



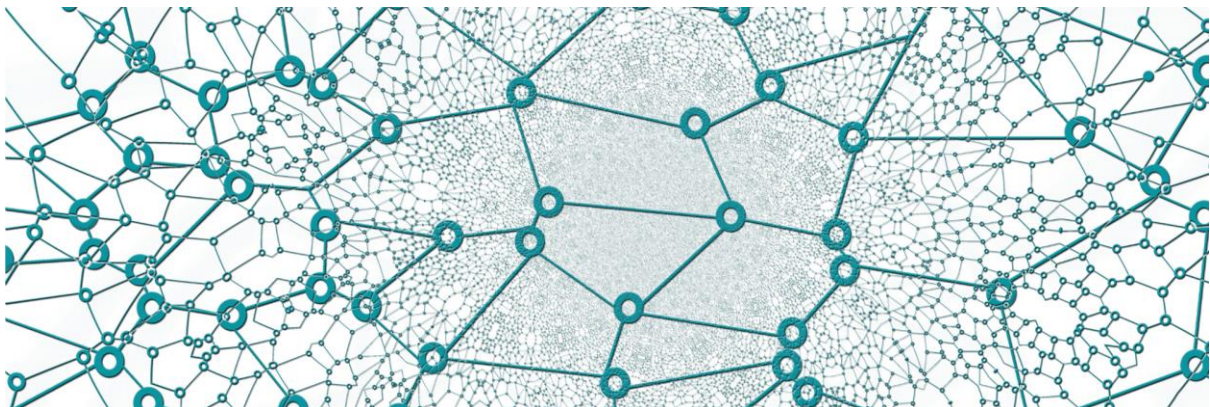
TRANSITION NETWORK

Registered Charity Number 1128675

Company Number 06135675

Trustees' Report and Financial Statements

for the year ended 31 March 2022



Transition Network

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Front cover image:

Gerd Altmann, <https://pixabay.com/illustrations/network-social-abstract-3139214/>

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>Hilary Susan Jennings</p> <p>Peter George Lefort</p> <p>Anna Helena Maria Kovasna</p> <p>Darren Carl Watmough</p> <p>Rebecca Jane Ayre (appointed 30 September 2021)</p> <p>Kevin Philip Austin (appointed 30 September 2021, resigned 24 August 2022)</p> <p>Keyne Rowe Walker (appointed 30 September 2021)</p>
Lead Link of the Heart Circle	Nicola Hillary
Charity number	1128675
Company number	06135675
Registered address	c/o Darnells, 30 Fore Street, Totnes, Devon, TQ9 5RP
Accountants	Darnells, Chartered Accountants, 30 Fore Street, Totnes 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 2022.

The Trustees present their annual report and financial statements for the year ended 31 March 2022. 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 2019).

Transition Network is established as a company limited by guarantee and is registered as a charity.

Transition is a movement of communities coming together to reimagine and rebuild our world. Community-led Transition groups are working for a low-carbon, socially just future with resilient communities, more active participation in society, and a caring culture focused on supporting each other. In practice, they are using participatory methods to imagine the changes we need, setting up renewable energy projects, re-localising food systems, and creating community and green spaces. They are nurturing the Inner Transition of the cultural and mindset changes that support social and environmental change. They are sparking entrepreneurship, working with municipalities, building community connection and care, repairing and re-skilling.

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. We have facilitated the creation of an international distributed infrastructure of roles and responsibilities, particularly with the Transition Hubs Group. Transition Hubs are independent organisations that support and connect Transition groups in their country or region. They connect internationally as the Hubs Group, a network including Transition Network, with an agreed purpose and ways of working.

The Hubs Heart Circle is a group of internationally-focused roles taking forward the work of the Hubs group to support the evolution of the global Transition movement. Much of Transition Network's work is now in collaboration with the Hubs Heart Circle, and you will see this described in the report below.

Some of the other areas of project work where Transition Network has distributed roles, resources and leadership internationally are collectively seen as "distributed circles" and represented in the Hubs Heart Circle. During the year of this report, these are the Municipalities in Transition team, the Inner Transition Circle and the Training for Transition Circle. The Hubs Heart Circle also created sub-circles for Territories and the Collaboration Platform, during this year.

1 Executive Summary

Our main international funder helped Transition Network to see April 2021 - March 2022 as a “bridging year”. This meant a collective intention at the international level of scale of the Transition movement to move through reflection to the co-design, resourcing and implementation of strategic interventions which respond to this time of accelerating and interconnected crises, in collaboration with people across the Transition movement and the wider ecosystem.

We therefore continued and concluded an Evaluation project started in autumn 2020, looking at the impact, relevance and potential of Transition. As a result of the Evaluation work we published a framework setting out the Characteristics of Transition and we established two joint objectives with the Hubs Heart Circle for the next 3 years.

We were delighted to start the Transition Together project in June 2021, funded by The National Lottery Community Fund’s Growing Great Ideas fund. This project aims to grow infrastructure, networks and capacity for Transition in Britain, and is a partnership with Scottish Communities Climate Action Network (the Scottish Transition Hub). Work in this financial year included the creation of the Transition Together project website and an online collaboration platform (Vive), a group audit process, and preparation for a 3 week online Together We Can summit in May 2022.

During this year, Transition Network used our social media, blogs and communications channels to explore the Transition movement’s relationship with social justice and to amplify marginalised voices and perspectives.

This was a year where our distributed infrastructure at the international level increased in activity and collaboration. The Hubs Group reviewed and renewed an up to date membership, who then updated the Hubs Group constitution. The Training for Transition Circle developed a new process for recognising and mapping international Transition Trainers and are working on several projects including an online Training for Trainers funded by Ecclesiastical/ Benefact Group via Charities Trust and a Flexible Framework as a structure to help trainers.

Teams from the Inner Transition Circle ran a Heart of the Matter series to explore what supports people and what’s challenging within the Transition movement; and a Spirit Hub series to support Inner Transition work and connect with nature.

Funding from KR Foundation for the Municipalities in Transition project concluded in September 2021. This Trustees’ Report highlights the achievements of the communities pioneering the use of the Municipalities in Transition System for collaboration between municipalities and community groups for systemic change. The project team trained 28 tutors who can facilitate the collaboration process. The team are now re-organising and rebranding the Municipalities in Transition System as the Local Transformation Toolkit.

Connection and communication within the Transition movement is a key need and one we have highlighted following the Evaluation project. During this year we explored how to set up and activate a co-owned, ethical, non-corporate and open source option for a virtual collaboration platform. An international Transition collaboration platform using Humhub software was established and is being trialled with early users.

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 aims to promote sustainable development for the public benefit by the preservation, conservation and protection of the environment and the prudent use of natural resources.

It also aims to promote sustainable means of achieving economic development and regeneration in order to reduce reliance on scarce resources including oil.

Transition Network's organisational purpose is to support the Transition movement, amplify stories of community-led change, and nurture collaborations across difference to challenge us all to reimagine and rebuild our world.

The community level of scale has huge potential to influence change and is a crucial part of developing and guiding social and economic systems toward sustainability, social justice and equity. There is an increasing recognition that top-down approaches are not sufficient alone to affect change and need to be combined with community-level responses.

Transition is an approach that has spread now to over 48 countries, in thousands of groups: in towns, villages, cities, Universities, schools. Around the world, there are 23 Transition Hubs that support and connect Transition groups in their country/region and connect internationally.

Here is a small selection of recent highlights of work by Transition groups or Hubs:

Bonn4Future - We for the Climate: Bonn im Wandel (Transition initiative) was an initiator and is a co-designer for a participatory project to transform Bonn as a sustainable city, aiming to be climate neutral by 2035. Working in collaboration with the City of Bonn they are co-designing collective visioning, action days and multi-stakeholder Climate Forums with randomly selected citizens and a variety of stakeholders.

Life Project Design for young people, by the Transition Brasil Hub: the project co-creates support networks with young people (14 years+) discovering their place in the world, offering a transformative learning journey and helping them be part of creating a regenerative future. The project is a collaboration between Transition Brasil, Gaia Education, Teach the Future and local partners.

The foodbelt of Liège: La Ceinture Aliment-Terre Liégeoise (CATL) is a project to mobilise the Liège region in favour of the development of a short, ecological food chain that generates quality jobs. Launched in November 2013 by a coalition of civic, economic and cultural players in the Liège region, the CATL laid the foundations for reflection and an action plan so that the local share of food goods consumed in Liège is growing significantly.

Indigenous rights in Humboldt: Transition group Cooperation Humboldt in the USA are working for social justice, in particular by working in partnership with the local indigenous Wiyot tribe. During

the Covid pandemic Cooperation Humboldt worked with the Wiyot Tribe to build an extensive mutual aid network. They have now together set up Dishgamu Humboldt, an indigenous-led community land trust in which the Wiyot Tribe has a decision-making majority, as a basis for developing a restorative economy rooted in land stewardship, care work, equity, collaboration and sacredness.

Mycelial impacts by Transition Town Tooting: The image below shows a reflection by Transition Town Tooting (London) on how being established for many years, implementing successful projects and network building, created foundations for many mycelial impacts.



Image by Fanny Didou, Sketchingthemove

Many Transition groups in England ran **community visioning** projects in 2021 as part of the British Transition: Bounce Forward project. Transition Town Reading was one of these groups, and described the skills that go into facilitating visioning and the effect on people:

“We noticed that some people found it very hard to make the leap from criticising what doesn't work in the present to proposing a working alternative for the future. Facilitation was required to get people to turn the problems into solutions and then creativity started flowing. Some people were really enamoured of the futures they had conceived. We hope that this will help them stay positive during the fight for a just transition.”

At a national, Transition Hub, level we can see this in the launch of **Transition US's Regeneration Nation** campaign <https://www.transitionus.org/regeneration-nation/> which shares the framing of regeneration as life-affirming and justice-oriented, of systemic change grounded in a cultural ethos of equity-building, power-sharing, healing and repair.

Involvement of volunteers

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

3 Activities, achievements and performance

Transition Network sets its Key Areas of Focus each year. In 2021 we set these Key Areas of Focus:

TN's primary intention for this year is to...

Move through reflection to the co-design, resourcing and implementation of strategic interventions which respond to this time of accelerating and interconnected crises, in collaboration with people across the Transition movement and the wider ecosystem.

As part of this, and working with others, the TN team will:

- Support deep exploration of the tensions and possibilities arising from the evaluation process, including active exploration of the Transition movement's relationship with social justice;
- Increase the impact and visibility of distributed governance across our international network, testing resilience and effectiveness as we go;
- Find diverse ways to attract resources into the movement, building capacity across different circles, geographies and levels of scale;
- Support the activation of a virtual collaboration platform for Transitioners working at the international level of scale;
- Identify and make visible the purpose and role/s that TN will seek to fulfil in the next phase of our development, to include separating, and facilitating good governance for, project/s or hub/s in England & Wales;
- Weave and share narratives around the impact of our movement and the transformative potential of core Transition practices.

As we focus on delivering our primary intention, TN will retain capacity to:

- Follow through and maximise the impact of our work
- Support emergence, creativity and wellbeing across our team.

This report will cover activities, achievement and performance under each part of these Areas of Focus.

3.1 Moving through reflection to the co-design, resourcing and implementation of strategic interventions

Our main international funder helped Transition Network to see April 2021 - March 2022 as a “bridging year”. This meant a collective intention at the international level of scale of the Transition movement to move through reflection to the co-design, resourcing and implementation of strategic interventions which respond to this time of accelerating and interconnected crises, in collaboration with people across the Transition movement and the wider ecosystem.

There is more detail later in this report about our evaluation and reflection work in this year, which showed that where Transition is well embedded, the movement is having significant impacts, offering creative and motivating community-led stimulation of regenerative change in response to our times of escalating global change and disruption. Transition offers imaginative yet practical approaches to adaptation, resilience and to designing and applying more regenerative systems. It is facilitating a broader shift to an eco-social worldview, prefiguring real alternatives and offering examples of a society which centres interconnection, participation, justice and the wisdom of nature.

These impacts are not seen to their full potential everywhere in the Transition movement, and we saw key needs to increase the visibility of the alternatives demonstrated by the Transition movement, and to facilitate the sharing and implementation of approaches and practices that support resilience, solidarity and regeneration. We also found it useful to draw on our understanding of living systems, especially the metaphor of how a mycelium can connect, communicate and respond.

Transition Network and the Hubs Heart Circle have therefore agreed 2 broad joint objectives for the next 3 years from April 2022:

- Achieve a step-change in connections and flow of communication across and beyond the mycelial network of the Transition movement, to increase the impact and visibility of its contribution to regeneration.
- Contribute to the development of wider cultural narratives and practices of change, to help people create the conditions in which transformative regenerative change can arise and to build collective resilience and solidarity at multiple levels of scale.

Within this, different potential strategic interventions are being co-designed at different rates - work has started on some, some are well-formed proposals, others are under development and some yet to come. There are further details about these later in this report.

Examples on strategic interventions where work has started include the creation of an up to date, online training course for Transition Trainers, funded by Ecclesiastical/ Benefact Group via Charities Trust; and the Transition Together project, funded by The National Lottery Community Fund, focused geographically on Britain to build infrastructure, networks and capacity for Transition in Britain.

Transition Network helped seed the development of new external projects, not directly involving Transition Network as an organisation but contributing to our aims, including “Municipalities in Transformation for an Equitable Europe” and a Transformative Governance project. There are also ideas which are under development, such as a Transition Immune System, the need for more resourced story-telling about Transition, and new ways to embed evaluation to help the Transition movement better understand itself and measure its impact.

3.2 Exploring the Evaluation process and social justice

As the year started in April 2021 Transition Network had already run a first phase of an Evaluation project, from autumn 2020, that included a wide survey of 377 Transitioners in 32 countries as well as other sources of feedback and evidence. During 2021-2022 we collated external feedback exploring the influence that Transition has in the world by reviewing 250 academic papers, 50 non academic articles & 'think pieces' and 25 books where Transition is referenced, plus holding 25 conversations with external partners, allies, critical friends and movement observers.

We shared reports from the survey about the Impact, and Relevance and Potential of the Transition movement. As part of the evaluation process and in conversation with the wider movement, we published a framework setting out the "Characteristics of Transition" (<https://transitionnetwork.org/about-the-movement/what-is-transition/characteristics/>) to make more visible the range of outcomes that Transition groups aim for.

Transition Characteristics

People in the Transition movement come together to:

- **Engage with the need for change** – creating spaces for exploring and engaging with, the complex interconnected challenges of our times (climate change, loss of biodiversity, social injustice and other impacts of the global growth economy).
- **Co-create motivating and imaginative narratives and visions** – using creative and participatory methods to share stories and possibilities of a healthy, just and resilient future.
- **Connect and care for each other** – building social cohesion and resilience through practising and celebrating creativity, mutual support, fun and friendship, bridging divides and decreasing polarisation to create caring and equitable communities and cultures.
- **Support inner transformations** – growing our individual and collective psychological resilience and wellbeing, supporting thriving groups, relationships and conflict transformation, and exploring how our mindsets, attitudes, emotions and worldviews can contribute to or block social change.
- **Address injustice** – increasing awareness of social justice issues within and beyond our movement and finding ways to decolonise, heal and make reparations for historic and current injustices, becoming good allies to those who have been doing this work for many years.
- **Apply Living Systems Design** – understanding the principles of living systems and working with whole system design approaches to support the development and emergence of regenerative social systems including: economies, education, health, food/farming and more.
- **Take practical actions** – designing and implementing practical projects which reduce carbon emissions, address equitable climate change mitigation and adaptation, and increase local resilience e.g. in areas such as food, energy, waste, transport, shelter, habitat protection and healthy ecosystems, mutual aid, community building and disaster relief.
- **Contribute to a wellbeing economy** – innovating and collaborating to create economic models and opportunities focused on wellbeing and inclusion e.g. new social enterprises, currencies, livelihoods.
- **Broaden and deepen participation** – convening diverse participation and supporting distributed and engaged deliberation and decision making processes. Valuing and accommodating multiple perspectives and life experiences, including those marginalised by current systems.
- **Energise networks and alliances** – bringing together and contributing to broad alliances across different levels of scale. Working with local, regional and wider partners, including local government. Making visible, and helping to energise and amplify networks and ecosystems of change that are working towards a common purpose.

We actively explored the Transition movement's relationship with social justice in several ways. We used Transition Network's social media, blogs and other communications channels to amplify voices

and perspectives that are often marginalised or ignored. Social Justice was also a strong theme in the new Transition Together project that started in June 2021, focused on Britain, including in the design and choice of presenters and speakers in an online Yes We Can summit in March 2022.

Part of the Inner Transition Circle, the Conflict Transformation programme, ran a “Heart of the Matter” series in autumn 2021 to explore what supports people and what’s challenging within the Transition movement and to learn from and support each other. A new Heart of the Matter series started in March 2022.

A group of Latin American Transition Hubs led the organising of a 7 webinar series for summer 2022, “Abya Yala en Transición”, with the Territories circle and Hubs Links from the Hubs Heart Circle, to share the voices and stories of the Latin American Transition movement, including the context of colonial extractivism and work with indigenous communities experienced by Transitioners and activists in Latin America.

The Municipalities in Transition team participated in workshops developing a project to embed social justice into municipal climate planning in Canada; and co-designed an EU CERV “Networks of Towns” project called **Municipalities in Transformation for an Equitable Europe** (“MEET”) with five different municipalities in Portugal, Finland, France, Italy and Spain including lead partner Vila Nova de Famalicão, Portugal. Starting in 2022 the project will run a programme of international workshops to help municipal and community actors improve their strategies regarding social justice, groups at risk of social exclusion, anti-racism, gender equality and shared governance.

3.3 Distributed governance across our international network

This was a year where our distributed infrastructure at the international level - the Hubs Heart Circle, and distributed circles such as Training for Transition and Inner Transition Circle - increased in activity and were creative in taking forward their responsibilities and collaborating at the international level.

Hubs Group and Hubs Heart Circle

The Hubs Heart Circle ran a round of Hubs self-assessment to determine an up-to-date membership of the Hubs group, recording 20 full Transition Hubs in Australia, Austria, Belgium (Wallonia/Brussels), Brazil, Colombia, Croatia, France (Loiret), France (Paris region), France (South-West), Germany, Japan, London, Luxembourg, Mexico, Portugal, Scotland, Spain, Sweden, Switzerland (Romande), and USA. Three further Hubs in Hungary, Israel and Italy were given Emerging status. The Belgian Transition Hub ran a learning journey programme to support the Hubs Group members in working with shared governance.

The renewed Hubs Group then updated the Hubs Group Constitution with a decision by consent session on 4th March 2022. One of the changes is to create more autonomy for the Hubs Heart Circle, enabling it to adjust roles more flexibly and to fill some roles, including Hubs Coordinator, by recruitment rather than election. The decision by consent process was interesting and heart-warming, showing the power of connection between the members of the network. The Scottish Hub will be designing and facilitating a process exploring how we value, and are accountable for, paid time across the distributed international network of the Hubs Group domain, looking at the tensions and possibilities for transformation that arise.

Training for Transition Circle

The Training for Transition Circle underwent a number of changes in membership and shared governance structure. In October 2021 they recruited a Training Coordinator. The Belgian, Brazilian

and US Hubs, and trainers in Colombia, were funded to develop next steps on training.

A new process for recognising international Transition Trainers was developed and prototyped. A first round of Trainers (47) were published and mapped here: <https://transitiongroups.org/trainers/> Local groups can now more easily find Trainers to deliver Transition related trainings.

The Training for Transition Circle worked on revitalising training in the Transition movement by starting or developing several interrelated projects:

- a Trainers Community of Practice for sharing knowledge, skills, and materials.
- a Flexible Framework, providing a structure that allows training content, style, and delivery to be designed with aspects that are consistent internationally, while also being adaptable to various contexts and locations.
- an online Training for Trainers course, funded by a Movement for Good Award from Ecclesiastical/ Benefact Group, innovating new topic areas based on our latest experience such as: accessibility, inclusion & diversity, participatory facilitation, interactivity, upskilling, alignment of theory of change, and cross-pollination of practical ideas.

Together, these projects aim to update training content and materials to be more relevant and tailorable to both global and local contexts, integrating on-the-ground experiences of facing the escalating climate crisis, with both practical know-how and relational skills that increase resilience.

Inner Transition Circle

The Inner Transition circle was established, from the previous Inner Transition Inquiry Group, with the purpose to consider the needs and sense the field of the Hubs and Initiatives in relation to Inner Transition, holding space for and nurturing the strength and development of practice and understanding of the role of the inner in our movement. A number of sub-circle teams were formed. The Conflict Transformation team ran the Heart of the Matter series described in section 3.2 above. The Spirit Hub team launched an event series to invite people to connect with the cycles of nature, celebrating with the movement in different languages, to support Inner transition groups and work on a global scale, celebrating equinox, solstice and the Moon cycles.

Municipalities in Transition

The Municipalities in Transition project, as funded by KR Foundation, ran from 2017 to September 2021, so this report celebrates and summarises the achievements of the Municipalities in Transition project team at the end of this funded period:

Municipalities in Transition

The Municipalities in Transition project worked with pilot communities to create a beta version of a framework for collaboration between municipalities and community groups, for systemic change for sustainability, the Municipalities in Transition System:

<https://municipalitiesintransition.org/the-framework/>. From mid 2020 this was further tested with “pioneer” communities, and the Municipalities in Transition team are further integrating learning from the pioneer phase into a version 2.0. They have also developed, and are continuing to develop, a digital tool to input and visualise the data. This updated version will be rebranded as the Local Transformation Toolkit.

The Municipalities in Transition pioneer communities were Valsamoggia, Santorso, Rome V Municipio and Ferrara in Italy, Telheiras (Lisbon) and Maia in Portugal, Vilamariana (São Paulo) in Brazil, and Almócita in Spain. An emphasis of the pioneer stage was to prioritise greater diversity

within the members of the Local Implementation Team of each pioneer community, in order for the team to better represent the local population and give more voice to minority groups within the process.

Valsamoggia responded rapidly to the Covid 19 pandemic to establish an online system to help vulnerable and ill people with food deliveries to their homes - a system that was also rapidly spread to other municipalities in the region. They are also working on a range of strategies with partners to increase renewable energy production in their region.

Vilamariana trialled the use of Bioregional's One Planet Living approach alongside Municipalities in Transition. They worked on community composting, urban tree planting, a community food garden and two partnership sustainable waste management projects. Santorso prioritised the "Energy Desk" project that helps citizens to transition to clean energy sources, and worked in a participatory process with 22 regional municipalities to create a unified action plan for climate adaptation.

Telheiras created a partnership project for bird and bat boxes in the urban area, and launched 7 participatory working groups on areas from local production to waste reduction. Rome V Municipio focused on six allied environmental and social justice education projects. Ferrara experimented with a simplified or "Lite" version of the system/Local Transformation Toolkit, focused on urban reforestation, to help participants to "try out" the process, to enable them to then decide to fully commit.

The Municipalities in Transition project trained 28 tutors who can facilitate the collaborative process, from Europe, North America, Latin America, Rapa Nui Island and Indonesia. A tutors community of practice meets online regularly to share experiences and questions. A range of online sessions were held for the wider Municipalities in Transition community of practice, connecting people from many countries particularly in Europe and North, Central and South America active in the field of collaboration between communities and municipalities for systemic change. Session topics included how to kickstart a Municipalities in Transition project and catalysing local action for climate emergency.

Pedro Macedo from the University of Lisbon followed the evolution of the project and produced a series of research papers, all of them publically available:

<https://municipalitiesintransition.org/research-outputs/>

The Municipalities in Transition team have ended their KR Foundation funding and will be re-organising, with a smaller team, and the creation of a cooperative legal entity, Kunelab, for the project. They will be key co-organisers of an EU CERV "Networks of Towns" project called Municipalities in Transformation for an Equitable Europe ("MEET") with five different municipalities in Portugal, Finland, France, Italy and Spain including lead partner Vila Nova de Famalicão, Portugal. The CRIC project by the ECOLISE network is training municipal officers and partnership in 2 cities in Indonesia to use the Municipalities in Transition system.

Territories Circle

A new sub-circle of the Hubs Heart Circle was created - the Territories circle, to focus on connections within specific global regions or language groups, including Asia, Latin America, Francophone territories and Germanophone territories. The Belgian Hub coordinated a gathering of Francophone Transitioners on the 24th March 2022 to stimulate networks and enliven relationships towards better connection and sharing of resources in the Francophone territory of Luxembourg,

Switzerland, France, French Canada and Belgium, as well as exploring how to strengthen connections to the global network. The German Hub will be working with the Germanophone territories to connect to this circle, including selecting a representative for the Territories sub-circle from the Germanophone Territories.

Developing and sharing learning about shared and distributed governance

A member of staff from Transition Network was part of a Transformational governance consortium with partners from brap, School of System Change, Lankelly Chase, Shared Assets and Forum for the Future. They co-created a proposal to convene a pilot learning cohort and for engagement work, and have secured £150,000 from Lankelly Chase for phase 2. Transition Network is not a partner of the phase 2 project but has an intention to apply for membership of the learning cohort.

Transition Network became a case study in a wider exploration of pay undertaken as part of the Beyond the Rules project in the UK: <https://www.notion.so/01-Reimagining-Pay-40a3a4c7795d407db4b733c64f47ba47>

Learning was shared about the story of TN's governance shift and experiments at the international scale in the It Takes Two to Tango podcast: <https://transitionnetwork.org/news/transition-governance/>

3.4 Attracting resources into the movement

The Hubs Heart Circle appointed a Funding role, and they worked with Transition Network's Funding role to convene an Income Generation Group of people from distributed circles and Transition Network staff and trustees, to inform and adapt income generation strategy at the international level of the Transition movement. We also trialled OpenCollective as a distributed budget management and fundraising tool.

3.5 Activating a virtual collaboration platform

Connection and communication within the Transition movement, at international level and in our role for England and Wales, remains a key need. During this year we explored how to set up and activate a co-owned, ethical, non-corporate and open source option for a virtual collaboration platform. These factors are important principles and with benefits for long-term resilience and organic growth. Trialling an ethical alternative is also challenging, helping people to work with a new tool.

A Collaboration Platform sub-group of the Hubs Heart Circle was established to trial the use of Humhub software to create an international Transition collaboration platform. They are identifying and testing other open source applications to integrate with this platform. Early pilot users of the Transition Platform included the Collaboration Platform group themselves, the Income Generation Group, the Paris Hub and participants in the Heart of the Matter conversations convened by the Inner Transition Group.

The Transition: Bounce Forward project in Britain in the previous year had trialled use of the Nudj platform hosted by a project called Losing Control. However, as the Losing Control project closed, the new Transition Together project have also developed a collaboration platform for Transitioners in England and Wales using Humhub software. The Transition Together platform is called Vive and was launched ahead of the Yes We Can summit in May 2022.

3.6 Transition Network's purpose and roles - including projects and hub(s) in England and Wales

Section 3.1 above covers the joint outcomes we have co-designed with the Hubs Heart Circle, drawing on the reflection from the Evaluation project.

In many parts of the world there are Transition Hub organisations who connect, support and inspire Transition groups in their region or country. In England and Wales, Transition Network still holds this role; and there is a proportionately high number of Transition groups in England and Wales (over 250). We were delighted during this financial year to start the Transition Together project in June 2021, funded by The National Lottery Community Fund's Growing Great Ideas fund. This project is a partnership with Scottish Communities Climate Action Network (the Scottish Transition Hub) to grow infrastructure, networks and capacity for Transition in Britain:

Transition Together

Growing Infrastructure, Networks and Capacity for Transition in Britain

This project, funded by The National Lottery Community Fund, started in June 2021 and plans to:

- Use community network leadership strategies to create the conditions for peer connection and support, and to build skills and capacities;
- Distribute resources to grassroots activity to build capacity and the deeper ambition of groups;
- Work with Transitioners to build distributive and grassroots leadership of the Transition movement in England and Wales with the capacity to catalyse and support Transition in this territory;
- Support intentional network and field building to create an ecology of community-led movements.

The project was named Transition Together and a project website created:

<https://transitiontogether.org.uk/>

Ahead of the end of this financial year in March 2022, the project was developing an online collaboration platform called VIVE, for Transitioners in Britain to communicate and connect. It was being set up with 7 country/region spaces and 12 thematic spaces. Project partners Scottish Communities Climate Action Network will be hosting the Scotland space and 3 specific themed spaces. The project was also designing, preparing and arranging a wide diversity of presenters and speakers for a 3 week online Together We Can summit to be held in May 2022.

The Transition Together project carried out a Group Audit process, interviewing a diverse sample of Transition groups from across England and Wales to gain a deeper understanding of what groups are doing, and their training and support needs. The top 3 support needs have remained consistent over the last few years: attracting new people to the group, working with local councils effectively and building the capacity of the group.

Building on the seedfunding for English Transition groups pioneered in the 2020-2021 Transition: Bounce Forward project, criteria were designed for a new round of seedfunding grants to help build the capacity of Transition groups in England and Wales, to be run in later 2022.

A “caretaker group” of 5 representatives from the England and Wales Transition movement was recruited. This group will hold the consultation and co-design process about what sort of Transition Hub or Hubs will best serve the Transition movement in England and Wales.

The Transition Together project works with the wider CTRLshift network for a participatory, inclusive and regenerative future in the UK. Through CTRLshift the project is supporting trials of three prototype CTRLshift projects bringing many stakeholders together to collaborate at community scale: Wandsworth Citizen Action Network, Bristol community-led holistic community development and Hull systemic constellations and collective vision for the future.

In Scotland the project is led by partner and Scottish Transition Hub, Scottish Communities Climate Action Network (SCCAN). They are funding a Convenor role, which has supported them to build a stronger relationship with the Scottish government’s Climate Change Division and leverage nearly

£500,000 funding from the Scottish government to support regional networking in relation to the Scottish government's plans to establish a national network of regional community climate action hubs. SCCAN will soon have 15 coordinators based in regions across Scotland. Transition Together project funding is also supporting a range of trainings for SCCAN members and a Storytellers Collective using creativity to amplify stories of community-led climate action and start to change dominant narratives.

3.6 Sharing narratives about the impact of Transition

Transition Network has shared a well curated series of blogs and news this year. This included a series of blogs about social justice, and amplifying messages of the COP26 Alliance at the time of the COP26 summit.

We published a blog about the impact of Transition in Japan, and a range of blogs sharing what we were hearing in the evaluation process about the impact, relevance and potential of Transition.

We supported the Transition Mexico Hub as they produced a film about local currencies.

Transition Network staff contributed to the creation of a French-language MOOC (Massive Open Online Course) training course about Inner Transition. The Hubs Heart Circle and Inner Transition Circle are looking at translation of this course.

3.7 Maximising the impact of our work

We have had a focus on publishing relevant resources and reports in order to maximise the impact of previous work.

One of the aspects highlighted in the evaluation work was Transition Network's role in incubating and sharing regenerative practices, particularly in culture change, shared governance, conflict resilience, building healthy groups, social resilience and forming networks, and subsequently offering spaces and resources to learn about, share experiences of or apply these. Relating to this, drawing on previous work, we published a set of Conflict Resilience resources

<https://transitionnetwork.org/do-transition/inner/conflict-resilience-resources/> and a set of Personal Resilience resources <https://transitionnetwork.org/news/personal-resilience-resources/>.

Two members of Transition Network staff were part of a Boundless Roots community of practice for sustainable lifestyle practitioners that concluded in March 2021, and the consortium report attracted interest and positive feedback: <https://boundless-roots.springly.org/page/1401491-our-report>

In the previous year to March 2021, we ran the Transition: Bounce Forward project in Britain. We compiled and publicised a [Call to Action resource](#) drawing on the impact of this project and the What Next? Summit which was held in March 2021.

3.8 Supporting emergence, creativity and wellbeing across our team

Three members of staff decided to leave Transition Network between the winter 2021 and March 2022, for a range of reasons, although the isolation of working remotely during the more societal isolation of Covid-19 was one of the factors for more than one departing staff member. The staff team is therefore tackling issues of capacity, short-term re-organisations, and preparing for recruitment.

In autumn 2021 we were successful in recruiting three new trustees to add capacity and a range of diverse skills and experience to our board of trustees.

We have a number of ways that we've supported wellbeing across the staff and trustee team during the year, including monthly staff team wellbeing check-in meetings, regional in-person meet-ups for

staff and trustees, and a modest team wellbeing budget to contribute to things that support our individual health and wellbeing at Transition Network.

To support emergence and creativity we experimented with a reading and creativity week in February 2022, to support staff to clear meeting schedules in order to support in-depth reading and research to support our work.

3.9 Plans for future periods

Reflecting on the strengths and needs indicated from our evaluation work, and drawing on our understanding of living systems, Transition Network has agreed two broad joint objectives with the Hubs Heart Circle for the next 3 years:

Objective 1: Achieving a step-change in connections and flow of communication across and beyond the mycelial network of the Transition movement, to increase the impact and visibility of its contribution to regeneration.

Objective 2: Contributing to the development of wider cultural narratives and practices of change, to help people **create the conditions in which transformative regenerative change can arise** and to **build collective resilience and solidarity** at multiple levels of scale.

In April 2022 - March 2023, to help us achieve this, Transition Network's Areas of Focus are:

1. Attend to the staffing, capacity, wellbeing and learning needs within Transition Network in response to the current internal challenges and period of change we are navigating, and review our organisational purpose.
2. Develop capacity, strategy and skills within Transition Network to help us deliver more impactful communications and stories of community-led change which inspire regenerative change in the movement and beyond.
3. Create spaces and opportunities where Transition Network and the wider movement can articulate, share and develop the meta-narratives and practices of change that we've been exploring and experimenting with.
4. Embed monitoring and evaluation approaches and practices, to help the movement better understand itself, and measure its impact.
5. To support, distribute and grow the capacity and infrastructure of the Transition movement:
 - Supporting the Hubs Heart Circle to develop and animate the online platform for people in the Transition movement to connect at the international level of scale.
 - In Britain, through the Transition Together project, to grow infrastructure, networks and capacity for Transition in Britain.
 - At the international level of scale, by supporting the Hubs Heart Circle and distributed circles to be effective.
 - Attracting new sources of funding to build capacity at Transition Network and in the Hubs Heart Circle / distributed circles.

3.10 Grant-making Policy

Transition Network made a number of grants during this year. Primarily we make grants to Transition Hubs and Transition groups, as part of our support, capacity-building and distribution of roles and responsibilities in the Transition movement. We will occasionally make grants to a partner organisation outside the Transition movement, as part of our project work, though this was not the case during this financial year. This year we made a grant to an individual as student aid.

Grants to support the work of the Hubs Heart Circle and Hubs Group

In this financial year we did not run a funding round for Hubs, but we used grant-making to support the following work prioritised by the Hubs Heart Circle:

Transition Network made a grant to Réseau Transition (Transition Hub in Brussels/Wallonia) to enable the organisation to provide the Hubs Coordinator role.

We made grants to Réseau Transition (Transition Hub in Brussels/Wallonia), Transition Netzwerk e.V. (Transition Hub in Germany) and Scottish Communities Climate Action Network (Transition Hub in Scotland) to support work relating to the governance and financial organising and resourcing of the Hubs Heart Circle and Hubs Group.

We made a grant to Transition Netzwerk (Transition Hub in Germany) to support work on the international collaboration platform.

We made a grant to Red de Transición (Transition Hub in Spain) to support the development of the Local Transformation Toolkit and community of practice as a continuation of the work of the Municipalities in Transition project.

We made a grant to Transition Brasil to fund the creation of the Latin American Abya Yala webinar series.

We made a grant to Transition Netzwerk (Transition Hub in Germany) to support the Germanophone Territories development process.

Grant made as part of the Municipalities in Transition project

Transition Network made a grant as student aid to an individual from the Masters in City Resilience Design and Management at the Universitat Internacional de Catalunya to support his placement contributing to the work of the Municipalities in Transition project.

Grant made as part of the Transition Together project

Transition Network made a grant to our partner in the Transition Together project in Britain, Scottish Communities Climate Action Network (the Transition Hub in Scotland), to support their work in the project.

Seed-funding grants for Transition groups

In the Transition:Bounce Forward project for Britain, funded by The National Lottery Community Fund, in the previous financial year to March 2021, we ran a round of seed-funding grants to

Transition groups in England. All of those grants were distributed before March 2021, though we received progress reports on the work funded during this financial year.

The new Transition Together project funded by The National Lottery Community Fund will run a new round of seed-funding grants to Transition groups in England and Wales - this next round opened after this financial year, in summer/autumn 2022. Transition groups in England and Wales can apply for partnership grants of up to £10,000, full grants of up to £5,000, or micro grants of up to £500. Our policy is to support many Transition groups, with a wide geographical distribution of £160,000 in this next round. There are criteria for eligibility and for scoring and assessing applications. The criteria for assessing applications prioritise social justice, Transition principles, collaboration, capacity and creation of livelihoods.

4 Thank You to our Funders

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

In particular we thank wholeheartedly the following funders - who have made the work outlined in this report possible - for their grant funding during the year:

- Our main international funder, a Foundation who wish to remain anonymous, who enabled the evaluation, reflection and co-design of a Bridging Year in 2021-2022. Their incredibly generous support is very much appreciated by the Transition Network team and our international distributed network. We are very grateful that they are continuing to fund our international focus on strengthening the mycelial network of Transition, enabling us to support and stimulate a wealth of work around the world.
- The National Lottery Community Fund's Growing Great Ideas fund, for really significant and visionary funding to help us grow infrastructure, networks and capacity for Transition in Britain, through the Transition Together project.
- A Movement for Good award by Ecclesiastical Insurance, which is part of the Benefact Group, and received from Charities Trust, to develop an online Train the Trainers course. We were delighted to be chosen for this award and have the opportunity to develop this important training resource.
- KR Foundation, who supported the Municipalities in Transition project with a second significant 2-year grant which concluded in September 2021.
- Funding received via Forum for the Future for the work of a Transition Network member of staff on the Lankelly Chase funded Transformative Governance project.

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. In 2021-2022 we continued to administer a grant from Fondation Charles Léopold Mayer pour le Progrès de l'Homme for the Real Economy Lab, a project for alternative economics in a low-carbon world.

5 Financial Review of the Year

Grants comprise 99.7% of the Charity's income (2021: 99%). Total income for the year ended 31 March 2022 was £562,822 (2021: £809,806). Restricted income, all of which came from grants, amounted to £561,075 (2021: £801,731) and unrestricted income amounted to £1,747 (2021: £8,075).

The biggest grant received in the year was from a Foundation that wishes to remain anonymous, which funded £350,000 during the year (2021: £400,000). This grant supports a wide range of the Charity's activities and in particular its international work. KR Foundation's brought forward balance of £96,314 (2021: £125,259) and grant instalment of £33,579 (2021: £134,618) enabled the continuation of the Municipalities in Transition project. The National Lottery Community Fund provided grant funding of £160,393 for the Transition Together (The National Lottery Community Fund's Growing Great Ideas programme) project (2021: £267,113 for the Transition Bounce Forward project). For Transition Together (The National Lottery Community Fund's Growing Great Ideas programme), year 1 of the project does not align with the financial year, running June 2021 to August 2022, so the restricted fund deficit of £93 at March 2022 represents the project cash-flow at that date. The next grant instalment was received in May 2022, covering this deficit and contributing to other project expenses.

The main sources of unrestricted income were donations and book royalties.

Total expenditure was £649,132 (2021: £868,657). There was a significant reduction in activity reflecting the end of one-off costs of the Transition: Bounce Forward project in 2021, the culmination of the Municipalities in Transition Project, and a reduction in funding from our major funder. Total staff costs increased by 1.3% (2020: 16% increase), principally the result of the annual cost of living award.

The amount of unrestricted general funds increased slightly during the year to £131,625 at 31 March 2022 (2021: £129,878). The amount of restricted funds decreased during the year to £17,078 at 31 March 2022 (2021: £105,135). The reason for the decrease in restricted funds was expenditure of the brought forward balance on the Municipalities in Transition project. Total funds held at 31 March 2022 amounted to £148,703 (2021: £235,013).

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. The need to maintain free reserves is emphasised by the Charity's financial forecasts showing low levels of unrestricted income in future years.

In July 2020 the target level of free reserves was increased to £107,000, which equated to approximately four months' core running costs. At 31 March 2022 the amount of free reserves, calculated as being unrestricted funds excluding fixed assets, was £130,826 (2021: £129,128), which is slightly above the target level.

6 Structure, Governance and Management

Governing document

The Charity is incorporated as a company limited by guarantee without share capital (registered 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. It is governed by 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:

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 (Co-Chair)	Green Futures Network Officer at the University of Exeter.
Anna Kovasna	Research and Education Director of Global Ecovillage Network.
Darren Watmough (Treasurer)	Darren has worked as Finance Director of various housing associations and as a consultant to the social housing and local authority sectors.
Rebecca Ayre	Senior Content Officer of the Equality and Human Rights Commission.
Kevin Austin	Deputy Executive Director of C40 Cities Climate Leadership Group.
Keyne Walker	Policy Officer at the Royal Academy of Engineering, working on climate policy and systems approaches to reaching net zero.

During the year a trustee recruitment campaign resulted in the appointment of three new trustees, Rebecca Ayre, Kevin Austin and Keyne Walker, all appointed on the 30th September 2021. Kevin Austin resigned on the 24th August 2022.

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 Networks 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. As part of the trustee induction process, each new trustee is assigned a steward, who is one of the existing trustees and who, amongst other things, explains the role and responsibilities to the new trustee.

In January 2020, following a proposal by a delegated HR Group, the Primary Circle of trustees and staff unanimously agreed a new salary structure, whereby in 2020/21 all employees moved to the same full-time equivalent salary, except that the person occupying the Heart Circle Lead Link role receives an additional stipend of £8,000 a year. The Primary Circle decided to end this stipend arrangement in March 2022. Cost of living increases are agreed by the HR decision-making group and then referred to a trustees meeting for approval.

Risk management

The risk register was reviewed by the trustees three times during the year. The risks with the highest scores were the risks around insufficient unrestricted funds and effective fundraising. This reflects the Charity's dependency on a very small number of funders and uncertainty over the future level of grant funding, particularly for our international work. This risk is managed by a regular review of financial forecasts.

The risk of loss of staff was also highlighted during reviews of the risk register, as three staff prepared to leave before March 2022, leading to some reduced capacity across the staff team and a period of reorganisation and recruitment. To manage this risk, the organisation was able to make some more immediate temporary organisational structure changes, and to plan a recruitment strategy.

Other operational risks include the risk of projects or areas of work not meeting their objectives or schedules. To manage this risk, the Heart Circle regularly reviews progress in the main projects and areas of 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.

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 13 November 2022



Darren Watmough
(Director)

Independent Examiner's Report to the Trustees of Transition Network

I report to the Trustees on my examination of the financial statements of Transition Network for the year ended 31 March 2022 which are set out on pages 27 to 40.

Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purpose of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

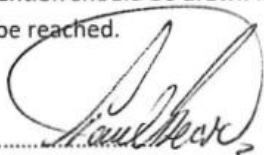
Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



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

25th November 2022
Date

TRANSITION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2022

	Note	Year to 31 March 2022			Year to 31 March 2021		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£
Income from:							
Donations and grants	3	522	561,075	561,597	6,683	801,731	808,414
Charitable activities	4	1,225	-	1,225	1,392	-	1,392
Total income		1,747	561,075	562,822	8,075	801,731	809,806
Expenditure on:							
Raising funds	5	-	15,039	15,039	-	14,597	14,597
Charitable activities	6	-	634,093	634,093	-	854,060	854,060
Total expenditure		-	649,132	649,132	-	868,657	868,657
Net income/(expenditure)		1,747	(88,057)	(86,310)	8,075	(66,926)	(58,851)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		1,747	(88,057)	(86,310)	8,075	(66,926)	(58,851)
Reconciliation of funds							
Total funds brought forward		129,878	105,135	235,013	121,803	172,061	293,864
Total funds carried forward	13	131,625	17,078	148,703	129,878	105,135	235,013

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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	799	750
		<u>799</u>	<u>750</u>
Current assets			
Cash at bank and in hand		192,079	285,948
		<u>192,079</u>	<u>285,948</u>
Creditors: Amounts falling due within one year	12	(44,175)	(51,685)
Net current assets		<u>147,904</u>	<u>234,263</u>
Total net assets		<u>148,703</u>	<u>235,013</u>
Funds of the charity:			
Restricted funds	13	17,078	105,135
Unrestricted funds	13	131,625	129,878
Total funds		<u>148,703</u>	<u>235,013</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 2022. 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 13 November 2022 and signed on their behalf by



Darren Watmough
Director and Treasurer

Company Registration Number: 06135675

TRANSITION NETWORK

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	a	<u>(93,469)</u>	<u>(90,900)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(400)</u>	-
Net cash provided by / (used in) investing activities		<u>(400)</u>	-
Change in cash and cash equivalents in the year		<u>(93,869)</u>	<u>(90,900)</u>
Cash and cash equivalents at the beginning of the year		<u>285,948</u>	376,848
Cash and cash equivalents at the end of the year	b	<u><u>192,079</u></u>	<u><u>285,948</u></u>

Notes

a Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure) for the year	(86,310)	(58,851)
Add back depreciation charge	351	385
Decrease in debtors	-	2,415
(Decrease) in creditors	<u>(7,510)</u>	<u>(34,849)</u>
Net cash provided by / (used in) operating activities	<u><u>(93,469)</u></u>	<u><u>(90,900)</u></u>

b Cash and cash equivalents consist of

	2022 £	2021 £
Cash at bank and in hand	<u>192,079</u>	285,948
Total cash and cash equivalents	<u><u>192,079</u></u>	<u><u>285,948</u></u>

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2022

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 c/o Darnells, 30 Fore Street, Totnes, Devon TQ9 5RP.

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 2019), the Companies Act 2006 and the Charities SORP (FRS102) "Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) (effective 1 January 2019)" 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.

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2022

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.

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 – or

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.

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

3. Donations and grants

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations from individuals:						
Various general donations	522	-	522	6,683	-	6,683
	<u>522</u>	<u>-</u>	<u>522</u>	<u>6,683</u>	<u>-</u>	<u>6,683</u>
Grants:						
An anonymous Foundation (Transition Network Bridging Year)	-	350,000	350,000	-	-	-
(Nurturing Collaboration, Amplifying and Supporting Transition Internationally)	-	-	-	-	400,000	400,000
KR Foundation (Municipalities in Transition)	-	33,579	33,579	-	134,618	134,618
The National Lottery Community Fund Growing Great Ideas programme (Transition Together)	-	160,393	160,393	-	-	-
The National Lottery Community Fund COVID-19 emergency funding programme (Transition: Bounce Forward)	-	-	-	-	267,113	267,113
Forum for the Future (Transformational Governance project)	-	7,103	7,103	-	-	-
Charities Trust - an award nominated by Ecclesiastical Insurance Office plc (Training for Transition)	-	10,000	10,000	-	-	-
	<u>0</u>	<u>561,075</u>	<u>561,075</u>	<u>-</u>	<u>801,731</u>	<u>801,731</u>
Total donations and grants	<u>522</u>	<u>561,075</u>	<u>561,597</u>	<u>6,683</u>	<u>801,731</u>	<u>808,414</u>

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2022

4. Income from charitable activities

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Film screenings	-	-	-	350	-	350
Royalties on books	770	-	770	292	-	292
Sundry income	455	-	455	750	-	750
	1,225	-	1,225	1,392	-	1,392

5. Expenditure on raising funds

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fundraising costs	-	529	529	-	-	-
Staff costs	-	14,510	14,510	-	14,597	14,597
	-	15,039	15,039	-	14,597	14,597

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

6. Expenditure on charitable activities

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Activities undertaken directly						
Hubs Heart Circle	-	27,028	27,028	-	32,460	32,460
Training for Transition	-	21,662	21,662	-	31,263	31,263
Inner Transition	-	21,718	21,718	-	-	-
Transition Platform	-	8,399	8,399	-	-	-
Municipalities in Transition	-	100,663	100,663	-	153,121	153,121
Supporting Transition initiatives and regional support	-	958	958	-	10,954	10,954
Transformative conflict programme	-	584	584	-	6,735	6,735
National Hubs Co-ordinator	-	-	-	-	3,557	3,557
Evaluation project	-	3,476	3,476	-	8,895	8,895
Transition Together project costs	-	38,564	38,564	-	-	-
Transition: Bounce Forward	-	-	-	-	51,208	51,208
Staff costs	-	247,198	247,198	-	243,686	243,686
Overseas freelance contractor	-	23,975	23,975	-	21,555	21,555
Collaborations	-	-	-	-	455	455
Website and IT	-	13,803	13,803	-	15,503	15,503
Film costs	-	(175)	(175)	-	189	189
Amplifying Stories	-	-	-	-	1,181	1,181
	-	507,853	507,853	-	580,762	580,762
Support costs						
Travelling and subsistence	-	985	985	-	-	-
Rent and rates	-	2,564	2,564	-	5,165	5,165
Office expenses	-	6,705	6,705	-	3,920	3,920
Human Resources	-	1,198	1,198	-	1,674	1,674
Paypal fees and bank charges	-	52	52	-	271	271
Exchange differences	-	10	10	-	83	83
Depreciation	-	351	351	-	385	385
	-	11,865	11,865	-	11,498	11,498
Governance costs						
Strategy Framework meetings	-	3,076	3,076	-	4,329	4,329
Independent Examination fee		732	732	-	732	732
Fees to the Independent Examiner for other services	-	1,964	1,964	-	824	824
	-	5,772	5,772	-	5,885	5,885

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

6. Expenditure on charitable activities (continued)

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Total activities undertaken directly including support and governance costs	<u>-</u>	<u>525,490</u>	<u>525,490</u>	<u>-</u>	<u>598,145</u>	<u>598,145</u>
Grant funding of activities						
Grants to institutions						
Grants to Transition Hubs for international work (analysed in note 7)	-	69,569	69,569	-	115,915	115,915
Transition Together Grant for Growing Infrastructure, Networks and Capacity for Transition in Britain (analysed in note 7)	-	35,000	35,000	-	-	-
Transition: Bounce Forward Grants for Transition groups in England	-	-	-	-	140,000	140,000
Total grants to institutions	<u>-</u>	<u>104,569</u>	<u>104,569</u>	<u>-</u>	<u>255,915</u>	<u>255,915</u>
Grants to individuals Student aid for a placement to support Municipalities in Transition implementation and research activities	-	4,034	4,034	-	-	-
Total grants	<u>-</u>	<u>108,603</u>	<u>108,603</u>	<u>-</u>	<u>255,915</u>	<u>255,915</u>
Total expenditure on charitable activities	<u>-</u>	<u>634,093</u>	<u>634,093</u>	<u>-</u>	<u>854,060</u>	<u>854,060</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

7. Analysis of grants to institutions (all of which were made from restricted funds)

Grants were made for the following organisations:

		2022	2021
Organisation	Project purpose	£	£
Grants to Transition Hubs for international work			
Réseau Transition (Transition Hub in Brussels/Wallonia)	Hubs Coordinator	44,684	37,719
Réseau Transition	Implementation of new Hubs Heart Circle governance	1,706	-
Transition Netzwerk e.V. (German Transition Hub)	Train and connect funding specialists on a hubs level to strengthen funding capabilities	3,398	-
Scottish Communities Climate Action Network (Transition Scotland)	Exploration of paid time across the international network of the Hubs Group	1,500	-
Transition Netzwerk e.V.	Support the development of a collaboration platform for those working on Transition	1,000	-
Red de Transición (Spanish Transition Hub)	Local Transformation Toolkit and Community of Practice Development	10,000	-
Transition Brasil	Latin America Webinar Series	7,000	-
Transition Netzwerk e.V.	Germanophone Territories Development Process	1,000	-
Returned grant		(719)	
Various other grants		-	78,196
Total grants to Transition Hubs for international work		69,569	115,915
Transition Together project: Growing Infrastructure, Networks and Capacity for Transition in Britain			
Scottish Communities Climate Action Network (Transition Scotland)	Partnership on Transition Together project, including a Network Weaver/Convenor, trainings and widening participation	35,000	-
Transition: Bounce Forward grants		-	140,000
Total grants to institutions		104,569	255,915

The total value of grants made to Réseau Transition in the year was £46,390 (2021: £54,392). The total value of grants made to Scottish Communities Climate Action Network in the year was £36,500 (2021: £7,000).

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

8. Net income/(expenditure) for the year

	2022	2021
	£	£
Net income/(expenditure) for the year is stated after charging:		
Depreciation of tangible fixed assets	351	385
Independent Examiner's fee	732	732
Other fees payable to the Independent Examiner	<u>1,964</u>	<u>824</u>

9. Trustees and employees

Staff numbers

The average number of staff in the year on a head count basis was 11 employees (2021: 10 employees).

Staff costs

	2022	2021
	£	£
Salaries	240,433	237,557
Social security costs	16,070	15,664
Defined contribution pension scheme contributions	<u>5,206</u>	<u>5,062</u>
Total staff costs	<u>261,709</u>	<u>258,283</u>

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

No Trustees were reimbursed expenses in the year (2021: £nil). None of the Trustees (or any persons connected with them) received any remuneration during the year (2021: £nil).

10. Corporation 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.

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

11. Tangible fixed assets

	Fixtures, fittings, and equipment
	£
Cost	
At 1 April 2021	6,348
Additions	400
Disposals	2,021
At 31 March 2022	<u>4,727</u>
Depreciation	
At 1 April 2021	5,598
Charge for year	351
Disposals	2,021
At 31 March 2022	<u>3,928</u>
Net book value	
At 31 March 2022	<u>799</u>
At 31 March 2021	<u>750</u>

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,858	15,399
Other creditors	2,172	1,047
Taxation and social security	5,707	-
Accruals for grants payable	13,604	-
Accruals	18,834	35,239
	<u>44,175</u>	<u>51,685</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

13. 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
Transition Network Bridging Year 2021 - 2022 (An anonymous Foundation)	Moving through reflection to the co-design, resourcing and implementation of strategic interventions at the international level
Municipalities in Transition (KR Foundation)	Scaling up, out and deep the Municipalities in Transition System
Transition Together (The National Lottery Community Fund's Growing Great Ideas programme)	Building the capacity of Transition groups across the UK, creating the conditions to enable further local experimentation, peer connection and support, and cross-pollination of ideas
Training for Transition (a Movement for Good award nominated by Ecclesiastical Insurance Office plc and received from Charities Trust)	An online Training for Trainers course
Transformational Governance (Forum for the Future)	Developing the inquiry into Transformational Governance
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.

	Opening balance £	Incoming resources £	Outgoing resources £	Closing balance £
Restricted funds				
Transition Network Bridging Year 2021-2022 (An anonymous Foundation)	-	350,000	350,000	-
Municipalities in Transition (KR Foundation)	96,314	33,579	129,893	-
Transition Together (The National Lottery Community Fund's Growing Great Ideas programme)	-	160,393	160,486	(93)
Training for Transition (Charities Trust/Ecclesiastical)	-	10,000	1,650	8,350
Transformational Governance (Forum for the Future)	-	7,103	7,103	-
Real Economy Lab (Fondation Charles Léopold Mayer pour le Progrès de l'Homme)	5,657	-	-	5,657
Transition Research Network	3,164	-	-	3,164
	<u>105,135</u>	<u>561,075</u>	<u>649,132</u>	<u>17,078</u>
Unrestricted funds				
General unrestricted funds	<u>129,878</u>	<u>1,747</u>	<u>-</u>	<u>131,625</u>

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2022

14. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds	799	130,826	131,625
Restricted funds	-	17,078	17,078
Total funds as at 31 March 2022	<u>799</u>	<u>147,904</u>	<u>148,703</u>

15. Financial commitments

31st March 2022 Future minimum lease payments under non-cancellable operating leases.

	2022 £	2021 £
Operating leases due: within one year	<u>-</u>	<u>1,495</u>

16. Related party transactions

There were no related party transactions during the year (2021: one transaction for £100 to Joseph Duggan for participatoin and engagement work. The amount was the same as the amount paid to other consultants).

17. Financial instruments

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost	<u>-</u>	<u>-</u>
Financial liabilities measured at amortised cost	<u>38,468</u>	<u>51,685</u>