

Company number: 6642193

38 Degrees

Report and financial statements
For the year ended 30 September 2016

38 Degrees

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For the year ended 30 September 2016

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38 Degrees

Reference and administrative details

For the year ended 30 September 2016

Status	The organisation is a company limited by share capital, incorporated on 9 July 2008.
Company number	6642193
Registered office and operational address	The Finsbury Business Centre 40 Bowling Green Lane LONDON EC1R 0NE
Directors	Ben Brandzel Peter Myers – left March 2016 Gordon Roddick – left March 2016 Benedict Southworth – left November 2015 Clare Algar (Chair) Henry de Zoete Nicola Reindorp Peter Tyson Andrea Cooper
Bankers	Triodos Bank Brunel House 11 The Promenade BRISTOL BS8 3NN Co-operative Bank 1 Islington High Street LONDON N1 9TR
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108–114 Golden Lane LONDON EC1Y 0TL

38 Degrees

Report of the directors

For the year ended 30 September 2016

The directors present their report and the audited financial statements for the year ended 30 September 2016.

Principal activities and review

Aim and objectives

38 Degrees launched in May 2009 and is now one of the UK's biggest campaigning communities. 38 Degrees members share a desire for a fairer, better, more sustainable society, and come together to decide which issues we campaign on and the actions we'll take to help us achieve that.

Anyone can get involved with 38 Degrees. We're united by a set of shared values; to defend freedom and fairness, protect rights, promote peace, preserve the planet and deepen democracy.

38 Degrees aims to put power into people's hands. We aim to help to strengthen democracy by giving 38 Degrees members a new way to be involved in politics. We want to be more than just voters and ensure our voices are heard all of the time, not just once every five years.

Activities and performance

38 Degrees has had a successful year. We continued to grow, and spent a total of £4,076,852. Our main activity in this period was campaigning, which cost £3,909,510. We also undertook fundraising work, which cost £91,578. Organisational governance cost £76,632. That means that 96% of expenditure went directly on our members' campaigns.

Campaigning work related to the following areas:

- Protect the NHS
- Campaigns by You
- Tackle UK poverty
- People powered Brexit
- Fair International Trade Deals
- Protect wildlife and the environment
- Protect public services
- EU Referendum fact checking and voter registration
- Support for 38 Degrees members' local campaigning
- Save our Bees
- Protect the BBC
- Challenge bad corporate behaviour
- Stop tax dodging
- Protect Human Rights and Civil Liberties
- Improving politics and democratic accountability
- Refugees Welcome
- Member consultation
- Alliance Building

38 Degrees

Report of the directors

For the year ended 30 September 2016

Our office team reached 29 permanent staff. Additionally we have continued our paid internship programme.

Notable campaigns included:

Protect the NHS

38 Degrees members have continued to campaign to safeguard the NHS as a universal public service. Activities over the past year included: a successful campaign to close loopholes which were allowing drugs companies to overcharge the NHS; support for local campaigns against privatisation of services; work to challenge the threat to the NHS posed by the TTIP trade deal; and a major programme of work to investigate and expose planned cuts to local services contained within "sustainable transformation plans (STPs)".

Stop TTIP

38 Degrees members continued to challenge the negotiations between the EU and US for a Transatlantic Trade and Investment Partnership (TTIP). This year saw a significant ramp-up of our activity, as we played our part in Europe-wide efforts which have led to the deal collapsing. Hundreds of MPs were visited by 38 Degrees members, who handed in petitions expressing concern about the deal. Tens of thousands of 38 Degrees members lobbied their MPs in the build up to a vote in Parliament, where MPs voted to demand greater powers scrutinise the deal. In April 2016, we made sure that US President Barack Obama was aware of our concerns about TTIP, through a series of newspaper adverts.

Close the Mayfair tax Loophole

38 Degrees members have been campaigning against the "Mayfair loophole", a tax loophole used by Private Equity Fund Managers to significantly reduce their tax, since a 38 Degrees-funded investigation first exposed it in 2015. In Sept 2016, the loophole was finally closed, saving UK taxpayers an estimated £700 million.

Don't privatise the Land Registry

38 Degrees members spearheaded a successful campaign to persuade the government to drop plans to privatise the Land Registry. Over 300,000 signed the petition, and over 20,000 submitted individual objections to a government consultation. Our crowd funded investigation exposed that all the companies bidding for the Land Registry had links to tax havens, generating significant media coverage and a fresh round of criticism of the plans in Parliament. In September 2016 the government confirmed that the plans had been dropped.

Save Britain's Bees

38 Degrees members are concerned by the mounting scientific evidence that bee populations are declining due to agricultural use of neonicotinoid pesticides. They have been campaigning for the UK government to listen to this evidence and adhere to the Europe-wide moratorium on the use of these pesticides. Last year, despite our campaigning, the government permitted some farmers to avoid the EU ban and use neonicotinoid pesticides. This year we stepped up our efforts further, with petitions, direct lobbying of MPs, media work, and crowd-funded research into the effects of

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For the year ended 30 September 2016

neonicotinoids. Unlike in 2015, in 2016 all applications to permit agricultural use of neonicotinoid pesticides were rejected – a huge success.

EU referendum

38 Degrees members voted to do fact-checking and voter registration work in the run up to the EU referendum on 23rd June, 2016. Over 80,000 38 Degrees members successfully petitioned for an extension to the voter registration deadline after the government website crashed, enabling hundreds of thousands more people to register to vote. We raised money for independent charity Full Fact to conduct fact-checks of information from both sides of the campaign, enabling millions of voters to access more balanced information.

Protect the welfare state

In November 2015 we celebrated the reversal of proposals to cut tax credits, after a campaign which had run since the cuts had first been announced in June 2015. 38 Degrees members, including many with disabilities, also played a key role in forcing George Osborne to abandon cuts to Personal Independence Payments in March 2016.

Stand up for the BBC

During the BBC charter renewal process, almost 400,000 38 Degrees members took part in a campaign to protect the BBC as an independent, impartial, properly funded public service broadcaster. This included over 170,000 members making individual submissions to the DCMS consultation into the future of the BBC, making it one of the biggest consultation responses ever. In May 2016, the government announced their plans for the future of the BBC, and it became clear that most of their worst proposals – including packing the BBC board with government appointees, banning the BBC from screening popular shows in primetime slots, and big cuts to BBC funding – had all been dropped.

Protect Freedom of Information laws

It was feared a review of Freedom of Information (FOI) laws launched in July 2015 would lead to a watering down of our ability to access information held by the government and other public bodies. 200,000 38 Degrees members joined a campaign to protect the laws, and to extend their scope to cover private sector companies delivering public contracts. We were invited to give evidence direct to the commission carrying out the review, and secured significant media coverage. The commission issued a positive report in March 2016, and plans to restrict FOI were dropped.

We have been proud to work with a large number of organisations. These have included:

The Commission on Civil Society, BOND, Citizens UK, The Save Lewisham Hospital Campaign, Avaaz, The Consumer Association, Amnesty International, the Children's Society, Campact, the Ramblers' Association, the Woodland Trust, the National Trust, RSPCA, the Countryside Alliance, the Badger Trust, Liberty, CAMRA, The National Autistic Society, Spinwatch, Women's Aid, Refuge, Reprieve, Berim, Refugee Action, Gingerbread, Bite the Ballot, ShareAction, Children England,

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For the year ended 30 September 2016

Buglife, Bring Back British Rail, Big Brother Watch, The Royal College of GPs, Keep Our NHS Public, the Social Liberal Forum, the Institute for Government, the Hansard Society, the Institute of Ideas, Friends of the Earth, Greenpeace, WWF, the End Child Poverty Coalition, the Alliance for Lobbying Transparency, Unlock Democracy, the Electoral Reform Society, the Royal British Legion, ActionAid, the NUS, the NUJ, the New Economics Foundation, Ethical Consumer Magazine, the Institute for Consumer Affairs, Compassion in World Farming, the World Society for the Protection of Animals, the Royal Society for the Protection of Birds, Antislavery International, the NHS Support Federation, the Open Rights Group, People and Planet, the World Development Movement, Platform, Tripping up Trump, Oxfam, The Big Switch, Full Fact, Disasters Emergency Committee, Robin Hood Tax campaign, Bumblebee Conservation Trust, London Beekeeping Association, Produce Events, Wonderland Communications, Campaign for National Parks, Campaign for Freedom of Information, City to Sea.

Plans for the future

38 Degrees' agenda is set by 38 Degrees members. Campaigning choices over the next 12 months will be driven by our membership, who take part in votes and surveys to decide our campaigns and the tactics which we then deliver.

Subject to this member consultation process, 2 major priorities for 2017 are likely to be: pushing for sustainable funding for the NHS, to safeguard it as a world class, universal public health service; and influencing Brexit, seeking to ensure the UK pursues a Brexit path which is in line with our members' values and which starts to heal some of the social and cultural divisions exposed during the referendum campaign.

We will expand our ability to support our members' campaigning priorities in a range of ways. We will introduce a new programme of support, mentoring and training for Campaigns By You petition starters. We will increase our in-house capacity to conduct investigations and research on campaigns. We will increase our Public Affairs capacity, to improve our political insight and improve our ability to work with parliamentarians who support our members' campaigns. We will build on the successful energy switching work of 2016, including by scoping other sectors where consumer switching could challenge poor company behaviour.

We will respond to the divisive tone of the UK political debate in 2016, by seeking to contribute to a more hopeful, constructive tone in 2017. In doing this we will draw inspiration from murdered MP Jo Cox's statement that we have "far more in common with each other than things which divide us". We will seek to involve a wide, mainstream range of people in our campaigns, and to build bridges between Leave and Remain voters by identifying common ground between them.

Scope of this report

38 Degrees is committed to transparency and campaigns for other organisations to be more transparent. The information contained within this report therefore goes well beyond minimum statutory requirements. If you are a 38 Degrees member and there is other information which you would like to see in future audits, please contact us at: emailtheteam@38degrees.org.uk.

Report of the directors

For the year ended 30 September 2016

Responsibilities of the directors

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

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

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

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

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

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

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

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Report of the directors

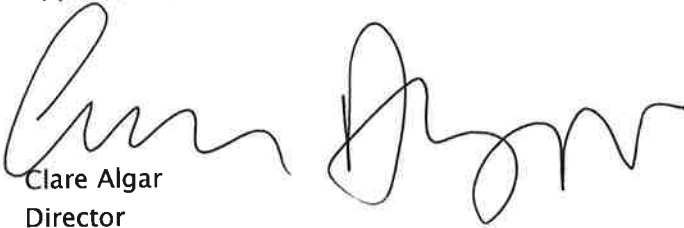
For the year ended 30 September 2016

Auditors

Sayer Vincent LLP were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

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

Approved by the directors on 26 January 2017 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Clare Algar', is written over the printed name and title.

Clare Algar
Director

Independent auditors' report

To the members of

38 Degrees

We have audited the financial statements of 38 Degrees for the year ended 30 September 2016 which comprise the income and expenditure account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the responsibilities of the directors set out in the report of the directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the company's state of affairs as at 30 September 2016 and of its results for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

To the members of

38 Degrees

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 visited by us
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of directors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit
- The directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report



Noelia Serrano (Senior statutory auditor)

31 January 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON EC1Y 0TL

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Income and expenditure account

For the year ended 30 September 2016

	Note	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Income					
Donations	2	61,727	4,446,118	4,507,845	3,893,214
Bank interest		-	4,389	4,389	6,214
Energy switching income		-	255,148	255,148	-
Other		-	106,627	106,627	7,669
Total income		61,727	4,812,282	4,874,009	3,907,097
Expenditure					
Consultants' fees	3	-	9,062	9,062	28,743
Marketing		-	504,931	504,931	804,169
Website maintenance		-	251,766	251,766	348,898
Staff costs	5	-	1,359,863	1,359,863	1,124,493
Campaign expenditure		-	703,698	703,698	420,749
Office costs		-	334,977	334,977	270,928
Legal and finance		-	21,747	21,747	45,909
Depreciation and losses on disposals		-	41,359	41,359	67,788
Grant making		166,727	63,505	230,232	274,500
Trading costs		-	6,581	6,581	-
Alliance building direct costs		-	173,616	173,616	55,329
Other costs		-	439,020	439,020	371,470
Total expenditure		166,727	3,910,125	4,076,852	3,812,976
Surplus/(deficit) on ordinary activities before taxation		(105,000)	902,157	797,157	94,121
Taxation	6	-	(46,160)	(46,160)	(1,243)
Surplus/(deficit) on ordinary activities after taxation		(105,000)	855,997	750,997	92,878
Total funds brought forward		181,416	1,121,441	1,302,857	1,209,979
Total funds carried forward		76,416	1,977,438	2,053,854	1,302,857

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

38 Degrees**Balance sheet**

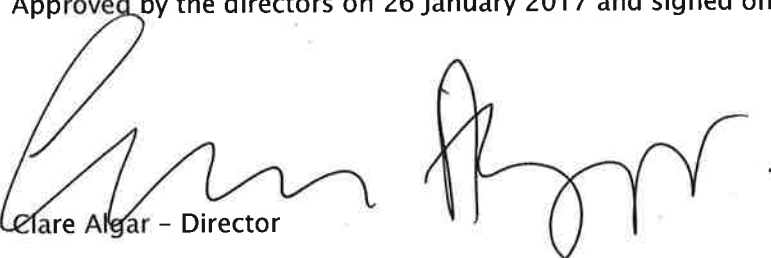
Company no. 6642193

As at 30 September 2016

	Note	£	2016 £	2015 £
Tangible fixed assets	7		41,446	78,231
Current assets				
Debtors	8	114,696		98,788
Cash at bank and in hand		2,225,778		1,331,663
		2,340,474		1,430,451
Creditors: amounts due within one year	9	328,066		205,825
Net current assets			2,012,408	1,224,626
Net assets			2,053,854	1,302,857
Funds	10			
Restricted funds			76,416	181,416
Unrestricted funds				
Innovation fund			135,174	135,174
General funds			1,842,264	986,267
Total funds			2,053,854	1,302,857

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

Approved by the directors on 26 January 2017 and signed on their behalf by



Clare Algar - Director

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (2015) and the Companies Act 2006.

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

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

Website development costs	3 years
Computer equipment	3 years
Fixtures and fittings	3 years
Leasehold improvements	3 years

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

- c) Income received by way of donations and grants and is included in full income when the amounts are receivable. Income is deferred if it has been received but relates to a specific future period or is dependent upon conditions to be fulfilled by the company.
- d) Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the profit or loss for the period.
- e) 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 together with a fair allocation of management and support costs.
- f) Designated funds are funds earmarked by the directors for particular purposes.
- g) Expenditure is allocated to activities based on the estimated amount of staff time spent on an activity. The proportions calculated were: Campaigning – 95% Fundraising – 2% Governance – 3%.
- h) The company makes contributions into employees' personal pension schemes where applicable. The pension cost charge represents contributions payable under the terms of the employees' contracts. The company has no pension liabilities other than for the payment of those contributions.

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Notes to the financial statements

For the year ended 30 September 2016

2. Donations

38 Degrees relies on donations for its income. To maintain our independence we do not accept money from government, big business or political parties. In this period, we received £4,497,845 in donations with an average donation of £8.58. £1,861,041 was donated by monthly direct debit, from 22,900 donors. £2,636,803 was given through one-off donations, comprising 280,276 donations from 137,625 donors, with an average donation of £9.40.

We are committed to transparency in donations and publish details of any donors whose contribution totals over £7,500 within the accounting period.

During the year 38 Degrees received a £10,000 legacy donation from the estate of Betty Richmond.

We have not received any other donations above this threshold in the year to 30 September 2016.

Our energy switching income came from commission received during our Big Switch campaign in collaboration with the Big Deal. Further information can be found here <https://home.38degrees.org.uk/the-big-switch-help-page/>

38 Degrees

Notes to the financial statements

For the year ended 30 September 2016

3. Expenditure

Since the organisation became fully operational, the activities have been focussed on campaigning activity, most of which is conducted through web-based media. The expenditure for the year to 30 September 2016 has been analysed as follows:

	Campaigning £	Fundraising £	Governance £	2016 Total £	2015 Total £
Consultants' fees	8,700	181	181	9,062	28,743
Marketing	478,311	16,655	9,965	504,931	804,169
Website maintenance	241,696	5,035	5,035	251,766	348,898
Staff costs	1,305,469	27,197	27,197	1,359,863	1,124,493
Campaign expenditure	673,943	15,715	14,040	703,698	420,749
Office costs	321,577	6,700	6,700	334,977	270,928
Legal and finance	20,877	435	435	21,747	45,909
Depreciation and losses on disposals	39,705	827	827	41,359	67,788
Grant Making	230,232	-	-	230,232	274,500
Trading costs	-	6,581	-	6,581	-
Alliance building direct costs	166,672	3,472	3,472	173,616	55,329
Other costs	421,460	8,780	8,780	439,020	371,470
	3,908,642	91,578	76,632	4,076,852	3,812,976

Campaigning expenditure related to the following activities:

	2016 £	2015 £
Protect the NHS	450,134	410,290
Protect public services	347,217	98,133
Stop TTIP	332,155	520,359
Campaigns By You	272,595	304,661
People powered Brexit	271,310	-
Tackle UK poverty	261,925	220,645
EU referendum fact checking and voter registration	245,873	-
Protect wildlife and the environment	212,900	199,202
Save our Bees	210,901	171,253
Alliance Building	195,832	58,622
Stop tax dodging	167,737	170,046
Campaign wide	166,971	339,748
Support for 38 Degrees' members local campaigning	160,346	278,793
Protect the BBC	157,724	97,188
Improving politics and democratic accountability	141,819	165,143
Challenge bad corporate behaviour	126,136	44,479
Protect Human Rights and Civil Liberties	85,198	140,194
Member consultation	74,022	44,479
Refugees Welcome	25,733	172,426
General Election 2015	2,115	241,254
	3,908,642	3,676,915

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Notes to the financial statements

For the year ended 30 September 2016

4. Surplus/(deficit) on ordinary activities This is stated after charging / crediting:

	2016 £	2015 £
Depreciation	41,359	34,855
Directors' remuneration	Nil	Nil
Directors' reimbursed expenses	262	68
Loss on disposal of assets	-	32,933
Auditors' remuneration:		
▪ Statutory audit	6,000	5,800
▪ Other services	800	-

5. Staff costs

	2016 £	2015 £
Salaries and wages	1,199,656	997,058
Social security costs	120,441	101,067
Pension contributions	39,766	26,368
	<u>1,359,863</u>	<u>1,124,493</u>

This year, 38 Degrees spent £1,154,583 (2015: £997,058) on staff remuneration. The average salary was £35,860 (2015: £36,093) and the ratio between the highest and the lowest paid was 3.3 to 1 (2015: 3.0 to 1). Our lowest paid staff are our paid interns who are remunerated an entry level salary which is linked to the London Living Wage.

6. Taxation

The majority of 38 Degrees' activities are funded by donations and so not subject to corporation tax.

Corporation tax is payable on the surplus generated from trading activities and bank interest earned.

	2016 £	2015 £
UK corporation tax at 20%	<u>46,160</u>	<u>1,243</u>

Notes to the financial statements

For the year ended 30 September 2016

7. Tangible fixed assets

	Improvements to leasehold £	Fixtures and Fittings £	Website developme £	Computer equipment £	Totals £
Cost					
At the start of the year	31,791	18,045	58,296	55,483	163,615
Additions in year	-	4,574	-	-	4,574
Disposals in year	-	(1,446)	-	-	(1,446)
At the end of the year	<u>31,791</u>	<u>21,173</u>	<u>58,296</u>	<u>55,483</u>	<u>166,743</u>
Depreciation					
At the start of the year	8,831	7,864	42,432	26,257	85,384
Charge for the year	10,597	7,254	7,331	16,177	41,359
Disposal in year	-	(1,446)	-	-	(1,446)
At the end of the year	<u>19,428</u>	<u>13,672</u>	<u>49,763</u>	<u>42,434</u>	<u>125,297</u>
Net book value					
At the end of the year	<u>12,363</u>	<u>7,501</u>	<u>8,533</u>	<u>13,049</u>	<u>41,446</u>
At the start of the year	<u>22,960</u>	<u>10,181</u>	<u>15,864</u>	<u>29,226</u>	<u>78,231</u>

8. Debtors

	2016 £	2015 £
Deposits paid	22,295	21,735
Prepayments	53,264	77,053
Other debtors	39,137	-
	<u>114,696</u>	<u>98,788</u>

9. Creditors : amounts due within one year

	2016 £	2015 £
Trade creditors	175,904	63,711
Grants payable	-	85,000
Accruals	37,494	16,605
Credit cards	16,120	11,536
Tax and Social Security	92,610	27,591
Pension creditor	5,938	1,382
	<u>328,066</u>	<u>205,825</u>

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Notes to the financial statements

For the year ended 30 September 2016

10. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Refugees	66,744	-	5,000	-	71,744
TTIP Open	114,672	-	(110,000)	-	4,672
Full Fact	-	61,727	(61,727)	-	-
Total restricted	181,416	61,727	(166,727)	-	76,416
Unrestricted funds:					
<i>Designated funds:</i>					
Innovation fund	135,174	-	-	-	135,174
General funds	986,267	4,812,282	(3,956,285)	-	1,842,264
Total unrestricted	1,121,441	4,812,282	(3,956,285)	-	1,977,438
Total funds	1,302,857	4,874,009	(4,123,012)	-	2,053,854

Purposes of restricted funds

Restricted funds are donations received by 38 Degrees which are paid out as grants to support particular activities, as detailed by the name of the fund.

Purposes of designated funds

Innovation fund – these funds are held to give us the capacity to innovate through capital investment, for example in new pieces of technology. There was no movement in the fund during the year.

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Notes to the financial statements

For the year ended 30 September 2016

11. Related party transactions

One of the directors of 38 Degrees, Ben Brandzel, is also the founder and director of OPEN (Online Progressive Engagement Network). 38 Degrees is a member of OPEN and works collaboratively with them, including incurring UK based costs on behalf of OPEN and recharging this as well as making a financial contribution to the organisation for development opportunities.

During the year 38 Degrees incurred £8,208.10 of expenditure on behalf of OPEN which was recharged to them. 38 Degrees also expected to make a contribution of £27,252 towards OPEN for the current year. Both of these balances remained outstanding at the year end.

Ben will absent himself from any discussions or decisions relating to 38 Degrees' partnership with OPEN, in accordance with our Conflict of Interest policy.

Further information about OPEN can be found here <http://www.the-open.net/>

One of the directors of 38 Degrees, Henry De Zoete, is also the founder and CEO of The Big Deal, a company which combines industry expertise with a commitment to people-power and consumer rights. 38 Degrees works with The Big Deal in a contracted partnership for our energy switching campaign.

The decision to partner with The Big Deal was taken prior to Henry joining the board.

Henry will absent himself from any discussions or decisions relating to 38 Degrees' partnership with The Big Deal, in accordance with our Conflict of Interest policy.

Further information about the Big Deal can be found here <https://thebigdeal.com/>