



TRANSITION NETWORK

Registered Charity Number 1128675

Company Number 06135675

Trustees' Report and Financial Statements

for the year ended 31 March 2023



Image: Transition Facilitation Training 2023 Logo

Transition Network

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Charity Information

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

Trustees	<p>The Trustees of the charitable company are its directors for the purpose of the Companies Act 2006 and throughout this report are collectively referred to as the Trustees. The Trustees who were in office during the year and up to the date of signing the financial statements were as follows:</p> <p>Peter Lefort (Co-Chair) Green Futures Network Officer at the University of Exeter.</p> <p>Anna Kavasna (Co-Chair) Research and Education Director of Global Ecovillage Network.</p> <p>Darren Watmough (Treasurer) Finance Director of various housing associations and as a consultant to the social housing and local authority sectors.</p> <p>Rebecca Ayre (resigned 27 July 2023)</p> <p>Keyne Walker Policy Officer at the Royal Academy of Engineering, working on climate policy and systems approaches to reaching net zero.</p> <p>Kevin Austin (resigned 24 August 2022)</p> <p>Hilary Jennings (resigned after two terms (8 years) 15 Nov 2022)</p> <p>Kelly Tyler (appointed 27th July 2023)</p> <p>Dr Elizabeth Saunders (appointed 27th July 2023)</p> <p>Michael Boyle (appointed 27th July 2023)</p>
Lead Links of the Heart Circle	Deborah Benham and Filipa Pimental
Charity number	1128675
Company number	06135675
Registered address	c/o Darnells, 30 Fore Street, Totnes, Devon, TQ9 5RP
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Transition Network

Trustees' Report

Incorporating the Directors' Report for the year ended 31 March 2023.

The Trustees present their annual report and financial statements for the year ended 31 March 2023. 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 (TN) is established as a company limited by guarantee and is registered as a charity.

Transition is a movement of communities coming together to challenge us all 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.

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 Kunelab (previously Municipalities in Transition), the Inner Transition Circle and the Training for Transition Circle. The Hubs Heart Circle also continued sub circles for Territories and the Collaboration Platform, during this year.

1. Executive Summary

April 2022 saw the start of a new three year grant from our main international funder, along with the launch of two core objectives, agreed across our distributed movement support infrastructure, for the same period. These are (1) To 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 and (2) To 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.

To help us focus our delivery activities for this financial year, we prioritised work related to five areas. These were (1) Developing a Collaboration Platform for the movement, (2) Communications, (3) Movement Evaluation (4) Training and (5) Supporting Conflict Resilience. Other activities fell outside of these priorities, while contributing to our longer term 3 year objectives.

We have seen progress this year with:

- Community led tech, moving away from proprietary tech systems and building an online community where Transitioners can share and collaborate across different circles and topics.
- Experimental online events/workshops organised to explore how best to support peer learning and sharing of Transition practices (eg Training Conversations, Valuing work & accountability workshop, prototype Practising Transition event, Inter-Beingness gatherings).
- Language justice and diversity, including automatic translation on the platform to help working across languages and a number of online events offering live translation. Learning on this being shared between the Circles.
- Transparent and open financial management of funds moving through our system.
- Learning about and designing story-based movement impact evaluation, through which we will soon be collecting and sharing stories from the wider movement.
- Developing training curriculum guidelines and facilitator training.
- Launching a new project across our distributed system to curate and share effective and impactful practices of Transition.
- Influencing beyond the Transition Movement. We're working with aligned NGOs and movements in both a voluntary and paid capacity to share our platform technical knowledge. Our work on shared governance and shifting power with the structural changes we have made is inspiring other organisations and institutions (including Ethical Consumer, Tournie, Power With, Economy, Transformational Governance project and more) to move to new distributed forms and structures.

This year has seen our international distributed movement support infrastructures activating even further. This includes the introduction of two new Hubs Link roles acting as a bridge between the Hubs Group, distributed circles and the Hubs Heart Circle. The Training circle created an online community of practice for international Transition Trainers, launched the 'Flexible Framework' to help trainers create high quality yet tailored training for different regions and cultural contexts, and developed the

curriculum for the Transition Facilitators Training. The new Territories sub-circle has been working with groups and Transition leaders in Francophone, Germanophone and Abya Yala (Latin American) territories to connect with each other and develop projects and activities which support their regions. This included delivery of the Abya Yala in Transition webinar series. The Inner Transition circle has developed and hosted (amongst other activities) a new monthly program named 'Inter-Beingness', open to the wider community connected with the Transition Movement, where people and groups involved in cultural transformation or regeneration can connect and build collective resilience.

After four years of experimentation, the Municipalities in Transition project has concluded and begun a new trajectory as an incorporated organisation 'Kunelab' focused on applying what has been learned and disseminating the Local Transformation Toolkit methodology, in support of a just transition of communities, bringing all local actors together.

Transition Together, our project work focused on England and Wales, and in partnership with Scottish Communities Climate Action Network (the Scottish Transition Hub), is now in year two. Funded by The National Lottery Community Fund's Growing Great Ideas fund, this work has been growing infrastructure, networks and capacity for Transition in Britain. This includes using community network leadership strategies to create the conditions for peer connection and support, and to build skills and capacities; distributing resources via 'seed grants' to build capacity and the deeper ambition of grassroots groups; working with Transitioners to build distributive and grassroots leadership of the Transition movement; and supporting intentional network and field building to create an ecology of community-led movements.

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 40 countries, in thousands of groups: in towns, villages, cities, universities and schools. Around the world, there are 25 Transition Hubs that support and connect Transition groups in their country/region and connect internationally.

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 collaborated closely, in many projects and areas of work, with volunteers from Transition Hubs and Transition groups.

3. Activities, achievements and performance

This year Transition Network prioritised work related to five areas: Developing a Collaboration Platform for the movement, Communications, Movement Evaluation, Training and Supporting Conflict Resilience. Other activities fell outside of these priorities, while contributing to our longer term 3 year project objectives. We report on progress toward these priority areas below.

The international support system of the Transition Movement has moved through some structural changes this year. This runs through every aspect of our work and operations, including training, communications and implementation of new technology - including platforms, software and finance systems. Between the Hubs Heart Circle (HHC), Transition Network (TN) and the distributed work circles, there is a continuing strengthening and development of the processes and practices which support co-production and co-delivery. We are beginning to feel and observe the benefits of having a more distributed, grassroots and internationally led governance system to support the international movement.

3.1 Progressing current objectives

3.1.2 Activating a virtual collaboration platform

Humhub platform - for the international Transition Movement

We have seen progress this year with community led technology and establishing an online collaboration platform for the Transition Movement. This includes moving away from proprietary tech systems and building an online community where Transitioners can share and collaborate across different circles and topics. There have been multiple technical challenges associated with integrating open source software on a modest budget, however progress is being made. During the current year the Transition platform received 3800 visits from 41 countries, has 162 registered users with active accounts and includes working spaces dedicated to each of the distributed circles and groups of our international network as well as some hubs and territories. There has been a concerted effort to ensure the wider Hubs Group is well represented on the platform and to introduce Hubsters to the new communication channels available to them. We are in the process of resolving an outstanding technical issue with real time chat services. Our focus over the coming twelve months will be on energising broader conversations, bringing in additional users and supporting them to connect and collaborate across, as well as within, the themed spaces.

During this first year of operation our primary focus has been on supporting people who are already collaborating internationally to move across to the Transition platform. With this now achieved, we have shifted focus to creating spaces open to people from across, and beyond, the Transition movement who are interested in sharing stories, experiences and learning transnationally.

Vive - Transition Together England and Wales Project

Building on the learning and experiences of the international project, the Transition Together team launched Vive during the 'Together We Can' online summit in May 2022. This iteration has a specific focus on connection, networking and peer-to-peer support for Transitioners and aligned groups across the UK. The initial design involved the creation of a Transition Together space for broadcasting news and opportunities from the project, as well as geographical and themed spaces for peer-to-peer connection.

Having relied on freelance support in the initial months, a new Vive Engagement Lead role was created in September 2022 to help grow the platform, acting as an interface between registered users and tech support, and to host co-design sessions online and in-person. By the end of March 2023 there were 462 registered users accessing 12 geographical spaces, 16 themed spaces, 6 Transition Together spaces for back end collaborations and cohorts for trainees and seed fund grantees, and 7 user requested spaces including communities of practice and regional networks in Scotland. A notable development is that the Scotland geographical space is now hosted by Scottish Communities Climate Action Network (SCCAN) who intend to use Vive as their key member engagement tool.

While this first phase of developing Vive has been to focus on growing social networks, in the coming year we intend to work with a cohort of UK based Transition groups to explore its potential as an organising tool at the local and hyper-local levels. Utilising and testing the various open source modules that can enable groups to communicate, meet, and collaborate in one place; outside of the gaze and data harvesting of corporate platforms.

3.1.3 Communications, Co-Learning & Conflict Resilience

Translating the Essential Guide to Doing Transition into other languages: In 2022 we supported groups who are working on translating the Guide into Albanian, Breton, Dutch and Croatian. We also continued restructuring and adding to the freely available Transition online learning resources.

New Conflict Resilience resources for groups: TN worked with a freelance writer and educator during this year to add new resources to our conflict resilience, group resilience and group culture collections. This includes providing a wider collection of written and video resources on shared governance, healthy power and decision making.

New Co-Learning Project work: During this year we started a new delivery project called 'Practising Transition' which will remain a key focus for the organisation going forward. As part of the Transition Movement evaluation work conducted in the financial year, Transition Network identified and refined 10 characteristics of change as well as dozens of change practices that make a great difference in local communities. We have been working on how to communicate with, engage and create co-learning opportunities for community activists (within and beyond the transition movement) in applying these to bring about change at scale. A learning and communications campaign is in development that empowers activists and community organisers to share practices and amplify their impact.

The Hubs Heart Circle facilitator, Sarah McAdam, and two key members of the Inner Transition Circle, Anahí Beatriz Pacheco and Eva Schonveld, designed, organised and facilitated a workshop, held in September 2022, open to past and present members of the distributed circles. This workshop compared practices across distributed circles and explored the challenges and impact of creating a new culture around money and accountability. We see scope to replicate and build on this as part of the longer term Practising Transition series of activities.

In December 2022 a workshop was held exploring two of the ten characteristics, with an overall focus on 'Caring for Each Other in Social Movements'. Feedback on this event was good, however, compared to the number of people who signed up, live attendance was low. We recognise the need to activate further communications campaigns around these types of events in order to support wider participation, including offering multiple language, translation and timezone possibilities.

In parallel, emerging from the Trainers Community of practice, Nuno da Silva recently offered a webinar on 'Living Systems approaches to Transition', inviting Transitioners to reflect through a living systems perspective on our thinking about how Transition initiatives engage locally with change processes. This closely relates to the Transition characteristic 'to apply living system design', and complements next steps in the Practising Transition series.

We are bringing together a core team from across the movement that will lead on the delivery of the Practising Transition campaign. Diverse contributors to the campaign team is an end in itself but will also enable us to hold welcoming and safe spaces for people from across (and beyond) the movement to participate. A 'Practising Transition' space/group in the Transition Platform has been created and invitations to join, energise and co-create in this space have been shared. People are joining the space and starting to build interest and ideas for next steps.

3.1.4 Movement Evaluation

Following the evaluation work done across the international movement during 2021 - 2022, we decided to find a more structured way to design and deliver future evaluation work which would help this to be even more rigorous, accessible and easily analysable. Following recommendations from several other charities and organisations we have decided to progress future evaluation work using software called Sensemaker, in collaboration with Cynefin Company, an action research and development organisation.

Sensemaker will allow us to collect story based data from local Transition groups and Hubs, with both qualitative and quantitative aspects, in multiple languages. It will enable us to collect feedback, support needs, and to surface and assess patterns and principles, from across the diversity and complexity of the international movement.

Two staff members undertook training in the design and delivery of sensemaker projects this year. This was followed by a consultation of TN staff and trustees, plus the Hubs Heart Circle and distributed circles, plus several conversations with Transition researchers and academics, to design a pilot Sensemaker survey. The pilot survey commenced testing during the early part of 2023, and we aim to move to the full delivery stage of the survey by the end of 2023.

3.1.5 Training

The majority of Training development and delivery work at the international Transition Movement level is now being carried out by the Training 'distributed circle', which is made up of members and accredited trainers from the wider international Transition movement. A report on their activities, which were supported and funded by TN, is included in the 'Co-delivery' section which follows.

3.1.6 Influencing

TN has continued to reach beyond the movement through extensive influencing and partnerships, including with many funders and institutions:

- EDGE Funders Alliance - TN continues to engage in the EDGE Funders Alliance as one of the members - collaborating, reflecting on how funds are distributed internationally and bringing its perspective, values, and processes.
- Governance & Université du Nous - in June 2022, UDN became a cooperative and launched a campaign to engage cooperative members and raise funds. TN is considered by UDN as one of the most significant success cases of their work in accompanying groups in shifting their governance. Filipa is now a member of the cooperative, sharing learnings, processes and values from the TN governance and culture with others from various francophone aligned organisations/movements.
 - Sharing governance learnings: workshops (case-study) - to the team of Tournevie, Brussels; at Gato Vadio Bookshop in Porto.
 - Sharing governance learnings and peer-to-peer support: UDN - Mathilde Imer from Primaire Populaire, Magali Payen from On est Prêt and Filipa from TN (accompanied by Sarah McAdam met in January to explore ways to continue a governance learning partnership.
- European Climate Pact - TN was invited by the European Commission to participate in the European Climate Pact's Strategic Advisory Board (SAB) Pact 2.0 implementation.
- Lush Spring Prize - Filipa Pimentel has continued to be a judge and holds a role supporting collaborative culture to continue as a second group of judges have joined. She continues to help design and hold the decision-making processes and group culture dynamics.
- Re-Alliance is launching a new webinar series in 2023, called 'Designing Regenerative Change'. Each webinar will focus on a different part of the regenerative design process, with an aim of showcasing paradigms and principles regarding that process. Filipa Pimentel was invited as a guest speaker to share a story in the February webinar about Visioning.
- Liège - the mayor made Rob Hopkins a formal citizen of Liege on 14th November - an institutional recognition of the inspirational Ceinture Aliment-Terre, which was catalysed through the Liège Transition group.

3.2 Co-delivery across our international support infrastructure

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 was creative in taking forward their responsibilities and collaborating at the international level.

3.2.1 Hubs Group and Hubs Heart Circle

The network of Hubs is expanding and thriving. For example, the new official francophone hub, Réseau Transition Hauts-de-France, is extremely active and doing impressive work in mapping, studying and supporting local initiatives in their region.

A new Territories subcircle, formed as part of the Hubs Heart Circle, started to think strategically about how to catalyse and sustain collaboration between hubs in particular regions or linked by a common language. This involved Francophone hubs collaborating virtually on the platform, Germanophone hubs meeting in person post-Covid and Abya Yala (Latin America) events series weaving stories of grassroots activism and embodying alternatives to colonialist ways of thinking and acting.

The Hubs Heart Circle brought a group together for a reflective process regarding how resources are allocated; including setting rates of pay and holding each other appropriately accountable for delivery. This proved a valuable opportunity to compare practices across distributed circles and to explore the challenges and impact of creating a new culture around money and accountability.

The Hubs Heart Circle collaborated closely with Transition Network on developing funding applications, design of strategic priorities and budget setting for the year.

From March 2022, the Hubs Heart circle held elections to renew its roles and membership from leaders within the Transition movement. This was an important step in its governance and several measures were taken to support the process, including external facilitation.

3.2.2 Hubs Links

Two new Hubs Links, Rakesh Bhambri (UK) and Monica Picavea (Brazil) were elected by the Hubs Assembly into the Hubs Link roles, with the aim of communicating essential information between the "Hubs Group" and the "Hubs Heart Circle". After a lot of one to one outreach, representatives from 17 of the 20 full Hubs, and 2 out of 3 emerging Hubs are now present on the Transition Platform. This has laid the groundwork for connection and communication across the network; particularly in sharing of stories and practices. Hubsters are busy and often under-resourced. Supporting people to engage in a way which benefits them, their Hubs and others on the Platform is a challenge. Holding facilitated spaces to help newcomers get used to the new platform, hear their needs and develop helpful responses would be helpful over the coming year.

3.2.3 Training for Transition Circle

Supporting training was a key area of prioritisation for this year. The Training circle focused on three core projects which had previously been identified as priorities by Transition trainers from across the movement. These were:

- Establishing and maintaining the **Transition Trainers Community of Practice**: to build a supportive network, share best practices and experiences, foster collaboration and explore learning opportunities. 65 trainers have been recognised and registered in the new database portal of internationally recognized trainers, and have joined the Transition Platform. In late 2022 a team of Trainers started monthly gatherings on topics that interest our Community of Practice in English and Spanish.

- Initiating the “**Flexible Framework**”: a common curriculum for presenting the Transition model, combining fundamental Transition concepts, methods, practices, objectives, and workshop sessions. The aim of this framework is to support Transition Trainers and colleagues in offering high quality learning experiences to local communities and Transition Initiatives, while also having the freedom to tailor and adapt Transition ideas, methods and practices to each unique local community. Consultations with 26 trainers and colleagues around the world have occurred, leading to the compilation of a Guide to support trainers in applying the foundations and key components of Transition Training.
- Preparing the curriculum for an online **Transition Facilitators Training (TFT)**: This 8 week online course will be open to active Transition facilitators/trainers and others in aligned networks.

3.2.3 Inner Transition Circle

The Inner Transition Circle (ITC) has created a ‘Heart of the Matter’ space in the Transition Platform, to develop an open Community of Being and Practice hosting monthly events, posting of related resources, and sharing personal experiences, perspectives and questions by members of the ITC team. In addition to Transitioners, this space is being used by people who are not participants in other international circles. It includes a few from aligned movements who have told us they value this space as a place where they can connect and share learning with the Transition movement.

The Inner Transition Circle hosted eight ‘Heart of the Matter’ conversations, bringing people across the movement together to explore personal and cultural experiences of working transformatively with conflict. The circle developed and hosted, during five months (and ongoing), a new monthly program named Inter-Beingness, open to the wider community connected with the Transition Movement. This is a safe space for cultural transformation/regeneration activists to gather and build collective resilience.

Some activities of the ITC, such as progressing the Conflict Transformation Programme (CTP) and Transition Immune System, have been paused due to capacity issues in the circle. This was partly due to an interpersonal conflict which took time to properly address. Through processing this conflict and applying many of the tools developed within the Transition movement, ITC and TN have improved communication, feedback, vulnerability, collective healing and, perhaps most importantly, learnings. Today ITC feels like a much stronger and mature team, solid in its purpose and activities.

3.2.4 Territories

The Territories sub-circle of the Hubs Group continues to evolve, now with representation of 5 territories: Francophone, Germanophone, England and Wales, Asia and Abya Yala. Germanophone territories and Abaya Yala groups elected their coordinators and joined the Territories sub-circle in December 2022. This year we resourced conversations in the Germanophone hubs and territories as they organised in collaboration. There was also delivery of the Abya Yala in Transition webinar series in service to transitioners and activists from across Latin America. These were communicated and held in 3 languages with simultaneous interpretation (English, Spanish and Portuguese), and 15-20 external participants per session. 43 people were resourced in this project (organisers, speakers and interpreters).

3.2.5 Municipalities in Transition(MiT) /Kunelab

After four years of experimentation, the Municipalities in Transition project has concluded a research journey and begun a new trajectory focused on applying what has been learned. Next steps include strategies for dissemination, experimentation and application of the Local Transformation Toolkit methodology in support of a just transition of communities and bringing all local actors together.

The MiT team have created a cooperative called Kunelab <https://kunelab.org/>.

Additionally, the team led the Municipalities for an Equitable Transition in Europe (MEET). MEET is a project developed under the Citizens, Equality, Rights and Values Programme (CERV). It was created building upon the experience of several municipalities who have taken part in the international MiT project since 2017. Since then, more than 10 municipalities in Europe have taken part in the project, with politicians, technicians, activists and citizens coming together to share their experience, learning, challenges and opportunities for synergy through the Community of Practice of the project. Since spring 2022, the MEET project has been providing a space to build relationships, share experiences between partners and disseminate the Local Transformation Toolkit methodology to more than 500 people from different places and professional sectors.

The Kunelab team continued to offer support to the existing MiT tutors and Community of Practice and to look for opportunities to bring the Local Transformation Toolkit to new municipalities.

3.3 Transition Together - Growing Infrastructure, Networks and Capacity for Transition in Britain

The Transition Together project started in June 2021, and is funded by The National Lottery Community Fund's Growing Great Ideas fund. We are now reporting on the second year of this project, which aims to grow infrastructure, networks and capacity for Transition in Britain. The project is a partnership with Scottish Communities Climate Action Network (SCCAN) - the Scottish Transition Hub.

In the year to March 2023, Transition Together has built on its initial planning and launch phase. It is now more connected with the Transition movement and delivering programmes and activities 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.
- Support intentional network and field building to create an ecology of community-led movements.

Specific activities included:

- Development and delivery of new Launch and Thrive training programmes and a one-off Welcome to Transition session. These interactive programmes gave enquirers, new and established groups the chance to connect, to learn new community organising skills and techniques and to strengthen their understanding and capacity to deliver community-led change. Further details of the [Launch and Thrive Training](#).

- Delivering an online 'Together We Can' summit with 31 workshops, panels and events to nurture, build and inspire community-led action with an estimated total attendance of 936 participants. Read more and watch back sessions [at the Together We Can Summit May 2022](#).
- Distributing £160,000 of seed funding grants to 70 Transition groups, enabling them to initiate new grassroots activity and projects in communities across England and Wales during 2023. A programme of support and storytelling was also put in place to assist groups with the development and successful implementation of their projects.
- Establishing a 'caretaker group' to consult Transition groups and explore a representative structure for Transition in England and Wales. This group was made up of experienced Transitioners and those outside the movement, and drew on the experience of other territories and movements.
- The communications that support the project continuing to grow and diversify with increases in engagement and new social media channels. Regular newsletters, blogs and social media posts have highlighted the activity of dozens of groups within the movement and beyond, raising our profile, sharing ideas, inspiration and learning, and in particular highlighting community-led responses to the cost of living crisis.
- The VIVE online platform continuing to grow in participation and new spaces and functionality being developed as well as SCCAN using it to support regional activity in Scotland.
- Developing a draft structure for a new systems thinking mindset guide which will form the basis of a new resource to be completed in year 3.
- Expanding and strengthening the ecosystem of networks and groups working for change. Transition Together continues to support the work of [CTRLshift](#). Two new prototype projects have been developed focused on building community power and are being funded alongside a community of practice to support this work. As well as this, an action database process has been developed which is to be rolled out in October to build and increase the membership of the CTRLshift network.
- Preparing the ground for an exciting year in 2023-24 with two in person regional gatherings co-designed by local Transition groups; a series of new, monthly peer learning skillshares; a further, larger round of seed funding; preparations for a new systems-thinking guide; the appointment of a new Just Transition lead to centre social justice in our work and the next phase of the hub development process.

In Scotland the project is led by partner Scottish Communities Climate Action Network (SCCAN). The funding that supports SCCAN's core costs has enabled them to manage and secure £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 training for SCCAN members and a Storytellers Collective using creativity to amplify stories of community-led climate action and start to change dominant narratives.

3.4 Fundraising and Income Generation

Fundraising and income generation activities continued as core areas of work. This included working with our two largest ongoing funders, the anonymous international foundation and The National Lottery Community Fund, plus other funders including Spark ECOLISE. We share our heartfelt thanks for the generosity and support of all our funders. We lost a key member of the fundraising team in December, and moved quickly to recruit a bridging contractor for the immediate short term, in addition to recruiting

a new Funding role for the Hubs Heart Circle. The bridging contractor supported existing funder relationships, reporting and developing new opportunities. We are recruiting for a permanent Fundraising role in 2023/24. The new Funding role in the Hubs Heart Circle supports the wider distributed system including Transition hubs and groups to resource their activities and partnerships. Both Funding role and contractor are working together to identify and develop collaborative fundraising opportunities and to reactivate the Income Generation Group. This collaborative fundraising approach will continue with the new TN staff Fundraising role in 2023/24. We plan to develop and implement an ethical fundraising policy in 2023/24.

Open Collective was introduced as a distributed budget management and fundraising tool. The Transition Movement has community, trust and sharing as central values. Open Collective provides us with a transparent and open financial management of funds moving through our system, which supports operationalisation of these values. Open Collective is a platform that enables payments to organisations/circles with no incorporation status or business bank accounts. TN provides the possibility for initiatives and decentralised circles of our supporting international support infrastructures to access fiscal hosting in which everyone can participate in decision making around, and distribution of, budgets for international support and project work. Open Collective allows all members of the system to see where funds come from and where they go. This year we did a trial with two distributed circles: Platform circle and Inner Transition circle. The intention is to extend the use of this Open Collective across our entire system within the next financial year.

3.5 Plans for future periods

Transition Network agreed two broad joint objectives with the Hubs Heart Circle for the years 2022 - 2025. These are,

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.

Over the winter period we held a collaborative strategic review with members of the Hubs Heart Circle to review progress on these objectives and clarify specific strategic intentions and delivery activities for the next 18 months. These were agreed as follows,

1. Practising Transition - deepen the shared understanding, and widen the application, of practices which build resilience and support positive change across the Transition movement:

- Embody Transition values and draw on Transition experience in the way we approach all our activities and communication.
- Be transparent about what we're doing and why, so we're supporting learning to happen at multiple levels of scale.
- Organise an experimental series of events and activities, co-designed and co-delivered by the Hubs Group, Training Circle, ITC, TN, creating opportunities to share, develop and apply learning relating to practices of change.

- Through the framing and design of these events and activities, focus on exploring and discerning which practices are most impactful/effective, and whether this varies in different cultures & contexts.
 - Collect stories of impact, plus practices and conditions which support impact, through the Sensemaker survey and develop additional communications content and activities on the basis of the gathered information
 - Be proactive in bringing more perspectives into our experiments - work in multiple languages, seek out missing voices and, where appropriate, ally with organisations and groups beyond the Transition movement.
 - Ensure that peacebuilding, conflict resilience and conflict transformation have dedicated space and time within the Practising Transition series.
- 2. Pathways to Transition - create more visible, accessible pathways which support our audiences to be inspired by and engage with Transition stories, resources, events, training and opportunities for collaboration at different levels of scale:**
- Share stories of Transition activities, impacts and practice in different contexts, and in different voices and languages.
 - Simplify and update web presence and online accessibility.
 - Make more visible the ways people can engage with local groups, Hubs and the international Transition support infrastructure.
 - Curate learning pathways to resources and training available across the movement.
 - Facilitate and engage in conversations across the wider ecosystem of eco-social change, sharing learning within and beyond the Transition movement.
 - Support participation on the Transition Platform.
 - Implement evaluation and feedback loops, to better understand evolving needs in the movement and improve the impact and effectiveness of the support available.
- 3. International capacity building - ensure the Transition movement support ecosystem, including the HHC, TN, Distributed Circles, Hubs Group and Hubs become increasingly effective, resilient and visible.**
- Attract, diversify and redistribute funds.
 - Clarify longer term financial aspirations, systems and accountability, to better support the international infrastructure and the wider movement.
 - Review and renew a shared sense of purpose and identity.
 - Clarify/agree expectations and accountability around participation and collaboration (e.g Hubs group, Platform).
 - Simplify and clarify domains, roles and responsibilities.
 - Support the development of competence and accountability.
 - Simplify and clarify the development and delivery of strategy.
 - Implement planning, evaluation and learning out loud processes.
 - Continue learning and expression of shared governance, distributed leadership and Transition values/culture.
 - Invite, support and make welcome diverse membership and expression of Transition.

3.6 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.

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 grants to:

- Réseau Transition (Transition Hub in Brussels/Wallonia) to enable the organisation to provide the Hubs Coordinator role.
- Transition Netzwerk e.V. (Transition Hub in Germany) to fund Communications in Territories in Transition, resourcing the development of identity, brand, tone and voice for Abya Yala and Germanophone Territories.
- Transition Spain to fund the Translations project of the supporting system of the Transition movement.

Transition Together project

Seed funding went well this year, with 102 applications received and 70 grants awarded. We supported the application process with a big communications push, as well as a seed funding 'blizzard of stories' webinar, where previous grantees talked about their seed funded projects to inspire people to act and apply. We also ran a FAQ webinar where participants could ask questions about applying. 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.

For those given a grant we delivered a Seedfunding webinar, based on the 3D framework, to get groups to really think through how their project can widen, deepen and lengthen their impact in their communities. This was very well received. We also set up a seed funding space on the VIVE platform and 80 people signed up. We offered in person feedback to the unsuccessful applicants. Four groups took this up and it was productive. We feel that our approach to seed funding is very thorough, supportive and inspiring. We would like to make this more participatory and are exploring small ways of doing this in Year 3. If we were to receive on-going funding we would continue to develop a participatory approach to the seed funding process in line with the hub developments so the communities are far more involved in the actual decision making process.

The total grants of £160,000 to 70 projects across England and Wales breakdown as follows:

- 34 Micro Grants. Value: £16,108
- 26 Full Grants. Value: £108,137
- 8 Partial Funding Grants. Value £21,075
- 2 Partnership Grants. Value: £14,680

SCCAN (which has now absorbed Transition Scotland) is a partner in the Transition Together project they received £38,573 to deliver work in Scotland.

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 wishes to remain anonymous and who support many of our core costs across TN, the Hubs Heart Circle and distributed circles. Their incredibly generous support is very much appreciated by the Transition Network team and our international distributed support infrastructure. 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 significant funding to help us grow infrastructure, networks and capacity for Transition in Britain through the Transition Together 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 2022-2023 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

Total income for the year ended 31 March 2023 £1,214,696 (2022 £562,822).

Restricted income amounted to £1,212,854 (£561,075) and unrestricted income amounted to £1,842 (2022 £1,747). Grants comprise 99.7% of the Charity's income (2022: 99.7%). The main sources of unrestricted income were donations, book royalties, talk fees and events income.

A large grant received in the year was from a Foundation that wishes to remain anonymous, which funded £300,000 during the year (2022: £350,000). This grant supports a wide range of the Charity's activities and, in particular, its international work.

The National Lottery Community Fund (Growing Great Ideas programme) provided grant funding of £909,614 for the Transition Together project (2022: £160,393). Transition Together commenced in June 2021, with its years running from September to August and therefore does not align with the financial year. The restricted fund surplus for the project of £413,805 as at 31 March 2023 represents the project cash-flow funds held at that date.

Total expenditure was £805,707 as at 31st March 2023 (2022 £649,132). Total staff costs increased by 7%; principally as the result of the annual cost of living award.

The amount of unrestricted general funds increased slightly to £133,467 as at 31st March 2023 (2022 £131,625). The amount of restricted funds increased to £424,225 as at 31st March 2023 (2022 £17,078). This was mostly because of the National Lottery Community Fund grant for the Transition Together, grant funding income scheduling. Total funds held at 31 March 2023 amounted to £557,692 (2022 £148,703).

The Charity incurred costs of £8,312 (2022: £529) in the year for professional fundraisers seeking funds from institutions.

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.

The target level of free reserves is £107,000, which equates to approximately four months' core running costs. At 31 March 2023, the amount of free reserves, calculated as being unrestricted funds excluding fixed assets, was £132,724 which is 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 are listed in Charity Information on page 3.

During the year a trustee recruitment campaign resulted in the appointment of three new trustees: Mike Boyle, Bess Saunders and Kelly Tyler, all appointed on 27 July 2023.

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, agree and energise Transition Network's strategic focus and overall governance model.

Accountabilities:

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

The day to day running of the charity is delegated by the primary circle to the lead link and Heart circle. Trustees meet at least three times a year to receive and approve Primary Circle decisions and to focus on matters reserved for 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.

All employees receive the same full-time equivalent salary subject to a fixed additional rate for Transition Together work. Cost of living pay increases are agreed by the HR decision-making group and then referred to a trustees meeting for approval.

Risk Management

A risk register is maintained and the following risks were addressed in the year:

Loss of staff with long-term experience and skills in the Fundraising, Finance and Communications roles. This was successfully managed with the recruitment of new staff members and structural changes to the organisation to cope with less capacity.

There has been a **reduction in fundraising in activities** such as donations, talks and events, which contribute to the levels of general reserves. This has been further impacted by a salary pay award of 7% to alleviate the cost of living impact. The Income Generation Group has been reformed as of February 2023 to develop a funding strategy with a cross participation of new trustees, UK and international staff.

Human Resources - previous policy documents were ineffective or absent. Transition Network contracted the services of People Support Co-op in co-creating new HR policies and updating existing policies to ensure employment law compliance whilst also aligning with TN's working culture and shared governance.

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.

Disclosure of information to auditor

The Directors have confirmed that there is no information of which they are aware which is relevant to the audit but which the Charity's auditor is unaware. Additionally, the Directors/Trustees have taken all the necessary steps that they ought to have taken as Directors/Trustees in order to make themselves aware of all relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

A resolution proposing that Darnells Audit Limited be reappointed as auditors of the company for 2024 will be put to the members at the Annual General Meeting.

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 on29/11/..... 2023



Darren Watmough
(Director)

TRANSITION NETWORK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of Transition Network for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and 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.

TRANSITION NETWORK

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRANSITION NETWORK

Opinion

We have audited the financial statements of Transition Network (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

TRANSITION NETWORK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TRANSITION NETWORK

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, and determined the most significant are the Health & Safety at Work Act 1974, the Employment Rights Act 1996, the National Minimum Wage Act 1998, the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, The Equality Act 2010 and the Employment Relations Act 1999 (as well as Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), the Companies Act 2006 and relevant tax compliance regulations in the UK).

TRANSITION NETWORK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TRANSITION NETWORK

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering the controls that the company has established to both address risks identified by management and to prevent, deter and detect fraud. No particular areas were identified during the audit as being susceptible to material misstatement due to fraud.

We evaluated the conditions in the context of incentives and/or pressure to commit fraud, considering the opportunity to commit fraud and the potential rationalisation of the fraudulent act.

Based on this understanding, we designed our audit procedures to detect material misstatements in respect of irregularities, including fraud, and to identify non-compliance with the laws and regulations above, as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management in compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing compliance with Health and Safety laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

We corroborated our enquiries through inspection of supporting documentation and records, as well as reviewing correspondence with regulatory bodies where available.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters - Comparatives

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the fact that the comparative figures in these financial statements were not audited as the company was below the audit threshold. Our work has not brought to light any material errors relating to the comparative figures.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Beard (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited

Chartered Accountants
Statutory Auditor



Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

8th December 2023

TRANSITION NETWORK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income and endowments from:</u>							
Donations and grants	2	1,162	1,210,639	1,211,801	522	561,075	561,597
Other income	3	680	2,215	2,895	1,225	-	1,225
Total income		1,842	1,212,854	1,214,696	1,747	561,075	562,822
<u>Expenditure on:</u>							
Raising funds	4	-	33,036	33,036	-	15,039	15,039
Charitable activities	5	-	772,671	772,671	-	634,093	634,093
Total expenditure		-	805,707	805,707	-	649,132	649,132
Net income/(expenditure) for the year/							
Net movement in funds		1,842	407,147	408,989	1,747	(88,057)	(86,310)
Fund balances at 1 April 2022							
		131,625	17,078	148,703	129,878	105,135	235,013
Fund balances at 31 March 2023							
		133,467	424,225	557,692	131,625	17,078	148,703

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive 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

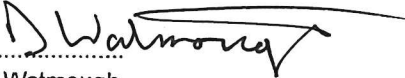
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		743		799
Current assets					
Debtors	12	5,764		-	
Cash at bank and in hand		616,308		192,079	
		622,072		192,079	
Creditors: amounts falling due within one year	13	(65,123)		(44,175)	
Net current assets			556,949		147,904
Total assets less current liabilities			557,692		148,703
Income funds					
Restricted funds	14	424,225		17,078	
Unrestricted funds		133,467		131,625	
		557,692		148,703	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29/11/23


Darren Watmough
Trustee

Company registration number 06135675

TRANSITION NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		424,499		(93,469)
Investing activities					
Purchase of tangible fixed assets		(270)		(400)	
Net cash used in investing activities			(270)		(400)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			424,229		(93,869)
Cash and cash equivalents at beginning of year			192,079		285,948
Cash and cash equivalents at end of year			616,308		192,079

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

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.

1.1 Accounting convention

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 in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, based on the latest financial statements. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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.

1.4 Income

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.

1.5 Expenditure

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.

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation.

Depreciation is provided at the following rates in order to write off assets over their estimated useful lives:

Fixtures and fittings	15% of cost
-----------------------	-------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

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

1.8 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.

Basic financial assets

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.

Basic financial liabilities

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.

1.9 Employee benefits

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.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

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

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Foreign exchange

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.

1.13 Prior period comparative figures

For the year ended 31 March 2022 the charity qualified as exempt from audit due to its size and those financial statements were not audited. As a consequence, the comparative figures in these financial statements have not been audited.

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Donations and grants

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	1,162	-	1,162	522	-	522
Grants receivable	-	1,210,639	1,210,639	-	561,075	561,075
	1,162	1,210,639	1,211,801	522	561,075	561,597
Donations and gifts	1,162	-	1,162	522	-	522
Other	1,162	-	1,162	522	-	522
Grants receivable for core activities	-	-	-	-	350,000	350,000
An Anonymous Foundation (Transition Network Bridging Year)	-	-	-	-	33,579	33,579
KR Foundation (Municipalities in Transition)	-	909,614	909,614	-	160,393	160,393
The National Lottery Community Fund (Transition Together)	-	-	-	-	7,103	7,103
Forum for the Future (Transformational Governance Project)	-	-	-	-	-	-
Charities Trust - an award nominated by Ecclesiastical Insurance Office plc (Training for Transition)	-	-	-	-	10,000	10,000
An Anonymous Foundation (Strengthening the Mycelium Network)	-	300,000	300,000	-	-	-
Ecolise Sparks (Transition Together)	-	1,025	1,025	-	-	-
	-	1,210,639	1,210,639	-	561,075	561,075

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Other income

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2023 £	2023 £	2023 £	2022 £
Royalties on books	186	-	186	770
Sundry income	144	-	144	455
Talk fees	350	-	350	-
Event income	-	2,215	2,215	-
	<u>680</u>	<u>2,215</u>	<u>2,895</u>	<u>1,225</u>

4 Raising funds

	Restricted funds	Restricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Fundraising costs	8,312	529
Staff costs	24,724	14,510
	<u>33,036</u>	<u>15,039</u>
Fundraising and publicity	<u>33,036</u>	<u>15,039</u>

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	Restricted Expenditure 2023 £	Restricted Expenditure 2022 £
Staff costs	257,440	247,198
Hubs Heart Circle	28,104	27,028
Training for Transition	29,098	21,662
Inner Transition	22,547	21,718
Transition Platform	7,050	8,399
Municipalities in Transition	-	100,663
Supporting Transition initiatives and regional support	168	958
Transformative conflict programme	-	584
Evaluation project	240	3,476
Transition Together project costs	97,917	38,564
Overseas freelance contractor	24,731	23,975
Website and IT	11,357	13,803
Film costs	-	(175)
Amplifying stories	2,037	-
Nurturing collaboration	435	-
	<u>481,124</u>	<u>507,853</u>
Grant funding of activities (see note 6)	258,608	108,603
Share of support costs (see note 7)	14,282	11,865
Share of governance costs (see note 7)	18,657	5,772
	<u>772,671</u>	<u>634,093</u>

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Grants payable

	Restricted Expenditure 2023 £	Restricted Expenditure 2022 £
Grants to institutions:		
Grants to Transition Hubs for International Work		
Reseau Transition - Hubs co-ordinator	53,103	44,684
Reseau Transition - Hubs Heart circle governance	-	1,706
Transition Netzwerk e.V. - Train and connect funding specialists	4,005	3,398
Scottish Communities Climate Action Network - International network of Hubs group exploration of paid time	-	1,500
Transition Netzwerk e.V. - Development of collaboration platform	-	1,000
Red de Transición - Local Transformation Toolkit	-	10,000
Transition Brasil - Latin America Webinar Series	-	7,000
Transition Netzwerk e.V. - Germanophone Territories Development Process	-	1,000
Red de Transición Spain - Translation project to support Transition movement	5,427	-
Returned grants	(2,500)	(719)
Grants for Transition Project - Growing Infrastructure, Networks and Capacity for Transition in Britain		
Scottish Communities Climate Action Network - Partnership on Transition Together	38,573	35,000
Micro grants (34 institutions)	16,108	-
Partnership grants (2 institutions)	14,680	-
Full grants (26 institutions)	108,137	-
Partial funding grants (8 institutions)	21,075	-
	<u>258,608</u>	<u>104,569</u>
Grants to individuals	-	4,034
Student aid for Municipalities in Transition placement		
	<u>258,608</u>	<u>108,603</u>

The grants for the Transition Together project arise where funds have been made available to be spent across the United Kingdom. Payments are at the discretion of the funder and are solely administered by the Charity.

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Depreciation	326	-	326	351	-	351
Travelling and subsistence	3,552	-	3,552	985	-	985
Insurance, rent and rates	670	-	670	2,564	-	2,564
Office expenses	5,053	-	5,053	6,705	-	6,705
Human resources	4,376	-	4,376	1,198	-	1,198
Paypal fees and bank charges	305	-	305	52	-	52
Exchange differences	-	-	-	10	-	10
Audit fees	-	8,700	8,700	-	-	-
Accountancy	-	2,806	2,806	-	1,964	1,964
Legal and professional	-	936	936	-	-	-
Independent examination fees	-	-	-	-	732	732
Statutory framework meetings	-	6,215	6,215	-	3,076	3,076
	<u>14,282</u>	<u>18,657</u>	<u>32,939</u>	<u>11,865</u>	<u>5,772</u>	<u>17,637</u>
Analysed between						
Charitable activities	<u>14,282</u>	<u>18,657</u>	<u>32,939</u>	<u>11,865</u>	<u>5,772</u>	<u>17,637</u>

Governance costs includes payments to the auditors of £8,700 (2022 - £nil) for audit fees, and to the independent examiner of £nil (2022 - £732) for external scrutiny.

Fees payable to the auditors / independent examiner for other services were £1,532 (2022 - £1,964).

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year (2022 - £nil). Two Trustees were reimbursed travelling expenses in the year totalling £334 (2022 - £nil).

9 Employees

The average number of staff in the year on a head count basis was :

2023 Number	2022 Number
<u>11</u>	<u>11</u>

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	258,580	240,432
Social security costs	18,361	16,070
Other pension costs	5,223	5,206
	<u>282,164</u>	<u>261,708</u>

Other pension costs represent payments to a defined contribution scheme.

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2022	4,727
Additions	270
At 31 March 2023	<u>4,997</u>
Depreciation and impairment	
At 1 April 2022	3,928
Depreciation charged in the year	326
At 31 March 2023	<u>4,254</u>
Carrying amount	
At 31 March 2023	<u>743</u>
At 31 March 2022	<u>799</u>

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	4	-
Prepayments and accrued income	5,760	-
	<u>5,764</u>	<u>-</u>

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		1	5,707
Accruals for grants payable		18,730	13,604
Trade creditors		20,388	3,858
Other creditors		1,269	2,172
Accruals and deferred income		24,735	18,834
		<u>65,123</u>	<u>44,175</u>

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

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
Strengthening the Mycelium Network (An anonymous Foundation)	To stimulate regenerative change
Transition Together (Ecolise Sparks)	Implementation of Climate Outreach Training on working with Councils for regenerative change

	Movement in funds			Movement in funds			
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£
Transition Network Bridging Year 2021-2022	-	350,000	(350,000)	-	-	-	-
Municipalities in Transition	96,314	33,579	(129,893)	-	-	-	-
Transition Together	-	160,393	(160,486)	(93)	911,829	(497,931)	413,805
Training for Transition	-	10,000	(1,650)	8,350	-	(4,776)	3,574
Transformational Governance	-	7,103	(7,103)	-	-	-	-
Real Economy Lab	5,657	-	-	5,657	-	-	5,657
Transition Research Network	3,164	-	-	3,164	-	(3,000)	164

TRANSITION NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Restricted funds

(Continued)

Strengthening the Mycelium Network	-	-	-	-	300,000	(300,000)	-
Transition Together (Ecolise Sparks)	-	-	-	-	1,025	-	1,025
	<u>105,135</u>	<u>561,075</u>	<u>(649,132)</u>	<u>17,078</u>	<u>1,212,854</u>	<u>(805,707)</u>	<u>424,225</u>

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	743	-	743	799	-	799
Current assets/(liabilities)	132,724	424,225	556,949	130,826	17,078	147,904
	<u>133,467</u>	<u>424,225</u>	<u>557,692</u>	<u>131,625</u>	<u>17,078</u>	<u>148,703</u>

16 Related party transactions

Hilary Jennings resigned as a Director at 15 November 2022 but her resignation was not reported to Companies House until 1 February 2023. Services of £1,320 were supplied for September and October 2022 at open market value. Services of £2,310 were supplied for November 2022 to January 2023 again at an open market value. These transactions were approved unanimously by the other Trustees.

There were no other disclosable related party transactions during the year (2022 - none).

17 Cash generated from operations

	2023	2022
	£	£
Surplus/(deficit) for the year	408,989	(86,310)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	326	351
Movements in working capital:		
(Increase) in debtors	(5,764)	-
Increase/(decrease) in creditors	15,822	(21,114)
Increase in deferred income	5,126	13,604
Cash generated from/(absorbed by) operations	<u>424,499</u>	<u>(93,469)</u>

18 Analysis of changes in net funds

The Charity had no debt during the year.