



# **The DEGREES Initiative**

## **Annual report and financial statements 2023**

**Period of financial statements: 1<sup>st</sup> January 2023– 31<sup>st</sup>  
December 2023**

**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 auditor:	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers:	The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP HSBC UK Bank plc, 1 Centenary Square, Birmingham, B1 1HQ Barclays Bank UK PLC, 1 Churchill Place, London E14 5HP
Chief Executive officer:	Mr Andy Parker
Trustees	Oliver Morton (Chair, appointed 20 July 2023) Mark Hilton (Treasurer) Dr. Jacqueline Kado Prof. John Shepherd CBE FRS (retired 20 July 2023) Prof. Saleemul Huq (retired 28 October 2023) Pauliina Murphy (appointed 28 September 2023) Mohammed Rahman (appointed 28 September 2023)

# The Degrees Initiative – 2023 Annual Report

## Contents

Note to the annual report .....	4
Message from the Chair .....	4
Message from the CEO .....	6
Our objectives and approach .....	7
Achievements and performance .....	8
Volunteer Support .....	9
Our Impacts in 2023 .....	9
Future Plans – 2024 and beyond .....	13
Structure, Governance and Management .....	15
Fundraising .....	15
Risks and uncertainties .....	16
Financial Review .....	16
Going Concern .....	17
Statement of trustees' responsibilities .....	18
Independent auditor's report to the members of the Degrees Initiative .....	19
Statement of financial activities .....	24
Balance sheet .....	25
Statement of Cash Flows .....	26
Notes to the financial statements .....	27

## **Note to the annual report**

The Degrees Initiative 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.

The financial arrangement with Prism the Gift Fund (a financial administrator for UK charities) and the Degrees Initiative continued until 31st July 2023, and until this date 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. These financial statements show the costs where the contract was held directly by the Degrees Initiative. The charity opened its own bank account and client bank accounts with Stuart Davis Consulting Ltd (our accounting provider) during the course of 2023, and the funds held on its behalf by Prism the Gift Fund were released, with all activity from 1st August 2023 being reported in the financial statements of this entity, the Degrees Initiative.

The messages from the Chair and CEO, objectives and approach, achievements, impacts, and note for future plans outline the work undertaken across the entire project, covering financials from the Degrees Collective Fund administered by Prism until 31st July 2023 in addition to the amounts in these financial statements from the Degrees Initiative across the whole of 2023.

## **Message from the Chair**

2023 has been an important year of growth for the Degrees Initiative, seeing the delivery of substantial new funding for research projects, expansion of the Degrees team, and an increase in activity of our staff, funded scientists and research collaborators in events, key moments, and workshops around the world.

Early 2023 was marked by the addition of fifteen new funded research projects, all from the Global South. In January, Degrees held a research planning workshop in Istanbul, bringing together scientists and research collaborators from the 2018 Solar Radiation Management Governance Initiative (SRMGI) cohort (the predecessor to the Degrees Initiative) with the new project teams. The 2023 project teams are progressing apace, with research now well underway and new papers already in the pipeline.

Other key events have marked Degrees' activities last year, including an engagement workshop in Mexico which led to a special call for proposals for teams in Mexico & Central America. We announced the resulting teams in March 2024, and they are an exciting addition to the programme of work. Degrees-funded scientists have also played central roles in international events such as GeoMIP, the UN Science Summit, and the World Climate Research Programme's Open Science Conference.

In another testament to the achievements of the Degrees projects, the profile of funded scientists continues to grow. Several have been appointed in high level advisory roles,

becoming IPCC Vice-Chairs and co-authors of key reports on SRM from UNEP and UNESCO. It has also been welcome to see a number of scientists funded by Degrees go onto receive funding from additional sources.

Last year, Degrees also appointed five leading new SRM modellers from the Global South to our research collaborator programme. Four of these started working on SRM when they received SRMGI funding in 2018 and have since become leading experts in the region. Welcoming these scientists as collaborators marks an important milestone towards achieving Degrees' mission to build a global community of SRM experts. As Chair, I am grateful to all the research collaborators for the time they provide voluntarily in growing SRM expertise in the Global South and being a vital part of Degrees' mission.

Closer to home, the Degrees team continues to grow and has doubled in size over the past year. While we welcomed two new members and a new Chair to our Board of Trustees, we bid farewell and thanks to outgoing chair John Shepherd, and we mourned the sad loss of our friend and colleague Saleemul Huq—one of the giants of global climate policy.

With the stark warning from the latest UN Environment Programme (UNEP) *Emissions Gap* report, of a likely overshoot of the 1.5 degrees global warming target, SRM is receiving more attention. We've also seen new international reports focused on SRM, such as the UNEP one in early 2023, and the recent ethics report from UNESCO. As interest builds in SRM and its research, it's more important than ever that those most affected by climate change must be central in the discussion around its research, evaluation, and governance.

As Chair, I am grateful for the ongoing efforts by our CEO and staff to help responsibly build this challenging field, and look forward to following the continued growth of activity in what looks to be an exciting year ahead.

**Oliver Morton**



**Chair of the Trustees**

## Message from the CEO

The last twelve months have brought an impressive range of achievements from Degrees-funded scientists, research collaborators and the Degrees team.

As with previous years, we have held and attended events and workshops around the world, from Istanbul to Mexico City to Kigali, building a global community through workshops, events, and research funding. Degrees-funded scientists have continued to publish papers exploring the impacts of SRM in their regions, on topics ranging from the impacts of SRM on rainfall to food production. Many of these issues weren't being researched before we launched the Degrees Modelling Fund. This work will soon expand to social sciences, as we will announce the inaugural projects that will research the socio-political dimensions of SRM.

The end of 2023 also marked five years of Degrees and SRMGI research funding, which provides an opportunity to look back on some achievements since then. When we launched the Degrees Modelling Fund in 2018, it was a bit of a leap of faith, and we had no idea whether we would receive any applications at all. Five years on, the Degrees Initiative supports the largest SRM research programme in the world. It has supported over 150 scientists in 26 projects hosted in 21 countries in the Global South, and Degrees-funded scientists are becoming leading experts in SRM. They present work at high-level conferences and events, they contribute to international reports, and several have even received funding from other sources to expand their projects.

This is central to our theory of change: research builds expertise, and expertise enables independent evaluation and decision making.

In the next year beyond, the Degrees Initiative will continue our work to ensure that the Global South are at the centre of the SRM conversation.



**Andy Parker, Chief Executive Officer, The Degrees Initiative**



## Our objectives and approach

For over a decade, the Degrees Initiative has led the world in building the capacity of developing countries to evaluate solar radiation modification (SRM).

### Degrees Initiative achieves its goals through:

1. **Outreach** - running SRM engagement workshops in the Global South (26 thus far), bringing climate experts from developing countries into the SRM conversation.
2. **Research funding** - supporting the creation and growth of SRM expertise in the Global South through research funding. This empowers teams of researchers to ask their own questions about SRM and develop their own expertise.
3. **Community building** - creating a global community of experts by **fostering** South–South and South–North collaboration around SRM research.

SRM is an issue that matters more to developing countries. They are on the front lines of climate change. If SRM could work to reduce climate impacts, they stand to gain the most. But if SRM goes wrong or is rejected prematurely, they stand to lose the most.

Most research to date has taken place in the Global North (higher income countries including several European nations, the US and Japan). A laissez-faire approach would mean the gulf will continue to widen. It is therefore critical that action be taken to ensure that developing countries play a more central role in the evaluation of SRM. The more they understand SRM and its implications, the better placed they will be to shape SRM governance arrangements, to stand up for their interests, and to resist any bad-faith attempts to persuade them to support or oppose SRM.

### Our approach

SRM is a very controversial topic and we believe that organisations working in this space should commit to high standards of **integrity, transparency** and **good governance**. To adhere to these principles:

- We are transparent about our funders, and our vision, mission and values.
- Our independent Board of Trustees includes a balance of North and South voices.
- Strategic decisions are informed by expert advisors in the Global South (broadly lower income countries comprising Africa, Latin America and the Caribbean, Asia without Israel, Japan, and the Republic of Korea, and Oceania without Australia and New Zealand) and North.
- Research funding decisions are made by an independent grants committee following an open call and peer review.
- Research teams have full academic freedom.

We are impartial on SRM: on whether it should ever be used and how it should be governed. But we are strong supporters of safe and informative SRM research.

## Achievements and performance



**‘We need to take a leading role in research on SRM so that we do not let other countries decide for us.’**

**Dr Casimir Y. Da-Allada**  
National University of Sciences, Technology, Engineering and Mathematics, Benin

### Developing country research

Degrees’ research funds are the first international SRM funds and the first ones aimed exclusively at scientists in developing countries. The Degrees Modelling Fund was launched in 2018 through SRMGI which later became the Degrees Initiative, accompanied by a Comment in the scientific journal *Nature*. It is the largest SRM research initiative in the world by number of scientists, having supported over 150 researchers working across 26 projects hosted in 21 developing countries. It has awarded over \$1,800,000 in grants to date.

At present over 150 Degrees-supported scientists—including 20 Intergovernmental Panel on Climate Change (IPCC) authors—are researching how SRM could affect their regions: including impacts on drought in Southern Africa, dust storms in the Middle East, and the spread of malaria in South Asia. The projects are publishing their findings in high-level peer-reviewed journals. Researchers have also presented their work at high-level conferences and events, and have contributed to key international reports. For example, Inés Camilloni—who was first funded by SRMGI in 2018 and now volunteers as a Research Collaborator—has co-authored a recent UNESCO report on the ethics of SRM and also sits as an IPCC Vice-Chair.

In 2023, the Degrees Initiative launched the first fund for SRM research in the social sciences aimed exclusively at developing countries. These inaugural projects were announced in the first half of 2024.



## Volunteer Support

The teams are supported by fifteen of the world's leading SRM modelling experts, including five scientists from the Global South who started working on SRM through Degrees grants. All of them volunteer their time because they believe in Degrees' mission. None of the volunteers received any payment for their support in 2023.

### Research Collaborator Spotlight: Professor Inés Camilloni

Professor Inés Camilloni is a Degrees research collaborator and principal investigator for the project in Argentina. She began working on SRM through a Degrees grant in 2018 to study the impacts of SRM on the hydrology of the La Plata Basin and she continues to lead the Degrees-funded team at the University of Buenos Aires in Argentina. Her team is the world's first majority-female SRM modelling team, and she has emerged as a leading voice on SRM in Latin America and beyond – she gave a TED talk on the subject in 2022.

2023 was an exciting year for Inés's SRM work. She was elected as an IPCC (WG1) Vice-Chair, was a co-author for the UNEP independent expert review on SRM and has been instrumental in the recent UNESCO ethics report on SRM. In October, she also took part in and organised a special session which included discussion of SRM at the World Climate Research Program's Open Science Conference in Kigali, Rwanda in October. To end the year, she was awarded groundbreaking funding for SRM research from Harvard University's GEM Incubation Fund to explore the potential impacts of SRM and climate change on major coastal cities in Latin America.



## Our Impacts in 2023

### 2023 Highlights



Doubling of SRM research in the Global South announced



Launch first grant programme for SRM research in social sciences exclusively for developing countries



Seven new papers on SRM published by Degrees-funded teams



Held events and workshops around the world, from Istanbul to Mexico City to Kigali



Supported scientists to attend key international events including the WCRP, a UN Science Summit, and GeoMIP

## **Progress towards key 2023 objectives:**

In last year's report, we set out that we hoped to achieve in 2023: broaden our reach and impact, continue to grow the organisation, expanding funding opportunities for Central America, providing continuation grants, supporting social science research, organising and convening events to bring together Degrees-funded scientists with SRM experts from around the world, and holding further workshops regionally.

During 2023, the Degrees Initiative has made progress in a number of areas to meet core organisational objectives in **outreach**, **research funding** and **community building**.

### **OUTREACH**

2023 took us around the world from Istanbul to Mexico City to Kigali, building a global community through a number of workshops and events. We held a Research Planning Workshop in Istanbul in January for the new cohort of Degrees-funded scientists, an engagement workshop in Mexico in April, which resulted in an open call for proposals in Mexico and Central America to further study the impacts of SRM in the region, and began planning for a South East Asia Regional Workshop which took place in January 2024.

We've also supported our scientists to attend and present their work at workshops and conferences—such as at GeoMIP, and the World Climate Research Program's Open Science Conference. These allowed scientists to make contributions on a range of SRM topics, including modelling methodologies, knowledge gaps, and managing climate overshoot. These events represents an achievement for Degrees to have such a number of Degrees-funded scientists centre stage, putting developing country perspectives at the centre of SRM evaluation.

Finally, in September 2023, our CEO, alongside research collaborator and Degrees-funded scientist Prof. Inés Camilloni, also delivered a keynote presentation on SRM knowledge gaps at a special Science Summit session in New York, in advance of the UN General Assembly. Conversations at the session underlined the need for further SRM research and broader stakeholder engagement, particularly in the Global South.



### Research Planning Workshop, Istanbul, January

A new cohort of Degrees-funded scientists met with those from 2018 for three days of induction, planning and discussion at Degrees' research planning workshop in Istanbul, from 24-26 January 2023. The meeting marked the starting point for Degrees Modelling Fund's second round of research projects, bringing two scientists from each of the 15 new teams together with members from all of its previous projects, as well as eight leading SRM modelling experts who volunteer their time as research collaborators.

Over the three days, each of the 15 new research teams gave presentations on their research plans, receiving input and feedback from other workshop participants. Research collaborators also provided the new teams with modelling data and ran sessions to help them navigate the challenges of SRM modelling.

Degrees aims to turn the research planning workshop into an annual event to help us achieve our goals of putting the Global South at the centre of the SRM conversation and building a global community of SRM experts.

## RESEARCH FUNDING

In early 2023, we announced a doubling of funding for SRM research in the Global South, and at the end of the year, we launched the world's first research funds for SRM research in social sciences in developing countries. We're expecting to announce the inaugural projects in the first half of 2024.

We have followed through with expanding funding with a Central America grants call – we have now awarded funding to two projects based in Mexico to model the impacts of SRM on heatwaves and biodiversity in their regions. These were announced in Spring 2024.

We have also recently opened a call for proposals for continuation grants to support existing Degrees-funded projects. These will be awarded later in 2024.

During 2023, Degrees-funded teams published seven new papers, exploring the impacts of SRM on areas such as monsoon and sea surface temperature in West Africa, cocoa production in Nigeria, and rainfall in Southeast Asia. Teams funded from 2023 have made good progress in their research, and there are several research papers in the pipeline for 2024 and beyond.

### Grant making policy

The charity offers grants for individual and institutional beneficiaries in developing economies and economies in transition (as defined by the United Nations). This currently includes:

- Research grants: to support individuals or teams carrying out research projects in relation to solar radiation modification (SRM).
- Ad hoc grants: to provide other financial support to beneficiaries to further the charity's mission.

Research grant applications are made to charity in the form of dedicated calls for proposals, which may be public calls for proposals for initial grants, private calls for proposals for teams that have already received funding from the initiative, or any other ad hoc grant the charity may offer.

For the new initial grant requests from public calls for proposals, the research funding decisions are made by an independent grants committee following a peer review process.

## **COMMUNITY BUILDING**

A core part of our vision at the Degrees initiative is to continue to grow a global community of experts by fostering South–South and South–North collaboration around SRM research.

One target of 2023, was to progress regionalisation of SRM across the Global South. The workshop held in South East Asia in January 2024 (planned and organised in 2023), began this regionalisation work, and we look forward to further activities planned in South Africa and Latin America in 2024.

In 2023, we have also seen several scientists go on to work on different projects or fellowships, or to receive additional funding, after starting SRM research with Degrees. For example, two Degrees scientists attended International Centre for Theoretical Physics as research fellows, and we've seen scientists collaborating on computer modelling and systems, sharing resources and knowledge across different countries. Read the spotlight below for more detail on funding awards.



### **Additional Funding Awards for Degrees-Funded Scientists**

Ultimately, the Degrees Initiative aims for research programmes to become well established with further deepening links between experts and regional policy makers, with developing country engagement with SRM having the momentum to be self-sustaining. This means scientists who we introduced to SRM, are going on to grow their work and become leading experts in their region. One aspect of this, is using this expertise to then take advantage of other funding opportunities beyond the Degrees Initiative programmes.



In 2023, we saw some high profile funding being awarded to scientists who began working on SRM through the Degrees Initiative funding. For example, Degrees PI's Inés Camilloni and Athar Hussain were awarded groundbreaking research funding from Harvard University's GEM Incubation Fund, which supports innovative research projects that address development challenges and foster policy changes in developing economies.

## ***Organisational Growth***

To enable us to continue to expand our work, the Degrees team has continued to grow and has doubled in size over the past year, with new members of staff supporting core work

areas such as communications and operations. We also welcomed two new board members and a new Chair to our Board of Trustees. Please see the structure, governance and management section for further detail.

## **Future Plans – 2024 and beyond**

In February 2023 we held a convening at the Rockefeller Foundation Bellagio Center in Italy, bringing together 20 climate experts from Global South and North to plan how to accelerate our mission to put developing countries at the centre of SRM evaluation.

For 2024-2028, we plan to expand our **outreach, research funding, and community building** work, by:

- Continuing to build SRM knowledge and expertise in the Global South;
- Reducing technical and nontechnical obstacles that hinder SRM research;
- Enhancing the reach and impact of our capacity-building efforts, for instance through regionalisation;
- Deepening connection between SRM researchers, local stakeholders, and policymakers;
- Empowering researchers in the Global South to become significant and influential voices within the SRM and broader climate change communities.

### **Priorities in 2024**

Looking ahead to 2024, we have some exciting things coming up for the Degrees Initiative.

#### **OUTREACH**

In 2024, we will be supporting scientists and collaborators to attend several international conferences including: the Gordon Research Conference, GeoMIP, UNEA, and the European Geophysical Union. We will also hold research planning workshops in Latin America and South Africa, to continue to build on our regionalisation efforts.

On the publications side, there are over 20 Degrees Modelling Fund publications in various stages of production, building SRM impact analysis across the Global South. We will work with scientists to support publication, and communications around new papers.

#### **RESEARCH FUNDING**

We will be announcing two new research teams in Mexico, as well as the successful projects from our call for proposals for SRM social science research, and will be holding research planning workshops for both.

We will also award continuation grants to Degrees-funded teams whose funding would have ended in 2023 and that have met our standards of excellence, to continue their SRM research. An application process for this funding will soon be underway.

We will continue to review funding needs based on feedback from collaborators, stakeholders, and scientists, with a view to possibly launching grants with specific needs.

## **COMMUNITY BUILDING**

Progressing our regionalisation objectives, workshops will be held in Southeast Asia, Latin America, and South Africa to discuss the possibility of collaborative research in the region.

Across the year, as the Degrees Initiative grows, we are looking forward to increasing our offering to the scientists we support, including with supporting collaboration between teams, and providing training on areas such as science communications.

We will also begin the process of organising a Global Forum on SRM, bringing together leading SRM scientists, collaborators, and stakeholders from around the world to review and collaborate on SRM research.



## **Structure, Governance and Management**

The charity's headcount grew from four people in January 2023 to six people by the end of the period (average headcount five). As part of this expansion and organisational formation, the trustees have transitioned to a more traditional non-executive role. The trustee board meets at least annually to review the remuneration of key management personnel, which included the Chief Executive Officer (CEO) in this financial year. An annual review and appraisal process is conducted, with the pay policy considering annual inflationary salary increases and performance awards. In setting the remuneration of key management personnel the board considers market rates, skill sets and performance.

One of the trustees provided additional consulting services to support the organisation, please see the related parties disclosure for full details. Professor John Shepherd retired from his role as Chair of Trustees at Degrees on 20th July 2023, with existing trustee Oliver Morton taking over as the new Chair. Two further trustees, Pauliina Murphy and Mohammed Mofizur Rahman were appointed to the board on 28th September 2023, increasing the size and diversity of the board. Trustees are appointed by a decision of the existing trustees under the terms of the Articles of Association. All trustees become members of the charity upon appointment. The process of determining the number of new trustees involved a review of the skillset of the current board, with the new trustees selection based on covering skills gaps and strengthening the Board's holistic expertise. Once appointed, each trustee undergoes an induction with the CEO and the executive team, with a programmes onboarding to understand the charity's work in detail.

Sadly, trustee Professor Saleemul Haq passed away on 28th October 2023.

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 the Degrees Initiative'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.

## **Fundraising**

We have devised a new fundraising strategy for the forthcoming years in order to achieve our future plans and will continue to grow and diversify our funding base.

We have a fundraising team that is focusing on securing multi-year funding from several major donors and in 2024 plan to bring on a dedicated fundraising consultant. We are reaching out to new potential funders across a spectrum of charitable trusts and foundations engaging with these prospects in a systematic way. We apply for both core support and funds restricted to specific projects and purposes.

The charity does not engage with the general public with regards to any fundraising and only interacts with institutional donors. There are therefore minimal risks around persistent messaging or marketing. It has thus not registered with the UK fundraising regulator or any fundraising standards. No complaints were received during the year in relation to our fundraising.

When interacting with others, fundraisers ensure that they treat people fairly and with respect, explain the cause in a way that does not mislead people, and are sensitive to people who may be in vulnerable circumstances.

## **Risks and uncertainties**

The trustees regularly review the risks and uncertainties to which the charity is exposed and continually work to enhance the systems and procedures that are in place to mitigate the Degrees Initiative's exposure to those risks. The key risks identified in 2023 were:

### **Lack of funding**

The Degrees Initiative has had substantial grant funding from Open Philanthropy for our work through to the end of 2024. However, having one main funder increases the risk that the charity will face a loss of income and lack of funding if this source is not renewed. Per the fundraising strategy, diversified sources of funding with several major donors is necessary to mitigate this risk. In 2024 the charity has now secured funding from two new donors, and is expected to receive large grants from three further donors in 2024 that will secure the charity funding into 2026 at the least.

### **Public perception of SRM**

SRM is a controversial field, and there is a risk that mistrust or an altered perception of SRM research amongst key audiences, including media voices in particular could have an impact on future income streams or desire for our services by beneficiaries in the Global South. Our communications strategy, maintaining key messages and consistent communications to ensure we deploy risk-risk and Global South and climate justice messaging will aim to minimise this risk.

### **Key person dependencies**

The charity started the financial year with four employees and thus faced the risk of key person dependencies and associated issues alongside that. Steadily growing to six employees by the end 2023 and scaling processes has attempted to reduce this risk (the average headcount was five throughout 2023).

## **Financial Review**

This report covers the twelve months from 1st January 2023 to 31st December 2023. In the previous year, the charity shortened its financial year to bring it in line with the calendar



year. As such, comparative numbers relate to the nine-month period 1st April 2022 to 31st December 2022.

A previous financial arrangement with Prism the Gift Fund (a financial administrator for UK charities) continued into this period, with the process of termination commencing on 31st March 2023. For this initial period, most costs were contracted to Prism the Gift Fund, and as this is a separate legal entity, these costs do not appear in the charity's financial statements. Only cost related to employees and suppliers directly contracting with the charity are recognised in this period and the previous accounting period.

Following a transition period between 1<sup>st</sup> April 2023 and 31<sup>st</sup> July 2023, the charity contracted with all grantees and suppliers directly, and therefore all costs are recognised within the charity from 1st August 2023 onwards. During the reporting period, the charity incurred expenditure of £820k (2022: £262k). £295k (2022: £135k) related to staff remuneration, £258k (2022: £nil) was granted to institutions, £152k (2022: £nil) related to consultancy costs, and £116k (2022: £nil) of other costs. A further £66k (2022: £nil) has been recognised as a foreign exchange loss because the majority of the charity's cash is held in USD.

During the period, the charity recognised income of £3,102k (2022: £262k). This represents the balance of funds held at Prism the Gift fund at the end of the financial hosting arrangement (2022: £262k), with a further receipt of £2,038k (2022: £nil) from the Good Ventures Foundation.

All funds are regarded as unrestricted funds, in that they may be used for any activity within the charity's objects. At the end of the period, the charity held unrestricted reserves of £2,217k, all of which are considered free reserves (2022: £Nil). 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 is therefore currently exceeding this target. This is because the incoming grant from Good Ventures Foundation was provided in an advanced lump sum to cover future committed spending into 2024.

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

## **Going Concern**

Per the lack of funding section in risks and uncertainties, 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. That is, as the charity has now secured funding from two new donors in 2024, and is expected to receive large grants from three further donors in 2024 that will secure the charity funding into 2026.

The executive team and trustees have evaluated the cash flow forecasts and future income streams 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.

## 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: **06/06/2024**

# **Independent auditor's report to the members of the Degrees Initiative**

## **Opinion**

We have audited the financial statements of The Degrees Initiative (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ 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 charitable 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.

## **Other Matter**

The prior year comparative figures were subject to an independent examination and are therefore unaudited.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' 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 the charitable company's 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 trustees 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 annual report, other than the financial statements and our auditor's report thereon. The trustees 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 trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees 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 trustees' report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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 is detailed below:

### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery and employment legislation;

- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies (note 2.1) were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the company's legal advisors (although none was noted as being received by the charitable company).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Edward Finch', is positioned above the printed name and address.

Edward Finch (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 11 June 2024

## Statement of financial activities

(including income and expenditure account)

For the year ended 31 December 2023

	Note	Unrestricted Funds	Unrestricted Funds
		12 months	9 months
		1 Jan to 31 Dec 2023	1 Apr to 31 Dec 2022
		£	£
<b>Income</b>			
Donations and legacies	3	3,102,468	262,044
<b>Total Income</b>		<b>3,102,468</b>	<b>262,044</b>
<b>Expenditure</b>			
Charitable activities	4	819,827	262,044
Other Expenditure	4	66,035	-
<b>Total Expenditure</b>		<b>885,862</b>	<b>262,044</b>
<b>Net movement in funds</b>		<b>2,216,607</b>	-
<b>Reconciliation of funds:</b>			
<b>Total funds brought forward</b>		-	-
Movement in Year		2,216,607	-
<b>Total funds carried forward</b>		<b>2,216,607</b>	-

There are no gains or losses other than those shown above in the current or prior periods.



## Balance sheet

As at 31st December 2023

		<b>Unrestricted</b>	<b>Unrestricted</b>
		<b>Funds</b>	<b>Funds</b>
		<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	Note	£	£
<b>Current Assets</b>			
Cash at bank and in hand		2,229,807	-
Debtors	7	60,155	262,044
<b>Total Current Assets</b>		<b>2,289,962</b>	<b>262,044</b>
Creditors: amounts falling due within one year	8	73,355	262,044
<b>Net Current Assets and Total Assets</b>		<b>2,216,607</b>	<b>-</b>
<b>Funds of the Charity</b>			
Unrestricted funds		2,216,607	-
<b>Total Funds</b>		<b>2,216,607</b>	<b>-</b>

The financial statements were approved by the Board of Directors on: **06/06/2024**

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



Company number: 13290405

Charity registration number: 1196532

## Statement of Cash Flows

For the year ended 31 December 2023

		<b>Unrestricted</b>	<b>Unrestricted</b>
		<b>Funds</b>	<b>Funds</b>
		<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	Note	£	£
<b>Cash flows from operating activities:</b>			
Net movement in funds for the reporting period (as per the statement of financial activities)		<b>2,216,607</b>	-
Adjustments for:			
Decrease in debtors		201,889	-
(Decrease) in creditors		(188,689)	-
<b>Net cash used in operating activities</b>		<b>13,200</b>	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>2,229,807</b>	-
<b>Cash and cash equivalents at the beginning of the reporting period</b>		-	-
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,229,807</b>	-

# 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 12 months ended 31 December 2023.

A previous financial arrangement with Prism the Gift Fund (a financial administrator for UK charities) continued into this period, with the process of termination commencing on 31st March 2023. For the period from 1<sup>st</sup> January to 31<sup>st</sup> March 2023, most costs were contracted to Prism the Gift Fund, and as this is a separate legal entity, these costs do not appear in the charity's financial statements. Only cost related to employees and suppliers directly contracting with the charity are recognised in this period and the previous accounting period.

Following a transition period between 1st April 2023 and 31st July 2023, the charity contracted with all grantees and suppliers directly, and therefore all costs are recognised within the charity from 1st August 2023 onwards.

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. 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 previous accounting period had been adjusted from the financial year to the calendar year. As such these financial statements show comparative figures for 9 months from 1st April 2022 to 31st December 2022. The current accounting period covers the full year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

## **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 probability 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).

## **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.

The grants that Degrees disseminates are paid in installments over an extended period of time, and the expenditure on these grants is only booked once the grant conditions have been met and not when the initial grant is awarded. Grant costs are accounted for on a cash basis after each installment is paid as no constructive or legal obligation exists until the payments have been made, with the cost recognised only when the charity ceases to control these resources.

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. Support costs are those relating to governance and legal and professional fees required to maintain the charity's operations.

## **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.

## **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.

## 2.9 Going Concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements. The trustees have concluded that there are no material uncertainties related to events or conditions that cast significant doubt on the ability of the charity to continue as a going concern. This is because of the reserves position of the charity at the end of the year and indications of the Board and the funders to continue the work of the charity into the foreseeable future.

## 3. Analysis of Income

	Unrestricted Funds	Unrestricted Funds
	2023	1 Apr 2022 to 31 Dec 2022
Donations and Legacies	£	£
Income drawn on grants held by another charity	1,064,099	262,044
Income from Good Ventures Foundation	2,038,369	-
<b>Total Income</b>	<b>3,102,468</b>	<b>262,044</b>

At the beginning of 2023, funds supporting the Degrees Initiative's work were held in cash at Prism the Gift Fund. At the end of this arrangement, Prism the Gift Fund granted all remaining balances to the charity.

## 4. Analysis of Expenditure on Charitable Activities

	2023				1 Apr 2022 to 31 Dec 2022			
	Activities undertaken directly	Grant funding of activities (see below)	Support Costs (see note 5)	Total this year	Activities undertaken directly	Grant funding of activities (see below)	Support Costs (see note 6)	Total last year
	£	£	£	£	£	£	£	£
Charitable Activities	515,756	257,803	45,816	<b>819,375</b>	262,044	-	-	<b>262,044</b>

Grant Making Activities		
	2023	1 Apr 2022 to 31 Dec 2022
DMF Research Grants	247,827	-
Additional Support Grants	9,976	-
<b>Total</b>	<b>257,803</b>	<b>-</b>
<b>Other Expenditure</b>	<b>66,035</b>	<b>-</b>
Other expenditure in the year relates to foreign exchange losses on translating the US dollar account at the end of the year.		

## 5. Support Costs

	2023	1 Apr 2022 to 31 Dec 2022
Support Cost Categories	£	£
Governance	14,699	-
Legal & Professional Fees	16,910	-
IT Costs	6,349	-
Other	10,258	-
<b>Total Support Costs</b>	<b>45,816</b>	<b>-</b>

Included within governance costs are £14,400 (inclusive of VAT) of costs in respect of the charity's audit fee for the period (2022: £4,500 for independent examination included within activities undertaken directly). All expenditure is unrestricted (period ending 2022 unrestricted).

## 6. Paid Employees

Staff Costs		
	2023	1 Apr 2022 to 31 Dec 2022
	£	£
Salaries & Wages	247,746	72,296
Social Security Costs	23,018	53,732
Pension Costs	20,060	8,914
Holiday Allowance Accrual	3,895	-
<b>Total Staff Costs</b>	<b>294,719</b>	<b>134,942</b>

Employee Banding	2023	1 Apr 2022 to 31 Dec 2022
	Number of Employees	Number of Employees
£100,000 to £109,999	1	-

Key Management Personnel	2023	1 Apr 2022 to 31 Dec 2022
	£	£
The amount paid to key management personnel	126,635	52,582

Average Headcount		
The average headcount for the year (period) was	5	2

Pension Scheme		
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The charity operates a defined contribution scheme	<b>2023</b>	<b>1 Apr 2022 to 31 Dec 2022</b>
	<b>£</b>	<b>£</b>
<b>The amount of pension contributions recognised as an expense during the year (period) was:</b>	<b>20,060</b>	<b>8,123</b>

#### 7. Debtors

	<b>2023</b>	<b>1 Apr 2022 to 31 Dec 2022</b>
	<b>£</b>	<b>£</b>
Prepayments and Accrued Income	27,850	262,044
Other Debtors	32,305	-
<b>Total</b>	<b>60,155</b>	<b>262,044</b>

#### 8. Creditors

	<b>2023</b>	<b>1 Apr 2022 to 31 Dec 2022</b>
	<b>£</b>	<b>£</b>
Trade Creditors	11,235	-
Accruals	62,120	262,044
<b>Total</b>	<b>73,355</b>	<b>262,044</b>

#### 9. Commitments

The charity has no capital or operating lease commitments at 31 December 2023, nor any contingent liabilities (2022 – none).

#### 10. Related party transactions

During the period, one Trustee, Mark Hilton, received remuneration of £16,168 (2022: £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.