



**TRUSTEES REPORT AND FINANCIAL  
STATEMENTS  
YEAR ENDED 31 DECEMBER 2020**

**Registered number: 09286835**

**Charity number: 1159483**

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## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

<b>Trustees</b>	Robert William Ruxton (End of term April 2021)
	Benjamin Laniado Kassin
	Alexandre Michel Alain Giraud (resigned 10 September 2020)
	Degan Abdulrahman Ali (resigned 10 September 2020)
	Christof Gabriel Maetze-Engelhardt (Resigned March 2021)
	Lola Gostelow (End of term July 2021)
	Shaima Al Zarooni (End of term May 2021)
	Raja Waseem Ahmad
	Noreen McGrath Gumbo
	Dr Binny Prabhakar
	Paul Jaques Sylvain Astruc ((Resigned April 2021)
	Anwer Iqbal (appointed 22 July 2020)
	Sanjayan Srikanthan (appointed June 2021 )
	Oenone Chadburn (appointed March 2021 )
	Amad Muhammad (appointed March 2021 )
	Mohammed Nadeem (appointed June 2021 )
<b>Company registered number</b>	09286835
<b>Charity registered number</b>	1159483
<b>Registered office</b>	WeWork Aviation House 125 Kingsway London WC2B 6NH
<b>Chief Finance and Operations Officer</b>	Suzanne Lyne
<b>Chief Executive Officer</b>	Christina Bennett
<b>Independent auditor</b>	Crowe U.K. LLP Statutory Auditor 55 Ludgate Hill London EC4M 7JW
<b>Bankers</b>	Barclays 1-7 King Street London EC2V 8AU
<b>Solicitors</b>	Withers LLP 20 Old Bailey London EC4M 7AN

# Trustee Annual Report | Year Ended 31 December 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Start Network began in 2010 as the British Consortium of Humanitarian Agencies and hosted by Save the Children UK until becoming an independent charity on 1st May 2019. Start Network's Programmes team is still hosted by Save the Children Fund, that acts as Grant Custodian to the Start Network. Save the Children Fund is a registered charity in England and Wales (213890) and Scotland (SC039570) and a registered company in England and Wales (178159).

## Role of the Grant Custodian

As referred to above, before May 2019, Start Network activities were undertaken through Save the Children UK (SCUK). Following approval by all relevant stakeholders within Start Network and SCUK on 1st May 2019, the Start Network assets, liabilities, staff and activities were transferred to Start Network on independence. In 2020 SCUK continued to provide grant custodian services to Start Network, whilst we actively explored opportunities to widen the network of grant custodians and include other member agencies.

The role of grant custodian is principally to host and to deliver Start Network's activities, in furtherance of its charitable objects, to the highest standards and impact, while managing its own risks. The role of SCUK includes to serve as a grant custodian in relation to funding programmes, accepting funds from donors pursuant to the funding agreements, implementing funding programmes and distributing the relevant grant custodian funds to members (for projects) and Start Network (for its operational costs, other projects and initiatives). The role of Start Network involves ensuring smooth operations; running due diligence; developing the network; communicating public benefit; raising funds and profile and engaging members.

## Introduction from the Leadership Team

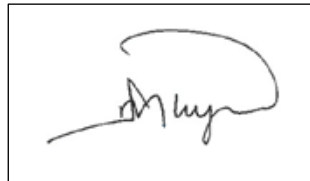
In May 2019, Start Network became an independent charity, an important step in realising our vision of a global network of networks and ensuring that we had the flexibility and autonomy needed to evolve and scale. 2020 marked our 10-year anniversary as a positive disruptor in the humanitarian sector, and in many ways the pandemic, global economic crisis and social unrest has only deepened that resolve. The events of 2020 have brought new urgency to our case for change: the need for local, highly contextual solutions to humanitarian problems, the necessity of proactivity, flexibility and speed when managing disasters, and the conviction that agility, openness and ethics must replace the cumbersome, centralised and colonial practices of our sector to date.

The impressive achievements documented in this report and the annual review are a testament of the power of shared vision and collective action. We are indebted to the Start Network team, which has remained motivated and resilient throughout 2020 and without losing their creativity, curiosity, and sense of humour. We are inspired by our evolving hubs who have challenged us and inspired us at every turn. And we are grateful to our growing and increasingly diverse members for demonstrating that we are better together.

As much as we have accomplished in 2020, we know that 2021 will be marked by the residual effects of COVID on economies and communities. Our impact as a Network will rely on our ability to let go of the outdated practices that drove us pre-pandemic and create fresh foundations for redressing power imbalances and driving radical change.



Christina Bennett  
CEO



Suzanne Lyne  
Chief Finance & Operations Officer

## Our Vision

Start Network's vision is for a **locally-led humanitarian system that is accountable to people affected by and at-risk of crises**. We aim to achieve this vision by making systemic-level shifts in the way humanitarian assistance is approached and delivered by:

- Shifting power and decentralising decision making to locally-led networks and organisations
- Creating a global humanitarian financing system that is increasingly focused on reducing risk, anticipating and acting ahead of predictable crises.
- Incentivising and informing innovative, contextual, and sustainable solutions for crisis-affected communities.

## Our Values

Across all areas of our work, we aim to be the change we want to see, working to uphold the following principles and expecting the same from our staff, hubs and members:

- **We put people first:** the communities we serve come first in our decision-making and programming
- **We are brave:** we have great ambition and are willing to explore new things and are willing to take risks to achieve it
- **We operate collectively:** we leverage the value of working as a network, sharing risk and resources and learning together
- **We are inclusive:** we see the value in diverse perspectives and work to remove the barriers that prevent voices being heard
- **We are open:** we work transparently and with integrity, building mutual trust in all levels of our work, from governance to programming
- **We are ethical:** we behave and operate based on key principles of anti-racism, non-discrimination, and anti-colonialism

## Our Strategic Priorities

In 2020 we embarked on our first three-year business plan, with the ambition to work across four complementary and mutually reinforcing strategic priorities:

1. **Localisation:** We will create a more balanced humanitarian aid system that shifts power and decision-making to those closest to the frontline. We will do this by establishing a decentralised network of country-based and regional 'hubs', comprised of diverse groups of civil society organisations, to drive and manage local responses to crises.
2. **New forms of financing:** We will help shift the funding and financing of humanitarian action from a reactive to a proactive model by delivering fast and appropriate assistance through a diversity of financing mechanisms.
3. **Collective innovation:** We will enable humanitarian aid that is more appropriate to meeting affected people's needs by fostering, adopting and scaling creative and local solutions to humanitarian problems.

4. **Organisational independence:** We will fully realise independence by delivering a compliant, financially stable, and effectively managed organisation.

## Strategic Priorities and Public Benefit

When considering our activities and objectives, trustees had due regard to the Charity Commission's guidance on public benefit. Our social intentions are to do no harm, operate efficiently and to the law, and through the work of Start Network members ensure that people receive better quality humanitarian aid, maintain their dignity and are protected from suffering and harm.

We hold a unique space that is not being fulfilled by anyone else and believe that the issues we are tackling in humanitarian action will lead to an improved humanitarian sector where spend is more efficient and delivery is more effective.

We work through our members, providing them with resources to enable a higher quality of assistance to communities affected by crisis. We work through our partnerships and advocacy promoting best practices and system change in the humanitarian sector. We benefit:

- our members, who become better at delivering assistance - more timely, more appropriate, more efficient and more collaborative
- the wider humanitarian sector, which is exposed to our innovations such as anticipation, tiered due diligence and local decision-making and funding
- crisis-affected communities, who receive higher quantity and quality of assistance
- taxpayers and donors, who see their contributions managed in an efficient and transparent way

## Public Benefit – Spotlight on New Forms of Financing

We believe that by providing funding fast, early and in a collaborative way – providing it based on need and not on media headlines or political will - we can support responders and communities to become better prepared to act in a crisis.

The traditional reactive response to emergencies is far too slow, and many crises remain overlooked and underfunded.

Start Network's portfolio of pooled funds, available to local and international civil society organisations, continues to fill these critical gaps in the global humanitarian response system.

**We awarded £35 million in emergency funds to our members, reaching 13.4 million people across six continents through our global Start Fund, Start Fund Bangladesh, our Migration Emergency Response Fund and Start Fund COVID-19, as mentioned below:**

### Start Funds

Through our grant custodian, the Start Fund provides rapid flexible funding to support people at risk of and affected by small-to-medium-scale crises, underfunded emergencies and

spikes in chronic humanitarian crises. With all decisions made by the Start Network member agencies and partners, funding is quickly disbursed within 72 hours of a crisis alert, enabling agencies to respond in the first days, or even ahead, of a crisis.

## **COVID-19 Fund**

The COVID 19 crisis brought additional challenges in 2020, stretching an already overburdened humanitarian system. It highlighted the importance of contextual, locally rooted and community-based responses in getting ahead of a fast-moving disease.

Start Network drew on its experience in this area to rapidly mobilise the COVID-19 fund in April 2020 and fund 59 projects in 31 countries, reaching 6,911,507 people, including direct funding to local and national organisations.

## **Migration Emergency Response Fund**

The Migration Emergency Response Fund (MERF) was set up to address the unpredictable nature of the mixed migration context across the Mediterranean and rapidly respond to new or emerging needs. It also aimed to improve the effectiveness and understanding of migration responses and trends.

Funded by the UK's Foreign, Commonwealth, and Development Office (FCDO), the MERF funded over 30 projects across nine countries in Europe and Africa. In 2020 the MERF came to an end after disbursing £300,000 and supported over 95,197 people.

## **Start Fund Bangladesh**

Start Fund Bangladesh is a £10 million civil society owned and led, rapid emergency fund, funded by UK Aid, that activates funding within 72 hours of a crisis. It addresses under the radar, small to medium emergencies through a membership of 27 local and national and 20 International NGOs.

In 2020, Start Fund Bangladesh allocated a total of £3,675,826 to reach a population of 494,988 people. Direct funding to local and national NGOs surpassed the Grand Bargain target of 25% and reached 80% in 2020. This has translated to a reduction of intermediaries, ensuring more rapid and cost-effective responses.

# **Strategic Objectives**

The objectives below describe how we intend to achieve our priorities and represent a complementary and mutually reinforcing programme of work, supported by the global Start Network team and its extensive global membership.

## **1. Localisation**

- Develop and implement a scalable model for country and regional hubs
- Grow and diversify Start Network NGO membership and governance through the hubs
- Enable local organisations to access funds and programmes directly

## **2. New Forms of Financing**

- Develop and deliver a single fund management solution across all Start financing

products

- Grow and optimise the global Start Fund through diversification of donorship, potential adjustments to disbursement and implementation timeframes and automation and digitalisation of some processes
- Drive the development and use of predictable/early action financing approaches and products in crisis countries
- Enable local organisations to access funds directly

### 3. Collective Innovation

- Support the hubs and local innovators to lead collaborative and community-centred innovation design processes. Hubs are locally led collaborations between a diverse group of change makers: local, national and International NGOs, as well as leaders from the academic and private sector. Each hub designs and owns their local initiatives, membership and identity.
- Develop a pipeline of new practices, products or services with Start Network members and support their adoption and scale
- Equip the Start Network platform and network members with guidance, approaches and tools on innovation and adaptive management practices

In addition, Start Network worked to establish its finance and operational functions, specifically focusing on the areas below. All objectives in these areas were met in 2020.

### 4. Organisational Independence Objectives

- Ensure all policies, processes and procedures required to comply as an independent charity are in place per Charity commission and Companies house.
- Ensure that Start Network is compliant with DFID guidance on enhanced Due Diligence and safeguarding
- Ensure that annual budget plans are produced and approved for both the Start Network overall and the platform.
- Ensure that a growth-oriented business plan is produced and approved for the period 2020-2022.
- Build own capability to receive direct donor funding and determine hosting principles including expansion of existing grant custodian portfolio.

## Overview of Our Performance in 2020

In our 10th anniversary year and in the context of shifting funding and the COVID-19 pandemic, we are immensely proud of the achievements across our strategic and enabling objectives. Our ambition for diversifying our membership has not wavered. We have increased our membership to 55 of which 29% are national or local NGOs

Our emergency funds continue to be the focus of our work and with our grant custodian, we have awarded £35 million in emergency funds to our members reaching 13.4 million people across six continents.

We also adapted how we work, for example we hosted our first virtual assembly and annual general meeting with 350 registered participants which dramatically increased member access. Our team has grown by almost one-third, focusing on equity, diversity and inclusion in our hiring.



We are speaking openly about difficult issues, such as racism and colonialism with increased commitment to staff wellbeing.

Please refer below for a summary and to our annual review for more information.

## Snapshot Key Performance Indicators

The business plan outlines key performance indicators across the three years for our strategic and enabling objectives. The following is a snapshot of our performance in 2020.

KEY PERFORMANCE INDICATOR		END 2020 (Red, Amber, Green Rating)	TARGET 2020
1	<b>Localisation</b> Enable local organisations via hubs to access funding directly	Local organisation in DRC triggered their first alert to the Start Fund. 8 COVID-19 grants were awarded to local organisations. Guatemala hub secured funding via Start Network partnership with Elhra, an element of which will be sub granted to community innovators	2 funding programmes accessible to local organisations
2	<b>Collective Innovation</b> Support innovation across the global network	Innovation Team supported hubs in DRC, Guatemala, India to design community led innovation programmes	2 hubs have innovation programmes
3	<b>New Financing</b> Drive the development and use of predictable/ early action financing approaches and products in crisis countries	Members in Pakistan built a multi-hazard disaster risk financing system and co-developed a heatwave monitoring tool. Insurance products as part of risk financing initiatives now in operation in Senegal	Risk financing products in operation in 2-3 hubs
4	<b>Organisational independence</b> Start Network is approved going concern	Start Network charity is approved as going concern	Going concern approved
5	<b>Membership engagement</b> Members actively engage in Start Fund decision making globally (qualifying)	76% of qualifying members participated in Start Fund decision making globally	60% participation
6	<b>Evidence and Learning</b> Produce 10-year impact Report	Impact Report complete and publicised	Impact Report complete
7	<b>Fundraising</b> Number of new grants secured	14	12

## Highlighting Strategic Objectives

### Localisation – Locally Led Action

The humanitarian system's current concentration of power, influence and resources within the Global North has led to the exclusion and disempowerment of local and national actors, organisations which are deeply rooted in the communities that they support, and which are responsible for the vast majority of humanitarian responses. Over the years, local leaders have sparked a global movement towards a more locally led humanitarian system, and this shift is at the centre of Start Network's vision for change. By becoming a diverse and locally-led network of networks, we can be part of driving this movement towards locally-led humanitarian action through modelling an alternative approach that puts local leadership at the heart of everything we do.

In March 2020 we began actively incubating five hubs. Hubs are locally-led collaborations between a diverse group of change makers: local, national and International NGOs, as well as leaders from the academic and private sector. Each hub designs and owns their local initiatives, membership and identity. Together, these locally-led and independently governed hubs will form a globally connected network that will bring decisions closer to the frontline of crises, generating solutions that are locally appropriate and fostering efficiency, innovation and shared learning to enable more appropriate humanitarian responses.

During this incubation phase, the hubs developed their visions for change and articulated their unique value offer within their humanitarian contexts.

As part of our commitment to enable access to local organisations directly, we supported new members through a range of services, including dedicated funding. For example, in response to the COVID-19 pandemic, we ring fenced funds for new members. 8 of the new members accessed this fund to cover critical responses in India, DRC and Pakistan.

### Collective Innovation and Learning

Traditional humanitarian programmes often fail to recognise that communities affected by and at risk of crises are best placed to solve their own problems, and determine how to deliver programmes even better. Start Network aims to address this by supporting an adaptive, locally-led culture of learning and innovation across our membership. We also need to recognise that the transition to a locally led humanitarian system requires a major systems innovation in itself and to do this will need a systems thinking approach, using complex systems tools to help us support the change...This includes embedding community-led innovation design into our programming and testing radically new systems and structures. This transitional way of working will lead to a humanitarian system that is locally-led, relevant, flexible, and context-specific in its approaches and behaviours.

In 2020 we worked with hubs and members to facilitate local problem definition and develop appropriate local solutions by people affected by crisis. We supported them with the skills, finances, mentorship, and space needed to change humanitarian action. Three hubs were supported to build community-led innovation programmes below, nine teams and projects were supported with coaching, technical support and funding opportunities.

Internally, we also laid the groundwork for developing an agile organisation mindset that is responsive to feedback.

## Highlighting Enabling Initiatives

Critical to the delivery of our strategic priorities are the enabling initiatives and activities that facilitate and drive the Start Network's programmes and work. Like our priority areas, these enablers are interdependent and mutually reinforcing supporting all areas of our ambition.

### **Member Engagement - Annual Assembly**

A key event in our annual calendar and a focal point for member engagement is our annual Assembly which took place over four days in October 2020. The annual Assembly brings the whole network together to learn about the progress that has been made across our initiatives; resolve challenges to help us advance on our work; and make key decisions through the Annual General Meeting (AGM).

Driven by the ambition to widen accessibility of the Assembly to our members and limited by COVID-19, this was the year of our first virtual Assembly, with 90% of our members attending. This format allowed us to see how we might future-proof the Assembly as the network grows and decentralises.

Localisation featured heavily in the sessions. We discussed how power could be shifted in the network through a re-design of our governance structure. Tensions surfaced, around current debates around systemic racism, and the decolonisation of aid. Responding to members, Start Network committed to launching a strategy refresh focusing on accelerating localisation; and developing a decolonisation framework for our programmes in 2021.

During our AGM, the members reviewed Start's first annual report as an independent organisation and voted to admit five new local and international members into the network.

### **Due Diligence Framework**

Local actors play a critical role in humanitarian action. However, stringent and onerous due diligence requirements act as a barrier so that many smaller organisations cannot pass the onerous vetting systems. In addition, the current way that due diligence is done in the humanitarian sector is inefficient and duplicative, often requiring tremendous amounts of human and financial resources.

Start Network has developed a tiered due diligence framework to enable more local organisations to become members of the network and access funds. Instead of the traditional pass-fail model, our tiered framework enables organisations to pass at different tiers. Members gain access to varying portfolios of Start Network products and services, depending on the tier they have passed at. We also aim to make the framework 'passportable', so it is recognised by international and local actors alike.

The framework, developed in partnership with TechSoup, was piloted between Q4 of 2019 and Q2 of 2020. As part of the pilot twelve local and national organisations from the Democratic Republic of the Congo, India and Pakistan successfully joined the network at the end of 2019 and were fully inducted in 2020. A further five organisations went through the process in Q4 of 2020 (one local organisation in Guatemala, one regional organisation in the Pacific, and 3 international NGOs).

## Advocacy

2020 was an exciting year for Start Network's advocacy efforts. Our newly established advocacy team officially began to advocate for the change we want to see in the humanitarian sector.

We engaged our local, national, and international members and hubs to understand how we envision our influencing role across the sector. With our stakeholders we co-developed our advocacy strategy, which was agreed by the Board in December 2020.

## Financial review

Start Networks income in 2020 was £3,543,000 compared to £4,476,000 in 2019. This is a decrease of 21% but it should be noted that in 2019 £1,411,000 of income was related to the transfer of assets from SCUk as part of the spin off to independence process. If this amount is then deducted effectively the income has increased by 14% in 2020.

## Income from Donations & Legacies.

### Restricted Funds

In 2020 Start Network recognised a total of £997,000 of grant income to support the work of the Start Network Charity. More specifically, these funds were for activities relating to communications, network development, resource mobilisation and operation staff costs. Included in this amount, we also received £508,000 specifically for the Community Led Innovation programme (CLIP), a joint innovation programme funded by the Foreign and Commonwealth Development Office in partnership with Elrha.

### Unrestricted Funds

Start Network also received a total of £2,017,000 in unrestricted funding. £917,000 was related to indirect cost recovery (ICR), which is paid on all grant by donors and is split between Start and SCUk as grant custodian. These funds can be used at the discretion of the senior management team to cover overheads and other indirect or operational costs. We also received £1,100,000 funding from the Dutch government, which has supported the development of the hub network, our innovation programmes as well as the continued development of Start Network as an independent charity.

## Income from Charitable Activities

Start Network received £471,000 in membership fees in 2020 and a contribution of £62,000 from SCUk as a rent contribution. Start Network hosts staff employed by SCUk, who manage Start Programmes. Both streams of funding are used to cover Start Network core and business as usual activities.

## Analysis of Expenditure

Expenditure in 2020 was less than expected mainly due to the COVID-19 pandemic and the subsequent requirement for us to re-focus our activities.

Our total expenditure 2020 was £2,287,000 of which £240,000 was allocated to resource mobilisation. The remaining £2,047,000 was split with £1,356,000 being allocated as direct costs - including staffing - and £100,000 of programme disbursements. £691,000 was allocated to support costs such as HR costs and rent.

## Summary of Financial Performance

Despite a difficult year that was unprecedented, caused by the Covid-19 pandemic, Start Network had a positive financial result. We ended the year with total funds of £4,189,000, of which we have positioned £1,600,000 as reserves to support our financial viability.

We have refreshed our budget and our associated plans in 2021 to ensure we are able to expediate some of our work in the coming two years whilst keeping close management of our financial position.

## Significant Events affecting our Financial Position

Aside from COVID-19, one of the significant events in 2020 was the merger of the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID) to form the Foreign & Commonwealth Development office (FCDO). At the Finance and Audit Committee in August 2020, we considered the impact of this merger on future grants to Start Network and plotted scenarios that demonstrated the impact on our budgets.

Our approach is always to ensure that we are focusing on the impact to the organisations 18 months into the future to ensure we have sufficient time to adapt our financial plans if situations change

## Fundraising Policy and Principles

The assurance of adequate and sustainable funding is fundamental to our success. We would not be able to achieve our aims without the generosity and support of our funders, who not only sustain our initiatives financially but buy into our ambition to work differently.

Start Network does not carry out any fundraising activities directly with individuals and all fundraising is connected to institutional and corporate fundraising. We assess every funding opportunity according to Start Network's ethical principles.

- The donor is not involved in harmful activities and can demonstrate this
- Acceptance of funding is unlikely to cause reputational damage to the Start Network;
- Acceptance of funding will not result in the perception that the Start Network has been instrumentalised by that donor in pursuing a specific policy or course of action;
- The donation is received without undue pre-conditions (e.g. geographical or political exclusions);
- Acceptance of funding will not impact on the Start Network's operational independence in any way;
- The donation will include a reasonable contribution towards the Start Network's operating costs or show evidence of a future long-term commitment and financial contribution

- If applicable, the donation or partnership should bring new skills that further the Start Network's objectives

## Principal Funding

Start Network works in partnership with a range of donors from around the world who are attracted to our vision for a transformed humanitarian system.

While some donors have been with us since the beginning of our ten-year journey, others have joined us more recently as the range of our work has expanded. Start Network's innovative financing, particularly in early action, and the expansion of the network into local hubs, have offered new opportunities to more specialised donors such as the German Federal Foreign Office, KFW.

Start Fund COVID-19 launched in April 2020, following an intensive consultation with the Start Network members and donors on the humanitarian implications of COVID-19 in low-income countries. The fund provided rapid funding for small to medium responses at the local level, neglected or underfunded aspects of the broader COVID-19 response, and for early and anticipatory humanitarian action needed before the virus spread to vulnerable communities. Significantly, the quick launch of Start Fund COVID-19 enabled the global Start Fund to continue responding to crises that would otherwise have been overlooked. With seed funding from the IKEA Foundation, and further support from UK Aid, Jersey Overseas Aid, German Federal Foreign Office, Avaaz, and private donors, the fund was met with unprecedented demand. Over the nine months that the fund was operational, 59 projects were funded across 31 countries

To support our organisational independence priority, we would also like to thank the Ministry of Foreign Trade and Development Cooperation in the Netherlands for their continued support and the IKEA Foundation for the new multi-year grant to start in 2021.

## Going concern

The Trustees of the Start Network have reviewed its financial position, taking into account the budget for 2021 -2022 presented by management, the scenarios developed, the charity's current levels of reserves and cash and concluded that the charity has sufficient access to resources to remain in operational for at least the next 12 months from the date of this report.

Thus, the Trustees of Start Network continue to adopt the going concern basis of accounting in preparing the annual financial statements. They have also considered the ongoing Covid-19 pandemic as well as the global financial impact as part of the Going Concern review. They have concluded that there are no specific risks which affect the charity's ability to continue over the next 12 months from the date of approving this report.

They have considered:

- cash position and a series of cash flow projections
- scenarios that consider potential changes to donor funding
- sources of funding and liquidity available

- expenditure controls and future commitments
- government support schemes
- protecting the key assets and sustaining our charitable services

## Reserves Policy

Start Network has a reserves policy that is set and approved by the board of trustees on at least an annual basis. The policy sets out the why we hold general reserves which is to provide cover for unexpected changes in income and expense, allowing us to continue key activities in the event of:

- a temporary loss of income, e.g.: a short-term deficit in cash budget
- a permanent fall in income, giving time to adjust our cost base or adjust our business model
- incurring a one-off cost such as an expenditure in our grant portfolio that has not been covered by a donor and/or other eligible income streams
- covering unforeseen day-to-day operational costs, e.g.: employing temporary staff to cover a long-term absence.

**The reserve level set by the board in the prior year financial statements was £800k and was set to enable the organisation to cover all legal obligations for a four-month period in case of financial difficulties.**

During 2020 a revised approach was considered and focused on three key areas

- Legal Obligations
- Strategic Obligations
- Risk Based Obligations

The intention of considering a change to the reserves level at the end of 2020 was to allow time for sufficient review to ensure that the approach was appropriate to address the needs of the growing organisation and to ensure that a new reserves levels could be afforded.

At the end of 2020, a reserve target of £ 1.6 million was set and achieved and a new policy in support approved in early 2021.

It is recognised that due to the complexities and limitations that the Covid-19 pandemic created in 2020, Start Network currently has free reserves more than its requirements.

At the end of 2020 the level of free reserves held was £4,189,000 against a revised target of £1,600,000. This excess has been considered, reviewed and a new budget and spend plan has been set for 2021 and 2022 that seeks to reduce the excess in reserves by the end of 2022.

The reserves level of the organisation will be reviewed every 6 months on an ongoing basis to assure the sustainability of the organisation and prevent further increases in the free reserves balance.



## Principal Risks and Uncertainties

The Start Network views risk management as an integral part of strategic and operational planning, management, decision-making and learning. We consider ourselves to be risk aware, but not risk averse. We identify and manage risks that may prevent us from achieving our objectives by ensuring that there are effective and adequate risk management and internal control systems in place to address the key risks to which the network may be exposed.

The Trustees discharge this responsibility through board meetings and reviews of the effectiveness of Start Network's risk management framework, designed to support informed decision-making. The systems of internal control are intended to appropriately manage rather than eliminate risks. They give reasonable rather than absolute assurance and provide for a consistent approach to identifying, assessing and dealing with key risks.

Existing processes in place regarding risk management comprise:

- a quarterly review by the board of the principal risks and uncertainties that Start Network faces as part of regular board reporting.
- the establishment of policies, procedures, processes and systems to mitigate those risks identified in the regular risk review;
- the implementation of procedures designed to manage any potential impact on the network, should those risks materialise.

In addition to the above, there have recently been some significant additions to the organisation, namely the introduction of the Risk and Compliance Committee and the recruitment of a Head of Risk and Compliance both of which will focus on improving the organisation's risk framework and creating an organisational culture of risk and compliance.

The following are currently considered to be our principal risks:

**FRAUD:** Misuse of Start Network funds or property by staff, network members or partners could result in financial loss, legal action and/or damage to our reputation.

**Control Measures in Place:** Clear reporting requirements, policies, and procedures for members & partners in place; grant custodian/Start Network case management roles and responsibilities agreed; Due diligence of members enables understanding of member risk re. use of funds; Dissemination of handbook to members and associated training; PEP and sanction checks.

**FUNDRAISING:** Failure to comply with conditions of funding etc. could result in loss of donor, disallowance or reduction in funds

**Control Measures in Place:** Audit processes in place; maintain good relationships with donors

**SAFEGUARDING:** Our staff, members, partners, or beneficiaries could suffer from sexual exploitation & abuse, bullying or harassment due to our policies and procedures being inadequate

**Control Measures in Place:** Policies and procedures reviewed and communicated. Training for staff and trustees in place; Safeguarding is prominent in recruitment processes;



Reporting mechanisms in place; dedicated; Safeguarding Lead and representative on the Board.

**COVID 19:** The continuing global pandemic could mean Start Network:

- Cannot continue business as usual (access to facilities; staff wellbeing; data breach; no overseas travel etc)
- Suffer a reduction in funding due to donor finances
- Face unprecedented demand for aid

**Control Measures in Place:** Continuous review of policies and procedures; all staff equipped to work from home in line with Health & Safety guidance; staff survey and risk assessments performed in advance of return to work; Working to diversify donors and avoid donor dependency; Covid fund in place.

## Structure, Governance and Management

### Constitution

Start Network is a company limited by guarantee and is a registered charity. It is governed by a Board of Trustees who are also the directors of the charity for the purposes of company law, and who are accountable to the Start Network members. The Board is supported by sub-committees (see diagram below), while the day-to-day running of the charity is the responsibility of the CEO and CFOO.

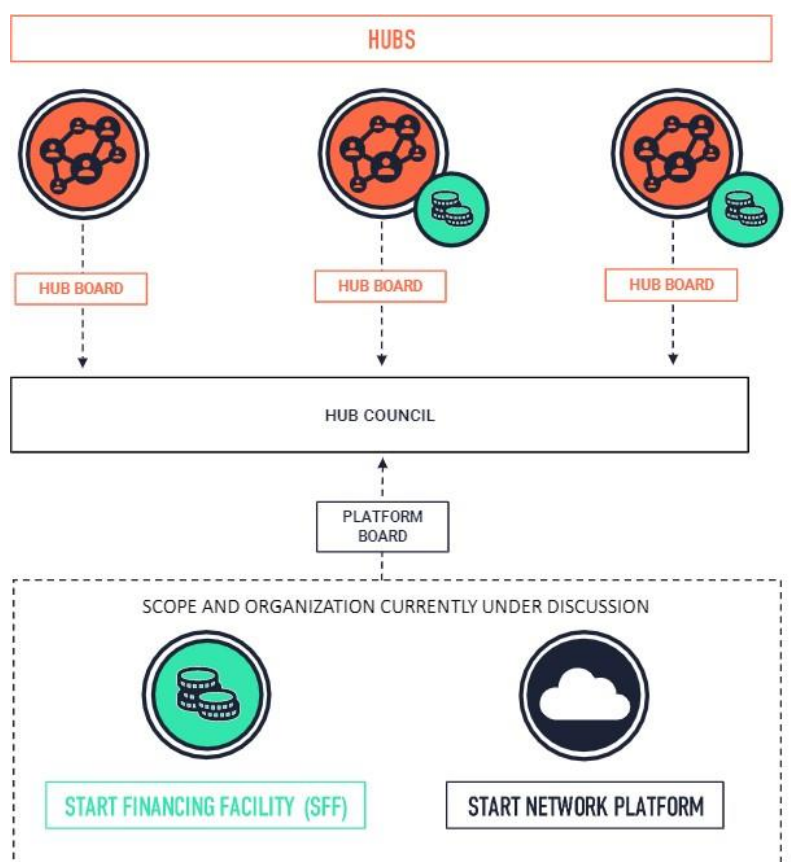
In setting the Start Network's strategic direction, the board takes the steer of the Start Network membership. Members are represented through the Assembly, which retains three key decisions:

1. admitting new members into the network
2. appointing or removing trustees
3. approving any changes to Start's Membership Policy.

Member representatives on the Assembly are nominated by each member agency and are usually CEOs or Humanitarian Directors. They are the individuals authorised to vote on AGM matters and take part in decision making on behalf of their organisations.

In 2020 we started to think about some important ways in which the organisation needs to change, for a new, decentralised network model to emerge; a model in which resources and decision making are devolved as much as possible to the local level, with Hubs as the centres of gravity.

One key aspect is our governance structure. Over a period of six months, a working group comprising representatives of the Start team, Board of Trustees and the Hubs came together to try and answer this question. A proposed governance design was shared with the Assembly towards the end of the year, envisioning a "federated" model of decision making and outlining a possible process of transition to that model between now and 2024/2025. The diagram below sets out our ambition for the 'end state' governance structure.



## Methods of Appointment or Election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

The Board of Trustees comprises a mix of independent experts and representatives of the charity's member agencies. There are five nominated trustee seats (i.e. independent trustees) and seven elected member trustee seats (i.e. member trustees) on the Board. Four of the nominated seats, including the chair and treasurer, must be independent, while one can be assigned to either an independent or a member. Nominated trustees are selected for their expertise in areas of importance for the Start Network, and member trustees are elected by the members based on their background and skills to ensure member representation on the Board.

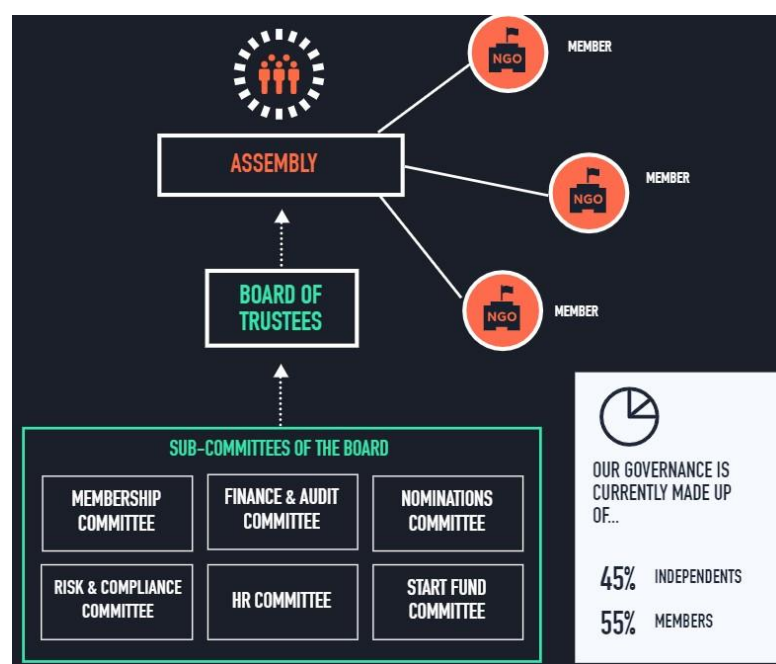
Trustee vacancy briefs are developed based on an annual skills audit facilitated by the Nominations Committee. The briefs are then advertised either within the Start Network's membership (if it is an elected trustee role) or both internally and externally if it is a nominated trustee role. Nominated trustees are interviewed by a panel of the Board and recommended to the Assembly for ratification; while elected trustee nominations are appointed directly by the Assembly.

## Organisational Structure and Decision-Making Policies

The Board of Trustees sets the charity's long-term strategy and approves the annual plan. It monitors progress against objectives, and ensures that the principal risks and uncertainties

to the charity are identified and controls are in place. It is responsible for trustee and senior leadership succession planning, setting the charity's culture and upholding the charity's values. The board also has agreed 'Matters that are reserved to the board' that sets our key decisions that the board retain responsibility for. These are regularly reviewed and updated.

The Board is supported by sub-committees, while the day-to-day running of the charity is the responsibility of the CEO and CFOO who jointly report to the Chair of the Trustees.



Governance structure including sub committees

## Inducting and Training Trustees

The onboarding process includes inductions with the Chair, CEO and CFOO, and with the Governance Manager (Company Secretary). Within their first two months of joining the Board, new trustees undergo formal trustee training covering the landscape of the sector (in England & Wales) and key duties and challenges for trustees, delegation and relationship with the executive, and good governance in charity context. They also receive training on key organizational policies, such as safeguarding and GDPR.

## Pay Policy for Key Management Personnel

As of September 2019, the Start Network charity is jointly led by a Chief Executive Officer who is responsible for the vision, strategy and programmatic activities of the organisation and a Chief Finance & Operations Officer who is responsible for strategy, assurance, governance, finance and operations. Both key management positions report to the Chair of Trustees. The CEO and CFOO pay grades sit outside the Start Network grading scale and are reviewed by the Start Network Trustees and Remuneration Committee on an annual basis.

## Related Party Relationships

The Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses, benefits and related party transactions are disclosed in the financial statements. Trustees are required to declare all relevant interests on appointment and throughout their tenure as soon as practicably possible before a Board meeting as stated in our Conflict-of-Interest Policy.

## Trustees' Indemnities

Start Network has current cover which includes claims arising from any actual or alleged wrongful act committed by the organisation and claims arising from any actual or alleged wrongful act committed by an insured person against any past, present or prospective employee or trustee including, but not limited to, unfair dismissal, failure to promote or employ and failure to furnish accurate job references.

## Plans for Future Periods

In April 2021, Start Network and its members face a very different future than we expected when we launched our three-year strategy in 2019.

In 2020 Start Network engaged in a strategy refresh to accelerate our localisation aims and focus our work based on a combination of compelling internal and external factors such as Covid-19, the Black Lives Matter movement and the subsequent discussion about structural racism and embedded colonial practices in the sector, the global recession.

While the vision and mission and systems change, ambitions of the Start Network remain unchanged from our 2019 strategy, this refresh responds to the events of the past 18 months by focusing our intention and investment on the following:

- accelerating our locally-led ambitions by embedding power shifts, de-centralisation and collective action across all Start Network initiatives and programmes;
- providing internal clarity, through a revised theory of change, on what drives and shapes our reform efforts and change ambitions;
- focusing Start Network's business plan and budget on those areas that will directly deliver on our vision; and
- beginning the process of aligning our values, ethics and programmatic ambitions.

A priority for us will be a refreshed strategy taking us from 2021 to 2023 through a journey of transformation and change. During this time, we will:

- expand our 'network of networks' to at least 10 functional hubs who will take on their own membership and begin raising their own funds
- We will support this network with a robust financial services platform, the Start Financing Facility, combining the speed and reach of our member-led global Start Fund with the sophistication and sense of our risk-based financial instruments.
- We will recruit from and locate key staff in the global South.
- We will de-centralise and distribute both our governance and our decision making with the Start Network team transitioning to a secretariat and service provider to our hubs.

At the centre of all of this, our growing and diverse membership will continue to collectively inspire us and each other in the service of countries and communities in crisis.

## Start Network Outcome Areas

During the next three years and as part of our Strategy Refresh, we will work toward four outcome areas to enable us to achieve its systems change ambitions articulated in our theory of change and the organisational transformation that's required to underpin it.

### A Network of Networks

Start Network will catalyze a locally-led humanitarian system by enabling a diverse and locally-driven 'network of networks' that ensures equity in power and decision-making, access to resources and voice and visibility for its local members. We will achieve this by catalysing and incubating locally-led, self-governing, national and regional hubs that are supported to bring on their own national and local members. We will

- incubate and support a network of locally-led, self-governing, national and regional hubs and achieve a diverse and majority-local membership, by supporting hubs to bring on local and national members;
- decentralise and distribute governance and decision making to hubs, with the Start Network team transitioning to a secretariat and service provider role; and
- support local actors to exercise power within the humanitarian ecosystem and drive their vision for reform, working with others to address structural, political and operational challenges.

### A Family of Funds

Our network of networks will be underpinned by a family of funds and financial services in order to pool investment and risk and help more communities at reduced cost. It will use this family of funds, the Start Financing Facility, to support its membership in accessing fast funds to respond to small and medium-sized crises and in putting in place pre-arranged funds and financing that can facilitate more timely, proactive or risk-informed crisis action. It will do so while ensuring these funds are increasingly accessible to the local and national actors joining the network. We will

- Support inclusive locally-led structures, to own, develop and implement financing strategies and systems in their contexts to better serve the needs of populations affected by and at-risk of crises.
- Grow and improve our flagship global Start Fund, and support the growth of national funds, such as Start Fund Bangladesh and others, to respond to small to medium scale crises that are often overlooked by humanitarian donors.
- Activating the Start Financing Facility as a way of connecting learning and a range of funds and financing mechanisms, that are timely, proactive, accessible to local actors, and accountable to the membership on behalf of the populations that they serve.
- Influence donors and develop capacity across the network to help secure flexible multi-year funds that can support these instruments in being accessible to all of our members and in meeting the identified needs of our members.

### A Culture of Innovation and Learning

Start Network will embody and promote an ethic and culture of constant and continuous evolution, experimentation, peer learning and iteration. We will do this by aggregating knowledge, expertise and lived experience, building and communicating a robust body of evidence and incentivising and informing innovative, contextual humanitarian action that supports more sustainable solutions for crisis communities. We will:

- Develop a platform-based evidence, learning and monitoring framework, based on the theory of change, that drives organisational decision making.
- Invest resources in hubs and members to enable collective problem solving for the development of durable, locally-led solutions to locally prioritised problems.
- Develop an agile organisation mindset and expertise that is responsive to data and feedback and is iterative, with a bias to reflective action-based learning.

## Organisational Transformation

Start Network will achieve the outcomes above through a programme of organisational transformation that will drive our transition to becoming a globally dispersed team, shift our operating model from programme delivery to service provider to our hubs, and build our digital architecture, infrastructure and capabilities in support of the network. We will:

- Create a culture of inclusion by ensuring that the Start Network team composition, decision-making structures and ways of working promote equity, diversity and inclusion based on principles of anti-racism, anti-colonialism and non-discrimination.
- Understand and invest in the development of operating models (locations, functions, skills, systems) for Hubs and the platform to allow Start Network to transition to a platform-based service provider.
- Digitally transform the organisation (embedding digital technology, creating digitally enabled processes, and building a digital culture) to create an efficient, agile and transparent service provider model.

## Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the Charity for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is

inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

## Disclosure of Information to Auditor

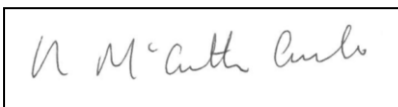
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

## Auditor

The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

A rectangular box containing a handwritten signature in cursive script, which appears to read "N. M. Gumbo".

Noreen Gumbo

Vice Chair

31 July 2021

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**START NETWORK**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF START NETWORK**

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**Opinion**

We have audited the financial statements of Start Network (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of 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 December 2020 and of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.



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**START NETWORK**  
**(A company limited by guarantee)**

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

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**Other information**

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

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**START NETWORK**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

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**START NETWORK**  
**(A company limited by guarantee)**

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

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**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were anti-fraud, bribery and corruption legislation, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of income recognition and override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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**START NETWORK**  
**(A company limited by guarantee)**

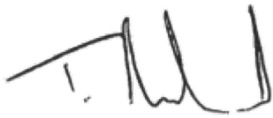
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF START NETWORK (CONTINUED)**

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**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Tim Redwood**  
**Senior Statutory Auditor**

for and on behalf of  
**Crowe U.K. LLP**  
**London**

Statutory Auditor

Date: 2 August 2021

**START NETWORK**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>Restricted funds 2020 £000</b>	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
	<b>Note</b>				
<b>Income from:</b>					
Donations and legacies	3	997	2,017	3,014	3,830
Charitable activities	4	62	467	529	646
		<u>1,059</u>	<u>2,484</u>	<u>3,543</u>	<u>4,476</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Raising funds	5	-	240	240	76
Charitable activities	6	590	1,457	2,047	1,467
		<u>590</u>	<u>1,697</u>	<u>2,287</u>	<u>1,543</u>
<b>Total expenditure</b>					
		<u>469</u>	<u>787</u>	<u>1,256</u>	<u>2,933</u>
<b>Net income</b>					
		<u>469</u>	<u>787</u>	<u>1,256</u>	<u>2,933</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	2,933	2,933	-
Net movement in funds		469	787	1,256	2,933
		<u>469</u>	<u>3,720</u>	<u>4,189</u>	<u>2,933</u>
<b>Total funds carried forward</b>					

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

The notes on pages 32 to 47 form part of these financial statements.

**START NETWORK**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09286835**

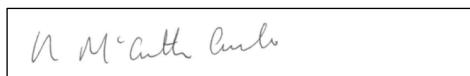
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Current assets</b>			
Debtors	11	695	135
Cash at bank and in hand		4,082	3,095
		<u>4,777</u>	<u>3,230</u>
Creditors: amounts falling due within one year	12	(588)	(297)
<b>Net current assets</b>		<u>4,189</u>	<u>2,933</u>
<b>Total net assets</b>		<u><u>4,189</u></u>	<u><u>2,933</u></u>
<b>Charity funds</b>			
Restricted funds	13	469	-
Unrestricted funds	13	3,720	2,933
<b>Total funds</b>		<u><u>4,189</u></u>	<u><u>2,933</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Noreen Gumbo**

Trustee

Date: 31.7.2021

The notes on pages 32 to 47 form part of these financial statements.

**START NETWORK**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>987</b>	<i>3,095</i>
<b>Change in cash and cash equivalents in the year</b>	<b>987</b>	<i>3,095</i>
Cash and cash equivalents at the beginning of the year	<b>3,095</b>	<i>-</i>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,082</b>	<i>3,095</i>

The notes on pages 32 to 47 form part of these financial statements

**Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
Net income for the period (as per Statement of Financial Activities)	<b>1,256</b>	<i>2,933</i>
<b>Adjustments for:</b>		
Increase in debtors	<b>(560)</b>	<i>(135)</i>
Increase in creditors	<b>291</b>	<i>297</i>
<b>Net cash provided by operating activities</b>	<b>987</b>	<i>3,095</i>

**Analysis of cash and cash equivalents**

	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
Cash in hand	<b>4,082</b>	<i>3,095</i>

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**START NETWORK**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Start Network is a private, limited by guarantee, company (registered number 09286835) which is incorporated in England and domiciled in the UK. The address of the registered office is Wework Aviation House, 125 Kingsway, London, United Kingdom, WC2B 6NH.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Start Network meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The Trustees of the Start Network have reviewed its financial position, taking into account the budget for 2021 - 2022 presented by management, the scenarios developed, the Charity's current levels of reserves and cash and concluded that the Charity has sufficient access to resources to remain in operational for at least the next 12 months from the date of this report.

Thus, the Trustees of the Start Network continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Trustees have also considered the ongoing Covid-19 pandemic as well as the global financial impact as part of the Going Concern review and concluded that there are no specific risks which affect the charity's ability to continue over the next 12 months from the date of approving the Annual Report.

The Trustees have considered:

- cash position and a series of cash flow projections
- scenarios that consider potential changes to donor funding
- sources of funding and liquidity available
- expenditure controls and future commitments
- government support schemes
- protecting the key assets and sustaining our charitable services

**2.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.



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**START NETWORK**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single grant are allocated directly to that activity. Shared costs and support costs which are not attributable to a single grant are apportioned between those grants on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

**2.6 Debtors**

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

**2.7 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

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**2. Accounting policies (continued)**

**2.8 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.9 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**2.10 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2.11 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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**3. Income from donations and legacies**

	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
<b>Grants</b>				
DFID	220	-	220	253
ICR	-	917	917	316
Dutch MFA	-	1,100	1,100	-
IKEA Start Fund	130	-	130	55
ARC Replica	86	-	86	-
DFID Innovation	508	-	508	-
Other grants	53	-	53	58
<b>Total Grants</b>	997	2,017	3,014	682
IKEA Grant Income	-	-	-	1,737
Fair value of assets and liabilities donated from SCUK	-	-	-	1,411
<b>Total 2020</b>	997	2,017	3,014	3,830
<i>Total 2019</i>	366	3,464	3,830	

Fair value of assets and liabilities donated from SCUK: Due to the spin off process into an independent organisation, it was agreed that SCUK would transfer Start assets, liabilities and activities to Start Network on 1st May 2019. This included £1.4m outstanding cash made up of prior years' membership fees and indirect cost recovery. Following the entitlement principle set out in our income recognition policy in note 2.3 to the accounts, this income was recognised in full in 2019.

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**4. Income from charitable activities**

	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Membership Income	-	471	471	503
Contribution to rent from SCUK	62	-	62	70
Costs recharged to third parties	-	(4)	(4)	73
<b>Total 2020</b>	<u>62</u>	<u>467</u>	<u>529</u>	<u>646</u>
<i>Total 2019</i>	<u>-</u>	<u>646</u>	<u>646</u>	

**5. Expenditure on raising funds**

**Resource mobilisation costs**

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Wages and salaries	128	128	67
Social security costs	13	13	6
Contribution to defined contribution pension schemes	6	6	3
Other direct costs	8	8	-
Support costs	<u>85</u>	<u>85</u>	<u>-</u>
<b>Total 2020</b>	<u>240</u>	<u>240</u>	<u>76</u>
<i>Total 2019</i>	<u>76</u>	<u>76</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2020 £000</b>	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Charitable activities	590	1,457	<b>2,047</b>	1,467
Resource mobilisation	-	240	<b>240</b>	76
<b>Total 2020</b>	<b>590</b>	<b>1,697</b>	<b>2,287</b>	<b>1,543</b>
<i>Total 2019</i>	<i>366</i>	<i>1,177</i>	<i>1,543</i>	

**7. Analysis of expenditure by activities**

	<b>Direct costs 2020 £000</b>	<b>Support costs 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Charitable activities	1,356	691	<b>2,047</b>	1,467
Resource mobilisation	155	85	<b>240</b>	76
<b>Total 2020</b>	<b>1,511</b>	<b>776</b>	<b>2,287</b>	<b>1,543</b>
<i>Total 2019</i>	<i>1,043</i>	<i>500</i>	<i>1,543</i>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs of charitable activities**

	<b>Charitable activities 2020 £000</b>	<i>Charitable activities 2019 £000</i>
Staff costs	<b>944</b>	445
Consultancy & Professional Fees	<b>239</b>	321
Communications and Marketing	<b>28</b>	20
Legal Fees	<b>35</b>	101
Travel	<b>10</b>	80
Programme Disbursements	<b>100</b>	-
<b>Total 2020</b>	<b>1,356</b>	967
<i>Total 2019</i>	<i>967</i>	

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**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
Staff costs	<b>358</b>	223
Rent and utilities	<b>171</b>	96
Internet services	<b>27</b>	7
HR Supplier	<b>33</b>	15
Finance	<b>9</b>	27
Finance and IS setup costs	<b>30</b>	39
Recruitment	<b>39</b>	8
Training	<b>16</b>	28
IT costs	<b>47</b>	14
Events	<b>34</b>	10
Insurance	<b>25</b>	13
Programme disbursements	<b>-</b>	7
Other overheads	<b>(3)</b>	7
Foreign exchange loss/(gain)	<b>(10)</b>	6
<b>Total 2020</b>	<b>776</b>	<i>500</i>

*Total 2019*

**8. Auditor's remuneration**

	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<b>21</b>	<i>19</i>

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**9. Staff costs**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>1,284</b>	<i>676</i>
Social security costs	<b>106</b>	<i>47</i>
Contribution to defined contribution pension schemes	<b>59</b>	<i>21</i>
	<b>1,449</b>	<i>744</i>

There are no redundancy payments or costs in the year to 31 December 2020 (2019: £8k relating to 1 member of staff. All amounts were paid before 31 December 2019).

The average number of persons employed by the Charity during the year was as follows:

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Executive	<b>2</b>	<i>2</i>
Finance & Operations	<b>10</b>	<i>10</i>
Communications	<b>6</b>	<i>2</i>
Evidence	<b>5</b>	<i>1</i>
Innovation	<b>3</b>	<i>1</i>
Network Development & Member Engagement	<b>4</b>	<i>3</i>
Resource Mobilisation	<b>4</b>	<i>3</i>
	<b>34</b>	<i>22</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>-</i>
In the band £70,001 - £80,000	<b>1</b>	<i>-</i>
In the band £80,001 - £90,000	<b>1</b>	<i>-</i>

Key management personnel consisted of 3 posts including members of the current leadership team and their predecessors in post during the spin off from SCUK, total key management personnel remuneration in the year was £261,101 (2019: £179,708).



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses were reimbursed or paid directly to 3 Trustees (2019 - to 6 Trustees) broken down as follows:

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Travel	1,962	11,399
Training	380	-
	<u>2,342</u>	<u>11,399</u>

**11. Debtors**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Trade debtors	92	33
Prepayments and accrued income	603	102
	<u>695</u>	<u>135</u>

**12. Creditors: Amounts falling due within one year**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Trade creditors	229	125
Other taxation and social security	67	33
Other creditors	11	7
Accruals and deferred income	281	132
	<u>588</u>	<u>297</u>

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Deferred income at 1 January 2020	71	-
Resources deferred during the year	172	71
Amounts released from previous periods	(71)	-
	<u>172</u>	<u>71</u>

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**13. Statement of funds**

**Current year**

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 December 2020 £000
<b>Unrestricted funds</b>					
General Funds - all funds	2,238	2,484	(1,697)	695	3,720
IKEA	695	-	-	(695)	-
	<u>2,933</u>	<u>2,484</u>	<u>(1,697)</u>	<u>-</u>	<u>3,720</u>
<b>Restricted funds</b>					
DFID	-	282	(250)	-	32
IKEA Start Fund	-	130	(130)	-	-
ARC Replica	-	86	(86)	-	-
DFID Innovation	-	508	(79)	-	429
Other restricted funds	-	53	(45)	-	8
	<u>-</u>	<u>1,059</u>	<u>(590)</u>	<u>-</u>	<u>469</u>
<b>Total of funds</b>	<u><u>2,933</u></u>	<u><u>3,543</u></u>	<u><u>(2,287)</u></u>	<u><u>-</u></u>	<u><u>4,189</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Statement of funds (continued)**

**Restricted funds**

**DFID & IKEA (START FUND)**

Funds dedicated to the Start Fund.

Start Fund is an effective humanitarian funding mechanism. It is a pooled fund that offers donors and the international community characteristics that are uniquely available from a network of civil society organisations: speed, agility, resilience, innovation and local relevance.

**DFID Innovation - ELRHA**

These funds are dedicated to a community-led innovation partnership programme (CLIP) aims to support the emergence and development of locally and community driven solutions to humanitarian problems identified by people affected by crisis. The CLIP is a three-year programme (2020-2023) which will see partners across DRC and Guatemala designing and setting up community innovation programmes that will provide technical support to local community innovators.

**ARC Replica**

Funds dedicated to African Risk Capacity (ARC) which is a pioneering initiative working with African Governments to transform climate risk management across Sub-Saharan Africa. ARC Sets standards for disaster risk management by providing early warning systems, contingency planning and climate finance across the continent. It aims to improve the predictability and speed at which responses to natural disasters are implemented, through proactive risk management. Participating African Governments pay premiums to receive pay-outs for early responses for pre-agreed contingency plans.

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**13. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Income</i>	<i>Expenditure</i>	<i>Balance at</i>
	<i>£000</i>	<i>£000</i>	<i>31 December 2019 £000</i>
<b>Unrestricted funds</b>			
General Funds - all funds	2,373	(135)	2,238
IKEA	1,737	(1,042)	695
	<u>4,110</u>	<u>(1,177)</u>	<u>2,933</u>
<b>Restricted funds</b>			
DFID	253	(253)	-
IKEA Start Fund	55	(55)	-
Other restricted funds	58	(58)	-
	<u>366</u>	<u>(366)</u>	<u>-</u>
<b>Total of funds</b>	<u><u>4,476</u></u>	<u><u>(1,543)</u></u>	<u><u>2,933</u></u>

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**14. Summary of funds**

**Current year**

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 December 2020 £000
General funds	2,933	2,484	(1,697)	-	3,720
Restricted funds	-	1,059	(590)	-	469
	<u>2,933</u>	<u>3,543</u>	<u>(2,287)</u>	<u>-</u>	<u>4,189</u>

**Summary of funds - prior year**

		Income £000	Expenditure £000	Balance at 31 December 2019 £000
General funds		4,110	(1,177)	2,933
Restricted funds		366	(366)	-
		<u>4,476</u>	<u>(1,543)</u>	<u>2,933</u>

**15. Analysis of net assets between funds**

**Current year**

	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000
Current assets	526	4,251	4,777
Creditors due within one year	(57)	(531)	(588)
<b>Total</b>	<u>469</u>	<u>3,720</u>	<u>4,189</u>

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**15. Analysis of net assets between funds (continued)**

**Prior period**

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Current assets	3,230	3,230
Creditors due within one year	(297)	(297)
<b>Total</b>	<u>2,933</u>	<u>2,933</u>

**16. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £59k (2019: £21k), £11k (2019: £7k) was payable to the fund at the balance sheet date and was included in other creditors.

**17. Operating lease commitments**

At 31 December 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020 £000</b>	<i>2019 £000</i>
Not later than 1 year	<u>46</u>	<u>145</u>

**18. Related party transactions**

During the year there were no transactions with related parties to disclose.

**19. Analysis of changes in net debt**

	<b>At 1 January 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 December 2020 £000</b>
Cash at bank and in hand	3,095	987	4,082
	<u>3,095</u>	<u>987</u>	<u>4,082</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Comparative Statement of Financial Activities**

	Restricted funds 2019 £000	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
<b>Income from:</b>				
Donations and legacies	366	3,464	3,830	-
Charitable activities	-	646	646	-
<b>Total income</b>	<b>366</b>	<b>4,110</b>	<b>4,476</b>	<b>-</b>
<b>Expenditure on:</b>				
Charitable activities	366	1,177	1,543	-
<b>Total expenditure</b>	<b>366</b>	<b>1,177</b>	<b>1,543</b>	<b>-</b>
<b>Net movement in funds</b>	<b>-</b>	<b>2,933</b>	<b>2,933</b>	<b>-</b>
<b>Reconciliation of funds:</b>				
Net movement in funds	-	2,933	2,933	-
<b>Total funds carried forward</b>	<b>-</b>	<b>2,933</b>	<b>2,933</b>	<b>-</b>