



TRANSITION NETWORK

Registered Charity Number 1128675

Company Number 06135675

Trustees' Report and Financial Statements

for the year ended 31 March 2017

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Charity Information

(The information below forms part of the Trustees' Report)

Trustees	<p>The Trustees of the charitable company are its directors for the purpose of the Companies Act 2006 and throughout this report are collectively referred to as the Trustees. The Trustees who were in office during the year and up to the date of signing the financial statements were as follows:</p> <p>Peter Lipman Henry Owen Antony C Greenham Ellen Bermann Hilary Jennings Clare Pavitt Andrew Simms Joseph Duggan (appointed 18th November 2016) Peter Lefort (appointed 18th November 2016) Isabela Maria Gomez de Menezes (appointed 10th February 2017)</p>
Delivery Director	Sarah McAdam
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 2017.

The Trustees present their annual report and financial statements for the year ended 31 March 2017. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102)' applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

1 Executive Summary

Transition is a movement of communities coming together to re-imagine and re-build our world. In more than 1,200 communities in 48 countries, people are working together to create a low-carbon, socially-just, healthier and happier future, which is more enriching and more gentle on the earth than the way most of us live today.

Transition Network is a charity which works to inspire, encourage, connect, support and train these communities as they self-organise around the Transition model.

Transition Network was established as a company limited by guarantee in March 2007, and registered as a charity in March 2009.

Over the course of this year, the Transition Network team has sought to work on fewer, more collaborative projects rather than spreading our resources relatively thinly across too many areas of activity. This is a challenging culture shift in the face of a myriad of needs and opportunities. As we see the wider movement, and particularly the international network of Transition Hubs, evolving and developing capacity, we are also conscious of the need to adjust our organisational approach. Our emphasis now is on finding ways to share resources beyond our immediate team, to identify and, where needed, support important 'edges' of the movement rather than acting as initiator and to help build innovative social infrastructure that will enable and encourage collaboration, mutual support and decision-making to happen in a creative and distributed way.

Recognising the need to make shifts in the way Transition Network delivers as an organisation, we are also seeking to make changes to our internal structures, processes and culture. Through our organisational development project we are learning about and experimenting with new forms of decision-making and more autonomous and agile ways to collaborate. We see these outward and inward-focused culture shifts as complementary and are excited to be going through the process at the same time as the wider Hubs Group and many individual Hubs are also exploring shared governance models. Transition Network is also privileged to be accompanied in its organisational development work by a team from Université du Nous who bring expertise, rich experience and a deep sense of shared values into the process.

During this year, our main organisational collaborative project was the re-development of the www.transitionnetwork.org website to better reflect the international nature of the Transition

movement, and make it easier for people to find the information they need. The new website was launched in November 2016. Other important opportunities to communicate the Transition message have arisen as the film *Demain* continues to make a big impact across Europe and beyond. The Transition Network guide to screening *Demain* in your community was downloaded 17,000 times and Transition Network played a particular role in distribution of the film in the UK and Ireland with 127 community group screenings shown or booked at end of July 2017.

We liaised with the European Economic and Social Committee (EESC) as they produced an *Opinion* advocating support for the potentially critical role of bottom-up activity by civil society actors in counteracting climate change. We continue to collaborate with the members of ECOLISE, the European Network for Community-based initiatives on climate change and sustainability.

A new suite of support resources was published on the new website, including the *Essential Guide to Doing Transition* in five languages so far, and an extensive guide to Doing Transition in a University. We mapped the UK Transition movement to gain an up-to-date picture of functioning Transition groups, as a basis for regional connecting work which started with the development of a London and South East England regional Transition hub. This year saw the first Latin American Train the Trainer course as well as online training now being delivered in English, French and Spanish. New Inner Transition workshops have been run, including on *Cultural Emergence Leadership Training* and *From Burnout to Balance*.

This was our third and final year of work on a UK REconomy Project that concluded in summer 2017, funded by Friends Provident Foundation and Polden-Puckham Charitable Foundation. We have been piloting community-based support for emerging enterprises, in partnership with two Transition initiatives, rural Transition Town Totnes and urban Transition Town Brixton. We also ran events, communications and support across the UK to help Transition groups and others working on local economic resilience. We continued to support the sharing of learning and connections for Hubs and Transition groups working internationally on REconomy and the One Year in Transition youth education for sustainable livelihoods.

During summer 2016 Transition Network worked with the group of Transition Hubs to identify and design a new project, focusing on demonstrating the potential for Transition-type approaches to have greater impact through creative partnerships with municipalities. We are part-funding two research posts with ECOLISE, the European Network for Community-based initiatives on climate change and sustainability, to pool our collective capacity to engage with relevant research on the impacts of Transition.

We are slowly evolving towards a more distributed international structure with the growing network of Transition Hubs. A new "What Is a Hub" process has been agreed, where the Hubs themselves will decide which groups have the capacity to be full Transition Hubs. New Transition activity is particularly being seen in East Asia and Latin America, where the first Latin American gathering was held in November 2016. We helped build the capacity of Transition Hubs and their activities through a round of seed-funding grants. We ran a Transitionese project for collaborative translations which launched a web platform providing online Transition resources in different formats and languages.

In November 2016, we moved to having two co-Chairs of the Transition Network Board to bring additional capacity and resilience to the organisation, and to allow for better succession planning.

The Charity is primarily funded by grants, donations and income generated from the Charity's own charitable activities. Total income for the year ended 31 March 2017 was £529,719 (2016:£651,657).

The most significant source of grant funding continues to be an anonymous Foundation that has agreed to fund £250,000 a year over 3 years from April 2015 to March 2018. This grant supports a wide range of the Charity's activities and in particular its international work.

2 Our objectives

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 carbon dioxide 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.

3 Background – A flavour of the Transition Movement

Over the course of the last 12 months we have collected stories from around the movement that document and demonstrate the wide-ranging impacts that the Transition movement has in local situations all over the globe. Below are some examples:

Aardehuis Earth House Project – first ecovillage in the Netherlands:



Transition Town Deventer (TTD) in the Netherlands, in partnership with the local municipality, a local community housing body, a recycling company and the Ecovillage community group, developed, raised funds, sought planning approvals and built the first ecovillage in the Netherlands. TTD brought skills in facilitation, organisation, sustainable building and living knowledge to the project and over a 4 ½ year period have launched the project successfully. 40 residents and 1,500 volunteers built the project using building materials from within a 50km radius of the site and for a cost of €5 million.

"It's high time building regulations and building education reflected the urgency for zero carbon building and housing!" Paul Hendriksen, Transition Town Deventer

The Transition Flower Shop, Copenhagen:

Transitioners in Copenhagen, looking for a base for their activities (including repair cafe, local currency initiative and urban garden projects), were offered a flower shop. Responding to this challenge, in December 2015 they opened the first sustainable flower shop in Denmark.

The enterprise sources and sells local flowers, grown using biocontrol (small mites that keep other insects at bay) rather than pesticides. Most are produced in greenhouses powered by renewable energy. They encourage growers to switch to organic or permaculture methods. Other florists in Denmark and Sweden have contacted them to learn from them, and to follow their example.



Despite a premises move in 2017, the shop also flourishes in the original aim as a base for events and bringing the community together.



REconomy LIFT event, London:

Transition Network's UK REconomy Project worked with the emerging London and South East Transition Hub on an event bringing together 70 Transitioners in February 2017 - REconomy LIFT (Local Innovation For Transition). Participants shared their experience in running enterprises and projects on community energy, food markets and veg boxes, local economic blueprints and forums, and community property ownership.

After the day, 98% of participants felt more confident about getting involved in local economy activities.

Transition Spain – Red de Transición:

Juan del Río from Transition Spain (Red de Transición) spoke with Rob Hopkins on the Transition Network website about the importance of the movement in Spain's recovery from economic and community crisis.

"We are crossing many socioecological thresholds (climate change, peak oil, biodiversity loss, increase of inequality, etc.) that will not let us continue with a socioeconomic model based on GDP growth and exponential resource depletion.

We need to transform this paradigm, and local Transition Initiatives are doing this by explaining and experimenting with a new story of possibility, by showing that we can do things in a different way; by working creatively in many different important areas such as food, energy, education and economy; and by supporting each other and caring for the planet."



Reflecting, training and acting in an emergency:

In November 2016 Transitioners in Italy responded to the recent earthquakes by looking at what they could do prepare the next steps, to support community resilience and people care in the long run.

The Transition group in L'Aquila, which suffered an earthquake in 2009, gave feedback that participatory tools, particularly Open Space Technology, had been helpful and empowering.



A group of Transitioners around Amatrice and from the Transition Italia Hub created a training event called Amatrice Re-Generation for local people affected by the earthquakes. During the event they connected with architects in Chile, community activists in Nepal, and the Transition group in Lyttleton, New Zealand: hearing voices and stories from diverse places made them feel like part of a much vaster network of individuals and groups who have faced similar challenges. Francesca Ercoli of the permaculture project Il Santo was inspired by this event to bring together young people from the earthquake-struck villages in bringing hope through social theatre.

4 Activities, achievements and performance

The projects and developments that the Charity undertakes in order to deliver on its charitable objectives are outlined below, grouped under the six Strategic Outcomes of our 2014 – 2017 organisational strategy.

The six Strategic Outcomes are:

1. Telling the Transition story

People within and beyond the Transition movement hear a clear, consistent and compelling story of Transition that inspires them to act, connect and experiment.

2. Supporting Transition initiatives

People involved in Transition are better able to access and share information, tools, skills, resources, support and training when needed.

3. Supporting livelihoods

More people are able to create livelihoods which deliver wellbeing, community resilience and social justice while respecting resource limits.

4. Demonstrating impact

More Transition initiatives demonstrate that they can achieve significant positive impacts within their communities (transforming economies, increasing wellbeing, community ownership and community resilience, reducing carbon emissions, addressing social justice issues, fostering social innovation, improving local democratic processes and establishing more healthy human cultures).

5. Evolving internationally

The Transition movement spreads, strengthens and evolves internationally, supported by a thriving National Hub network with an increased governance role within Transition Network.

6. Healthy organisational culture

Transition Network develops a healthy and creative internal organisational culture, supported by transparent and effective structures, processes and working practices – learning about, and modelling, the change we want to see in the world.

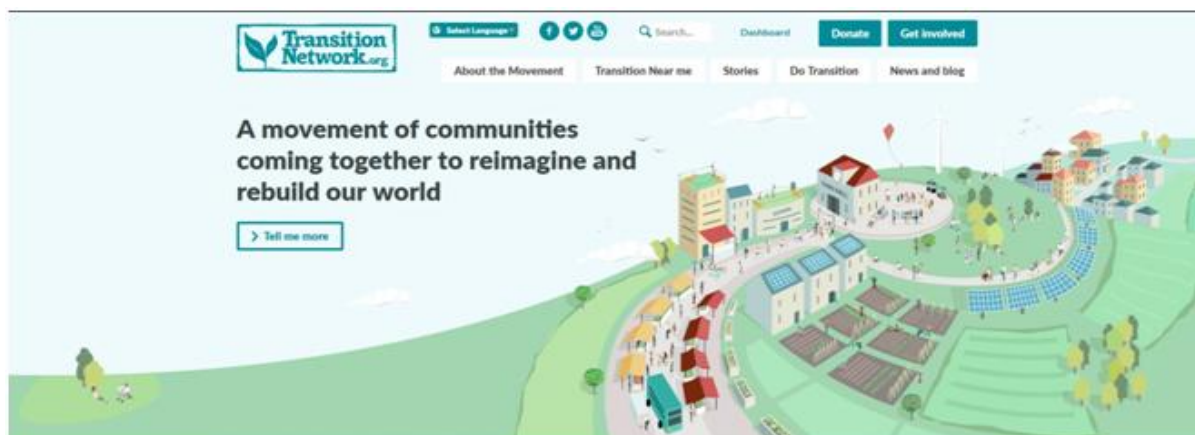
4.1 Telling the Transition story

*Our main communications priority during this year was the re-development of the www.transitionnetwork.org website to better reflect the international nature of the Transition movement, and make it easier for people to find the information they need. The new website was launched in November 2016. The film *Demain* continued to make a big impact across Europe, and during Spring 2017 there were 80 screenings in the UK and Ireland. The Transition Network guide to screening *Demain* in your community was downloaded 17,000 times. We liaised with the European Economic and Social Committee (EESC) as they produced an Opinion advocating support for the potentially critical role of bottom-up activity by civil society actors in counteracting climate change. We continue to collaborate with the members of ECOLISE, the European Network for Community-based initiatives on climate change and sustainability.*

Transition Network website

In early 2016 our main organisational priority became the redevelopment of the www.transitionnetwork.org website, as it is our key communications tool. The new website was

launched in November 2016. The new site much better reflects the international nature of the Transition movement, highlighting the particular role of the Hubs and enabling users to search for content drawn from particular countries. We spent significant time working with a group of 'friends and family' – people from Transition Hubs and Transition initiatives who helped test the site for us, ensuring that we got immediate feedback, both pre and post launch.



Front page of the new website

Key to the look and feel of the new site is the stories section, where we are telling stories of real Transition projects and introducing Transitioners. As we reached the milestone of 10 years of Transition, we received significant viewership of the celebrations held in Totnes and other projects around the world. We are keen to keep working with video and podcast to develop different means of connecting with our audience.

Most staff were involved in the website redevelopment, particularly Ainslie Beattie, Communications Co-ordinator, Rob Hopkins and web contractor Sam Rossiter, working with web agency Yoke.

Examination of the early statistics about the use of the new site tell us a good-news story with upward trends in the time people spend on site and a downward trend on the bounce rate (the ratio of people who leave after looking at the front page), telling us that people are finding the information they want more readily and staying to read it.

Demain the film

Transition Network co-founders Rob Hopkins and Ben Brangwyn were featured in the documentary film *Demain* (Tomorrow) released in December 2015 by French film-makers Mélanie Laurent and Cyril Dion. *Demain* is continuing to have a significant impact across Europe. It has been seen by over 1.4 million people in France, and generated some amazing media coverage for Transition in France and Belgium, for example a 9 page piece in the Belgian version of the Radio Times. In Belgium, most screenings were followed up by "Apres Demain" events hosted by Transition groups.

Distribution rights have been sold to over 30 countries, and in some cases Transition Hubs have been able to make helpful relationships with the distributors for community screenings. One example is Denmark, where *Demain* is being shown in churches, to young people, and to new political groups. Rob Hopkins spoke at the Danish Transition Gathering in Hvalso and the Danish premiere of 'Demain', as well as the UK premiere in July 2016.

Transition Network managed to work with Elle Driver, the UK Distributor to arrange community screenings in the UK that started in January 2017. During Spring 2017 there have been 80 screenings in the UK and Ireland. We published a guide to screening *Demain* in your community in early 2017 which

had been downloaded 17,000 times by March 2017, so it is clear that this is a very helpful film and a great way to increase our message.

Lead-up to COP22

Following COP21, the European Economic and Social Committee (EESC) launched a consultation about the contribution of civil society to delivering the commitments of the COP21 climate agreement, which Transition Network responded to. Hubs Co-ordinator Filipa Pimentel and Cristiano Bottone of Transition Italia were then invited to give evidence at an EESC meeting in May 2016. In July 2016 the EESC published their Opinion on *Building a coalition of civil society and subnational authorities to deliver commitments of the Paris Agreement*, to promote to European policy-makers. The Opinion is quite radical in recognising, and advocating support for, the potentially critical role of bottom-up activity by civil society actors in counteracting climate change.

Rob was a keynote speaker at the EESC Europa conference on October 5th, 2016, in the lead up to COP22. Filipa and François-Olivier Devaux (from Réseau Transition, the Hub in Brussels/Wallonia) helped design this EESC event and were key contributors throughout the day. The EESC view this event as the starting point in building an active coalition of civil society and subnational actors committed to genuine sustainability and addressing climate change.

ECOLISE

Transition Network is a founding partner of ECOLISE, the European Network for Community-based initiatives on climate change and sustainability.

As key players within the ECOLISE coalition, we helped plan and were represented at a workshop in Brussels in November 2016 which introduced member organisations to the main EU institutions and started to explore how we might together seek to influence and engage with the development of EU policy.

Planning has also started within ECOLISE for the first European Day of Sustainable Communities on 23 September 2017. It is clear that there is an appetite from the EESC and within the European Parliament to work with ECOLISE to put on an event in Brussels drawing the attention of wider policy-makers to the possibilities and benefits of, as well as the challenges faced by, communities taking action on sustainability. The intention is that this event will be connected to activities taking place locally all over Europe.

Talks and Presentations

Rob, our Catalyst and Outreach Co-ordinator, has given talks in many different parts of the world, both in person and virtually to avoid flying. He spoke at the Post Carbon Co-operatives conference in Cheltenham, by video link to the Development Trusts conference in Belfast and to an event in Australia and presented via a pre-recorded video at the Mayor of Paris' launch of the city's Carbon Neutrality Strategy.

As a result of the interest in *Demain* Rob spoke in Geneva (including at the launch of Le Leman, a groundbreaking local currency based in and around Geneva), and in Rambouillet, Paris, Lyon, Annonay and Arles in France. The event in Paris, at La Villette, was attended by 1,200 people. He was also part of the celebrations of the 10th anniversary of Transition Town Totnes.

We have been moving to broaden the voices of those who speak about Transition and finding opportunities to support Hub representatives and others to participate when the original invitation comes to Transition Network. For examples:

- Giulio Pesenti Campagnoni from Transition Italia spoke at the First Forum on the EU Strategy for the Adriatic and Ionian Region in May 2016.
- Cristiano Bottone from Transition Italia spoke at Lombardy Foundation for the Environment's event on Resilient Cities in October 2016.

Training and Events Co-ordinator Naresh Giangrande gave radio interviews and public talks and workshops about Transition in Dominica in November 2016. He spoke by video link at the 2017 Symposium on sustainable local development in Bhubaneswar, India in January 2017. He also taught on the Schumacher College course "Transitioning to an Ecological Civilisation".

Trustee Isabela Maria Gomez de Menezes spoke at Schumacher School Brazil 2016 on Leadership for Transition and Economy for Transition, and the National Online Congress of Integrated Sustainability (Conaintegra) in May 2016. She also spoke at many events in São Paulo, Brazil including Environmental Management week at the Federal University of São Paulo, Cities of the Future (August 2016) and their Politicians at the Pontifical Catholic University of São Paulo (June 2016), Week Zero Waste São Paulo (October 2016) and the CoCity Festival (September 2016).

Co-Chair Henry Owen took part in a scenario-building workshop in Stockholm as part of the Seeds of a Good Anthropocene Project, and presented the Transition Movement's approach to change to participants.

Rob Hopkins' Sabbatical and Guest Editors

From February 2017 Rob Hopkins is taking a one year partial sabbatical in order to focus on a new book-writing project about imagination. During this time he will be working approximately 1 day per week for Transition Network. This change has given us the opportunity to reframe some of how we tell the Transition Story. During 2017-2018 we are running a new Guest Editor/ Artist in Residence program.

The Guest Editor project brings 12 artists from around the wider Transition movement to take over the Transition Network blog for a month or in regular instalments, telling their own Transition stories in their own language using their own medium.

4.2 Supporting Transition Initiatives

A new suite of support resources was published on the new website, including the Essential Guide to Doing Transition in five languages so far, and an extensive guide to Doing Transition in a University. We mapped the UK Transition movement to gain an up-to-date picture of functioning Transition groups, as a basis for regional connecting work which started with the development of a London and South East England regional Transition hub. This year saw the first Latin American Train the Trainer course as well as online training now being delivered in English, French and Spanish. New Inner Transition workshops have been run, including on Cultural Emergence Leadership Training and From Burnout to Balance.

Support Resources

During this year we published many Support resources for groups doing Transition, in conjunction with the launch of the new website.

We published the '[Essential Guide to Doing Transition](#)' as a high quality digital publication (a format called Joomag). This new guide gives an overview, particularly on how to start a Transition group. Between November 2016 and May 2017 the Essential Guide to Doing Transition was published in English, Spanish, French, Italian and Russian. At March 2017 the Essential Guide to Transition had been viewed in different languages over 15,000 times.

We created a new section of support resources on the Transition Network website under "Do Transition". We grouped these into the following 7 Essential Ingredients: Healthy Groups; Vision; Community Involvement; Networks and Partnerships; Practical Projects; Part of a movement; and Reflect and Celebrate.

In January 2017 we also launched an extensive 78 page guide to doing [Transition in a University](#) in conjunction with Maria Cooper from St. Andrews University, which has been lovingly designed and includes video and loads of great images in a professional format.

Regional connecting and peer-to-peer support in the UK

During 2016/2017 Initiative Support Co-ordinator Mike Thomas led on a mapping the Transition movement in the UK, to identify which Transition groups are still active, and to identify areas where regional networks for peer-to-peer support might naturally form. London and the South East of England formed a regional network which is now meeting and communicating regularly, and came together to run a lively regional REconomy event.

The London and South East regional network used a series of processes to define its role and activity, which have helped us to create a workshop on developing regional networks. The UK mapping process has identified clusters of groups where we will hold 9 regional workshops in 2017, to help strengthen and inspire the Transition movement in the UK.

Inner Transition

In early October 2016 Inner Transition co-ordinator Claire Milne co-facilitated the first ever Cultural Emergence Leadership Foundation Training course in Devon. This course brought together the depth and breadth of Inner Transition with the insight and design of Social Permaculture and the wisdom of the Art of Mentoring/8 Shields' nature connection teachings based on indigenous knowledge. The course looked at how we can facilitate cultural change. Participants explored 'core routines', nature-based practices and group structures for fostering effective and nurturing groups, communities, relationships and families.

Claire has also co-facilitated Inner Transition workshops in:

- Bristol, UK in October 2016, co-facilitated with Sophy Banks;
- Koper, Slovenia in November 2016, co-facilitated with Madelanne Rust D'Eye; and
- Italy in December 2016, co-facilitated with Ellen Bermann.

Claire also met with members of the Spanish Transition Hub to discuss Inner Transition, Cultural Emergence and the 8 Shields organising model.

Claire created and ran *From Burnout to Balance* workshops online in July 2016, and in the Forest of Dean, UK in October 2016. Feedback was incredibly positive with most participants being very vocal about how impacted they already felt by the training.

Transition Training

We are now delivering the Transition Launch online training course in three languages:

- English, led by Naresh Giangrande, Training and Events Co-ordinator. The English Launch online course in January/February 2017 had participants from France, Chile, Dominica, Canada, USA, UK, Belgium, and Germany.
- Spanish, led by Juan del Río of the Spanish Transition Hub;
- The first French Launch online course, led by Josué Dusoulrier of the Wallonia/Brussels Hub, ran in autumn 2016.

Portuguese and Italian language versions are currently in development.

The first Latin American Train the Trainer course took place in November 2016, in Chile, in Spanish and English languages, facilitated by Naresh Giangrande, May East of Gaia Education and Raul Velez of the Mexican Transition Hub. There were 34 prospective Transition trainers attending from Mexico, Uruguay, Argentina, Brazil, Chile, Colombia, and Australia. We experimented with an expanded format of six days. This allowed us more time to bring in other methods and practices.



Train the Trainers, Latin America November 2016 group photo

4.3 Supporting new livelihoods

This was our third and final year of work on a UK REconomy Project that concluded in summer 2017, funded by Friends Provident Foundation and Polden-Puckham Charitable Foundation. We have been piloting community-based support for emerging enterprises, in partnership with two Transition initiatives, rural Transition Town Totnes and urban Transition Town Brixton. We also ran events, communications and support across the UK to help Transition groups and others working on local economic resilience. We continued to support the sharing of learning and connections for Hubs and Transition groups working international on REconomy and the One Year in Transition youth education for sustainable livelihoods.

The UK REconomy Project team included Project Manager Laura Outhart, communications consultant Sam Allen, consultant communications expert Anna Lodge, charity and social business consultant Jo Taylor, Mark Simmonds, an expert on starting social enterprises, investment consultant Fraser Durham, Jay Tompt of Transition Town Totnes and Duncan Law of Transition Town Brixton.

Highlights of the pilot work include:

By Transition Town Totnes: Services and support for enterprises from the REconomy Centre in Totnes, the 5th Local Entrepreneurs Forum where sustainable enterprises pitch to members of the community for investment and support, and the launch of Local Investor Network.

By Transition Town Brixton: Open Project Nights, weekly networking sessions, for prospective social entrepreneurs with one session every month with a specific REconomy focus. The Open Project Nights are run in partnership with Impact Hub Brixton, and projects like the Bank of Lambeth and the People's Fridge are being developed in this space.

At the beginning of the UK REconomy project, we aimed to find a community-based enterprise support model that could be disseminated to other groups across the UK. Our learnings show that there is not one single model. The needs of enterprises, support gaps and level of community engagement vary dramatically between places. Instead, we identified that creating the right conditions in a community, is vital to gain community support for sustainable social enterprises:

1. **Base building** - developing a mobilised and motivated "community of investors"
2. **Place analysis** - gaining a clear understanding of challenges, obstacles, opportunities in your locality
3. **Action-oriented & focused planning** - enabling groups to move ideas forward & turn intentions into action
4. **Space creation** - providing physical and/or social spaces for sharing & developing ideas, resources, knowledge & projects
5. **Practical partnerships** - building connections that increase access, expand reach, provide resources & reduce barriers.

The REconomy project team have been able to disseminate these messages at events and discussion workshops during the year, including at:

- REconomy LIFT (Local Innovation for Transitioners) - in partnership with the London and South East Transition Hub and Transition Town Tooting

- Urban Agriculture in Sheffield in partnership with Regather Sheffield
- Sustainable Business St. Albans in partnership with Transition St Albans & St Albans Chamber of Commerce
- Devon Convergence in Torbay
- Blue Patch Sustainable Department Store Event in London
- Renew Wales Conference in Wrexham
- Calderdale Bootstrap in Hebden Bridge

The programme of regional events has helped attendees to be inspired, create contacts and build their confidence and knowledge to take action.

At the beginning of this year we identified 79 Transition Initiatives and other groups who were working on or interested in REconomy activities. We launched and produced 8 editions of a REconomy newsletter to this group, sharing events, resources, experiences and stories.

In Spring 2016 we launched an online database <http://funds.reconomy.org/> identifying 270 sources of grants, equity or other support to community and Transition Enterprises in the UK, which we kept updated during the year.

During this year the REconomy project also published a new guide, *The Do-ocracy Handbook on organisational types and legal structures*. Written by Mark Simmonds, the guide provides information for new groups looking to move their organisation to the next level. It provides resources covering legal options, governance arrangements, tax compliance, charitable status.

International REconomy Group

The international REconomy Group of Hubs is being co-ordinated by the Croatian Transition Hub. A new members policy was agreed and new members joined the group from Luxembourg (REconomy Project) and Portugal (REconomy Group), with some guests and potential new members from the French, Scottish and Spanish Hubs and Cultivate in Ireland. The group decided to design and facilitate a series of thematic online workshops that will include both mapping of REconomy “assets” and “innovations worth spreading” and will involve a wider group of Transitioners and REconomy practitioners.

One of the REconomy Hubs, Transition US, launched a REconomy Report “25 Enterprises that Build Resilience” in September 2016.

One Year in Transition

Isabel Carlisle, Education Co-ordinator, has continued to support Hubs who are experimenting with developing sustainable youth livelihood, education and skills programmes. The group currently contains people from Sweden, Italy, Germany, Romania and Portugal. Sara Serrao and Annelieke van der Sluijs of Transition Portugal piloted a “Meio Ano Em Transicao” Half a Year in Transition course for young adults in the São Luís area. One Year in Transition Sweden started its first course in September 2016 with 12 students, in collaboration with education partner Eskilstuna Folk High School.

4.4 Demonstrating impact

During summer 2016 Transition Network worked with the group of Transition Hubs to identify and design a new project, focusing on demonstrating the potential for Transition-type approaches to have greater impact through creative partnerships with municipalities. We are part-funding two research posts with ECOLISE, the European Network for Community-based initiatives on climate change and sustainability, to pool our collective capacity to engage with relevant research on the impacts of Transition.

Municipalities in Transition

Funded by KR Foundation, the Municipalities in Transition project started in early 2017 with Ana Huertas from the Spanish Transition Hub as the project manager.

The 2 year project aims to collate and assess existing experiences and resources on how Transition groups and municipalities/ local governments can create sustainable change together. The project intends to fund pilot partnership projects in at least 3 places.

Engagement with research on impacts of Transition

We try to work with a broader network of organisations to help pool our collective capacity to engage with relevant research on the impacts of Transition. In particular, we work in partnership with ECOLISE, the European Network for Community-based initiatives on climate change and sustainability. We have provided joint funding for ECOLISE to appoint Learning and Knowledge Co-ordinator, Markus Molz, and Research Support Tom Henfrey of Schumacher Institute and the Transition Research Network, in spring 2017.

Markus Molz will be exploring how our grassroots movements could better structure ourselves to connect to researchers. Tom Henfrey will be collating current information, knowledge, research needs and opportunities.

We worked with Tom Henfrey, Gesa Maschkowski of the German Transition Hub and Gil Penha-Lopes of University of Lisbon as they published their new book, *Resilience, Community Action and Societal Transformation*, a collection of articles, essays, papers around Transition, permaculture and resilience.

4.5 Evolving internationally

We are slowly evolving towards a more distributed international structure with the growing network of Transition Hubs. A new “What Is a Hub” process has been agreed, where the Hubs themselves will decide which groups have the capacity to be full Transition Hubs. New Transition activity is particularly being seen in East Asia and Latin America, where the first Latin American gathering was held in November 2016. We helped build the capacity of Transition Hubs and their activities through a round of seed-funding grants. We ran a Transitionese project for collaborative translations which launched a web platform providing online Transition resources in different formats and languages.

Transition Network is working with the Transition Hubs Group to support a gradual evolution towards a more distributed, international structure, exploring ways to transfer more decision-making, resources, power and responsibilities beyond the confines of our immediate organisation and actively looking for opportunities to co-design and co-create. At times progress has been slow, but we are constantly developing skills and tools to help us engage more effectively with the fragile and under-resourced network of Transition Hubs and to respond to opportunities and bursts of energy as they arise.

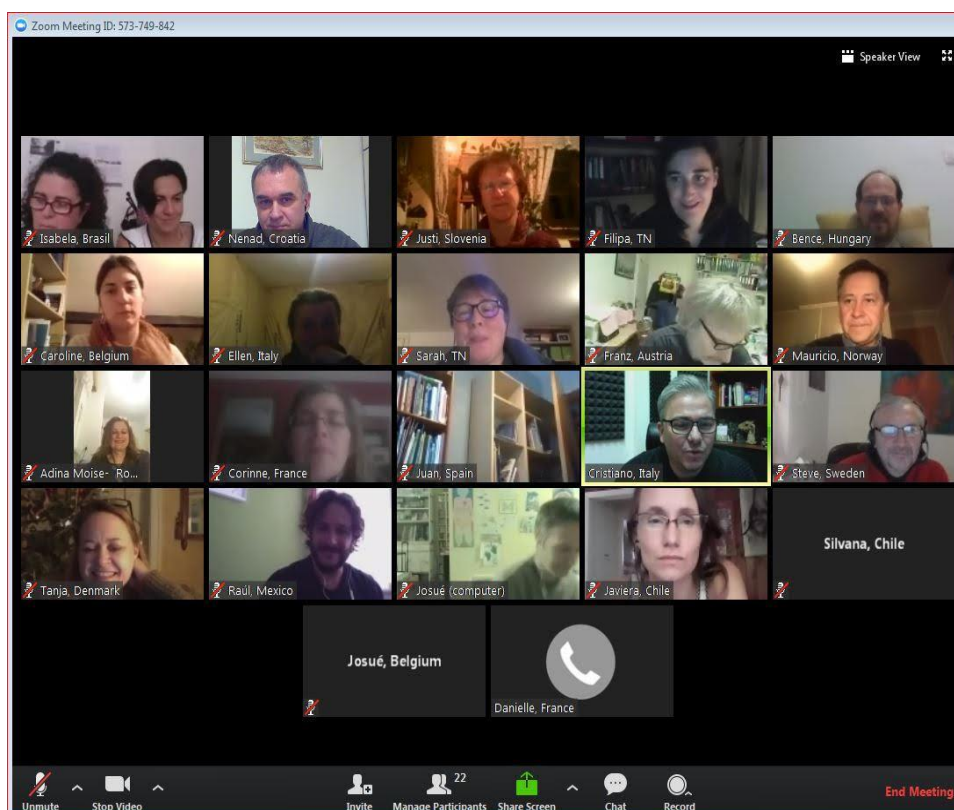
A significant step was taken in December 2016 when the Hubs Group approved a co-created “*What is a Hub*” document defining the characteristics, rights, responsibilities and functions of a Hub and transferring responsibility for conferring membership of the Hubs Group from Transition Network to a group on which both Transition Network and the Hubs are represented.

The document provides for two levels of status - people from **emerging hubs** are invited to join the Hubs Group and participate in the gatherings and processes, while **Transition Hubs** have full rights and responsibilities, forming the core decision-making group. The document asks a series of questions to enable groups to make a self-assessment of their status, understand the implications and ask for that status to be confirmed. Power has transferred from Transition Network to the Hubs Group, with Hubs owning the process and taking responsibility for reviewing the self-assessment questionnaires and confirming the outcome.

We prepared and worked towards a Hubs Gathering to bring together representatives from Transition Hubs around the world and Transition Network, in Santorso, Italy in May 2017. We commissioned three Hub members, Josué Dusoulier, Stephen Hinton and Nenad Maljkovic, to prepare proposals to be considered on evolving governance structures and processes for the international Hubs group and Transition Network. We also appointed and briefed two external facilitators, Julien Didier and Noemie Cheval, and a logistics group led by Giulio Pesenti Campagnoni of Santorso in Transizione.

We are seeing Transition groups forming in Taiwan and South Korea. We have been able to connect these people to the more established Hub in Japan and we are seeing the beginnings of an Asian regional network. Latin America continues to be fertile territory for the spread and evolution of Transition and, in November 2016, the first Latin American Transition Gathering was held in Chile, directly after the Train the Trainer course.

In January 2017, the Hubs Group took up the invitation to elect a second Keeper of the Global Perspective to join the Transition Network board alongside Ellen Bermann. The Hubs Group held an online election by consent process in which 23 people participated and Isabela Maria Gomez de Menezes from the Brazilian Transition Hub was chosen for the role.



Representatives from Transition Hubs taking part in the online election by consent for a second Keeper of the Global Perspective

Seed-funding Grants

To help build capacity of Transition Hubs and support them to thrive, we offered a round of seed-funding grants to Transition Hubs in autumn 2016. We looked for proposals with the potential to:

- Support Transition
- Be replicated elsewhere around the network
- Help us improve as a learning network

We awarded modest grants to an exciting and diverse range of projects from 10 Hubs. Areas of activity funded included different ways to tell the Transition story in different contexts; supporting Transition to thrive and groups to network; evaluation and organisational development. Transition Italia developed and held a workshop on resilience-building in emergency situations, for people affected by the Amatrice earthquake.

Transitionese

During 2016 we ran a project to help increase the sharing and translating of Transition resources into different languages. We commissioned an exciting team of a Portuguese organisation, Moving Cause, and Deborah Rim Moiso from the Italian Transition Hub to work on this project, which they named Transitionese. The Transitionese project set up a method for collaborative crowd-sourced translations. In November 2016 they launched a web platform providing online Transition resources in different formats and languages (<http://transitionese.transitionnetwork.org/en/>). The platform is linked to the main Transition Network site, showcasing material in French, Italian, Portuguese and Spanish as a start and ready for expansion into new languages as the process evolves.

4.6 Healthy organisational culture

In early 2016 we started work on an Organisational Development project, to design and implement more self-governing structures and ways of working. In November 2016, we moved to having two co-Chairs of the Transition Network Board to bring additional capacity and resilience to the organisation, and to allow for better succession planning.

The aims of the organisational development project include finding ways to be more responsive, effective and collaborative, and increase the health of our organisational culture to support staff.

Many innovative and experienced individuals and teams responded to our call for expressions of interest, from which we appointed Université du Nous to work with us. The team is based in France and Belgium and supported the Brussels & Wallonia Transition Hub (Réseau Transition) with their recent organisational development process.

During Away Days in May and October 2016, Université du Nous worked with staff and trustees to introduce a range of models and processes drawn largely but not exclusively from Sociocracy and Holacracy. Processes include

- Decision by Consent – where a decision can be agreed when no member of the circle has an objection - objections can be raised and processed and there is a focus on finding a solution which everyone agrees is “good enough for now and safe enough to try”.
- Election by Consent - each member of the team nominates the individual they think would be best for the role; a proposal emerges drawing on the collective wisdom of the group. This process will help us work towards more self-managing ways of working where time-limited teams can be put together for different projects.

In order to experiment and build up our collective understanding of the processes and practices on offer, we decided to designate a project as an Action Learning Project during 2017, making use of self-managing governance models and processes. The project chosen is the development of the Initiative Registration Service and Health-Check for Transition groups.

In partnership with researcher Amy Burnett of University of Reading we ran a survey completed by staff and trustees, so that we have a baseline against which we can assess the impact of the organisational development project.

During 2016, our Trustees decided to move to having two co-Chairs of the Transition Network Board to bring additional capacity and resilience to the organisation, and to allow for better succession planning. In November 2016 we appointed Henry Owen as co-Chair alongside Peter Lipman. Among other things, Henry will be paying particular attention to strategy development in 2017.

4.7 Plans for future periods

In the Municipalities in Transition project mentioned on page 15, we aim to create a framework for how Transition groups and municipalities can create sustainable change together and we plan to fund pilot projects in at least 3 places.

Transition Network is carrying out a strategic review during 2017-2018. Future plans will be developed after setting the new strategic outcomes that arise from the strategic review.

5 Thank You to our Funders

We are immensely grateful to all of our funders who make our work possible, and through their support and vision, enable us to continue to support and inspire the Transition movement, and to explore and develop new approaches.

We thank wholeheartedly the following funders and donors, who have made the work outlined in this report possible:

- Our largest funder, a Foundation who wish to remain anonymous, to whom we are incredibly grateful for enabling us to support and stimulate a wealth of work around the world. They have been visionary in a grant which enables us to be more flexible and responsive than before, in working on the key areas of international Transition Hub development, Supporting Transition and Communicating the Transition Story
- The Roddick Foundation for a vital grant in summer 2015, to make our communications and support work possible.
- The Tudor Trust for a visionary grant which part-funded the salary of our Delivery Director, making us much more strategic and improving our collaboration and organisational culture.
- The Tudor Trust for a grant from January 2016, to enable us to work on organisational development, to help us explore the next phase of Transition Network's evolution.
- Joseph Rowntree Charitable Trust, for a new grant from January 2016 to develop peer-to-peer support and regional connections between Transition community groups in the UK, and explore an England/Wales Hub structure to increase support for Transitioners.
- Friends Provident Foundation for their very significant grant for the UK REconomy Project.
- Polden-Puckham Charitable Foundation for honouring us with outstanding flag-ship funding for the pilot work of the UK REconomy Project.
- KR Foundation for a very significant grant for Transition Network and the Transition Hubs group to run the Municipalities in Transition project.
- Roger Ross of Lots Road Auctions for his long-standing and incredibly generous core funding support, which helps every area of our work, as well as particular support to make *21 Stories of Transition* possible.
- Pete Yeo, through the Rainmaker Foundation, and a Network for Social Change individual for generous and timely donations to help the Latin American Train the Trainer course to be run.

On a small number of occasions Transition Network has acted as a "charity conduit" to enable organisations and projects which are strongly aligned with our strategic aims, to access funding from charitable trusts. In 2016-2017 we acted as a charity conduit for the following grants:

- Fondation Charles Léopold Mayer pour le Progrès de l'Homme for the Real Economy Lab, strongly aligned to our REconomy work.
- Polden-Puckham Charitable Foundation for the Real Economy Lab.

6 Financial Review of the Year

Total income for the year ended 31 March 2017 was £529,719 (2016: £651,657).

Grants and donations (see Note 4)

The Charity is primarily funded by grants and donations.

Restricted grant income amounted to £453,909 (2016: £503,014). Of particular note was the decrease in funding for core costs. The most significant source of grant funding continues to be an anonymous foundation which continues to fund £250,000 a year to support a wide range of the Charity's activities.

Total donations of £54,106 (2016: £64,799) were underpinned once again by a donation of £50,000 from Roger Ross of Lots Road Auctions.

Income from charitable activities (see Note 5)

Income from charitable activities was £21,533 (2016: £83,362). The main reason for the decrease was the Transition Conference that took place during the preceding year. There was also a decline in other income from charitable activities, which was only partially offset by income of £5,430 (2016: £nil) from distributing the film *Demain* ('Tomorrow').

Expenditure on charitable activities (see Note 9)

Expenditure on charitable activities has decreased to £490,581 (2016: £593,572). The largest reductions in expenditure were the conference costs (as the Charity did not hold a conference this year) and staff costs, which were reduced as a result of the reduction in grant income.

Staff costs remain the largest item of expenditure. Approximately 81% (2016: 81%) of staff costs were covered by core cost grants and restricted income grants that support particular roles.

Fund balances (see Note 15)

The general (unrestricted) fund decreased to £66,130 (2016: £90,890). The reasons for the decrease were a reduction in unrestricted income from charitable activities, and expenditure from unrestricted funds on website development.

Restricted fund balances at the year-end were £138,618 (2016: (£96,427)). The reason for the increase was a grant received near the year end from KR Foundation for a new project, Municipalities in Transition.

There was a deficit of £12,272 in one fund at the year-end, as project costs were incurred in anticipation of grants received after the year-end.

Reserves Policy

The board of Trustees regularly 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 purposes of these funds are detailed in the notes to the financial statements.

The charity aims to hold at least four months' core running costs in the general reserve at all times to ensure that the charity is able to meet all of its legal obligations should funding be withdrawn. The Trustees aimed to maintain target reserves at £75,000 for the year. At 31 March 2017 the amount of free reserves was £64,267 (2016: £88,061). This is lower than the target level of reserves. The Trustees intend to increase reserves by seeking further grants and donations.

7 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 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 Trustees serving during the year and since the year end were as follows:

Peter Lipman (Co-Chair)	Peter is the former External Affairs Director at sustainable transport charity Sustrans, and was involved with setting up Transition Bristol and then Transition Network.
Henry Owen (Co-Chair)	Henry is finishing an MSc. at Oxford University in Environmental Change and Management, and has worked with social change projects in Oxford such as Oxford Hub and the Community Action Group project.
Tony Greenham ACA (Treasurer)	Tony is Director of Economy, Enterprise and Manufacturing at the RSA, a visiting lecturer at Schumacher College and a Fellow of the Finance Innovation Lab.
Clare Pavitt	Clare is Training and Learning Manager at the Equality Challenge Unit, has previously worked in equality and diversity at York St John University, Greater Manchester Police and the BBC, and is involved in local Transition work.
Ellen Bermann	Member of Italian National Transition Hub, elected by the National Hubs as a representative and “keeper of the global perspective”.
Hilary Jennings	Co-founder of Transition Tooting, working in the cultural sector on projects encouraging creative responses to global challenges, Director of the Happy Museum Project and a coach and community mediator.
Andrew Simms	Author, co-founder of the New Weather Institute and Green New Deal Group, NEF Fellow, Associate of Compass and former Policy Director at NEF.
Joe Duggan (appointed 18 th November 2016)	Co-Chair of Crystal Palace Transition Town since 2011. Co-founder of Transition London and South East Regional Hub. Former primary school teacher. Freelance facilitator and poet working in schools and community groups.
Peter Lefort (appointed 18 th November 2016)	Social change project manager, co-founder of the Oxford Food Surplus Café, England Manager for Eden Project Communities
Isabela Maria Gomez de Menezes (appointed 10 th February 2017)	Architect and Urbanist from UFRJ, attended Gaia Education. Works with the development of sustainability education projects, regeneration of social systems, social responsibility and community development at Oficina da Sustentabilidade. Active in Transition Granja Viana, Brazil, member of the Brazilian National Transition Hub, and elected by the Transition Hubs as a representative and “keeper of the global perspective”.

The members are Directors for the purpose of company law and Trustees for the purpose of charity law. The day to day running of the charity is delegated by the Board to the staff team. The Board meets quarterly and focuses on strategic and governance matters. The Trustees regularly review the composition of the Board and consider whether the skills, experience and diversity are effective for the good governance of the Charity. New Trustees are appointed following an application and interview process. The Chairman explains the role and responsibilities to new trustees.

Risk management

Financial sustainability is the main financial risk for the charity. Financial risk is managed by a regular review of budget projections. To manage risks associated with the delivery of strategic outcomes, at each trustee meeting the Trustees review progress in all strategic areas of the charity's work.

Statement of Trustees' 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.

Public Benefit

Transition Network is a public benefit entity. Charity trustees have a duty to develop strategic plans to ensure that we provide public benefit and achieve our objectives as set out in our governing document. These objectives are set out in section 2 of this report.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Key Performance Indicators

Over 30,000 online guides were viewed or downloaded in the five months between the launch of the new website in November 2016 and the end of the financial year. E-newsletters were sent to over 27,000 recipients. There are over 1,200 Transition initiatives in 48 countries.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees on21/11..... 2017



P Lipman (Co-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 2017 which are set out on pages 24 to 37.

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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination 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 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 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 Charities;have 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 ACA, FCCA
Darnells, Chartered Accountants
30 Fore Street
Totnes
Devon
TQ9 5RP

6th December 2017
Date

TRANSITION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2017

	Note	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Income and endowments from:					
Donations and legacies	4	50,106	457,909	508,015	567,813
Charitable activities	5	21,533	-	21,533	83,362
Investments	6	171	-	171	482
Total income		<u>71,810</u>	<u>457,909</u>	<u>529,719</u>	<u>651,657</u>
Expenditure on:					
Raising funds	8	11,727	9,980	21,707	18,947
Charitable activities	9	84,843	405,738	490,581	593,572
Total expenditure		<u>96,570</u>	<u>415,718</u>	<u>512,288</u>	<u>612,519</u>
Net income/ (expenditure)		(24,760)	42,191	17,431	39,138
Transfers between funds		-	-	-	-
Net movement in funds		(24,760)	42,191	17,431	39,138
Reconciliation of funds					
Total funds brought forward		90,890	96,427	187,317	148,179
Total funds carried forward		<u>66,130</u>	<u>138,618</u>	<u>204,748</u>	<u>187,317</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TRANSITION NETWORK

BALANCE SHEET

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets:			
Tangible assets	10	<u>1,863</u>	<u>2,829</u>
		1,863	2,829
Current assets:			
Debtors	11	2,272	5,536
Cash at bank and in hand		<u>229,050</u>	<u>209,057</u>
		231,322	214,593
Liabilities:			
Creditors: amounts falling due within one year	12	(28,437)	(30,105)
Net current assets		<u>202,885</u>	<u>184,488</u>
Total net assets		<u>204,748</u>	<u>187,317</u>
The funds of the charity:			
Restricted funds	15	138,618	96,427
Unrestricted funds	15	<u>66,130</u>	<u>90,890</u>
Total charity funds		<u>204,748</u>	<u>187,317</u>

The company is entitled to the exemption from the audit requirements contained in section 477 of the Companies Act 2006 for the year ended 31 March 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The directors acknowledge their responsibilities 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 provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the Trustee Board on and signed on their behalf by

Peter Lipman

P Lipman
Director and Co-Chair of Trustees

1 December 2017

A C Greenham

A C Greenham
Director & Treasurer

Company Registration Number: 06135675

TRANSITION NETWORK

STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Note	2017 £	2016 £
Cashflow from operating activities:			
Net cash provided by / (used in) operating activities	a	<u>19,822</u>	<u>(5,150)</u>
Cashflow from investing activities:			
Bank interest received		171	482
Purchase of tangible fixed assets		<u>-</u>	<u>(1,118)</u>
Net cash provided by / (used in) investing activities		171	(636)
Change in cash and cash equivalents in the year		<u>19,993</u>	<u>(5,786)</u>
Cash and cash equivalents at the beginning of the year		<u>209,057</u>	<u>214,843</u>
Cash and cash equivalents at the end of the year	b	<u>229,050</u>	<u>209,057</u>

Notes

a	Reconciliation of net income/(expenditure) to net cash flow from operating activities		
		2017	2016
		£	£
	Net income for the year	17,431	39,138
	Add back depreciation charge	966	1,304
	Investment income	(171)	(482)
	Decrease in debtors	3,264	514
	Decrease in creditors	<u>(1,668)</u>	<u>(45,624)</u>
	Net cash provided by / (used in) operating activities	<u>19,822</u>	<u>(5,150)</u>
b	Cash and cash equivalents consist of		
		2017	2016
		£	£
	Cash at bank and in hand	<u>229,050</u>	<u>209,057</u>
	Total cash and cash equivalents	<u>229,050</u>	<u>209,057</u>

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2017

1. Accounting Policies

Basis of accounting

Transition Network is a private company limited by guarantee incorporated in England and Wales. The registered office is 43 Fore Street, Totnes, Devon TQ9 5HN.

These financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015), the Companies Act 2006 and the Charities SORP (FRS102) "Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) (effective 1 January 2015)" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Transition Network meets the definition of a public benefit entity under FRS102.

The accounts are prepared in sterling, which is the functional currency of the charity.

These accounts for the year ended 31 March 2017 are the first accounts of Transition Network to be prepared in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

The following principal accounting policies have been applied:

a) Incoming resources

Income is recognised and included in the accounts when all of the following criteria are met:

- the Charity is entitled to the income
- the amount can be measured reliably
- receipt of the income is considered probable
- any performance conditions attached to the income have been met or are fully within the control of the Charity.

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 accountant's 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) 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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TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2017

d) 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.

e) Fund accounting

Funds held by the charitable company are either:

Unrestricted general funds – these funds can be used in furtherance of any of the purposes of the charity.

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

f) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to income and expense account.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and in hand includes cash at cash handling organisations through which the charity receives money.

i) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Legal Status of the Charity

The Charity is a company 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.

3. Net income for the year

	2017	2016
	£	£
Net income for the year is stated after charging:		
Depreciation of tangible assets	966	1,304
Independent examiner's fee	732	732
Other fees payable to the Independent Examiner	566	1,032

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

4 Donations and legacies

	2017	2017	2017	2016
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations:				
Roger Ross	50,000	-	50,000	53,000
Pete Yeo via Rainmaker Foundation (Train the Trainer)	-	2,000	2,000	-
Pete Yeo via Rainmaker Foundation (One Year in Transition and COP21)	-	-	-	8,000
An anonymous individual (Train the Trainer)	-	2,000	2,000	-
Good Energy Ltd (Conference)	-	-	-	3,000
Primrose Hill Trust	-	-	-	250
Various general donations	106	-	106	549
	<u>50,106</u>	<u>4,000</u>	<u>54,106</u>	<u>64,799</u>
Grants:				
KR Foundation (Municipalities in Transition)	-	88,417	88,417	-
Tudor Trust (Core costs and organisational development)	-	45,000	45,000	45,000
Tudor Trust (Delivery Director salary costs)	-	-	-	20,000
Friends Provident Foundation (REconomy project)	-	34,581	34,581	69,431
Polden-Puckham Charitable Foundation (REconomy project)	-	20,000	20,000	20,000
An anonymous Foundation (National Hubs and International development; Support, Inner Transition and Training; Transition Story and Communications)	-	250,000	250,000	250,000
An anonymous Foundation (One Year in Transition Education bursaries)	-	-	-	6,500
Joseph Rowntree Charitable Trust (Regional connecting and peer-to-peer support)	-	19,750	19,750	4,624
Polden-Puckham Charitable Foundation (Real Economy Lab)	-	-	-	15,000
Fondation Charles Léopold Mayer pour le Progrès de l'Homme (Real Economy Lab)	-	-	-	31,219
Fondation Charles Léopold Mayer pour le Progrès de l'Homme (Transition Network website)	-	-	-	3,540
Marmot Trust (Bristol New Economics Summit)	-	(3,839)	(3,839)	5,200
Roddick Foundation (Core costs)	-	-	-	30,000
The Bromley Trust (Core costs)	-	-	-	2,500
	<u>-</u>	<u>453,909</u>	<u>453,909</u>	<u>503,014</u>
Total Donations and Legacies	<u>50,106</u>	<u>457,909</u>	<u>508,015</u>	<u>567,813</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

4. Donations and legacies (continued)

Of the £567,813 received in 2016, £517,014 was restricted funds and £50,799 was unrestricted funds.

5. Income from charitable activities

	2017	2017	2017	2016
	UNRESTRICTED	RESTRICTED	Total	Total
	£	£	£	£
Training	3,609	-	3,609	6,232
Talks and presentations	5,582	-	5,582	9,540
Royalties and book sales	3,571	-	3,571	7,400
Film screenings	5,430	-	5,430	-
Film sales	111	-	111	378
Conference fees	-	-	-	45,196
Transition education	3,172	-	3,172	14,586
Sundry income	58	-	58	30
	<u>21,533</u>	<u>-</u>	<u>21,533</u>	<u>83,362</u>

All of the £83,362 received in 2016 was unrestricted funds.

6. Income from investments

	2017	2016
	£	£
Bank interest	<u>171</u>	<u>482</u>

Of the £482 received in 2016 all was unrestricted funds.

7. Taxation

The Charity is exempt from corporation tax on income falling within section 505 of the Taxes Act 1988 to the extent that this is applied to its charitable objects.

8. Expenditure on raising funds

	2017	2017	2017	2016
	UNRESTRICTED	RESTRICTED	Total	Total
	£	£	£	£
Staff costs	10,369	9,980	20,349	18,088
Directory of Social Change	378	-	378	359
Events, travel and other costs	980	-	980	500
	<u>11,727</u>	<u>9,980</u>	<u>21,707</u>	<u>18,947</u>

Expenditure on raising funds of £18,947 for 2016 was unrestricted for £13,191 and restricted for £5,756.

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

9. Expenditure on charitable activities

	2017 UNRESTRICTED £	2017 RESTRICTED £	2017 Total £	2016 Total £
Activities undertaken directly				
Telling the Transition Story:				
Communications	-	14,328	14,328	15,830
Website development	8,851	8,311	17,162	10,182
Website and computer maintenance	8,113	20,133	28,246	21,123
Book postage and royalties	562	-	562	1,332
"Demain" film costs	2,332	-	2,332	-
Talks costs	450	-	450	-
	<u>20,308</u>	<u>42,772</u>	<u>63,080</u>	<u>48,467</u>
Supporting Transition initiatives:				
Initiative support costs	-	510	510	-
Inner Transition	1,835	20,388	22,223	24,011
Transition Training	120	9,141	9,261	4,065
Conference	-	-	-	41,246
	<u>1,955</u>	<u>30,039</u>	<u>31,994</u>	<u>69,322</u>
Supporting new livelihoods:				
REconomy project	-	41,038	41,038	63,612
Real Economy Lab project costs	-	3,679	3,679	5,356
"One Year in Transition" education	5,655	4,009	9,664	17,728
	<u>5,655</u>	<u>48,726</u>	<u>54,381</u>	<u>86,696</u>
Evolving internationally:				
International support	-	15,470	15,470	26,951
National Hubs Co-ordinator	-	20,471	20,471	19,628
	<u>-</u>	<u>35,941</u>	<u>35,941</u>	<u>46,579</u>
Healthy organisational culture:				
Organisational development and training	<u>3,112</u>	<u>23,520</u>	<u>26,632</u>	<u>5,538</u>
Staff costs:				
Salaries and employer's NI	36,150	169,614	205,764	246,767
Staff recruitment	-	-	-	580
	<u>36,150</u>	<u>169,614</u>	<u>205,764</u>	<u>247,347</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

9. Expenditure on charitable activities (continued)

	2017	2017	2017	2016
	UNRESTRICTED	RESTRICTED	Total	Total
	£	£	£	£
Support costs:				
Travelling and subsistence	6,841	2,100	8,941	10,511
Rent and rates	1,237	4,000	5,237	3,291
Office expenses	5,589	3,700	9,289	6,391
Bookkeeping	211	-	211	8,080
Paypal fees	174	-	174	954
Depreciation on fixtures, fittings & equipment	966	-	966	1,304
	<u>15,018</u>	<u>9,800</u>	<u>24,818</u>	<u>30,531</u>
Governance costs:				
Trustee meeting expenses	2,347	474	2,821	3,763
Independent Examination fee	168	564	732	732
Fees to the Independent Examiner for other services	130	436	566	1,032
	<u>2,645</u>	<u>1,474</u>	<u>4,119</u>	<u>5,527</u>
Total activities undertaken directly	<u>84,843</u>	<u>361,886</u>	<u>446,729</u>	<u>540,007</u>
Grant funding of activities				
Analysis of grants to institutions				
Seed funding grants to various Transition Hubs	-	15,975	15,975	14,823
Grant to ECOLISE for research project support	-	3,479	3,479	-
Hrvatska Permakultura for international REconomy	-	2,160	2,160	-
Hubs Group organisational design	-	2,092	2,092	-
Organisational development work of Hubs	-	4,164	4,164	-
Real Economy Lab	-	10,607	10,607	23,500
Bristol £ CIC for New Economics Summit (refund)	-	(3,839)	(3,839)	5,000
Transition Town Brixton for REconomy project	-	-	-	5,742
1 Year in Transition Education	-	-	-	4,000
Transition Roadshow	-	-	-	500
Total grants to institutions	-	34,638	34,638	53,565
Grants to individuals				
Grants for various individuals to travel to Transition Hubs Gathering	-	9,214	9,214	-
Total grants	-	43,852	43,852	53,565
Total expenditure on charitable activities	<u>84,843</u>	<u>405,738</u>	<u>490,581</u>	<u>593,572</u>

Expenditure on charitable activities of £593,572 for 2016 was unrestricted for £124,308 and restricted for £469,264.

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

10. Tangible fixed assets

	Fixtures, fittings, and equipment £
Cost	
At 1 April 2016 and at 31 March 2017	<u>9,352</u>
Depreciation	
At 1 April 2016	6,523
Charge for year	<u>966</u>
At 31 March 2017	<u>7,489</u>
Net book value	
At 31 March 2017	<u><u>1,863</u></u>
At 31 March 2016	<u><u>2,829</u></u>

11. Debtors

	2017 £	2016 £
Trade debtors	544	3,646
Prepayments	<u>1,728</u>	1,890
	<u><u>2,272</u></u>	<u><u>5,536</u></u>

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	22,263	12,449
Other creditors	214	61
Taxation and social security	-	5,956
Accruals for grants payable	-	450
Accruals	5,960	10,073
Deferred income	-	1,116
	<u><u>28,437</u></u>	<u><u>30,105</u></u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

13. Trustees and employees

Number of employees

The average number of employees during the year was ten part time staff (2016: one full time and ten part time staff).

Employment costs

	2017	2016
	£	£
Salaries	209,742	244,003
Social security costs	15,149	20,852
Defined contribution pension scheme contributions	1,222	-
UK Payroll staff costs	226,113	264,855
Overseas payroll staff costs	20,471	19,628
Total staff costs	246,584	284,483

Redundancy pay amounting to £3,377 was paid during the year to reduce the head count by one employee in order to reduce expenditure.

The overseas payroll staff costs are the costs of employing the National Hubs Co-ordinator in Belgium including relevant statutory payments.

There were no employees with emoluments over £60,000.

Seven Trustees (2016: 7) were reimbursed expenses of £2,086 in the year (2016: £3,124) all of which was in respect of travel and subsistence (2016: £3,124).

None of the Trustees (or any person connected with them) received any remuneration from the Charity in the year (2016: £nil). None of the Trustees (or any person connected with them) received payment for professional or other services supplied to the Charity (2016: £nil).

14. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds	1,863	64,267	66,130
Restricted funds	-	138,618	138,618
Total funds as at 31 March 2017	<u>1,863</u>	<u>202,885</u>	<u>204,748</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

15. Summary of movement in funds

The restricted income funds of the charity arising through its activities are as follows:

Fund name (Funder)	Restricted purpose of funding
Core costs and organisational development (Tudor Trust)	Core costs and organisational development of Transition Network
Delivery Director salary funding (Tudor Trust)	Employment of a Delivery Director
Core costs (Roddick Foundation)	Core support and communications costs of Transition Network
An anonymous Foundation	National Hubs and International development; Support, Inner Transition and Training; Transition Story and Communications
Education Bursaries (An anonymous Foundation)	Bursaries for One Year in Transition
REconomy Project (Friends Provident Foundation)	UK-based REconomy project, piloting community support for sustainable social enterprises and building capacity of UK Transition initiatives in developing local economic resilience
REconomy Project (Polden-Puckham Charitable Foundation)	UK-based REconomy project, piloting community support for sustainable social enterprises with two communities
Joseph Rowntree Charitable Trust	Regional Connecting and peer-to-peer support in the UK
Transition Research Network (various funders)	To further the work of the Transition Research Network, an informal network to support research that is beneficial for both Transition initiatives and academic researchers.
Real Economy Lab (Fondation Charles Léopold Mayer pour le Progrès de l'Homme)	Acting as a charity conduit for a project to develop a vision for alternative economics in a low-carbon world
Real Economy Lab (Polden-Puckham Charitable Foundation)	Acting as a charity conduit for a project to develop a vision for alternative economics in a low-carbon world
Education (Pete Yeo via Rainmaker Foundation)	Donation for One Year in Transition in Portugal and Sweden and for One Year in Transition students in the UK
Municipalities in Transition (KR Foundation)	Building bridges between the Transition movement and local governments
Marmot Trust	Acting as a charity conduit to make a grant to Bristol Pound CIC to support the Bristol New Economics Summit
Train the Trainer (donations)	"Train the Trainer" event to train Latin American Transition trainers

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

15. Summary of movement in funds (continued)

	Opening balance £	Incoming resources £	Outgoing resources £	Closing balance £
Restricted funds				
Core costs & organisational development (Tudor Trust)	41,846	45,000	56,358	30,488
Delivery Director salary funding (Tudor Trust)	1,610	-	1,610	-
Core costs (Roddick Foundation)	9,000	-	9,000	-
National Hubs and International development; Support, Inner Transition and Training; Transition Story and Communications (An anonymous Foundation)	8,311	250,000	258,311	-
Education Bursaries (An anonymous Foundation)	680	-	680	-
REconomy Project (Polden-Puckham Charitable Foundation)	1,926	20,000	13,684	8,242
REconomy Project (Friends Provident Foundation)	(11,354)	34,581	35,499	(12,272)
Regional connecting and peer-to-peer support in the UK (Joseph Rowntree Charitable Trust)	958	19,750	17,610	3,098
Transition Research Network (various funders)	5,014	-	150	4,864
Real Economy Lab (Polden-Puckham Charitable Foundation)	15,000	-	15,000	-
Real Economy Lab (Fondation Charles Léopold Mayer pour le Progrès de l'Homme)	17,436	-	36	17,400
Education (Pete Yeo via Rainmaker Foundation)	6,000	-	3,329	2,671
Municipalities in Transition (KR Foundation)	-	88,417	4,290	84,127
Bristol New Economics Summit (Marmot Trust)	-	(3,839)	(3,839)	-
Train the Trainer (donations)	-	4,000	4,000	-
Total restricted funds	<u>96,427</u>	<u>457,909</u>	<u>415,718</u>	<u>138,618</u>
Unrestricted funds				
General fund	<u>90,890</u>	<u>71,810</u>	<u>96,570</u>	<u>66,130</u>

The grant funds for the REconomy Project Friends Provident Foundation were in deficit at the year end because funding was agreed on a retrospective basis. Funding was received after the year end in respect of the deficit.

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2017

16. Financial commitments

At 31 March 2017 the company was committed to making the following payments in respect of buildings under non-cancellable operating leases:

	2017	2016
	£	£
Operating leases which expire		
Within two to five years	<u>4,400</u>	<u>2,200</u>

17. Related party transactions

There were no related party transactions that require disclosure.

18. Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost		
Trade debtors	<u>544</u>	<u>3,646</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>28,437</u>	<u>23,033</u>