financial statements 2022

Period of financial statements: 1st April 2022 – 31st December 2022

Company Number: 13290405

Charity Registration Number: 1196532

The DEGREES Initiative

Reference and Administrative Details

Name:	The DEGREES Initiative
Company Number:	13290405
Charity Registration Number:	1196532
Registered Address:	First Floor 10 Queen Street Place London EC4R 1BE
Legal Representatives:	Bates Wells 10 Queen Street Place London EC4R 1BE
Accountant:	Stuart Davis Consulting Ltd 23 Carnforth Road Heaton Chapel Stockport SK4 5LL
Independent Examiner:	Buzzacott LLP 130 Wood Street London EC2V 6DL
Chief Executive officer:	Mr Andy Parker
Trustees	Professor John Shepherd (Chair, retired 20 July 2023) Mark Hilton (Treasurer) Professor Saleemul Huq Oliver Morton (appointed Chair 20 July 2023) Jacqueline Kado (Appointed 28 April 2022)

During the period, we did not operate a bank account and so no banking details have been included above.

Message from the outgoing Chair

This message refers to the entire programme of work under the project, covering financials from the Degrees Collective Fund administered by Prism in addition to the amounts in these financial statements from the Degrees Initiative. Please see the structure, governance and management section for further information.

2022 was a milestone year for the Degrees Initiative, both in its development as an organisation and for its mission, as the global conversation around solar radiation modification (SRM) grew in intensity and urgency.

It is a pleasure to report that we have made excellent progress during this period, including a significant growth from one to four staff members and five advisers by the end of the period, and a planned doubling of research funding under the renamed Degrees Modelling Fund (DMF, formerly the DECIMALS Fund). This was accompanied by a renewed communications push, including an updated website with clear messaging about our work, an active social media presence, a video explaining our mission, and the relaunch of a quarterly newsletter featuring a wealth of materials about our activities and the Global South scientists we support.

On the management and operations side, we set up financial controls, human resources procedures, auditing, accounting, and banking services. This was challenging work, requiring long hours and creative thinking to navigate an often complicated transition having become an independent NGO.

Despite these challenges, our programmes continued apace. Degrees managed an entire new DMF funding round, adding 15 new research projects and five new research collaborators — all from the Global South. As with previous DMF grants, the scientists were free to define their own research questions, and funding selections were based on independent peer review. The quality of applications was deeply encouraging — underlining the wealth of Global South talent to be realised with sufficient support.

We were also featured at the Paris Peace Forum and the International Geographic Union (IGU-UGI) conference, helped organise a research residency for DMF scientists at Harvard, arranged for scientists to attend the Gordon Research Conference on SRM, and co-convened a major SRM outreach workshop in Jamaica, in partnership with the Inter-American Institute for Global Change Research and Carnegie Climate Governance Initiative.

In the policy field, Degrees staff and DMF researchers gave input to the Climate Overshoot Commission over three days in Cairo — a significant new initiative led by former WTO Director-General Pascal Lamy which seeks to place SRM in context with other forms of climate action. Its recommendations, alongside rising political attention at the UN and in major economies, are set to make 2023 a seminal year for SRM policy — and Degrees' long-term strategy of building and supporting Global South expertise is proving more prescient and necessary than ever.

We also successfully applied for a funded meeting at the Rockefeller Bellagio Center, to bring together prominent climate experts to review, amend, and polish practical plans for putting developing countries at the forefront of SRM evaluation within the next five years. The Center's support was an important signal of the high esteem in which Degrees' work and mission is held. In 2023 we plan to develop and implement a new growth strategy on the basis of these recommendations.

As Chairman, I am deeply grateful for the extraordinary efforts by our CEO and staff to reap such extraordinary results in a uniquely challenging field.

Professor John Shepherd CBE FRS

A handwritten signature in black ink that reads "John Shepherd." with a period at the end.

Chair of the Trustees (retired July 2023)

Message from the new Chair

It is an honour to succeed John Shepherd as the chair of the trustees. John has led Degrees through a sometimes difficult process of transition with a firm but gentle hand, getting us over humps and keeping us focused on the charity's long-term aims. The growing community of scientists working on solar geoengineering in developing countries around the world and the professional staff that manages the charity are both testaments to his hard work and good judgment.

It is daunting to have to follow him, but I am comforted by the fact that the rest of the board, which we will soon be expanding, is both wise and supportive, and the excellence of the senior executive team. After a summer of extraordinary temperature extremes during which the need for serious discussion of solar geoengineering only became more clear, I think the Degrees Initiative is in a unique position to serve developing countries by helping their scientists quickly develop and deepen the sort of understanding that vital discussion requires.

Oliver Morton

A handwritten signature in blue ink that appears to read "Oliver Morton".

Chair of the Trustees (appointed July 2023)

Trustees' Report for the period April 2022 to December 2022

Structure, Governance and Management

DI is a company registered on 5 March 2021 in England and Wales, limited by guarantee without share capital (no: 13290405) and a charity registered in England and Wales (charity number: 1196532) on 11 November 2021. It operates under its Articles of Association.

Due to the continued financial arrangement with Prism the Gift Fund (a financial administrator for UK charities), the Degrees Modelling Fund (DMF) grants, the majority of the consulting costs and much of the additional support costs were paid directly by the Degrees Collective Fund administered by Prism and so do not appear in the charity's financial statements for this year. These financial statements show the costs where the contract was held directly by the Degrees Initiative. Once the charity has its own bank account, the funds held on its behalf will be released by Prism the Gift Fund, and all future activity will be reported in the financial statements of this entity, the Degrees Initiative.

The message from the chair, the achievements and performance section, and the note for future plans outline the work undertaken across the entire project, covering financials from the Degrees Collective Fund administered by Prism in addition to the amounts in these financial statements from the Degrees Initiative.

The charity's headcount grew from one to four by the end of the period. As part of this expansion and organisational formation, the trustees have transitioned to a more traditional non-executive role. One of the Trustees provided additional consulting services to support the organisation, please see the related parties disclosure for full details. Trustees were appointed on incorporation, and it is intended to increase the number of trustees with the aim of broadening the diversity of the board. The plan to bring on three additional trustees were agreed by the board in December 2022. The process of determining the number of new Trustees involved a review of the skillset of the current Board, with a view to broadening the Board's skills mix by recruiting new Trustees who would cover skills gaps and strengthen the Board's holistic expertise.

Charity trustees have a duty to develop strategic plans to ensure that the charity provides public benefit and achieves its objects as set out in the governing document. These objects fall under the purposes defined by the Charities Act 2011. The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing DI's aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Objectives

The DEGREES Initiative (DI) acts for the public benefit by building the capacity of developing countries to research and evaluate solar radiation modification.

This is achieved through undertaking outreach through engagement workshops in the Global South, community building activities which promote South–South and South–North connection and collaboration, and the funding of research through the Degrees Modelling Fund that empowers scientists in the Global South to ask their own questions and develop their own expertise.

Background

DI was incorporated on 24 March 2021. Prior to this it was known as the Solar Radiation Management Governance Initiative (SRMGI), a project initiated by a partnership between the Royal Society, The World Academy of Science (TWAS) and the Environmental Defense Fund (EDF). Since its formation it has led the world in engaging developing countries on the issue of solar radiation management (SRM), primarily through its series of in-country workshops and through the world's first international SRM modelling research fund. This was known as the DECIMALS Fund but has recently been re-named the DEGREES Modelling Fund to avoid confusion between the two different names.

As the SRMGI project ran towards its end date, the organisation wished to continue its work and so sought to become an independent NGO, whilst maintaining its close relationship with TWAS.

Andy Parker was the first and only SRMGI Project Director, before becoming the founder and CEO of DI once it became incorporated as a company limited by guarantee. DI was registered as a charity on 11 November 2021.

Achievements and Performance

This message refers to the entire programme of work under the project, covering financials from the Degrees Collective Fund administered by Prism in addition to the amounts in these financial statements from the Degrees Initiative. Please see the structure, governance and management section for further information.

During the period in question, the organisation made great strides with its programmatic aims and successfully launched the Degrees Modelling Fund (DMF). In October 2022 15 research projects spanning Africa, Asia, and South America were successful in being awarded grants through the charity's DMF, following open calls for proposals and a robust selection process. The new projects are based in Benin, Brazil, Cameroon, Chile, Ghana, India, Indonesia, Malaysia, Mali, Nigeria, Pakistan, South Africa (x2), Thailand, and Uganda. Over the next two years, they will explore how solar radiation modification (SRM) could affect climate impacts in their regions. Integrating the ongoing 11 projects under the previously titled Decimals Fund, the DMF now supports 26 modelling projects in 21 different countries, involving over 150 scientists, making the Degrees Modelling Fund the largest SRM research initiative in the world.

Further, the charity continued to expand its outreach and community building work engaging in several events during the period in question. Organisational development continued throughout the period to supplement this growth in activity as the headcount grew from one to four, along with five consultants by the end of the period. One of these consultants was a Trustee providing additional services to support the organisation, please see the related parties disclosure for full details.

Financial Review

This report covers the nine month period between 1st April 2022 and 31 December 2022 as

DI transition the annual reporting period from the financial year to the calendar year.

Comparator numbers relate to the period of incorporation to 31 March 2022.

During the reporting period, DI incurred expenditure of £262.0k (2021/22: £24k). £126.7k related to staff remuneration, £130.9k related to consultancy costs where the contract was held by DI, and £4.5k related to the fee of our Independent Examiner.

With a corresponding income of £262.0k, the charity requires the financial statements to be reviewed by an independent examiner for the first time (threshold £25k).

Due to the continued financial arrangement with Prism the Gift Fund as previously outlined, in this shortened reporting year 2022/23 DI had a reserves level of zero as it had no operating costs. For the reporting year 2023/24 the charity's policy is to hold unrestricted free reserves that are sufficient to cover three to six month's fixed expenditure and in extremis, the amount needed to wind down the charity in an orderly manner. The charity shall calculate this reserve requirement at least on a quarterly basis. This amount shall be referred to as the Target Reserves Level.

DI holds no investments, nor does it use the services of a professional fundraiser.

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that The Degrees Initiative has adequate resources to continue in operational existence for the foreseeable future. The executive team and trustees have evaluated the cash flow forecasts and future income streams including the pledged funding from the Good Ventures Foundation and remain confident of the ongoing viability of the charity. For this reason, The Degrees Initiative continues to adopt the going concern basis in the preparation of its financial statements.

Future Plans

This message refers to the entire programme of work under the project, covering financials from the Degrees Collective Fund administered by Prism in addition to the amounts in these financial statements from the Degrees Initiative. Please see the structure, governance and management section for further information.

For 2023 and beyond DI plans to broaden its reach and impact by continuing to grow the organisation. A workshop held in Mexico in early 2023 has led to DI planning to expand the Degrees Modelling Fund with a Central America grants call. There is the intention to provide continuation grants to some of the existing DMF scientists for additional projects. DI is also planning to support social science research to broaden the scope of developing countries to evaluate SRM, with new grant calls being prepared for this additional academic sector.

In order to improve connections and networks across the Global North and Global South DI will organise and convene a conference style event, bringing together our DMF funded scientists with SRM experts from all around the world. Further workshops in Southeast Asia

The DEGREES Initiative

Annual Report and financial statements for period 1st April 2022 – 31st December 2022 and North Africa will be run by DI in order to reach out to these underrepresented Global South regions, with the aim to engage scientists here to participate in future grant calls.

DI is also very optimistic about being able to help build research centres of excellence for climate modelling and SRM across the Global South. These would act to ensure that developing countries could research and evaluate SRM and enable them to be at the centre of the SRM conversation.

Statement of trustees' responsibilities

The trustees (who are also directors of The Degrees Initiative for the purposes of company law) are responsible for preparing the trustees' report and 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 period which give a true and fair view of the state of affairs of the charitable company and of 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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.

Signed on behalf of the board of trustees by: **Oliver Morton, Chair**



Approved by the board on: **21st September 2023**

Independent examiner's report to the trustees of The Degrees Initiative

I report to the charity trustees on my examination of the financial statements of the charitable company for the 9 month period ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

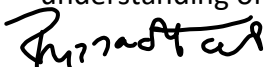
Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the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

Independent examiner's statement

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

- ◆ accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- ◆ the financial statements do not accord with those records; or
- ◆ the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- ◆ the financial statements have not been prepared in accordance with the methods and principles of the for "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)."

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 financial statements to be reached.



Edward Finch, ACA
On behalf of Buzzacott LLP
Chartered Accountant
130 Wood Street
London
EC2V 6DL

21/09/23

The Degrees Initiative
Statement of Financial Activities
For the period 1st April 2022 to 31st December 2022

		Unrestricted funds	Prior year funds
	Note	1st Apr 2022 - 31st Dec 2022 £	24th Mar 2021 - 31st Mar 2022 £
Income			
Donations and legacies	3	262,044	24,038
Total Income		262,044	24,038
Expenditure			
Charitable activities	4	262,044	24,038
Total Expenditure		262,044	24,038
Net movement in funds		-	-
Reconciliation of funds:			
Total funds brought forward		-	-
Movement in Year		-	-
Total funds carried forward		-	-

The Degrees Initiative
Balance Sheet
As at 31st December 2022

	Note	Unrestricted funds 1st Apr 2022 - 31st Dec 2022 £	Total last year 24th Mar 2021 - 31st Mar 2022 £
Current assets			
Debtors	6	262,044	24,038
Total Current Assets		262,044	24,038
Creditors: amounts falling due within one year	7	262,044	24,038
Net Current Assets and Total Assets		-	-
Funds of the Charity			
Unrestricted funds		-	-
Total Funds		-	-

For the period to the 31st December 2022, the company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The financial statements were approved by the Board of Directors on: **21st September 2023**

Signed on behalf of the board of trustees by: **Oliver Morton, Chair**



Notes to the financial statements

1. Company Status

The Degrees Initiative Ltd is a company limited by guarantee, registered in England (registration number: 13290405), and has no share capital. It is also a charity registered in England and Wales (registration number: 1196532).

2. Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared for the 9 month period ended 31 December 2022.

Due to the continued financial arrangement with Prism the Gift Fund (a financial administrator for UK charities), the Degrees Modelling Fund (DMF) grants, the majority of the consulting costs and much of the additional support costs were paid directly by the Degrees Collective Fund administered by Prism and so do not appear in the charity's financial statements for this year. Once the charity has its own bank account, the funds held on its behalf will be released by Prism the Gift Fund, and all future activity will be reported in the financial statements of this entity, the Degrees Initiative. These financial statements show the costs where the contract was held directly by the Degrees Initiative.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

The Degrees Initiative meets the definition of a public benefit entity under FRS 102, and the definition of a small charity under the Charities SORP. As such, the charity has taken advantage of the exemption to include a statement of cash flows. The Trustees do not believe there to be any significant estimates or areas of judgement when preparing these financial statements.

2.2 Change to Accounting Period

The accounting period has been adjusted from the financial year to the calendar year. As such these financial statements represent 9 months from 1st April 2022 to 31st December 2022. The previous accounting period covered from the charity's initial incorporation (24th March 2021) to 31st March 2022.

2.3 Fund Accounting

The charity has adopted the following definitions of funds:

- Unrestricted funds comprise the accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of The Degrees Initiative's general charitable objectives.

2.4 Income

All income is accounted for when the charity has entitlement, there is certainty of receipt, and the amount is measurable. Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP). Given the arrangements with Prism the Gift Fund as noted above, the charity only recognises income to the extent spend is incurred by the intermediary organisation as this is the point the entitlement criteria is met.

2.5 Expenditure

Expenditure is recognised when a liability is incurred. Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

All expenditure is stated gross of VAT as The Degrees Initiative is not registered for VAT, and no VAT costs are recoverable.

Expenditure related to charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and includes both costs that can be allocated directly to such activities, plus those costs of an indirect nature necessary to support them, though there are no such support costs in this period.

2.6 Pension costs

The charity participates in the NEST pension. This pension is open to UK staff in the charity. The scheme is a multi-employer defined contribution scheme. Accordingly, these financial statements include pension costs payable on a defined contribution basis in accordance with Financial Reporting Standard 102 section 8.

2.7 Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Debtors comprise only of amounts due from Prism the Gift Fund as a result of the arrangements the charity has with them noted above.

2.8 Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. Creditors comprise only of amounts due to Prism the Gift Fund as a result of the arrangements the charity has with them noted above.

3. Analysis of Income

	Unrestricted Funds	Unrestricted Funds (prior period)
	1st Apr 2022 - 31st Dec 2022	24th Mar 2021 - 31st Mar 2022
	£	£
Donations and Legacies		
Income drawn on grants held by other charity	262,044	24,038
Total Income	262,044	24,038

Grants supporting the Degrees Initiative's work are held in cash at Prism the Gift Fund. The charity has accounted for the income that has been drawn down in relation to expenditure directly contracted with the charity.

4. Analysis of Expenditure

	Unrestricted Funds 1st Apr 2022 - 31st Dec 2022 £	Unrestricted Funds (prior period) 24th Mar 2021 - 31st Mar 2022 £
Expenditure on Charitable Activities		
Direct project costs	262,044	24,038
Total Expenditure	262,044	24,038

Included in the above are governance costs of £4,500 (inclusive of VAT) in respect of the charity's independent examination fee for the period.

5. Paid Employees

	1st Apr 2022 - 31st Dec 2022 £	24th Mar 2021 - 31st Mar 2022 £
Staff Costs		
Salaries & Wages	72,296	18,750
Social Security Costs	53,732	2,588
Pension Costs	8,914	1,500
Total Staff Costs	134,942	22,838

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

	1st Apr 2022 - 31st Dec 2022 £	24th Mar 2021 - 31st Mar 2022 £
Key Management Personnel		
The amount paid to key	52,582	18,750
Average Headcount		
The average headcount for the period was:	2.11	0.25

Pension Scheme

The charity operates a defined contribution pension scheme.

	1st Apr 2022 - 31st Dec 2022 £	24th Mar 2021 - 31st Mar 2022 £
The amount of pension contributions recognised as an expense during the period was:	8,914	1,500

6. Debtors

	1st Apr 2022 - 31st Dec 2022 £	24th Mar 2021 - 31st Mar 2022 £
Amounts due from Prism the Gift Fund	262,044	24,038
	262,044	24,038

7. Creditors

	1st Apr 2022 - 31st Dec 2022	24th Mar 2021 - 31st Mar 2022
	£	£
Amounts due to Prism the Gift Fund	262,044	24,038
	<u>262,044</u>	<u>24,038</u>

8. Commitments

The charity has no capital or operating lease commitments at 31 December 2022, nor any contingent liabilities (2021 – none).

9. Related party transactions

One Trustee, Mark Hilton, received remuneration of £18,285 for consultancy services towards the Charity's operational business strategy. This was authorised by the Trustee Board per the Articles of Association governing the charity. Apart from that disclosed above and elsewhere in the financial statements, there are no other transactions with related parties that require disclosure.