



TRANSITION NETWORK

Registered Charity Number 1128675

Company Number 06135675

Trustees' Report and Financial Statements

for the year ended 31 March 2021

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Charity Information

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

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| 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 (appointed 9 December 2020)</p> <p>Henry Owen (resigned 28 January 2021)</p> <p>Joseph Duggan (resigned 28 January 2021)</p> <p>Chandra Mouli Vemury (resigned 24 June 2020)</p> <p>Rebecca Jane Ayre (appointed 30 September 2021)</p> <p>Kevin Philip Austin (appointed 30 September 2021)</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 2021.

The Trustees present their annual report and financial statements for the year ended 31 March 2021. 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 is a movement of communities coming together to reimagine and rebuild our world, addressing the big challenges they face by starting local. In these communities 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 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 is established as a company limited by guarantee and is registered as a charity.

1 Executive Summary

2020/21 was a year in which the impacts of interlinked global crises became more visible and more widely felt. The COVID-19 pandemic sent emotional, practical and economic shockwaves across the world, extreme weather events and multiple other factors continue to shift public discourse around the climate crisis, and the Black Lives Matter uprisings in the US and elsewhere have focused increased attention on long standing issues of racist violence, structural racism and social justice more broadly.

We were encouraged that the relationships, practices and structures developed over time within our organisation, international network and wider movement meant we were able to demonstrate considerable resilience when responding to these challenges. Transition Network adapted its areas of focus in April 2020 to explicitly shift our attention beyond climate emergency declarations at the municipal level and focus instead on nurturing responses to interlinked global crises rooted in social and environmental justice. This enabled the team to explore with much more flexibility what was needed and possible in the months that followed.

In England, to help communities respond to and rebuild from the COVID-19 crisis, we planned and delivered a project called Transition: Bounce Forward. This was funded by The National Lottery Community Fund's COVID-19 Response Programme. We developed a "What If?" visioning process, ran webinars and a "What Next?" summit. We distributed 111 seed-funding grants to Transition groups for them to run projects in their communities.

In Europe and Brazil, we have seen the way that the Municipalities in Transition System supports people to build trust, identify a common purpose, explore needs and opportunities in a systemic way and make critical shifts to collaborative action. The development of the new digital system is helping the current pioneer municipalities, and we ran an online training of new tutors as the key part of our strategy to scale out.

Transition Network works in collaboration with a network of national and regional Transition Hubs and their working groups, such as the Hubs Heart Circle, Training Circle and Inner Transition Circle.

In autumn 2020 Transition Network started a comprehensive evaluation of the impact, relevance and potential of the Transition movement. As we lean further into the implications of this evaluation for our future work, we are building on this to co-design strategic interventions in collaboration with the distributed circles and others across the Transition movement and wider ecosystem.

A summary word cloud from the survey responses about “What is the Transition movement really good at, that is needed widely or urgently now, and over the next few years?”:



Seed-funding grants for Hubs have enabled creative, impactful, capacity-building and collaborative activities to happen around our international network. Hubs and other translators have continued to add new translations to the Essential Guide to Transition, now available in 13 languages: English, Chinese, French, German, Hebrew, Hungarian, Italian, Japanese, Polish, Portuguese, Russian, Swedish and Spanish.

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 team during the year but we collaborate closely, in many projects and areas of work, with volunteers from Transition Hubs and Transition groups.

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.

Transition Network works in service to the international movement of self-organising Transition groups and Transition 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 opportunities, and support the development of 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. 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. 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.

3 Activities, achievements and performance

Transition Network sets its Key Areas of Focus each year. In 2020 we set these Key Areas of Focus:

1. Nurturing reflections, responses and solutions to interlinked global crises and strengthening and amplifying forms of community resilience that are rooted in social and environmental justice.
2. Co-designing, sharing and energising leadership, resources and responsibilities with Transition Hubs.
3. Better understanding our network and developing our networking tools for connection and resilience across our movement.
4. In these three Area of Focus and in our work generally, we will prioritise and retain capacity to:
 - Follow through and maximise the impact of our existing work
 - Develop and share our understanding of how we do things and why
 - Support emergence, creativity and wellbeing across our team.

This report will cover activities, achievement and performance under each Area of Focus.

3.1 Nurturing reflections, responses and solutions to interlinked global crises and strengthening and amplifying forms of community resilience that are rooted in social and environmental justice

Transition Network, together with the Hubs Heart Circle, responded to the COVID-19 pandemic by setting up two sets of co-facilitated international “Connecting Transitions” online calls for Transitioners from many different countries, giving people an opportunity to share stories and explore responses. The calls helped catalyse our plans for a Transition collaboration platform.

We developed a project called “Transition: Bounce Forward”, which was funded by The National Lottery Community Fund’s COVID-19 Response Programme, to support Transition groups in England. The project had two key aims:

- 1. Strengthen and support the network of Transition groups and community led climate action initiatives to respond to the COVID-19 crisis and develop community projects that rebuild to a more equitable, resilient and environmentally sustainable future.**

We ran a range of webinars on “What is”, “What if?” and aspects of inclusion, diversity and social justice, including “Green but mostly White - Why?” with Nick Anim, from Transition Town Brixton, who has researched inclusivity in the Transition movement. We developed a new What If? visioning process and guide, made available to all Transition groups.

We distributed 111 seed-funding grants to Transition groups in England to run projects on resilience, visioning and social justice in their communities, catalysing an upsurge in new activity and community engagement.

- 2. Engage Transition groups and the wider sustainability and social justice networks in a larger conversation about changes needed as society moves on from the initial impacts of the COVID-19 crisis.**

In March 2021 we ran a “What Next?” online summit with over 1,900 attendees and utilised a new platform to bring people together from a range of social and environmental networks.

The Transition: Bounce Forward project has been very successful in meeting the original aims of the project, with a huge increase in collective engagement, connection and sharing of ideas across England, and many new or expanded projects and activities in local communities.

With the “What Next?” summit we have taken a huge step forward in growing collaboration and connection between Transition groups and many other groups and networks working for social justice and environmental sustainability, with a wide range of different groups and activists signing up to the new platform and attending the online summit events. The “What Next?” summit has helped to inspire these groups and activists to build community power, to imagine new stories of what the future could look like and to identify leverage points to create positive regenerative change.

Our communications work included a range of blogs on aspects of how the Transition movement is responding to and learning from COVID-19. In June 2020, the team co-authored and published a statement on Black Lives Matter which described how we are educating ourselves about structural racism and racist violence, shared some of our work and intentions around social justice and posed questions to stimulate reflection within Transition groups. We prioritised the sharing of Transition and other materials relating to social and environmental justice.

In the USA we provided grants to Transition US - one grant to contribute to the costs of the design and delivery of an innovative Social Justice Community of Practice course, and the other grant to better enable international sharing of their Stories to Action campaign in which they are surfacing and sharing stories of innovative, successful, and replicable projects that have furthered the causes of sustainability, justice, cooperation, and regeneration throughout the USA. We also financially supported the Transition US social justice working group and Inner Resilience Network to compile and amplify videos, resources and links from last year’s Building Bridges discussions, which intended to build a foundation for healthy collaborations and regenerative culture in work around climate justice.

Our collaborations with Boundless Roots and Solidarity Matters helped us to broaden our connections with, and explore the potential to collaborate with, change makers with a strong focus on social justice. We have also been participating in the European Urban Arenas project, attending events exploring drivers and good practice relating to Just and Sustainable Cities.

Rob Hopkins, Sarah McAdam and Filipa Pimentel acted as experts to the European Economic and Social Committee after they were asked by the European Commission to advise on the development of the Climate Pact. The resulting EESC Opinion was adopted in June 2020 and we have seen much of its language around co-design and the significance of community-led action replicated in the Climate Pact itself.

3.2 Co-designing, sharing and energising leadership, resources and responsibilities with Transition Hubs

We continued to collaborate with Transition Hubs, as we decentralise power, resources and responsibilities across our international network.

Hubs Heart Circle

The Hubs Heart Circle group holds regular half day 'sprint' sessions. We have seen many benefits from these sessions, as they connect representatives from Transition Network and our Municipalities in Transition core team with representatives from the Training Circle, Inner Transition Circle and the wider Hubs Group, as well as those whose roles are focused on governance, funding and the development of territorial functions. The individual projects and activities of the various circles have been strengthened and amplified because of the feedback and support from their peers and we are increasingly seeing people and groups outside the Transition Network team identifying and responding at an international scale to needs and opportunities across the wider movement.

A Slack workspace has been created for Hubs representatives and is already proving a useful space where Hubsters are supporting each other, sharing questions and responses and identifying potential for collaborative activities.

Training for Transition Circle

A Training for Transition circle of trainers from Chile, Belgium, Brazil and the UK, with a Transition Network link role, worked on re-energising Transition training coordination. The Training Circle surveyed trainers, and Transitioners who had been trained, creating an excellent report of useful feedback, which they are now using to respond to – particularly around creating a community of practice for Transition trainers, co-designing a set of principles for Transition trainings, and better communications about trainings. As a first step in developing a lively community of practice for trainers/facilitators they ran a series of six webinars in January - April 2021 to share practice and ideas.

Transition Network provided financial support to Transition US, Transition Brasil and Réseau Transition (Brussels/Wallonia) to co-design and deliver the next stage of training work.

We are supporting a group of trainers from the Brussels/Wallonia and French-speaking Switzerland Hubs to explore the questions of the type of leadership needed in the Transition movement, drawing on shared governance, inner transition, 8 Shields, permaculture design and Transition principles. They intend to design a transition leadership description and a training path.

Inner Transition Circle

An international inquiry group of Inner Transition practitioners collaborated on a "Coming Down to Earth" summit on transformative conflict. Over 1,000 people took part in 99 live sessions, and 552 people used a Mighty Networks platform, creating several interest groups during the summit. The Inner Transition inquiry group members incorporated new Transitioners active in the field of Inner Transition, and set up as a new Inner Transition circle. They are offering monthly inner/being spaces to support and connect all those who work within the circles and organisations currently operating at the international scale of our movement, and they are running online gatherings that are open to all.

Seed-funding for Transition Hubs

We provided seed-funding grants to Transition Hubs, enabling creative, impactful, capacity-building and collaborative activities to happen around our international network. They have supported a range of inspiring work, including training, strategy planning, communications, websites, gatherings and capacity-building. We distributed seed-funding grants to Transition Hubs for Australia, Brazil, Brussels and Wallonia, Chile, Colombia, Croatia, Hungary, Japan, London, Mexico, Paris region, Spain and USA.

Transition Australia developed and started a plan to engage with local councils in a way that focused on key Transition Actions and increased collaboration. The seed-funding helped to complete this work and prepare it in a way that can be scaled within Australia and also serve as a resource in the wider Transition Community.

The grant to Réseau Transition (Brussels and Wallonia) was for the work of Réseau de Soutien à la Transition Intérieure (Inner Transition support network), the French-speaking network of support, care and well-being professionals offering services to Transition actors. They have set up a framework for their members to share their knowledge and practice, and organised several online trainings, for example, for support on eco-anxiety, solastalgia, burn-out support, and grief & resilience.

In Brazil six meetings were held to share and disseminate the Municipalities in Transition system (the framework for local government collaboration).

Transición Colombia's "La Transicionera" radio program has been developed, with which the Podcast series #YosoyTransición was made, with interviews with colleagues from the Transition network Mexico, Brazil and Chile.

Red de Transición (Spain) reviewed and updated the Transition Launch Online course content in liaison with the Training for Transition circle, and ran the course with 25 diverse participants from Europe and Latin America.

Transition US has been working on a "From What Is to What If" national campaign, exploring the head, heart, and hands of community resilience through Positive Visioning, Movement Strategy, and Stories to Action. In the third "Stories to Action" phase, Transition US are collecting and sharing stories of successful and replicable Transition projects, published on their website and organising webinars and other ways to share these stories.

The COVID-19 pandemic saw the postponing of some events, including Transición México's planned Curavana event. Some of the ways they redeployed the seed-funding grant include social currencies handbooks, Agile basics online workshop and developing an animated video about Transition.

The pandemic also meant that a Transition Fayre planned by Transition Hungary needed to be postponed. Online and smaller outdoor events have been run instead, and there is now a fledgling South Budapest Transition Dialogue, a new network of deepening and supportive contacts.

3.3 Better understanding our network and developing our networking tools for connection and resilience across our movement

We made some improvements to the “Transition Near Me” registration of Transition groups (which features on the Transition Network website), improving visibility, connection and communication with groups and Hubs.

Building on experience from the Connecting Transitions events, Coming Down to Earth summit and the Hubs Group Slack workspace, an international working group is exploring how we might use ethical, innovative technology to support connection and collaboration between Transitioners working at the international level of scale. The group is working transparently in a way which is informing, and being informed by, similar explorations elsewhere within and beyond our movement. They have created a database of collaborative tools and platforms, agreed assessment criteria and are making a proposal for a prototype to be trialled in the coming months.

This year Transition Network started a comprehensive evaluation of the impact, potential and relevance of the Transition movement. Beginning by compiling and analysing research carried out by others across our movement, we have distributed a multi-language survey which generated 377 responses from Transitioners in 32 countries and have hosted three interactive online discussions in different time zones.

We shared early analysis of the evaluation survey with the wider movement in December, highlighting early emerging themes such as:

- The Transition movement within a wider ecology of change
- Combining systems thinking with supporting grassroots action
- To define a narrower focus or hold a holistic picture?
- Social justice and environmental focus / Justice, climate, decolonisation
- Power and leadership
- Inner transition
- Narratives and vision
- Sharing ideas and scaling up

In March 2021 we shared fuller overview reports on Impact and on Relevance and Potential (<https://transitionnetwork.org/news-and-blog/what-you-told-us/>), which informed the creation of our 2021 Areas of Focus.

3.4 Prioritise and retain capacity to:

- **Follow through and maximise the impact of our existing work**

The Municipalities in Transition project is a joint project with Transition Hubs. The Municipalities in Transition System was updated following feedback from the first set of communities who had piloted the flexible framework for meaningful collaboration for systemic change - collaboration between local community groups and municipal officials and elected representatives. Communities using the updated Municipalities in Transition System - including an online tool for the mapping and analysis of community actors, actions, leverage points and gaps - are now described as “pioneers”.

The Municipalities in Transition pioneers include former pilot communities Valsamoggia and Santorso in Italy, Vila Mariana, São Paulo in Brazil, and Telheiras, Lisbon in Portugal. Two new pioneer communities, Rome Municipio V in Italy and Almocita in Spain, started using the Municipalities in Transition system. The COVID-19 pandemic has slowed the process of new municipalities committing to take up the System, despite the way that the Municipalities in Transition system can support crisis response - for example in Valsamoggia, Italy, the Municipalities in Transition System enabled municipal and community leaders to rapidly shift focus and resources this year, establishing an online system to deliver food to vulnerable people and helping other municipalities to do the same.

The Municipalities in Transition system was chosen by ECOLISE (European Network For Community-Led Initiatives on Climate Change and Sustainability) to be the tool that was presented in the Climate Resilient and Inclusive Cities project taking place in Indonesia and led by The United Cities and Local Governments Asia Pacific. This will result in the implementation of the Municipalities in Transition system in the cities of Kupang and Gorontalo, which will be interesting to validate the system’s adaptability to complex realities and different, diverse cultural settings.

Another significant area of existing work that we continued, to maximise its impact, was to prepare a set of Inner Transition resources relating to the personal level of scale, based on thorough previous development work, now available online (<https://transitionnetwork.org/news-and-blog/personal-resilience-resources/>).

- **Develop and share our understanding of how we do things and why**

Our Practice of Change work has been continuing, particularly informing, and being applied in, both the evaluation project and our collaboration with the Boundless Roots community. The report of the Boundless Roots inquiry process, Roots of Transformation, has been widely shared and has attracted positive feedback and interest in further collaboration from a range of practitioners.

- **Support emergence, creativity and wellbeing across our team**

Our monthly staff check-in meetings in July and September focused on the subjects of what supports creativity, capacity and wellbeing.

3.5 Plans for future periods

Informed by the emerging results of our evaluation work and by strategic conversations with the distributed teams and circles, we created a new primary intention in 2021. This continues our emphasis on working with, and co-design with, people taking distributed roles around our international movement. Our primary intention for 2021/22 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 Transition Network 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 Transition Network 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, Transition Network will retain capacity to:

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

In June 2021 Transition Network commenced a ten-year project called "Growing infrastructure, networks and capacity for Transition in Britain" which is funded by The National Lottery Community Fund. In this project we will build 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, ultimately leading to change. We plan 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.

Transition Network is part of a small group which secured development funding from Lankelly Chase Foundation to explore whether and how to set up a resourced community of practice sharing practical learning about the transformational potential of systemic governance.

3.6 Grant-making Policy

Transition Network made many grants during this year, primarily to distribute financial support to Transition Hubs and Transition groups.

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 for 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 prioritise projects that engage people in co-creation, collaboration or collective inspiration.

Seed-funding grants for Transition groups in England made in the Transition: Bounce Forward project funded by The National Lottery Community Fund's COVID-19 Response Programme:

Only Transition groups in England were eligible for these grants. They could apply for full grants of up to £3,500 or micro grants of up to £500. Our policy was to support many Transition groups, with a wide geographical distribution of the funding. In consultation with representatives from Transition groups across England, criteria were drawn up for eligibility and for scoring and assessing applications.

Other grants:

Transition Network also makes a grant to Réseau Transition to enable the organisation to provide the Hubs Coordinator role for the international Transition Hubs Group network.

Grants relating to Transition training were made to Transition Hubs.

A grant was made to Scottish Communities Climate Action Network, who host the Transition Scotland hub. The grant was to publicise, promote and engage with the Bounce Forward project, convene online meetings for Transition Scotland and continue to collaborate on fundraising for a multi-year Transition capacity-building project in Britain.

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 largest funder in the year, a Foundation who wish to remain anonymous, to whom we are incredibly grateful for enabling us to support and stimulate a wealth of work around the world. They have been visionary in providing a three-year grant programme from 2018, to nurture collaboration, amplify and support Transition internationally.
- KR Foundation for a very significant grant for Transition Network and the Transition Hubs group to take the Municipalities in Transition project to a next stage of scaling up, out and deep.
- The National Lottery Community Fund's COVID-19 Response Programme for a very significant grant for the Transition: Bounce Forward project. Transition Network received £267,113 from The National Lottery Community Fund which was used to provide support and strength to its response to COVID-19.

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 2020-2021 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% of the Charity's income (2020: 99%). Total income for the year ended 31 March 2021 was £809,806 (2020: £716,178). Restricted income, all of which came from grants, amounted to £801,731 (2020: £708,615) and unrestricted income amounted to £8,075 (2020: £7,563).

The biggest grant received in the year was from a Foundation that wishes to remain anonymous, which funded £400,000 during the year (2020: £350,000). This grant supports a wide range of the Charity's activities and in particular its international work. KR Foundation's grant instalment of £134,618 (2020: £189,472) enabled the continuation of the Municipalities in Transition project. The Big Lottery Fund (operating as The National Lottery Community Fund) provided a grant of £267,113 for the Transition: Bounce Forward project (2020: £49,000 for the development phase of Transition Regional Connecting and Peer Support).

The main source of unrestricted income was donations, particularly donations arising from an online conflict transformation summit called "Coming Down to Earth".

Total expenditure was £868,657 (2020: £566,431). There was a significant increase in expenditure, most notably caused by expenditure on the Transition: Bounce Forward project. Total staff costs increased by 16% (2020: 18% increase), mainly because of increases in hours worked by some employees due to the Transition: Bounce Forward project.

The amount of unrestricted general funds increased slightly during the year to £129,878 at 31 March 2021 (2020: £121,803). The amount of restricted funds decreased during the year to £105,135 at 31 March 2021 (2020: £172,061). The biggest reason for the decrease in restricted funds was higher expenditure on the Municipalities in Transition project. Total funds held at 31 March 2021 amounted to £235,013 (2020: £293,864).

For Transition Network, the main financial effect of COVID-19 was that it affected funding applications to The National Lottery Community Fund, with a switch from an application to fund a 4 year project to a shorter proposal to help communities respond to and rebuild from the COVID-19 crisis.

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 emphasized 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 2021 the amount of free reserves, calculated as being unrestricted funds excluding fixed assets, was £129,128 (2020: £120,668), 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 as amended on 21 July 2020. 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:

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|---------------------------------------|--|
| 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) | Sector & Partnerships Lead for Cornwall Council's Carbon Neutral Cornwall programme. |
| 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. |

The Trustees who stepped down in the year were as follows:

| | |
|-----------------------|---|
| Henry Owen | Henry coordinates the Community Action Groups Project Oxfordshire. He has an MSc. in Environmental Change and Management, and is involved with a number of local community initiatives and direct action campaigns. |
| Joseph Duggan | Co-Chair of Crystal Palace Transition Town since 2011. Co-founder of Transition London and South East Regional Hub. Freelance facilitator and poet working in schools and community groups. |
| Chandra Vemury | Director of a structural engineering consultancy. Former Chairman of Journey to Justice (a human rights charity). |

During the year a treasurer recruitment campaign was conducted, resulting in the appointment of a new trustee, Darren Watmough. In Spring 2021 a trustee recruitment campaign resulted in the appointment of three new trustees, Rebecca Ayre, Kevin Austin and Keyne Walker.

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.

Primary Circle 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. Any cost of living increases and/or proposals to change the stipend arrangements will be agreed by the HR group annually and then referred to a trustees meeting for approval.

Risk management

The risk register was reviewed by the trustees three times during the year. Each time the risk with the highest score was the risk of insufficient unrestricted funds. 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.

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 16 November 2021



Peter Lefort
(Co-Chair of Trustees)

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 2021 which are set out on pages 20 to 34.

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

2nd December 2021
.....
Date

TRANSITION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2021

| | Note | Year to 31 March 2021 | | | Year to 31 March 2020 | | |
|------------------------------------|------|-----------------------|----------------|----------------|-----------------------|----------------|----------------|
| | | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | | Funds £ | Funds £ | Funds £ | Funds £ | Funds £ | Funds £ |
| Income from: | | | | | | | |
| Donations and grants | 4 | 6,683 | 801,731 | 808,414 | 2,029 | 708,615 | 710,644 |
| Charitable activities | 5 | 1,392 | - | 1,392 | 5,534 | - | 5,534 |
| Total income | | <u>8,075</u> | <u>801,731</u> | <u>809,806</u> | <u>7,563</u> | <u>708,615</u> | <u>716,178</u> |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | - | 14,597 | 14,597 | - | 11,254 | 11,254 |
| Charitable activities | 8 | - | 854,060 | 854,060 | - | 555,177 | 555,177 |
| Total expenditure | | <u>-</u> | <u>868,657</u> | <u>868,657</u> | <u>-</u> | <u>566,431</u> | <u>566,431</u> |
| Net income/(expenditure) | | 8,075 | (66,926) | (58,851) | 7,563 | 142,184 | 149,747 |
| Transfers between funds | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | 8,075 | (66,926) | (58,851) | 7,563 | 142,184 | 149,747 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 121,803 | 172,061 | 293,864 | 114,240 | 29,877 | 144,117 |
| Total funds carried forward | 14 | <u>129,878</u> | <u>105,135</u> | <u>235,013</u> | <u>121,803</u> | <u>172,061</u> | <u>293,864</u> |

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

All income and expenditure derives from continuing activities.

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

TRANSITION NETWORK

BALANCE SHEET

As at 31 March 2021

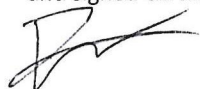
| | Note | 2021 £ | 2020 £ |
|---|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 9 | <u>750</u> | <u>1,135</u> |
| | | <u>750</u> | <u>1,135</u> |
| Current assets | | | |
| Debtors | 10 | - | 2,415 |
| Cash at bank and in hand | | <u>285,948</u> | <u>376,848</u> |
| | | <u>285,948</u> | <u>379,263</u> |
| Creditors: Amounts falling due within one year | 11 | <u>(51,685)</u> | <u>(86,534)</u> |
| Net current assets | | <u>234,263</u> | <u>292,729</u> |
| Total net assets | | <u>235,013</u> | <u>293,864</u> |
| Funds of the charity: | | | |
| Restricted funds | 14 | <u>105,135</u> | <u>172,061</u> |
| Unrestricted funds | 14 | <u>129,878</u> | <u>121,803</u> |
| Total funds | | <u>235,013</u> | <u>293,864</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 2021. 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 16 November 2021 and signed on their behalf by



Peter Lefort
Director and Co-Chair of Trustees

Company Registration Number: 06135675

TRANSITION NETWORK
STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash (used in) / provided by operating activities | a | <u>(90,900)</u> | <u>219,530</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | <u>-</u> | <u>(295)</u> |
| Net cash provided by / (used in) investing activities | | <u>-</u> | <u>(295)</u> |
| Change in cash and cash equivalents in the year | | <u>(90,900)</u> | <u>219,235</u> |
| Cash and cash equivalents at the beginning of the year | | <u>376,848</u> | <u>157,613</u> |
| Cash and cash equivalents at the end of the year | b | <u><u>285,948</u></u> | <u><u>376,848</u></u> |

Notes

- a Reconciliation of net (expenditure)/income to net cashflow from operating activities

| | 2021 £ | 2020 £ |
|---|------------------------|-----------------------|
| Net (expenditure) / income for the year | (58,851) | 149,747 |
| Add back depreciation charge | 385 | 554 |
| Decrease in debtors | 2,415 | 39,846 |
| (Decrease) / Increase in creditors | <u>(34,849)</u> | <u>29,383</u> |
| Net cash (used in) / provided by operating activities | <u><u>(90,900)</u></u> | <u><u>219,530</u></u> |

- b Cash and cash equivalents consist of

| | 2021 £ | 2020 £ |
|---------------------------------|-----------------------|-----------------------|
| Cash at bank and in hand | <u>285,948</u> | <u>376,848</u> |
| Total cash and cash equivalents | <u><u>285,948</u></u> | <u><u>376,848</u></u> |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

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.

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 2021

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

| | 2021 | 2020 |
|---|-------|-------|
| | £ | £ |
| Net income for the year is stated after charging: | | |
| Depreciation of tangible assets | 385 | 554 |
| Independent examiner's fee | 732 | 732 |
| Other fees payable to the Independent Examiner | 824 | 734 |
| | <hr/> | <hr/> |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

4. Donations and grants

| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
|--|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| Donations from individuals: | | | | | | |
| Various general donations | 6,683 | - | 6,683 | 2,029 | - | 2,029 |
| | <u>6,683</u> | <u>-</u> | <u>6,683</u> | <u>2,029</u> | <u>-</u> | <u>2,029</u> |
| Grants: | | | | | | |
| An anonymous Foundation (Nurturing Collaboration, Amplifying and Supporting Transition Internationally) | - | 400,000 | 400,000 | - | 350,000 | 350,000 |
| KR Foundation (Municipalities in Transition) | - | 134,618 | 134,618 | - | 189,472 | 189,472 |
| KR Foundation (Diving Deep and Dreaming Big) | - | - | - | - | 30,296 | 30,296 |
| Open Society Initiative for Europe (Municipalities in Transition) | - | - | - | - | 54,847 | 54,847 |
| The National Lottery Community Fund COVID-19 emergency funding programme (Transition: Bounce Forward) | - | 267,113 | 267,113 | - | - | - |
| Big Lottery Fund (Transition Regional Connecting and Peer Support – Development Phase) | - | - | - | - | 49,000 | 49,000 |
| Tudor Trust (Deepening and Sharing Experience of Transformative Governance) | - | - | - | - | 35,000 | 35,000 |
| | <u>-</u> | <u>801,731</u> | <u>801,731</u> | <u>-</u> | <u>708,615</u> | <u>708,615</u> |
| Total donations and grants | <u><u>6,683</u></u> | <u><u>801,731</u></u> | <u><u>808,414</u></u> | <u><u>2,029</u></u> | <u><u>708,615</u></u> | <u><u>710,644</u></u> |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

5. Income from charitable activities

| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
|--------------------------|--------------|------------|--------------|--------------|------------|--------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| Talks and presentations | - | - | - | 859 | - | 859 |
| Events | - | - | - | 1,273 | - | 1,273 |
| Film screenings | 350 | - | 350 | 2,860 | - | 2,860 |
| Royalties and book sales | 292 | - | 292 | 542 | - | 542 |
| Sundry income | 750 | - | 750 | - | - | - |
| | <u>1,392</u> | <u>-</u> | <u>1,392</u> | <u>5,534</u> | <u>-</u> | <u>5,534</u> |

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

| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
|-------------|--------------|---------------|---------------|--------------|---------------|---------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| Staff costs | <u>-</u> | <u>14,597</u> | <u>14,597</u> | <u>-</u> | <u>11,254</u> | <u>11,254</u> |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

8. Expenditure on charitable activities

| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
|--|--------------|------------|---------|--------------|------------|---------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| Activities undertaken directly | | | | | | |
| Amplifying Stories | - | 1,181 | 1,181 | - | 7,792 | 7,792 |
| Website and IT | - | 15,503 | 15,503 | - | 13,534 | 13,534 |
| Talks costs | - | - | - | - | 358 | 358 |
| "Demain" film costs | - | 189 | 189 | - | 1,402 | 1,402 |
| Books and royalties | - | - | - | - | 363 | 363 |
| Transition: Bounce Forward project | - | 51,208 | 51,208 | - | - | - |
| Supporting Transition initiatives and regional support | - | 10,954 | 10,954 | - | 21,706 | 21,706 |
| Project work | - | 8,895 | 8,895 | - | 846 | 846 |
| Transition Training | - | 31,263 | 31,263 | - | 20,302 | 20,302 |
| Collaborations | - | 455 | 455 | - | 2,146 | 2,146 |
| Municipalities in Transition | - | 153,121 | 153,121 | - | 88,565 | 88,565 |
| Diving Deep and Dreaming Big | - | - | - | - | 45,349 | 45,349 |
| National Hubs Co-ordinator | - | 3,557 | 3,557 | - | - | - |
| Hubs Heart Circle | - | 32,460 | 32,460 | - | 290 | 290 |
| Transformative conflict programme | - | 6,735 | 6,735 | - | 8,400 | 8,400 |
| Strategy Framework and organisational development | - | 4,329 | 4,329 | - | 12,421 | 12,421 |
| Staff costs | - | 243,686 | 243,686 | - | 211,839 | 211,839 |
| Overseas freelance contractor | - | 21,555 | 21,555 | - | 5,801 | 5,801 |
| | - | 585,091 | 585,091 | - | 441,114 | 441,114 |
| Support costs | | | | | | |
| Travelling and subsistence | - | - | - | - | 4,231 | 4,231 |
| Rent and rates | - | 5,165 | 5,165 | - | 5,222 | 5,222 |
| Office expenses | - | 3,920 | 3,920 | - | 4,715 | 4,715 |
| Coaching and recruitment | - | 1,674 | 1,674 | - | 1,790 | 1,790 |
| Paypal fees and bank charges | - | 271 | 271 | - | 249 | 249 |
| Exchange differences | - | 83 | 83 | - | 470 | 470 |
| Depreciation | - | 385 | 385 | - | 554 | 554 |
| | - | 11,498 | 11,498 | - | 17,231 | 17,231 |
| Governance costs | | | | | | |
| Trustee meeting expenses | - | - | - | - | 522 | 522 |
| Independent Examination fee | - | 732 | 732 | - | 732 | 732 |
| Fees to the Independent Examiner for other services | - | 824 | 824 | - | 734 | 734 |
| | - | 1,556 | 1,556 | - | 1,988 | 1,988 |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

8. Expenditure on charitable activities (continued)

| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
|--|--------------|----------------|----------------|--------------|----------------|----------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| Total activities undertaken directly including support and governance costs | <u>-</u> | <u>598,145</u> | <u>598,145</u> | <u>-</u> | <u>460,333</u> | <u>460,333</u> |
| Grant funding of activities | | | | | | |
| Grants to institutions | | | | | | |
| Transition: Bounce Forward project | | | | | | |
| A hundred and eleven grants for Transition groups in England (analysed below) | - | 140,000 | 140,000 | - | - | - |
| Nurturing Collaboration, Amplifying and Supporting Transition Internationally | | | | | | |
| Various grants (analysed below) | - | 115,915 | 115,915 | - | 90,712 | 90,712 |
| Real Economy Lab | | | | | | |
| Real Economy Lab | - | - | - | - | 4,132 | 4,132 |
| Total grants to institutions | <u>-</u> | <u>255,915</u> | <u>255,915</u> | <u>-</u> | <u>94,844</u> | <u>94,844</u> |
| Grants to individuals | - | - | - | - | - | - |
| Total grants | <u>-</u> | <u>255,915</u> | <u>255,915</u> | <u>-</u> | <u>94,844</u> | <u>94,844</u> |
| Total expenditure on charitable activities | <u>-</u> | <u>854,060</u> | <u>854,060</u> | <u>-</u> | <u>555,177</u> | <u>555,177</u> |

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2021

8. Expenditure on charitable activities (continued)

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

| | | 2021 | 2020 |
|--|--|---------|------|
| | | £ | £ |
| Transition: Bounce Forward | | | |
| Transition: Bounce Forward full grants were made for the following Transition groups in England: | | | |
| Transition group name | Project Title | | |
| CAG Oxfordshire | 20 Stories of Climate Action Exhibition | 3,370 | - |
| Crystal Palace Transition Town | People's Palace 2030 | 3,400 | - |
| Herefordshire Green Network | Bounce Forward in 2021 | 3,480 | - |
| Planet Heswall | Heswall 2030 Vision | 3,500 | - |
| | Creative ideas to engage our community with the | | |
| Sustainable St Albans | Climate Action Plan | 2,800 | - |
| Transition Bewdley | A Sustainable Transport Future for Bewdley | 3,100 | - |
| Transition Exmouth | Exmouth Library of Things | 3,442 | - |
| Transition Kentish Town | Think & Do: What if... imagination space | 3,500 | - |
| Transition Liverpool CIC | sPark It Liverpool | 3,000 | - |
| Transition New Mills | Home Farm New Mills | 3,000 | - |
| Transition Southampton | Southampton Growing Places | 3,454 | - |
| | Bringing our Vision to Life - A 2030 Bounceback Vision | | |
| Transition Town Brixton | for All | 3,500 | - |
| Transition Town Tooting | Tooting Share and Repair Shop | 3,150 | - |
| Transition Town Totnes | More than a Climate Emergency: What Next? | 3,480 | - |
| Transition Town Wellington | Tonedale Forest Garden | 3,500 | - |
| Transition Town Worthing | Surviving Covid | 3,130 | - |
| Transition Tufnell Park | Closing loops: From food waste to soil | 1,397 | - |
| Transition Wilmslow | Wilmslow Community Market Gardens | 3,500 | - |
| Weymouth & Portland | Portland 4 the Planet | 3,500 | - |
| Bolton Diggers | Transitional Economy Project | 3,500 | - |
| Melbourne Area Transition | South Derbyshire - Bounce Forward - What if? | 1,040 | - |
| Sustainable Kirtlington | Kirtlington Community Shop at the Dashwood | 2,500 | - |
| Transition Belper | 'Wheely Green' Mobile Solar Power Project | 2,950 | - |
| Transition Buxton CIC | Buxton 2030 | 2,150 | - |
| Transition Leytonstone | Nodes of Resilience | 3,500 | - |
| Transition Stroud | Stroud Carbon Neutral 2030 Mapping Project | 2,400 | - |
| Transition Telford | Telford Repair Cafe | 2,500 | - |
| Transition Town Berkhamsted | Grand Union Transition Sustainability Initiative | 3,150 | - |
| Transition Town Milton Keynes | 2030 - our vision for our city | 3,200 | - |
| Transition Town Reading | The Town that could be | 2,555 | - |
| Transition Town West Kirby | RE:CONNECTING WEST KIRBY | 3,500 | - |
| Appleby Edibles | Meanwhile Gardens | 2,000 | - |
| | A heads, hearts and hands hut in Empty Common | | |
| Transition Cambridge | Community Garden. | 2,000 | - |
| | Expanding, empowering and upskilling groups working | | |
| Transition Leicester | to meet local and global challenges | 1,200 | - |
| Climate Hive, Manchester | Climate Hive Manchester Community Resilience | 2,000 | - |
| Kirkbymoorside Environment Group | Kirkbymoorside - Helmsley, Path for Everyone | 2,000 | - |
| Wessex Green Hub | Imagination Winchester | 2,000 | - |
| Zero Carbon Guildford | Farming For The Future | 2,000 | - |
| Transition: Bounce Forward full grants | | 107,348 | - |
| 73 micro grants of no more than £501 each made for Transition groups in England totalling | | 32,652 | - |
| Total Transition: Bounce Forward grants | | 140,000 | - |

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2021

8. Expenditure on charitable activities (continued)

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

| | | 2021 | 2020 |
|---|--|----------------|---------------|
| | | £ | £ |
| Nurturing Collaboration, Amplifying and Supporting Transition Internationally | | | |
| Grants were made for the following organisations: | | | |
| Organisation | Project purpose | | |
| Various Transition Hubs | Seed-funding | 44,834 | 46,141 |
| Scottish Communities Climate Action Network (Transition Scotland) | Collaborate on Transition capacity-building project | 7,000 | - |
| Grants to 3 organisations (Transition US, Transition Brasil and Réseau Transition) | International Training Co-design projects | 12,006 | - |
| Réseau Transition | Training on Transition Leadership | 5,382 | - |
| Réseau Transition | Re-energisation of Training for Transition | - | 9,500 |
| Réseau Transition | Translation of Inner Transition Massive Open Online Course | 5,002 | - |
| Réseau Transition | Hubs Coordinator | 37,719 | 32,446 |
| Transition Mexico | Film distribution | 1,010 | - |
| Inner Resilience Network | Building Bridges | 1,098 | - |
| Transition US | Social Justice Community of Practice | 1,864 | - |
| Transition US | Online summit: Reaching Across Divides | - | 2,625 |
| Total Nurturing Collaboration, Amplifying and Supporting Transition Internationally grants | | 115,915 | 90,712 |

The total value of grants made to Réseau Transition in the year was £54,392 (2020: £41,946).

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Notes to the financial statements for the year ended 31 March 2021

9. Tangible fixed assets

| | Fixtures, fittings and equipment £ |
|------------------|--|
| Cost | |
| At 1 April 2020 | 7,099 |
| Disposals | <u>751</u> |
| At 31 March 2021 | <u>6,348</u> |
| Depreciation | |
| At 1 April 2020 | 5,964 |
| Charge for year | 385 |
| Disposals | <u>751</u> |
| At 31 March 2021 | <u>5,598</u> |
| Net book value | |
| At 31 March 2021 | <u><u>750</u></u> |
| At 31 March 2020 | <u><u>1,135</u></u> |

10. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|-----------------|---------------------|
| Prepayments and accrued income | <u>-</u> | <u>2,415</u> |
| | <u><u>-</u></u> | <u><u>2,415</u></u> |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

11. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 15,399 | 23,089 |
| Other creditors | 1,047 | 1,480 |
| Taxation and social security | - | 3,599 |
| Accruals for grants payable | - | 9,500 |
| Accruals | 35,239 | 48,866 |
| | <u>51,685</u> | <u>86,534</u> |

12. Trustees and employees

Number of employees

The average number of staff in the year on a head count basis was 10 employees (2020: 10 employees).

Employment costs

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Salaries | 237,557 | 205,271 |
| Social security costs | 15,664 | 13,529 |
| Defined contribution pension scheme contributions | 5,062 | 4,293 |
| Total staff costs | <u>258,283</u> | <u>223,093</u> |

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

No Trustees (2020: 4) were reimbursed expenses in the year (2020: £522). None of the Trustees (or any other persons connected with them) received any remuneration during the year (2020: £nil). One of the Trustees (2020: one) received payment of £100 for services supplied to the Charity (2020: £150), details of which are shown in note 16.

13. Analysis of net assets between funds

| | Tangible fixed assets £ | Net current assets £ | Total £ |
|---------------------------------|----------------------------------|-------------------------------|----------------|
| Unrestricted funds | 750 | 129,128 | 129,878 |
| Restricted funds | - | 105,135 | 105,135 |
| Total funds as at 31 March 2021 | <u>750</u> | <u>234,263</u> | <u>235,013</u> |

TRANSITION NETWORK

Notes to the financial statements for the year ended 31 March 2021

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 |
|---|---|
| An anonymous Foundation | Nurturing collaboration, amplifying and supporting Transition internationally |
| Municipalities in Transition (KR Foundation) | Scaling up, out and deep the Municipalities in Transition System |
| Municipalities in Transition (Open Society Initiative for Europe) | Developing the Municipalities in Transition framework for civil society and municipality collaboration |
| Transition: Bounce Forward (The National Lottery Community Fund's COVID-19 emergency funding) | Strengthening and supporting Transition groups to respond to the COVID-19 crisis and engaging Transition groups and wider networks in a summit about changes needed as society moves on |
| Transition Regional Connecting and Peer Support – Development Phase (Big Lottery Fund) | Establishing what is needed to strengthen regional connections and peer support for Transition groups in England, Wales and Scotland |
| Deepening and Sharing Experience of Transformative Governance (Tudor Trust) | Developing the shared governance model |
| 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 | | | | |
| Nurturing Collaboration, Amplifying and Supporting Transition Internationally (An anonymous Foundation) | 20,000 | 400,000 | 420,000 | - |
| Municipalities in Transition (KR Foundation) | 125,259 | 134,618 | 163,563 | 96,314 |
| Municipalities in Transition (Open Society Initiative for Europe) | 8,233 | - | 8,233 | - |
| Transition: Bounce Forward (The National Lottery Community Fund's COVID-19 emergency funding) | - | 267,113 | 267,113 | - |
| Transition Regional Connecting and Peer Support – Development Phase (Big Lottery Fund) | 2,906 | - | 2,906 | - |
| Deepening and Sharing Experience of Transformative Governance (Tudor Trust) | 4,628 | - | 4,628 | - |
| Real Economy Lab (Fondation Charles Léopold Mayer pour le Progrès de l'Homme) | 7,421 | - | 1,764 | 5,657 |
| Transition Research Network | 3,614 | - | 450 | 3,164 |
| | <u>172,061</u> | <u>801,731</u> | <u>868,657</u> | <u>105,135</u> |
| Unrestricted funds | | | | |
| General | <u>121,803</u> | <u>8,075</u> | <u>-</u> | <u>129,878</u> |

TRANSITION NETWORK
Notes to the financial statements for the year ended 31 March 2021

15. Financial commitments

At 31 March 2021 the future minimum lease payments under non-cancellable operating leases is as follows:

| | 2021 £ | 2020 £ |
|-----------------------|--------------|--------------|
| Operating leases due: | | |
| Within one year | <u>1,495</u> | <u>1,495</u> |

16. Related party transactions

Expenditure includes a payment made to Joseph Duggan, who was a trustee at the time, of £100 for participation and engagement in the co-design of the seed-funding process for the Transition: Bounce Forward project (2020: £150 for carrying out a community consultation). The amount of this fee was the same as the amount paid to other consultants for similar work.

17. Financial instruments

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Financial assets that are debt instruments measured at amortised cost | <u>-</u> | <u>-</u> |
| Financial liabilities measured at amortised cost | <u>51,685</u> | <u>82,935</u> |

