

Extinction Rebellion United Kingdom (XRUK)

# Financial Report as at 29 February 2020

## About

XRUK is a movement without legal form. Compassionate Revolution Limited (CR) is a not-for-profit and wholly owned subsidiary of Climate Emergency Action Ltd (a company limited by guarantee) and acts as a service company to parts of the movement. See Resources at the end of this report for more details.

The following is a report by the CR Finance Team and attempts to summarise some key metrics to support XRUK's decision making.

## Cash Balances

CR holds the bank accounts on behalf of XRUK which includes balances held for specific purposes and/or on behalf of discrete groups within XRUK. As at 29 February they were as follows:

#	Group/Purpose	Description	Balance Held
A	XRUK	<i>This is what's left of the bank balance(s) after subtracting the balances belonging or accrued to B, C and D. If negative it indicates a deficit funded by 'borrowing' from the Groups/Purposes B, C and D listed below.</i>	<b>(£188,000)<sup>1,2</sup></b>
B	XRISN	<i>XR International Solidarity Network: In Dec 2018, XRUK decided to allocate 20% of UK crowdfunder revenues to XRISN supporting non-XR climate activism in the Global South and outreach to racially marginalised communities in the UK.</i>	<b>£220,000</b>
C	Crowdjustice	<i>This is the balance of funds raised by crowdfunder(s) to support UK arrestees (e.g. legal support, travel costs etc.)</i>	<b>£408,000</b>
D	XRIST	<i>XR International. Funds held by XRUK on behalf of the International Support Team (IST) which supports the growth of XR national groups worldwide. In February, IST will move these funds into its own bank account structure.</i>	<b>£53,000</b>
<b>TOTAL</b>			<b>£493,000</b>

<sup>1</sup> The balance of XRUK is an estimate but underestimates size of the deficit due to a lag effect:

- Expense claims submitted for November to February expenditure but not yet approved by team budget holders and hence not yet paid (c£75,000);
- Expense claims (or claims for Volunteer Living Expenses (VLE)) not yet made by individuals;

<sup>2</sup> **The Finance Team estimates the end February deficit of XRUK could be as high as £270,000.** There are currently no overdraft/borrowing facilities available to CR.

## Income<sup>3</sup>

The income accruing to XRUK for the 3-month period December 2019 to February 2020 inclusive was £303,000 (or average c£101,000 per month). In February, income was £80,000 boosted by a single award of £38,000.

## Expenditure<sup>3</sup>

The expenditure paid to support the activities and volunteers of XRUK for the 3-month period December 2019 to January 2020 inclusive was £648,000 (or average c£216,000 per month). In February 2020, total expenditure was £176,000.

<sup>3</sup> Please note that we operate [cash basis accounting](#) (not accrual accounting).

**The composition of our expenditure**

The following figures are estimated due to the lag effect of our cash basis accounting (e.g. a claim for VLE via payroll in late January would be paid in February. Many expense and volunteer living expense claims are received and paid in following month to which they are incurred. Figures provided are average month for Jan-Feb 2020

<b>XRUK Expenditure Jan - Feb 2020</b>				
<b>Type of Expenditure</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Total</b>	
Volunteer living expenses	£124,595	£116,521	<b>£241,116</b>	65%
Poster and flyers (incl. Hourglass)	£14,468	£17,878	<b>£32,346</b>	9%
Offices and warehouse costs	£10,806	£10,255	<b>£21,061</b>	6%
Travel expenses and vehicle costs	£8,391	£9,108	<b>£17,499</b>	5%
Actions - Props and equipment	£1,634	£6,273	<b>£7,907</b>	2%
Accountancy, Legal Fees etc.	£9,866	£2,581	<b>£12,447</b>	3%
All other costs	£22,507	£13,877	<b>£36,384</b>	10%
	<b>£192,268</b>	<b>£176,492</b>	<b>£368,760</b>	<b>100%</b>

**Current expenditure is unsustainable based on current income**

It is a statement of the obvious that XRUK is spending far in excess of its current income and needs a significant boost in monthly income or materially cut back expenditure. On the basis that all of the expenditure of the last 2 months has been categorised as ‘Essential’ by circles’/teams’ budget holders, the movement need to critically assess all future expenditure immediately. To defer such action may risk even greater cuts in April and beyond.




Income raising initiatives should be prioritised (income was materially below forecasts for Jan and Feb 2020) and we recommend that future approved expenditures should only be approved if they are supported by income or pledges.

**Highlights / Key Risks for the CR Finance Team – February 2020**

Key highlights in February 2020 include:

- Establishment of new 2020 arrangements for paying allowances to volunteers (establishment of payroll etc.)
- Year-end accounts for CR for financial year ending Jun 2019 submitted to accountants for finalisation

Key risks include:

<b>Risk</b>	<b>Description</b>	<b>Status (RAG)</b>
<b>CAPACITY</b>	<i>Insufficient headcount. The team lost key experienced members in December 2019 and despite headcount increasing from 5-7 to 9-11 over the last 4-6 weeks, many are part time and just three are compensated financially as volunteers.</i>	
<b>COMPLEXITY</b>	<i>The demands on the team are increasing in complexity. For example: the establishment of a payroll (third party provider) still requires significant CR engagement. CR must establish its own policies separate to XR e.g. GDPR</i>	
<b>DELEGATION AND MITIGATING FOR POWER</b>	<i>As procedures and policy increase in sophistication, the demands on teams (and budget holders) increases – this demands more from teams within XR to self-organise in financial matters.</i>	

**Further resources**

- XR and [supporting legal structure](#) explanation;
- XR Financial Transparency via [FAQs Section 4](#) on the XR website

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