



Registered Charity Number: 1128675

Company Number: 06135675

TRANSITION NETWORK
Annual Report
and Financial Statements

Year end 31 March 2019

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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>Henry Owen Hilary Jennings Clare Pavitt Joseph Duggan Peter Lefort</p> <p>Peter Lipman (resigned 23rd November 2018) Antony C Greenham (resigned 23rd November 2018) Ellen Bermann (resigned 23rd November 2018) Andrew Simms (resigned 27th November 2018) Isabela Maria Gomez de Menezes (resigned 23rd November 2018)</p>
Lead Link of the Heart Circle	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' Annual Report

Incorporating the Directors' Report for the year ended 31 March 2019.

The Trustees present their annual report and financial statements for the year ended 31 March 2019. 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).

Transition is a movement of communities coming together to reimagine and rebuild 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 supports the Transition movement, amplifies stories of community-led change and nurtures collaborations across difference to challenge us all to reimagine and rebuild our world.

1 Executive Summary

At the start of this financial year, April 2018, we made an exciting shift to a new shared governance way of working. This was also the start of a new Strategic Framework to guide our work, in particular a new organisational Purpose (see page 5) influenced by a survey of, and engagement with, the Transition movement in 2017.

During the year:

- We continued to develop the new governance model, giving more clarity about roles, priorities and next steps, distributing leadership and supporting collaboration.
- The Municipalities in Transition project tested a draft flexible system to support collaboration between municipalities and communities for systemic sustainable change, in six pilots in Brazil, Hungary, Italy, Portugal and Spain. We will now be incorporating feedback from the pilots to enable the system to be shared with other communities.
- With ECOLISE, the European network for community-led initiatives on climate change and sustainability, we co-designed and co-hosted an International Day of Sustainable Communities event themed on Municipalities in Transition, in Brussels in September 2018, with the European Economic and Social Committee and the Committee of the Regions.
- We ran the first International Transition Health Check Month in March 2019, to help groups assess their needs and celebrate their successes, and to improve the mapping of our global movement.

- We helped Transition Hubs around the world to build their capacity or support Transition in their territories.
- We supported connections and activities identified by English and Welsh Transitioners as priorities, including a leaflet and Great Invitation project to support Transition groups to respond positively to the increasing visibility within public debate of the realities of species extinction, climate emergency and social and economic injustice.
- We developed, ready for consultation and decision-making, proposals to distribute roles and responsibilities internationally, for a Hubs Group Heart Circle and for international Training Co-ordination.
- We held a retreat in January 2019 to agree a new set of Key Areas of Focus for 2019, to help keep our work responsive and focused.

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 2019 was £395,454 (2018: £638,431). The most significant source of grant funding continues to be an anonymous Foundation which is funding at least £300,000 a year over 3 years from April 2018 to March 2021. This grant supports a wide range of the Charity's activities and in particular its international work. The grants from KR Foundation for the Municipalities in Transition project are also a very significant source of grant funding.

2 Our objects

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.

Our current organisational Purpose, agreed in April 2018, is:

Transition Network supports the Transition movement, amplifies stories of community-led change, and nurtures collaborations across difference to challenge us all to reimagine and rebuild our world.

Transition Network works in service to the international movement of self-organising Transition groups and Hubs, and others who are creating community-led change for a sustainable and just future founded on wellbeing. From our place within the movement, we encourage Transition to spread and evolve. We facilitate the sharing of inspiration and learning, identify common needs and exciting possibilities, and curate and develop tools, training and resources. We cultivate peer-to-peer support and build capacity across the movement.

We are learning to embody and integrate the inner dimension of Transition in all that we do, and commit to the love, beauty, passion, playfulness and courage so needed in these times. We are nurturing healthy collaborative group cultures rooted in caring for, and connecting with, ourselves, each other and the natural world.

We aim to make Transition more visible, creating opportunities for diverse Transition stories to be shared, to show that a shift to a more equitable and healthy culture is possible. We seek to understand the impact and potential of Transition. We amplify these stories to engage those who are new to Transition, empower those already involved, encourage more participative and holistic decision-making to support community-led change, and attract resources into the movement.

We look for ways to collaborate across and beyond the Transition movement, and to support others to connect and collaborate. We support and co-design emerging approaches that reimagine and rebuild a compassionate culture within resource limits, beyond the norms of the industrial growth system. We experiment with and cross-fertilise ideas to help Transition become more diverse and to respond to changing contexts. We recognise that power and privilege shape our behaviour, as much as they shape the behaviour of the wider world. We actively commit to addressing this, and particularly to welcoming, listening, and responding to marginalised voices within and beyond the movement. In the way that we work, as much as in what we do, we aim to bring people together, to help us to connect with our longing for a better future and our sense of interdependence. We speak from the heart to highlight alternatives to unsustainable systems and challenge assumptions.

Transition Network is a support organisation to the international Transition Hubs Group and is exploring with that network how to develop new models of leadership, share power and resources,

and collaborate across distance. In England and Wales, we are working with Transitioners to develop grassroots-led Hubs with the capacity to catalyse and support Transition in this territory and connect to the wider international network.

3 Activities, achievements and performance

In April 2018 we formally shifted to working in a shared governance model, working to deliver a new agreed organisational Purpose. We now intend to agree Key Areas of Focus for each year, and for this first 9-month period to January 2019, our Key Areas of Focus were:

1. Continuing to develop Transition Network's governance model and collaborative culture and finding ways to share learning from our organisational development process with others within and beyond the Transition movement.
2. Supporting the implementation, future development and resourcing of the Municipalities in Transition project.
3. Supporting and enabling hubs and initiatives to carry out health checks and share data about the health and extent of the movement.
4. Working with, and in support of, Hubsters and others focused on the international level of scale to build capacity and develop collaborative social infrastructure, including in the Hubs Heart Circle and training co-ordination.

This report will cover activities, achievement and performance under each Area of Focus, and then other work towards our Purpose. We will then take a look ahead to the new Areas of Focus agreed in January 2019 for our work in 2019.

3.1 Continuing to develop TN's governance model and collaborative culture

April 2018 saw our shift to an innovative shared governance model, following a long period of working with and training from Université du Nous. This has given more clarity about roles, priorities and ways to decide and agree next steps, along with more autonomy and distributed leadership across the organisation. As planned, some time was taken by the staff team in 2018 to settle into the new shared governance structure, inhabiting and exploring our new roles, purposes and accountabilities and getting up to speed with unfamiliar ways of working.

We have brought staff and trustees together into a Primary Circle which determines our evolving organisational purpose, agrees our strategic focus and keeps our overall governance model under review. The primary circle gives operational responsibility for delivering the areas of strategic focus to a heart circle of roles, electing one of the primary circle members (currently Sarah McAdam) as lead link. The lead link role maintains an overview of the work of the circle, appoints people into roles and supports them to deliver what's needed. The structure is designed to evolve organically in response to tensions and needs within the organisation, with roles and sub-circles being created and deleted as circumstances change.

All roles in each circle exercise equivalent power and have sovereignty to choose the best way to fulfil their purpose, gathering information, seeking advice and feedback and making decisions as feels most appropriate to them. Through these processes we've been experimenting with and modelling a way of working in which power is visible and distributed, and that supports collaboration.

By Autumn 2018, we were ready to design and implement the processes by which we would recruit and integrate new members of staff into our new look organisation. This required careful adjustments to the approaches used previously and the recruitment campaign attracted considerable interest and positive feedback. We appointed two new members of staff, Deborah Benham and Yaz Brien, from a pool of over 100 applicants. Although they bring specific and much-needed skills and experience, both started in Spring 2019 as generic team members with a simple job description and the expectation that, along with existing staff, they will step into and out of roles as best serves our organisational purpose.

In January 2019, we surveyed staff and trustees to test the impact of the organisational development work against a baseline survey carried out in October 2016. There was a small average improvement in working satisfaction. Some of the challenges reported strongly in 2016, such as lack of a coherent structure, prioritisation challenges and lack of autonomy, were not reported at all in January 2019.

Our three-year organisational development process was funded by Tudor Trust, and we are very grateful that they awarded a final one-year grant for 2019/2020 to consolidate the shared governance processes and structure. Sarah McAdam and Claire Milne have been connecting and sharing resources and information about our shift to shared governance with international communities of practice, organisations and networks with similar aims and values to ours.

3.2 Supporting the Municipalities in Transition project

The Municipalities in Transition (MiT) project is being delivered by a core team from the Spanish and Italian Transition Hubs (Ana Huertas, Cristiano Bottone, Juan del Río and Tommi Brazzini). They work very closely with Pedro Macedo, a researcher from the University of Lisbon. Nicola Hillary (MiT link) connects with the team and plays an active role in the project - for example, she is one of the co-guardians of the MiT community of practice.

The first two years of funding from KR Foundation for the Municipalities in Transition project concluded in March 2019. The team gathered over 70 case studies from across the world, and developed a draft Municipalities in Transition System as a flexible framework which supports collaboration between communities and municipalities for systemic sustainable change. The draft MiT System was tested by 6 pilots in Brazil, Hungary, Italy, Portugal and Spain, for a year from March 2018. The pilots are still at a very early stage, but many positive impacts have already been seen, some establishing dialogue and joint work where there was previously opposition and a lack of trust, and already having impacts towards more sustainable ways of living.



Community and municipality representatives from the 6 pilots, the MiT team and TN staff, gathering to harvest learning in Telheiras, Lisbon, February 2019

Examples of Impacts Achieved in the Municipalities in Transition pilot projects

- The Municipalities in Transition System is predominantly based on a previous “Energy Function” system used in the Emilia Romagna region of Italy (where the Valsamoggia pilot is now based). The “Energy Function” work had unstructured support compared to the MiT system, but inspired highly motivated politicians, technicians and community members, and took over five years to harvest significant impacts, such as:
 - Emilia Romagna is now the first European region with all (over 300 municipalities) signed up to the Covenant of Mayors carbon-saving network.
 - New regional funding for centralised renewable energy contracts and retrofitting public buildings, saving 690,000 tonnes of CO₂ per year
 - Renewal of all the public lighting in Valsamoggia - saving 997 tonnes of CO₂ per year
- The Municipalities in Transition process has prompted the Municipality and the Transition Initiative in Kispest, Hungary, to become more ambitious together than they initially planned, including now engaging in long-term planning around the growing and provision of local food. They are negotiating towards the municipality taking the catering contract for schools and care homes in-house, to switch it to local, sustainable food in 10 schools and care homes, totalling 4,000 meals per day. It will promote and strengthen local, low-impact farming practices and reactivate the economy in the Kispest district by developing new small-scale local processing facilities.
- The “Salta la Corrente” project that the Santorso, Italy pilot collaboratively chose to develop is supporting people in the community to aim for 100% renewable electricity in the municipality and to create green jobs. By leading the municipality itself to switch to renewable electricity, they are already saving over 200 tonnes of CO₂ per year, and there is interest in a national roll-out that could save 18,400,000 tonnes of CO₂ per year.

- The three regional consortiums and civil society organisations in La Garrotxa, Spain, agreed a collective focus on the Social, Economic and Ecological Observatory project, so that these ecological and social needs are now being brought to the forefront of decision-making. The regional department on economic development is now using the Sustainable Development Goals and a systemic framework to design their new 5-year strategic plan.

We co-designed and co-hosted an International Day of Sustainable Communities event themed on Municipalities in Transition, in Brussels in September 2018, with ECOLISE, the European Economic and Social Committee and the Committee of the Regions. Transition Network and the Municipalities in Transition team together had a strong and visible presence. Connections were made with European level decision-makers and influencers and there was lots of positive feedback about the event.

The Municipalities in Transition project supports two communities of practice - one closed group enables those involved in the pilots to share inspiration and experience and there is another open to anyone interested in, or already working on, how municipalities and communities can collaborate to build local resilience. Members of this second open group were asked to nominate and vote on possible discussion topics and this spawned the Hot Topics series of 8 free webinars between October 2018 and March 2019, with Transitioners and other activists from around the world contributing to the discussions. Recordings of these rich conversations together with relevant resources are shared on the Municipalities in Transition website:

<http://municipalitiesintransition.org/hot-topics/>

We are delighted that KR Foundation will be funding a second phase of the Municipalities in Transition project from June 2019, incorporating feedback from the pilot testing, and training tutors and facilitators to help new communities to use the system. We are also delighted by a new grant from Open Society Initiative for Europe in June 2019, to fund the Municipalities in Transition project.

3.3 The Transition Health Check and sharing data about the movement

This work had two key strands - a communication/collaboration strand aimed at supporting and enabling Transition groups to carry out health checks, and a technical strand focused on the development of a Central Data Store where information about registered initiatives can be held and accessed and groups can log their health check results.

We ran a first '**International Transition Health Check Month**' in March 2019, inviting Transition groups to set aside time to go through the health check process together and then to share their data as a way of improving our mapping of our global movement. Hubs in Belgium, Brazil, Croatia, USA, Austria, Mexico, Hungary and Sweden collaborated with us, adapting, translating and disseminating key messages to initiatives in their territories and working with us to ensure that the new Central Data Store <https://transitioninitiative.org/> was fully-accessible in 16 languages. The Central Data Store is co-owned by Transition Network and those Hubs which choose to get involved and we hope it will eventually be the place where all Transition groups register, so that the movement has a more accurate picture of its scale, health and geographical spread.

This first Health Check Month enabled us to test the Central Data Store with Hubs and Transition Groups and we are now seeking feedback on their user experience. The core health check resource has been made available in Chinese, Croatian, Danish, Dutch, French, German, Hungarian, Italian, Japanese, Portuguese, Romanian, Russian, Slovenian, Spanish and Swedish. Nearly 2,000 users visited the new platform and 112 health checks have so far been downloaded (and we know many more were downloaded from our main website in the weeks leading up the Health Check month).

Transition Network will be producing findings and reflections based on the first Health Check month experiment, sharing this with Hubs to get their input and then reporting back to the wider movement. As part of this reflection, we will be considering how to continue to build awareness of, and participation in, the health check process.

3.4 Building capacity and developing collaborative social infrastructure, internationally

Seed-funding to build Transition Hub capacity:

During the year we responded to a very high number of excellent proposals from Transition Hubs for seed-funding, funding 20 different Hub-led projects around the world. The main focuses of the different projects were on:

- **Training:** including the development of an online version of Transition Thrive training by Transition US, and jointly-run Latin American Online Training.
- **Films and documentaries:** including this wonderful video by Transición Colombia: <https://www.youtube.com/watch?v=4Csf5ZBMEKU> , and a web-series in development about the women leading Transition in Brazil.
- **Building Hub capacity:** including the Wallonia/Brussels Hub mentoring the development of the emerging Swiss Hub.
- **Website development:** including <https://transitionaustralia.net>
- **Translation of the Essential Guide to Transition with the innovation of adding national stories and context,** by Sweden and underway by Japan.

In Spring 2019 we gave a further seed-funding grant to the Austrian Hub to support them in holding a third Eastern & Central European Hubs gathering. Regional meetings of Transition Hubs are really valuable in sharing support, inspiration and knowledge.

Regional connections and capacity building in England, Wales and Scotland:

Following the regional connection work funded in 2016-17 by Joseph Rowntree Charitable Trust, we kept connections alive and supported priority activities identified by English and Welsh Transitioners interested in working at a regional and/or national level of scale. Richard Couldrey of the London and South East England Hub is working with Mike Thomas to coordinate this work. We have worked closely with people in six English regions to develop a Great Invitation project, supporting local Transition groups to respond positively to the increasing visibility within public debate of the realities of species extinction, climate emergency and social and economic injustice. We are co-designing a leaflet which can be used flexibly to promote local projects and other activities and helping people to host events in their area which position the Transition movement as complementary to recent phenomena such as Extinction Rebellion protests, School Strikes and declarations of climate emergency. This project has been a great working example of groups identifying a common need and opportunity and using collective intelligence to shape and deliver a response. Through it, the groups have learnt from each other, provided advice, shared resources and built new relationships.

We are delighted to have been awarded £49,000 from the National Lottery Community Fund for development funding from April 2019 to support the co-design of a proposal strengthening regional connecting and peer support for Transition groups in England and Wales, and in partnership with Transition Scotland.

Hubs Group Heart Circle:

A temporary Hubs Group Heart Circle was elected in November 2017 to develop a proposal for a Hubs Group Heart Circle. The proposal developed is based largely on roles that are already operating across our international network and some new roles responding to needs and energy that we already see within the system. This is the key next step in distributing power, responsibilities and roles internationally and creating a healthy collaborative social infrastructure for the Transition Hubs Group. Hubs Co-ordinator Filipa Pimentel hosted lively online discussion Open Spaces for Transition Hubs in March and April 2019, ahead of the proposal decision-making.

International Training Co-ordination: A small group of Transition trainers has worked with Transition Network to co-design, consult on and review a proposed new approach to the coordination of Transition training. We are now setting up a Training Support Circle and will empower and enable that circle (on which Transition Network will be represented) to appoint a new international Training Coordinator.

3.5 Other work contributing to Transition Network's Purpose

During the year we have continued to add to the number of translations of the Essential Guide to Transition that are available online, with the help of Hubs translating and adding national stories. The Essential Guide to Transition is now available online in 11 languages. The next to be published will be Swedish and Hebrew, with Japanese in development.

As Hubs Co-ordinator, Filipa Pimentel provides on-going support to Hubs and potential Hubs. She has been helping the emergence of a developing Hub for part of Finland. Filipa is also working with Transitioners in France who are interested in the potential for regional Hubs beyond the existing Paris region Hub.

Rob Hopkins and Filipa Pimentel have responded to support needs from France, including from Brest and Tours. Rob and Filipa were invited to participate at the *Village Climat Déclit*, organised by the Brest regional government and by En'urgence (local Energy and Climate agency), who have created a celebration of all that is happening in the area in response to climate change and also to dream of all that could happen as they build up to redrafting their climate plan. Rob and Filipa visited the exhibition, gave a talk to more than 700 people (Rob was the key speaker of the whole event) and facilitated a workshop for the "Climate Agents" of En'urgence.

Filipa participated as one of the key speakers at the 2nd Annual Gathering of the "Oxygène" network - the initiatives lab: "Territories in Transition - Social and Climate Urgency, from ambition to action" in Tours, invited by the Region Centre-Val de Loire (local government). Various representatives of the regional and local governments and transition initiatives were among the 500 participants.

In the UK, Mike Thomas has been working with the Ctrl-Shift network for progressive change, leading the collaborative work on its Think and Do Tank which is collating and sharing relevant tools and resources. He is also working with Tom Henfrey of Ecolise to further aggregate these resources into the developing Ecolise Wiki.

Claire Milne has been holding an ongoing Inner Transition Inquiry Group of practitioners around the international movement. They have been focused on co-designing a Transformative Conflict programme in response to needs expressed by Transition Hubs.

During the year, we carried out a communications review process with consultants Melissa Henry and Toby Moseley, gaining a clearer sense of what Transition Network most needed in relation to communications skills and approach. Their recommendations informed the recruitment process in November 2018 and provide us with a good starting point for future communications-related activity.

We have helped create spaces for the movement to share stories and experience, for example collaborating with Transition US's Online Summit in October 2018, where over 100 people participated in the livestream events and 33 "watch parties" were organised in 19 different US states. Sarah McAdam and Rob Hopkins were speakers at a roundtable discussion on the past, present and future of Transition at that event. Following the interest in the roundtable discussion, a further international online call was jointly hosted by Transition Network and Transition US, with 43 participants from a mix of countries, with really rich and connecting conversations.

Transition Network also fed into and collaborated with the European ECOLISE network in the creation of the first ECOLISE Status Report on Community-led Initiatives for Climate Change and Sustainability, which includes information about Transition groups and Hubs.

Claire Milne held the new role of Nurturing Collaborations and held ongoing liaison with organisations such as Animas Valley Institute, St Ethelburga's, Universite du Nous, 8 Shields, Presencing Institute, Transition US and the newly forming Inner Resilience Network. As a result, Animas Valley Institute have offered to run a number of heavily subsidised nature-based trainings around cultivating healthy collaborative culture for people involved in Transition. She also made a presentation about how digital technology impacts healthy culture at the Gaia Foundation launch of the Wh@t on Earth report.

Involvement of volunteers

Most Transition groups and Hubs are volunteer-based and the Transition movement is based on community-led approaches, which in most cases involve volunteers. Transition Network does not have any volunteers within its "staff team" but we collaborate closely, in many projects and areas of work, with volunteers from Transition Hubs and Transition groups.

3.6 Grant-making Policy

Transition Network made many grants during this year, primarily to distribute financial support to Transition Hubs and groups involved in the Municipalities in Transition project.

Seed-funding grants for Transition Hubs:

Only Transition Hubs are eligible for these grants. Full Transition Hubs can apply for funds to help them:

- Support Transition in their territory;
- Build the capacity of their Hub; or
- Network and share learning with other Hubs

Emerging Hubs can only apply for Networking and sharing learning with other Hubs.

We ask Hubs, if they are applying with more than one project, to rank them in priority order. We assess all first priority projects and only move on to assess second-priority projects if there is still funding allocation available after the first-priority decisions. This is to promote a good geographical distribution of resources.

Other criteria used to decide the allocation of seed-funding grants to Hubs included whether the project is either strong in strengthening the core work of the Hub, or strong in piloting an innovative idea. We assess the capacity of the Hub to successfully do the project, and ask how well the project engages people in co-creation, collaboration or collective inspiration. The criteria we used in 2018/19 were new criteria after a revised proposal was shared with Transition Hubs. The new criteria have made it clearer and easier to achieve a good geographical distribution, to assess Hub capacity and to prioritise collaboration and co-creation.

Municipalities in Transition grants:

Significant grants were given to the organisations involved in the six Municipalities in Transition pilots. The criteria was to find places where Transition groups or community groups and the Municipality were ready to experiment with a collaborative project, and were able to agree to the activities, reporting requirements and timescales of the project. After written applications the project team held a number of in-depth interviews with potential pilots to assess their suitability, availability and capacity to test the draft Municipalities in Transition System.

Other grants:

One of the applications for Hubs Seed-funding was from Transition Brasil for a web-series about Transition women in Brazil. The Hubs seed-funding had completed its funding allocation. However this proposal was assessed by the Amplifying Stories role as contributing strongly to their aims, and the decision to award a grant was assessed in relation to the aims of the Amplifying Stories purpose.

3.7 Plans for future periods

Transition Network held a 3-day retreat at the end of January 2019 for the Primary Circle to agree Key Areas of Focus for the coming year. Our future plans were influenced by listening to, and taking account of, feedback and reconnecting with our organisational purpose. We collected informal feedback on each of our key areas of focus and aspects of our organisational purpose, with a range of reflection on what we have learned during the course of our recent work. The new key areas of focus for 2019 reflect some of the implications and understandings of that evaluation, for example, new focuses on our practice of change, and spaces for international conversations about the current context.

2019 Key Areas of Focus

1. Energising collaborative explorations of, and responses to, the changing global context.

This area of focus is inspired by the increasingly visible public debate about the realities of species extinction, climate emergency and social and economic injustice, and the need for more spaces where Hubs and others in the international Transition movement can share experiences and jointly discuss opportunities for greater impact. We are particularly interested in how we might encourage and co-design creative, collaborative responses to enable people to imagine, and connect to their longing for, transformational change (perhaps, for example, through immersive and accessible experiential processes.)

2. Focusing on the municipal level of scale, exploring how to support bold, imaginative and meaningful shifts.

We want to continue, and further develop, the Municipalities in Transition project, demonstrating the possibilities that arise when communities and municipalities engage in a collaborative transition towards a more sustainable future. We are keen to explore the potential for more collaboration to support increasingly ambitious activity at this level of scale, fostering intrinsic values, care and connection and support people to move beyond the limitations and framing of the current system.

3. Working with, and in support of, Hubsters and others to build capacity and develop collaborative social infrastructure.

This ongoing key area of focus brings together the varied ways in which we are sharing power, responsibility and resources across our distributed movement, seeking to build our collective resilience and develop stronger platforms for collaboration.

4. In the way we approach and deliver on these Areas of Focus, we'll develop, through listening and sharing, our understanding of how we do things and why.

This is a new focus on our “practice of change”, work we started developing during 2017’s strategic review. We want to experiment in the three areas listed above, get more explicit, and challenge our assumptions, about how what we do supports systemic change to happen at all levels of scale from the personal to the global, listen to experience from the wider movement and document our learning and approach in a way that will be useful to others.

4 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 again been visionary in agreeing a new three-year grant programme from 2018, to nurture collaboration, amplify and support Transition internationally.
- The Tudor Trust for a grant from January 2016, with a one year further grant from April 2019, to enable us to work on organisational development, to help us explore the next phase of Transition Network's evolution, which has made all the difference in enabling our shift to shared governance.
- KR Foundation for a very significant grant for Transition Network and the Transition Hubs group to start the Municipalities in Transition project, and again to take this project to a next stage of scaling up, out and deep.
- Roger Ross of Lots Road Auctions for his long-standing and wonderful core funding support, which helped every area of our work, and which has concluded after ten generous years.
- The National Lottery Community Fund UK Portfolio, for a development grant in April 2019 to co-design a proposal for work to strengthen regional connecting and peer support for Transition community groups in England, Wales and Scotland.
- Open Society Initiative for Europe, for an exciting grant in June 2019 to develop the Municipalities in Transition project, with a particular focus on Spain or Italy.
- A hugely appreciated donation from a Network for Social Change individual member, and other regular donations from individuals whom we thank very much.

On a small number of occasions Transition Network acts as a “charity conduit” to enable organisations and projects which are strongly aligned with our strategic aims, to access funding from charitable trusts. In 2018-2019 we continued to administer a grant from Fondation Charles Léopold Mayer pour le Progrès de l'Homme for the Real Economy Lab, strongly aligned to our REconomy work.

5 Financial Review of the Year

The amount of unrestricted general funds increased during the year to £114,240 at 31 March 2019 (2018: £61,326).

The amount of restricted funds at 31 March 2019 was £29,877 (2018: £288,415). The main reason for the decrease in restricted funds was that the high restricted fund balance brought forward for Municipalities in Transition (which included a significant grant instalment from KR Foundation that was received in January 2018) was spent in 2018/19.

Total funds held at 31 March 2018 amounted to £144,117 (2018: £349,741).

Total income for the year was £395,454 (2018: 638,431).

Restricted income, all of which came from grant income, amounted to £334,811 (2018: £560,907). The principal reason for the decrease in income was the grant instalment from KR Foundation for the Municipalities in Transition project: £34,811 of income from KR Foundation was accrued in the year (being the final 10% of the grant, which had not yet been received at the year end), whereas £224,885 was received from KR Foundation in the year ended 31 March 2018.

A significant source of grant funding continues to be a Foundation, who wish to remain anonymous, which provided £300,000 (2018: £250,000) to support a wide range of the Charity's activities.

Total donations of £52,572 (2018: £50,914) were underpinned once again by a donation of £50,000 from Roger Ross of Lots Road Auctions.

Income from charitable activities was £8,071 (2018: £26,610). There was a reduction in income from distributing the film *Demain* ('Tomorrow'), reflecting the reduced number of screenings during the year. The decrease in income from training, caused by changes in staff and their roles, occurred as some of the Hubs now provide training instead of Transition Network.

Total expenditure was £601,078 (2018: £493,438). There was a substantial increase in expenditure on Municipalities in Transition, particularly on grants to Municipalities in Transition pilot projects.

Total staff costs decreased by 11% (2018: 14% decrease), reflecting a reduction in the number of employees.

Expenditure on raising funds was lower than the previous year. The reduction in fundraising activity helped to keep our work focused.

Reserves Policy

The reserves policy seeks to balance the objective of spending income with the need to maintain the minimum level of reserves to ensure the Charity can continue its core activities and to provide time to adjust to a change in financial circumstances. Assets must be sufficient to enable the charity to operate effectively, meet all of its legal obligations and cover any sums payable to staff should they be made redundant.

In July 2019 the target level of free reserves was increased to £95,000, which is approximately four months' core running costs. At 31 March 2019 the amount of free reserves, calculated as being unrestricted funds excluding fixed assets, was £112,846 (2018: £59,421). The Charity took the opportunity to increase its reserves in the year because it is forecasting much lower levels of unrestricted income in future years.

6 Structure, Governance and Management

Governing document

Transition Network is a registered charity (charity registration number 1128675) and is incorporated as a company registered in England and limited by guarantee, having no share capital (company registration number 06135675). Under the provisions of Section 60 of the Companies Act 2006, the company is entitled to omit the word “Limited” from its name. Its objects and powers are set out in its Memorandum and Articles of Association. Trustees 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

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

Henry Owen (Co-Chair)	Henry coordinates the Community Action Groups Project in Oxfordshire. He has an MSc. in Environmental Change and Management, and is involved with a number of local community initiatives and direct action campaigns.
Hilary Jennings (Co-Chair)	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.
Peter Lefort (Treasurer)	Social change project manager, Community Network Manager for Eden Project Communities.
Clare Pavitt	Working in equality, diversity and inclusion and organisational development, Clare is Principal Adviser EDI at Advance HE. Previous experience includes central and local government, broadcasting and the police service.
Joe Duggan	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.

The Trustees who stepped down in November 2018 were as follows:

Peter Lipman	Peter is the former External Affairs Director at sustainable transport charity Sustrans, and was involved with setting up Transition Bristol and then Transition Network.
Tony Greenham	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.
Ellen Bermann	Member of Italian National Transition Hub, elected by the National Hubs as a representative and “keeper of the global perspective”.
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.
Isabela Maria Gomez de Menezes	Architect and Urbanist, attended Gaia Education. Works with the development of education projects for regeneration and sustainability of systems and communities at Oficina da Sustentabilidade. Is a Climate Reality Leadership, Active member of Transition Granja Viana, Transition Brazil Hub and Transition Latin America articulation. Elected by the Transition Hubs as a representative and “keeper of the global perspective”.

Five trustees stepped down from Transition Network in November 2018. Two of these, Peter Lipman and Tony Greenham, had played hugely significant roles in the development of our organisation and had come to the end of their terms of office. Andrew Simms stepped down to give other projects more time and attention, and remains keen to advise Transition Network informally as required.

Ellen Bermann and Isabela Maria Gomez de Menezes were originally chosen by the Hubs Group as “keepers of the global perspective” to provide an international perspective on the Transition Network board. Now that the governance models of both Transition Network and the Hubs Group have developed, we will explore alternative mechanisms to ensure that the interests of each are properly represented in decision-making circles and the role of “keeper of the global perspective” has been retired. However, both Ellen and Isabela attended the January 2019 retreat to ensure voices from our international network were present in the discussions.

We will be assessing the number of trustees we need under our new model (there are currently five in the primary circle) and are very likely to run a trustee recruitment campaign in due course.

The members are Directors for the purpose of company law and Trustees for the purpose of charity law. All trustees are members of Transition Network’s Primary Circle which has the following Purpose and Accountabilities:

Primary Circle Purpose: To connect to our evolving organisational purpose, agreeing and energising Transition Network’s strategic focus and overall governance model.

Accountabilities:

- To set and keep under review our evolutionary organisational purpose (ensuring alignment with the charity’s objects as set out in Transition Network’s Memorandum of Association)
- To agree any changes to the organisational safety agreement
- To admit new members to the primary circle and/or make any changes to criteria for membership
- To agree any significant changes to Transition Network’s strategic framework, as determined by the strategy review role or other appropriate role
- To determine broad areas of focus for the organisation over the coming 12 months
- To elect the lead link of the Heart circle.

The day to day running of the charity is delegated by the primary circle to the lead link and heart circle. Trustees meet at least three times a year, to receive and approve Primary Circle decisions, and to focus on matters reserved to the trustees including financial performance and risk. The Trustees regularly review the composition of the group of Trustees 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. One of the co-Chairs explains the role and responsibilities to new trustees.

The salaries of personnel were reviewed and set by a delegated HR Decision-Making Group of staff Sarah McAdam and Amber Ponton, and trustees Peter Lefort and Clare Pavitt.

Risk management

Financial sustainability is the main financial risk for the Charity, which is dependent on just a small number of funders. Financial risk is managed by a regular review of budget projections. To manage risks associated with the delivery of strategic outcomes, progress in all strategic areas of the Charity's work is regularly reviewed in meetings.

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 objects as set out in our governing document. These objects 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.

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 on 4 / 12 / 2019



H Owen

(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 2019 which are set out on pages 21 to 33.

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.

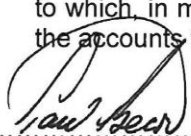
Basis of independent examiner's statement

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

9th December 2019
Date

TRANSITION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2019

	Note	Year to 31 March 2019			Year to 31 March 2018		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£
Income from:							
Donations and grants	4	52,572	334,811	387,383	50,914	560,907	611,821
Charitable activities	5	8,071	-	8,071	26,610	-	26,610
Total income		60,643	334,811	395,454	77,524	560,907	638,431
Expenditure on:							
Raising funds	7	365	11,086	11,451	3,071	18,306	21,377
Charitable activities	8	7,364	582,263	589,627	79,257	392,804	472,061
Total expenditure		7,729	593,349	601,078	82,328	411,110	493,438
Net income/(expenditure)		52,914	(258,538)	(205,624)	(4,804)	149,797	144,993
Transfers between funds		-	-	-	-	-	-
Net movement in funds		52,914	(258,538)	(205,624)	(4,804)	149,797	144,993
Reconciliation of funds							
Total funds brought forward		61,326	288,415	349,741	66,130	138,618	204,748
Total funds carried forward	14	114,240	29,877	144,117	61,326	288,415	349,741

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 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	<u>1,394</u>	<u>1,905</u>
		<u>1,394</u>	<u>1,905</u>
Current assets			
Debtors	10	42,261	6,657
Cash at bank and in hand		<u>157,613</u>	<u>374,167</u>
		<u>199,874</u>	<u>380,824</u>
Creditors: Amounts falling due within one year	11	(57,151)	(32,988)
Net current assets		<u>142,723</u>	<u>347,836</u>
Total net assets		<u>144,117</u>	<u>349,741</u>
Funds of the charity:			
Restricted funds	14	29,877	288,415
Unrestricted funds	14	<u>114,240</u>	<u>61,326</u>
Total funds		<u>144,117</u>	<u>349,741</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 2019. 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

4/12/2019



H Owen
Director and Co-Chair of Trustees

Company Registration Number: 06135675

TRANSITION NETWORK

STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

		2019	2018
	Note	£	£
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	a	<u>(216,554)</u>	<u>146,318</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>-</u>	<u>(1,201)</u>
Net cash provided by / (used in) investing activities		<u>-</u>	<u>(1,201)</u>
Change in cash and cash equivalents in the year		<u>(216,554)</u>	<u>145,117</u>
Cash and cash equivalents at the beginning of the year		<u>374,167</u>	<u>229,050</u>
Cash and cash equivalents at the end of the year	b	<u><u>157,613</u></u>	<u><u>374,167</u></u>

Notes

a Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2019	2018
		£	£
Net (expenditure) / income for the year		(205,624)	144,993
Add back depreciation charge		511	726
Loss on disposal of fixed assets		-	433
(Increase) in debtors		(35,604)	(4,385)
Increase in creditors		<u>24,163</u>	<u>4,551</u>
Net cash (used in) / provided by operating activities		<u><u>(216,554)</u></u>	<u><u>146,318</u></u>
b Cash and cash equivalents consist of			
		2019	2018
		£	£
Cash at bank and in hand		<u>157,613</u>	<u>374,167</u>
Total cash and cash equivalents		<u><u>157,613</u></u>	<u><u>374,167</u></u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

1. Legal Status of the Charity

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

2. Accounting Policies

Basis of preparation

Transition Network is a public benefit entity. The financial statements are 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest financial forecasts. The accounts are prepared in sterling, which is the functional currency of the charity.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

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) Termination payments

The Charity recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2019

d) Tangible fixed assets and depreciation

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
----------------------------------	-------------

e) Operating lease agreements

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 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.

g) 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.

h) Debtors

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

i) Cash at bank and in hand

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

j) 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.

k) 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.

3. Net income for the year	2019	2018
	£	£
Net income for the year is stated after charging:		
Depreciation of tangible assets	511	726
Loss on disposal of tangible assets	-	433
Independent examiner's fee	732	732
Other fees payable to the Independent Examiner	1,754	1,318
	<u>1,754</u>	<u>1,318</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

4. Donations and grants

	2019	2019	2019	2018	2018	2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations from individuals:						
Roger Ross	50,000	-	50,000	50,000	-	50,000
Various general donations	2,572	-	2,572	914	-	914
	<u>52,572</u>	<u>-</u>	<u>52,572</u>	<u>50,914</u>	<u>-</u>	<u>50,914</u>
Grants:						
KR Foundation						
(Municipalities in Transition)	-	34,811	34,811	-	224,885	224,885
An anonymous Foundation						
(Nurturing Collaboration,						
Amplifying and Supporting						
Transition Internationally)	-	300,000	300,000	-	250,000	250,000
Tudor Trust (Core costs and						
organisational development)	-	-	-	-	45,000	45,000
Friends Provident Foundation						
(REconomy)	-	-	-	-	25,396	25,396
Joseph Rowntree Charitable						
Trust (Regional connecting						
and peer-to-peer support)	-	-	-	-	15,626	15,626
	<u>-</u>	<u>334,811</u>	<u>334,811</u>	<u>-</u>	<u>560,907</u>	<u>560,907</u>
Total donations and grants	<u>52,572</u>	<u>334,811</u>	<u>387,383</u>	<u>50,914</u>	<u>560,907</u>	<u>611,821</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

5. Income from charitable activities

	2019	2019	2019	2018	2018	2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Training	398	-	398	9,329	-	9,329
Talks and presentations	4,347	-	4,347	2,219	-	2,219
Film screenings	3,207	-	3,207	11,619	-	11,619
Film sales	20	-	20	67	-	67
Royalties and book sales	81	-	81	3,267	-	3,267
Sundry income	18	-	18	109	-	109
	8,071	-	8,071	26,610	-	26,610

6. 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.

7. Expenditure on raising funds

	2019	2019	2019	2018	2018	2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Staff costs	-	11,086	11,086	2,572	18,306	20,878
Travel and other costs	365	-	365	499	-	499
	365	11,086	11,451	3,071	18,306	21,377

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

8. Expenditure on charitable activities

	2019	2019	2019	2018	2018	2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Activities undertaken directly						
Amplifying Stories and						
Communications	-	19,927	19,927	3,600	32,688	36,288
Website and IT	95	13,705	13,800	7,055	16,260	23,315
Talks costs	2,019	-	2,019	598	-	598
"Demain" film costs	2,412	-	2,412	5,291	-	5,291
Books and royalties	-	-	-	329	800	1,129
Project work	-	300	300	-	-	-
Supporting Transition initiatives						
and regional support	-	4,679	4,679	852	6,741	7,593
Inner Transition	-	611	611	1,749	18,380	20,129
Transition Training	-	400	400	5,962	1,359	7,321
Transition Health Check	-	4,616	4,616	-	3,152	3,152
Collaborations	-	1,205	1,205	-	-	-
REconomy project	-	-	-	-	15,036	15,036
Municipalities in Transition	-	103,792	103,792	-	50,929	50,929
International support	-	-	-	-	16,385	16,385
National Hubs Co-ordinator	-	31,567	31,567	5,941	27,000	32,941
Organisational development						
and training	-	22,228	22,228	1,953	15,516	17,469
Staff costs	-	177,635	177,635	32,134	125,894	158,028
	<u>4,526</u>	<u>380,665</u>	<u>385,191</u>	<u>65,464</u>	<u>330,140</u>	<u>395,604</u>
Support costs						
Travelling and subsistence	-	4,626	4,626	4,440	1,700	6,140
Rent and rates	-	5,205	5,205	1,485	3,700	5,185
Office expenses	882	4,879	5,761	3,094	6,677	9,771
Renewal of trademarks	-	-	-	400	-	400
Paypal fees and bank charges	245	-	245	285	-	285
Depreciation	511	-	511	726	-	726
Loss on disposals	-	-	-	434	-	434
	<u>1,638</u>	<u>14,710</u>	<u>16,348</u>	<u>10,864</u>	<u>12,077</u>	<u>22,941</u>
Governance costs						
Trustees' meeting expenses	834	278	1,112	1,879	23	1,902
Independent Examination fee	366	366	732	376	356	732
Fees to the Independent						
Examiner for other services	-	1,754	1,754	674	644	1,318
	<u>1,200</u>	<u>2,398</u>	<u>3,598</u>	<u>2,929</u>	<u>1,023</u>	<u>3,952</u>

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2019

8. Expenditure on charitable activities (continued)

	2019	2019	2019	2018	2018	2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Total activities undertaken directly including						
support and governance costs	<u>7,364</u>	<u>397,773</u>	<u>405,137</u>	<u>79,257</u>	<u>343,240</u>	<u>422,497</u>
Grant funding of activities						
Analysis of grants to institutions						
Municipalities in Transition ("MiT") pilot grants paid to:						
Cob Social Innovation for Valsamoggia						
and Santorso, Italy	-	39,746	39,746	-	-	-
Resilience Earth and ADRINOC for						
La Garrotxa, Spain	-	39,209	39,209	-	-	-
Associação Viver Telheiras - Centro de						
Convergência de Telheiras	-	40,275	40,275	-	-	-
Védegylet Egyesület for						
Wekerle, Hungary	-	13,324	13,324	-	-	-
Instituto Ecobairro Brasil	-	13,572	13,572	-	-	-
MiT Phase 3 harvesting	-	570	570	-	-	-
MiT Phase 1 grants	-	-	-	-	2,331	2,331
MiT Phase 2 grants	-	-	-	-	5,148	5,148
Total MiT grants		146,696	146,696	-	7,479	7,479
Various seed-funding grants to						
Transition Hubs	-	36,536	36,536	-	20,956	20,956
Transition Brasil for web-series						
about women in Transition	-	1,258	1,258	-	-	-
Santorso in Transizione for hosting						
Transition Hubs Gathering	-	-	-	-	5,628	5,628
Hrvatska Permakultura for						
REconomy	-	-	-	-	3,250	3,250
Hubs Group design	-	-	-	-	460	460
Real Economy Lab	-	-	-	-	5,000	5,000
Transition Town Brixton for						
REconomy	-	-	-	-	1,130	1,130
1 Year in Transition Education	-	-	-	-	2,671	2,671
Total grants to institutions	-	184,490	184,490	-	46,574	46,574
Grants to individuals						
Grants to various individuals	-	-	-	-	2,990	2,990
Total grants	<u>-</u>	<u>184,490</u>	<u>184,490</u>	<u>-</u>	<u>49,564</u>	<u>49,564</u>
Total expenditure on						
charitable activities	<u><u>7,364</u></u>	<u><u>582,263</u></u>	<u><u>589,627</u></u>	<u><u>79,257</u></u>	<u><u>392,804</u></u>	<u><u>472,061</u></u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

9. Tangible fixed assets

	Fixtures, fittings, and equipment £
Cost	
At 1 April 2018	9,284
Additions	-
Disposals	-
At 31 March 2019	<u>9,284</u>
Depreciation	
At 1 April 2018	7,379
Charge for year	<u>511</u>
At 31 March 2019	<u>7,890</u>
Net book value	
At 31 March 2019	<u><u>1,394</u></u>
At 31 March 2018	<u><u>1,905</u></u>

10. Debtors

	2019 £	2018 £
Trade debtors	-	500
Other debtors	5,456	1,014
Prepayments and accrued income	<u>36,805</u>	<u>5,143</u>
	<u>42,261</u>	<u>6,657</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	33,863	15,766
Other creditors	2,542	147
Taxation and social security	5,168	2,799
Accruals for grants payable	5,275	-
Accruals	<u>10,303</u>	<u>14,276</u>
	<u>57,151</u>	<u>32,988</u>

12. Trustees and employees

Number of employees

The average number of employees during the year was nine part time staff (2017: ten part time staff).

Employment costs

	2019	2018
	£	£
Salaries	175,972	167,054
Social security costs	10,390	10,673
Defined contribution pension scheme contributions	<u>2,359</u>	<u>1,179</u>
UK Payroll staff costs	188,721	178,906
Overseas payroll staff costs	<u>-</u>	<u>32,941</u>
Total staff costs	<u>188,721</u>	<u>211,847</u>

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

No severance pay was paid during the year (2018: £4,869).

Four Trustees (2018: 7) were reimbursed expenses totalling £820 during the year (2018: £3,355), all of which was in respect of travel and subsistence. None of the Trustees, nor any persons connected with them, received any remuneration from the Charity in the year (2018: £nil). None of the Trustees (or any person connected with them) received payment for professional or other services supplied to the Charity (2018: £nil).

13. Analysis of net assets between funds

	Tangible	Net	
	fixed	current	
	assets	assets	Total
	£	£	£
Unrestricted funds	1,394	112,846	114,240
Restricted funds	<u>-</u>	<u>29,877</u>	<u>29,877</u>
Total funds as at 31 March 2019	<u>1,394</u>	<u>142,723</u>	<u>144,117</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

14. Summary of movement in funds

The specific purposes for which the restricted funds are to be applied are as follows:

Restricted Funds	Purpose of funding
Municipalities in Transition (KR Foundation)	Building bridges between the Transition movement and local governments
An anonymous Foundation	Nurturing collaboration, amplifying and supporting Transition internationally
Core costs and organisational development (Tudor Trust)	Core costs and organisational development of Transition Network
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
Transition Research Network	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.

	Opening balance £	Incoming resources £	Outgoing resources £	Closing balance £
Restricted funds				
Municipalities in Transition (KR Foundation)	233,444	34,811	268,255	-
Nurturing Collaboration, Amplifying and Supporting Transition Internationally (An anonymous Foundation)	-	300,000	286,137	13,863
Core costs & organisational development (Tudor Trust)	38,657	-	38,657	-
Real Economy Lab (Fondation Charles Léopold Mayer pour le Progrès de l'Homme)	12,400	-	-	12,400
Transition Research Network	3,914	-	300	3,614
	<u>288,415</u>	<u>334,811</u>	<u>593,349</u>	<u>29,877</u>
Unrestricted funds				
General	<u>61,326</u>	<u>60,643</u>	<u>7,729</u>	<u>114,240</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2019

15. Financial commitments

At 31 March 2019 the future minimum lease payments under non-cancellable operating leases is as follows:

	2019	2018
	£	£
Operating leases due:		
Within one year	1,100	-
Within two to five years	<u>-</u>	<u>1,100</u>

16. Related party transactions

Three grants totalling £4,947 (2018: £1,198) were made for Transition Brasil, the Brazilian Transition Hub of which Isabela Maria Gomez de Menezes, who was then a trustee, is a member. These grants were for a new Transition Brasil website, to run training sessions and for a web-series about women who are leading the Transition movement in Brazil.

17. Financial instruments

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	<u>-</u>	<u>500</u>
Financial liabilities measured at amortised cost	<u>51,983</u>	<u>30,189</u>