

Trustees' Report and Financial Statements

For the year ended 31 March 2010



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Charity Information

(The information below forms part of the Trustee's Report)

Trustees

B Brangwyn
R J Hopkins
W Lana
P Lipman
G Alexander (Appointed March 2010)
S Nicholl (Appointed March 2010)
B Goodwin (Resigned June 2009)
P Gray (Resigned March 2010)
J Richardson (Resigned March 2010)

Charity number

1128675

Company number

06135675

**Registered office and
principal address**

43 Fore Street
Totnes
Devon
TQ9 5HN

Accountants

Darnells
Chartered Accountants
30 Fore Street
Totnes
Devon
TQ9 5RP

Bankers

The Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Trustees' Report

(Incorporating the Directors' Report) for the year ended 31 March 2010

From its origins in Kinsale, Ireland, and the establishment of the first Transition Town in Totnes in 2006, the Transition movement has grown to encompass tens of thousands of people in hundreds of communities in dozens of countries, all working together to support community-led responses to peak oil and climate change, building resilience and well-being.

Transition Network was formed in late 2006 to support this rapidly expanding movement and was established as a company in March 2007, achieving charitable status in March 2009. We are delighted to present to you the Trustees' report for the year to 31 March 2010.

Our objectives and activities

The Charity's objects are to promote the conservation, protection and improvement of the natural environment and prudent use of natural resources for the benefit of the public by advancing education and raising awareness of climate change, resource scarcity, peak oil and economic resilience. It aims to promote individual, community and organisational commitment to a reduction in CO2 emissions, energy saving, reducing reliance upon carbon emitting energy sources and increasing resilience to resource scarcity. It also aims to promote sustainable means of achieving economic development and regeneration in order to reduce reliance on scarce resources including oil.

Our principles

In pursuing these objectives we are guided by the movement's seven principles:

1. Positive Visioning

Transition Initiatives are based on a dedication to the creation of tangible, clearly expressed and practical visions of the community in question beyond its present-day dependence on fossil fuels. Our primary focus is not campaigning against things, but rather on positive, empowering possibilities and opportunities. The generation of new stories and myths are central to this visioning work.

2. Help People Access Good Information and Trust Them to Make Good Decisions

Transition Initiatives dedicate themselves, through all aspects of their work, to raising awareness of peak oil and climate change and related issues such as critiquing economic growth. In doing so they recognise the responsibility to present this information in ways which are playful, articulate, accessible and engaging, and which enable people to feel enthused and empowered rather than powerless. Transition initiatives focus on telling people the closest version of the truth that we know in times when the information available is deeply contradictory. The messages are non-directive, respecting each person's ability to make a response that is appropriate to their situation.

3. Inclusion and Openness

Successful Transition Initiatives need an unprecedented coming together of the broad diversity of society. They dedicate themselves to ensuring that their decision-making processes and their working groups embody principles of openness and inclusion. This principle also refers to the principle of each initiative reaching the community in its entirety, and endeavouring, from an early stage, to engage their local business community, the diversity of community groups and local authorities. It makes explicit the principle that there is, in the challenge of energy descent, no room for 'them and us' thinking.

4. Enable Sharing and Networking

Transition Initiatives dedicate themselves to sharing their successes, failures, insights and connections at the various scales across the Transition network, so as to more widely build up a collective body of experience.

5. Build Resilience

This stresses the fundamental importance of building resilience, that is, the capacity of our businesses, communities and settlements to deal as well as possible with shock. Transition Initiatives commit to building resilience across a wide range of areas (such as food, economics, energy) and also on a range of scales (from the local to the national) as seems appropriate – and to setting them within an overall context of the need to do all we can to ensure general environmental resilience.

6. Inner and Outer Transition

The challenges we face are not just caused by a mistake in our technologies but as a direct result of our world view and belief system. The impact of the information about the state of our planet can generate fear and grief – which may underlie the state of denial that many people are caught in. Psychological models can help us understand what is really happening and avoid unconscious processes sabotaging change, for example, models of addiction and models for behavioural change. This principle also honours the fact that Transition thrives because it enables and supports people to do what they are passionate about, what they feel called to do.

7. Subsidiarity: self-organisation and decision making at the appropriate level

This final principle enshrines the idea that the intention of the Transition model is not to centralise or control decision making, but rather to work with everyone so that it is practiced at the most appropriate, practical and empowering level, and in such a way that it models the ability of natural systems to self-organise.

What we do

So, what exactly is a Transition Initiative?

A Transition Initiative (which could be a town, village, university or island and so on) is a community-led response to the pressures of climate change, fossil fuel depletion and increasingly, economic contraction. There are thousands of initiatives around the world starting their journey to answer this crucial question:

"for all those aspects of life that this community needs in order to sustain itself and thrive, how do we significantly rebuild resilience (to mitigate the effects of Peak Oil and economic contraction) and drastically reduce carbon emissions (to mitigate the effects of Climate Change)?"

Transition Network exists to help initiatives on this journey. What follows is an outline of some of the projects and developments that the Charity undertakes in order to deliver on its charitable objectives. These are grouped under three themes; Transition Training & Consulting, Inspiring and Influencing, and Supporting Transition Initiatives. We always bear in mind the desirability, where possible, of projects and functions being owned by the most appropriate people and groups and at as local a level as possible.

Transition Training & Consulting

With the exponential growth in Transition Initiatives around the country, and increasingly the world, the Charity rapidly identified the need for training for new communities coming on board in the skills necessary to successfully set up and run Transition Initiatives.

We have responded to this need by developing and delivering high quality, practical, and inspiring training for individuals and communities in the UK and beyond. We offer the following training courses (with others to follow) that cover the following areas:

1. **Training for Transition** - the 2 day fundamentals course in setting up and running successful Initiatives
2. **Talk Training** - For those who wish to gain the skills and confidence to deliver public talks on Transition
3. **Train the Trainers** - for trainers who wish to deliver the 2-day Training for Transition and the 1 day Transition Talk training course. Transition Training provides ongoing support to qualified trainers.

From 2009, Transition Training and Consulting expanded its activities to offer transition-related services for businesses and other organisations in our transition communities. The services are based on organisations engaging with, and potentially progressing through, four main stages:

1. **Understand the situation** – services include a short workshop “Surviving Transition”
2. **Manage risks** – services include the ½ to 1 day workshop “Transition for Local Authorities”, and the Energy Resilience Assessment (ERA) consultancy service
3. **Build new revenue streams** – services are under development
4. **Create and deliver a new vision** – services are under development

These services are delivered by the Practitioner Network, a community of trainers and consultants based in local transition initiatives.

Inspiring and Influencing

The second way in which the Charity seeks to deliver its objectives is by inspiring and influencing people. This means not just those who are already engaged with Transition but also those who have no or little awareness or engagement with issues of climate change, resource scarcity, peak oil and economic resilience.

Books

As people around the world experiment with the Transition Model and apply it to all sorts of different types of communities, we're seeing the knowledge base expand significantly. And as Transition Initiatives get further into the work of transforming their communities, the specialist groups are learning more about relocalised responses in the fields of energy, local government, food, housing, business, economics and beyond. In order to distil the learning from all these projects and experiments, we're producing a number of books in partnership with Green Books.

Films

A film about the Transition concept was successfully developed as a collaborative process and released in September 2009. We aim to produce further movies in the future.

Research

We supporting and enabling action research and evaluation at a national and international level – partnering with universities where appropriate.

Web

A monthly e-bulletin, ‘Transition Network News’, has begun online and has potential to evolve into a regular publication. This will be complemented by a blog on the new website where individual initiatives are invited to post their successes and failures, events and news.

Talks and interviews

We are always in demand to provide speakers for events, both in the UK and abroad, and to respond to interview requests. We aim to fulfil such requests as far as resources allow, taking in account whether they

meet our charitable objectives and provide public benefit, and after weighing up the carbon and energy implications of travelling.

Supporting Transition Initiatives

We support national and regional transition organisations as set out above in the seven principles of transition. This support takes many forms: at the very beginning when a group of people come together to ‘mull over’ what’s involved, through the initiative becoming official, attending and supporting the initiative’s public launch, giving on-going support through the different stages of developing an initiative and meeting the different challenges along the way, and by facilitating contacts and links between initiatives. Of course, Transition Training and Consulting and the ‘Inspiring and Influencing’ activities described above are ultimately activities that support the movement as a whole, individual initiatives and the people who make up the Transition movement. Other supporting activities include:

Events

We organise annual national Convergences in the UK and support new emerging areas of Transition by designing specific events, such as the Transition in Cities conference in November 2008 and the Big Society conference in September 2010.

Tools, resources and connectivity

The Charity enables sharing and networking via our much improved web platform, where people and communities can connect with each other and access a range of tools and content provided by the Charity and by each other. These include tools to facilitate the writing of Energy Descent Action Plans, up-to-date presentations and examples of best practice, as well as a forum for people to post their own resources which they think others will find useful such as links to web resources, papers, short films or their own presentation materials.

Strategy

We aim to produce clearer ‘maps’ of how Transition Initiatives might evolve over time, how to assemble the 12 Steps and how a variety of Initiatives have designed different ways through them, drawn from the experience of various initiatives. The Trustees aim to think strategically about the emerging context in which Transition Initiatives grow and develop – and when necessary we will revise our practices to suit changing circumstances.

In essence, the Charity’s core function is to continue to be a catalyst for the Transition model.

Review of the Year

Achievements and Performance

In this section we set out the highlights of the year in terms of the Charity's achievements and performance. In planning the activities for the year the Trustees had regard to the Charity Commission guidance on public benefit.

Expanding the Transition Movement

The Transition Movement continues to spread widely with 286 official initiatives as 31 March 2010, compared with 157 at the beginning of the year. There are official initiatives in the USA, Canada, UK, Ireland, Germany, Italy, Finland, Australia, Japan and New Zealand. There are groups in the process of registering as official initiatives in Portugal, Greece, Poland, Sweden, France, Latvia, Austria and Thailand. Recognising the need to grow capacity to support more initiatives, the Network has agreed a Memorandum of Understanding, has formal agreements with, or is working towards these with Transition Hubs in the USA, Ireland, Italy, Netherlands, Sweden, New Zealand, Scotland, Norway, France, Germany and Canada.

Engaging beyond the Movement

The first Transition Local Authorities were established in 2009 in Somerset and Leicestershire. The UK Government launched its UK 'Low Carbon Transition Plan' and explicitly referenced the Transition Movement in so doing.

Rob Hopkins gave dozens of presentations and talks to a broad range of organisations and communities from the Soil Association and Prince's Foundation to Google and the Department of Energy and Climate Change. Several international talks and presentations were delivered via web conferencing. He gave interviews with various newspapers, magazines, radio and TV stations in the US and Europe, including the BBC World Service and Arte TV. Rob's work was recognised by two awards in 2009: the Energy Saving Trust's award for Green Community Hero and The Observer Ethical Awards for Grassroots Campaigner.

Books and Films

With the help of grants from Marmot Charitable Trust, The Tanner Trust and an individual donor, the first Transition Movie was released on 9 September 2009. It is already proving to be an excellent introduction to people discovering Transition, sharing achievements and building links across the wider network in addition to creating a future revenue stream. The Movie generated income of £22,990 and reached more than 60 Transition Initiatives by the year end, with over 1000 copies sold in the year.

Sales of the Transition Handbook had reached 23,519 by the year end. The second book in the Transition series, 'The Transition Timeline', was published in March 2009 and sold 2,920 copies during the year and the third book, 'Local Food', was published in September 2009 and sold 3,178 copies.

Transition Training & Consulting

Transition Training reached over 640 people in the year to 31 March 2010 and new work has commenced on diversity. The development and delivery of training courses continues to be supported by the Ésmée Fairbairn Foundation, and a grant from the Grundtvig Partnership is enabling collaboration with partners in Europe. In June 2009 training and consulting were brought together to launch Transition Training and Consulting. The first consulting service to be offered is the ERA (Energy Resilience Assessment) which is a key tool in helping businesses understand their carbon vulnerabilities and how they need to address them. Training for consultants in ERA delivery took place in October 2009, and Transition Consulting delivered its first engagement for the National Trust in early 2010.

Events and Conferences

The Transition Network Conference in May 2009 was another big success involving 350 attendees over two days at the Battersea Arts Centre. This event not only provided opportunity for Transition Initiatives and

members to network, learn, share and develop their own resilience but it also opened the opportunity for a visit by Ed Miliband MP who attended as a 'keynote listener'. The event included 33 workshops and more than 90 open space sessions write-ups were made available on the web afterwards. Other events and activities include regional activities within England such as the South East Conference and Transition North Conference.

Web project

The development and implementation of a new Transition Network website commenced in 2009 with consultation and development of the web strategy, moving to implementation in September 2009 and launch in March 2010. The web project has been used not only as a means of creating a fit-for-the future web-communications system; but also as an engagement project in itself.

An allocation of £50,000 from the Tudor Trust's core grant funding was made to support the project with a full time web co-ordinator, Ed Mitchell, appointed in September 2009. A group of 'Transition Technologists' was openly sought from around the country and the delivery of the web project proceeded through a co-operative model with a set shared budget, collaborative design decisions, open source rights to all code and documentation, and co-operative ownership of other responsibilities, including sharing their 'lessons learned' from the experience.

The site was launched at the beginning of March. We launched it with simple functionality and are following a gradual introduction strategy working outwards from our core goals (initiatives and projects), slowly introducing site functions with time. This enables users to familiarise themselves with the site, making new functions less threatening.

We have introduced the initiative, personal, and project profiles and the first newsletters have been produced. We have set up some blogs and are trialling the 'Sharing Engine' by aggregating respected bloggers' blogs and news from Transition Initiatives. Next to come are the forums, and then the 'community microsites'.

Alongside this action, we have formed an 'editorial steering group' in order to distribute editorial decision-making and set open editorial guidelines democratically with representatives from staff and volunteers. This further shares ownership of the web platform around the movement, focusing on Transition's deeply rooted 'bottom up' model. Everything we have done to date is documented with a creative commons license, freely available for others.

Diversity

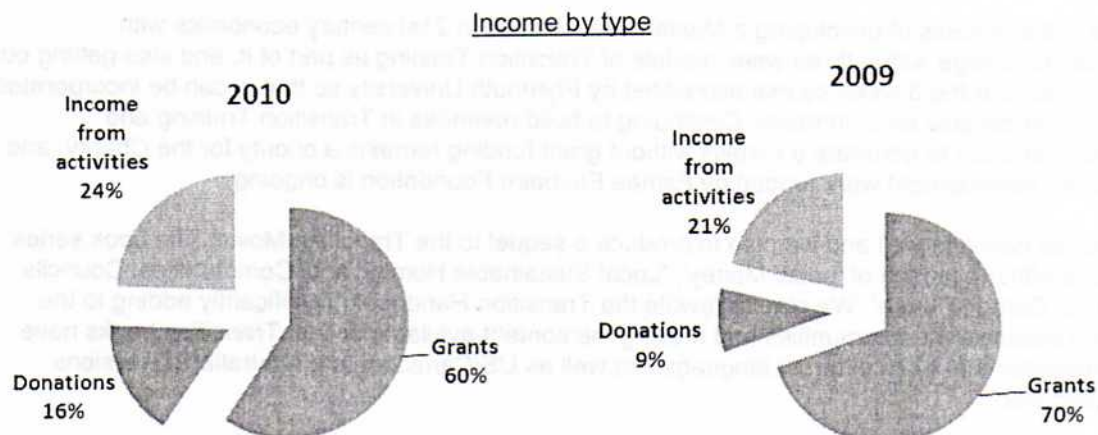
Increasing diversity and supporting inclusion has also been identified as a key area of core work for the Network. Feedback from the Transition Conference in relation to the Transition Movie identified the need to tackle this issue more overtly and as a result an extra workshop session was provided followed up by a whole new section of filming for the Transition Movie. With funding of £32,000 from Artists Project Earth, we have begun a pilot project to increase the diversity of engagement from different economic classes, races and religions.

Systems and assurance

The Network has developed lean and effective financial and organisational systems, ensuring that Transition Network is well-run and meets its legal obligations and financial reporting requirements. Ensuring that Transition Network can expand its future capacity to assist with the rapid growth of activity in the Transition Movement will be a key task. We are grateful to the core costs grant from Tudor Trust in helping us develop as an organisation.

Financial Review

The Charity is primarily funded by grants and donations, with an increased proportion of income being generated from the Charity's own charitable activities. Total income for the year ended 31 March 2010 increased to £381,736 from £246,840 in the previous year, and the breakdown of where it came from was as follows:



Of total grants received during the year of £226,261 (2009: £171,860), all of which were restricted income grants which are accounted for separately and only used for specified purposes, the largest were from The Tudor Trust (£110,000 to fund core costs), Artists Project Earth (£32,000 to fund the diversity project), Network for Social Change and Ashoka (£22,500 and £18,480 respectively to fund salaries).

Donations received totalled £62,345 (2009: £22,000) of which £50,000 was from a single donor. Income from charitable activities increased by 76% to £92,871 (2009: £52,552) and included £28,289 from the conference, £28,942 from Transition Training and Consulting, and £22,990 from movie sales.

Expenditure increased to £306,790 (2009: £179,271) as the Charity sought to pursue its objectives and deliver on grant-funded projects. The largest expense was the total employment costs of £130,371, with other significant areas of expenditure in the year being Transition Training and Consulting (£57,162), Web project (£25,251), the Transition Movie (£24,966) and Conference (£23,648). Governance costs of £1,745 represent less than 0.5% of income.

There was a surplus of unrestricted income over expenditure of £42,364 (2009: £17,135). After a re-classification of a previous year donation of £22,000 as restricted income this brought the general fund to £30,128 at the year-end, which is consistent with the Charity's reserve policy.

Restricted funds increased by £32,582 (2009: £50,434) to £105,016, comprising the funds set out in note 15 to the accounts.

Reserve Policy

The Trustee Board continually reviews the reserves of the charity. Assets must be sufficient to enable the charity to operate effectively and to cover any sums payable to staff should they be made redundant. The charity has a number of restricted funds; the purpose of these funds is detailed in the notes to the financial statements.

The charity aims to hold a least four months' core running costs in reserve at all times. This is to ensure that the charity is able to meet all of its legal obligations should funding be withdrawn.

Plans for future periods

The Network continues to expand, with more initiatives seeking official status and continuing numbers of communities registering as unofficial in the 'mulling it over' stage. Agreements are intended to be reached with further national and regional hubs.

We are in the process of developing a Masters level course in 21st century economics with Schumacher college with a three week module of Transition Training as part of it, and also getting our 2 day course and the 3 week course accredited by Plymouth University so that it can be incorporated into other educational environments. Continuing to build revenues in Transition Training and Consulting in order to generate a surplus without grant funding remains a priority for the Charity, and the training development work funded by Ésmee Fairbairn Foundation is ongoing.

Movie sales continue well and we plan to produce a sequel to the Transition Movie. The book series continues with the launch of 'Local Money', 'Local Sustainable Homes' and 'Communities, Councils and a Low Carbon Future'. We plan to rewrite the Transition Handbook, significantly adding to the guidance available for communities and making the content available online. Transition books have been translated into eight different languages as well as US/Canadian and Australia/NZ versions being produced.

We will continue to seek ways to diversify our funding sources both in terms of the grant funding portfolio and by generating increased revenue from charitable activities where it is appropriate to do so. We are exploring a number of partnerships which will provide both outreach and revenue.

The web development project continues with additional features and functionality being designed and added to the site. The number of registered users at 30 September 2010 was 7,785 with 552 initiatives in the database.

We plan to develop our capacity to offer direct support to initiatives by recruiting a Project Support Co-ordinator with the help of funding from the Polden-Puckham Charitable Foundation.

Our plans are constantly informed by what emerges from Transition initiatives and the changing needs of the community.

Structure, governance and management

Governing document

The company is limited by guarantee, having no share capital (registered number 06135675) and incorporated 2 March 2007. It received charitable status on 19 March 2009 (registered charity number 1128675). Under the provisions of Section 60 of the Companies Act 2006, the company is entitled to omit the word "Limited" from its name. It is governed by its Memorandum and Articles of Association. Members of the Trustee Board are all Directors of the company. In the event of the company being wound up the liability of the members is limited to £10 each.

Trustees and principal officers

The charity is governed by a board of trustees, the members of which at the date of this report were as follows:

Peter Lipman
(Chair)



Peter is policy director at sustainable transport charity Sustrans. He's also chair of trustees of the Centre for Sustainable Energy, and was involved with setting up Transition Bristol.

Rob Hopkins
(Executive
Trustee)



Rob is the originator of the Transition concept and co-founder of the Transition Network. He spent many years teaching permaculture and cob building, mostly when living in Ireland. He is author of the 'Transition Handbook' publishes www.transitionculture.org

Ben Brangwyn
(Executive
Trustee)



Ben co-founded Transition Network with Rob Hopkins. And ever since, he's been putting all his efforts into helping nurture the accelerating emergence of a network of communities that aspire to adopt and adapt the fast developing transition model.

William Lana



William is co-founder and owner of Greenfibres an organic textile company started in 1996. He is Chairman of the Soil Association's Organic Textile Standards Committee and of the Ethical and Environmental Marketing Group. He is also a trustee of a number of charities including the Environmental Justice Foundation, Transition Network, and the Naturesave Trust as well as an elected member of the Organic Trade Group.

Gary Alexander



Gary joined us as a trustee in March 2010. He retired from the Technology Faculty at the Open University after 37 years, where he was a pioneer in putting distance learning on-line, with an emphasis on collaborative learning and on-line support communities. He is the author of eGaia, Growing a peaceful sustainable Earth through communication.

Sarah Nicholl



Sarah joined us as a trustee in March 2010. She is one of the organisers of Transition Belsize, in London. Since leaving Art College in 1997 Sarah has been working within the charitable, educational and environmental sectors and in 2007 she joined the Gaia Foundation, an international environmental charity, where she was responsible for developing and running their Learning Centre.

There were a further three Trustees who served part of the period from 1 April 2009 to the date of this report.

Brian Goodwin passed away in July 2009. He was a truly inspirational member of the board of trustees, frequently providing insightful comments about the patterns of nature and how they might be applied to the organisation Transition Network and to the wider field of transition.

Pamela Gray and Julie Richardson stepped down from the Board in March 2010. We are grateful for their valuable contributions during their time as Trustees.

The members are Directors for the purpose of company law and Trustees for the purpose of charity law. The Trustees are appointed at Annual General Meetings or by co-option during the year. The day to day running of the charity is delegated by the Board to the two Executive Trustees, Ben Brangwyn and Rob Hopkins, but in view of the small size of the staff compared with the scale and growth of the Charity's activities, the Board has sought to offer them support and has met approximately every eight weeks. Additional staff have been recruited and from 2011 the Board will aim to meet quarterly and focus more on strategic and governance matters. The Trustees regularly review the size and composition of the Board and consider whether the skills, experience and diversity are sufficient for the good governance of the Charity. New Trustees are appointed following an application and interview process, and are given an induction and training by staff and existing Trustees. The Trustees are seeking to appoint additional Trustees during the coming year. This will allow the two Executive Trustees to step down from the Board.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Statement of Trustee's responsibilities

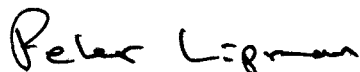
Company law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make sound judgements and estimates that are reasonable and prudent;
- State whether applicable 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 charity will continue its operations.

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

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees on 9 December 2010



P Lipman (Chair of Trustees)

Independent Examiner's Report to the Trustees of Transition Network

I report on the accounts of the company for the year ended 31 March 2010 which are set out on pages 14 to 23.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended); and
- state whether particular matters have come to my attention.


Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


.....
P Beard FCCA
Darnells, Chartered Accountants
30 Fore Street
Totnes
Devon
TQ9 5RP

22nd December 2010
.....
Date

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INCOME & EXPENDITURE ACCOUNT
for the year ended 31 March 2010

	Notes	2010 £	2009 £
Income		381,736	246,840
Expenditure			
Charitable expenditure	8	305,045	173,713
Governance costs	8	<u>1,745</u>	<u>5,558</u>
		<u>306,790</u>	<u>179,271</u>
Surplus/(deficit) on ordinary activities before taxation	3	74,946	67,569
Tax on surplus/(deficit) on ordinary activities	6	-	-
Retained surplus/(deficit) for the year		<u>74,946</u>	<u>67,569</u>

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2010

	Notes	Unrestricted funds 2010 £	Restricted funds 2010 £	Total funds 2010 £	Total funds 2009 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income:					
Donations & grants	4	57,345	231,261	288,606	193,860
Investment income	5	259	-	259	428
Incoming resources from charitable activities	7	92,871	-	92,871	52,552
Total incoming resources		<u>150,475</u>	<u>231,261</u>	<u>381,736</u>	<u>246,840</u>
Resources expended					
Charitable activities	8	106,813	198,232	305,045	173,713
Governance costs	8	1,298	447	1,745	5,558
Total resources expended		<u>108,111</u>	<u>198,679</u>	<u>306,790</u>	<u>179,271</u>
Net incoming resources before transfers		42,364	32,582	74,946	67,569
Gross transfers between funds		(22,000)	22,000	-	-
Net movement in funds for the year		<u>20,364</u>	<u>54,582</u>	<u>74,946</u>	<u>67,569</u>
Total funds brought forward		9,764	50,434	60,198	(7,371)
Total funds carried forward		<u>30,128</u>	<u>105,016</u>	<u>135,144</u>	<u>60,198</u>

BALANCE SHEET
as at 31 March 2010

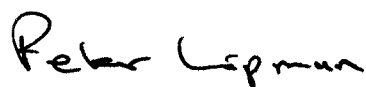
	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	9	303	378
Tangible assets	10	<u>1,938</u>	<u>201</u>
		<u>2,241</u>	<u>579</u>
Current assets			
Debtors	11	9,633	2,375
Cash at bank and in hand		146,530	84,272
		<u>156,163</u>	<u>86,647</u>
Creditors: amounts falling due within one year	12	(23,260)	(27,028)
Net current assets/(liabilities)		<u>132,903</u>	<u>59,619</u>
Net assets		<u>135,144</u>	<u>60,198</u>
Funds			
Unrestricted fund		30,128	9,764
Restricted funds	15	<u>105,016</u>	<u>50,434</u>
		<u>135,144</u>	<u>60,198</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2010. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

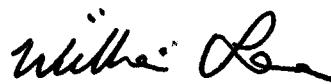
The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the Trustee Board on 9th December 2010 and signed on their behalf by



P Lipman



W Lana

Company registration No. 06135675

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

1 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

The following principal accounting policies have been applied:

a) Incoming resources

Incoming resources from grants – Grants consist of income received in the year. This policy has been changed for the year ended 31 March 2010 from the previous policy which was as follows: "Grants consist of income received in the year adjusted for income which the Trustees have deferred to match against agreed expenditure in the year." The new policy is in full compliance with SORP 2005. There is no impact on these financial statements from the change of policy.

Other income – All other income is credited on a receivable basis in the period to which it relates and included when the charitable company is legally entitled to the income and the amounts can be quantified with reasonable accuracy.

No amounts are included in the financial statements for services donated by volunteers.

b) Resources expended

Resources expended are recognised in the Statement of Financial Activities (SOFA) on an accruals basis as the liability is incurred. Expenditure includes VAT, which cannot be recovered as the Charity is not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the reporting accountants fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis e.g. staff time or estimated usage.

c) Trademarks

Trademarks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of seven years.

d) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. Depreciation is provided at the following rates in order to write off assets over their estimated useful lives:

Fixtures, fittings and equipment	15% of cost
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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2010

e) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

f) Fund accounting

Funds held by the charitable company are either:

Unrestricted general funds – these funds can be used in furtherance of the charitable objectives at the discretion of the Trustee Board.

Restricted funds – these funds can only be used for the particular restricted purposes within the objects of the charity. Restrictions arise when funds are raised for a specific purpose.

The aim and use of each restricted fund is set out in the notes to the financial statements.

2 Legal Status of the Charity

The charitable company is limited by guarantee and does not have a share capital.

In the event of the company being wound up each member, or any person who has ceased to be a member within one year of the winding up, undertakes to contribute a sum not exceeding £10 if the company is insolvent.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

3 Net income for the year	2010	2009
	£	£
Net income for the year is stated after charging:		
Amortisation of intangible assets	75	75
Depreciation of tangible assets	349	36
Directors emoluments	64,082	46,875
Independent Examiner's fee	494	977
Other fees payable to Independent Examiner	923	1,253
	<u> </u>	<u> </u>

4 Donations & grants			2010	2009
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations	57,345	5,000	62,345	22,000
Grants:				
Esmee Fairbairn	-	12,932	12,932	21,267
Artists Project Earth	-	35,000	35,000	-
Grundtvig	-	14,349	14,349	-
Tudor Trust	-	110,000	110,000	140,530
Marmot Trust	-	5,000	5,000	-
Polden Puckham	-	8,000	8,000	-
Network for Social Change	-	22,500	22,500	-
Tanner Trust	-	-	-	4,000
Ashoka	-	18,480	18,480	6,063
	<u>57,345</u>	<u>231,261</u>	<u>288,606</u>	<u>193,860</u>

5 Investment income	2010	2009
	£	£
Bank interest	259	428
	<u> </u>	<u> </u>

6 Taxation

The company is a registered charity and is therefore not liable to corporation tax on its charitable income.

7 Incoming resources from activities to further the charity's objects

			2010	2009
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Training	22,450	-	22,450	18,134
Talk fees	5,572	-	5,572	611
Royalties & book sales	7,078	-	7,078	-
Movie sales	22,990	-	22,990	-
Conference fees	28,289	-	28,289	30,057
Project work	-	-	-	3,750
Consultancy	6,492	-	6,492	-
	<u>92,871</u>	<u>-</u>	<u>92,871</u>	<u>52,552</u>

