



# **ANNUAL REPORT & FINANCIAL STATEMENTS**

**ACTION AGAINST HUNGER (UK) LIMITED  
YEAR ENDED 31 DECEMBER 2018**

## **FOR A WORLD FREE FROM HUNGER**

**FOR FOOD.**

**AGAINST HUNGER AND MALNUTRITION.**

**FOR CLEAN WATER.**

**AGAINST KILLER DISEASES.**

**FOR CHILDREN THAT GROW UP STRONG.**

**AGAINST LIVES CUT SHORT.**

**FOR CROPS THIS YEAR, AND NEXT.**

**AGAINST DROUGHT AND DISASTER.**

**FOR CHANGING MINDS.**

**AGAINST IGNORANCE AND INDIFFERENCE.**

**FOR FREEDOM FROM HUNGER.**

**FOR EVERYONE.**

**FOR GOOD.**

**FOR ACTION.**

**AGAINST HUNGER.**

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*Cover: A mother and her child in Mali who have received support from an Action Against Hunger trained Community Health Worker.*

© Lys Arango for Action Against Hunger



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**REGISTERED OFFICE: 6 MITRE PASSAGE, LONDON SE10 0ER**

THE COMPANY IS REGISTERED IN ENGLAND NO. 3069468 AND WAS INCORPORATED ON 16 JUNE 1995. THE COMPANY IS A REGISTERED CHARITY NO. 1047501 (ENGLAND AND WALES) AND FROM APRIL 2018 IN SCOTLAND, SC048317.

**SCOPE OF REPORT:** Action Against Hunger (UK) Limited is part of an international network that operates under the name of Action Against Hunger, with head offices in Paris, Madrid, New York, Toronto, New Delhi and London. Each Action Against Hunger member is legally independent but shares a common mandate, values, operating principles, quality standards and strategy. The narrative sections of this report refer to those activities for which Action Against Hunger in the UK has management responsibility.

# WELCOME

In 2018, Action Against Hunger UK became a member of the Disasters Emergency Committee (DEC). The DEC brings together 14 leading UK aid charities and the mainstream media to respond collectively when poor countries are hit by major disasters. It is an organisation trusted by the British public to raise money and to get communities the help they need. Membership of the DEC has been an ambition of the organisation for many years.

The Action Against Hunger international network has been a humanitarian organisation since its creation 40 years ago, with responses to rapid, slow-onset and protracted crises at the core of its operations. Action Against Hunger UK is part of this international network, with Action Against Hunger sister organisations headquartered in France, Canada, India, Spain and the USA. Together, we have programmes in 47 countries. In 2018, we assisted more than 21 million people, with 7,646 staff and a global income of more than €424 million.

In 2018, Action Against Hunger UK raised and assigned over £37m of assistance for support to the most vulnerable populations – especially malnourished children and those affected by conflict and violence in Northern Nigeria, the Democratic Republic of Congo and Yemen, and in Bangladesh, where the Rohingya populations have taken refuge following violence in Myanmar.

Through our DEC membership, we can continue to build and strengthen our ability to respond quickly and at scale to multiple simultaneous emergencies. We sincerely hope that you will be able to support our DEC appeals when crises strike, so that we can help as many people as possible in the crucial first days and weeks of a disaster. Thank you, in advance, for your generosity.

Over the years, we broadened our approach to include resilience and development interventions to enable us to respond more effectively to the needs of vulnerable communities and to mitigate the risks of future food and nutrition crises.





This is particularly true in the Sahel region, an area at high risk of seasonal food crises and famines – with some of the highest population growth forecasts in the world and experiencing significant effects from climate change. In 2018, Action Against Hunger projects in Mali were supported by the People’s Postcode Lottery, the innocent foundation and restaurant chain Carluccio’s; and a Teenage Nutrition for Change programme in Senegal was supported by UK Aid match funding.

We have an ongoing commitment to deliver high-quality assistance, supported by constant investment in our research, monitoring, evaluations and learning capacities, and in our nutrition expertise. As a result, Action Against Hunger is well respected by its peers for its technical excellence, particularly in the area of undernutrition.

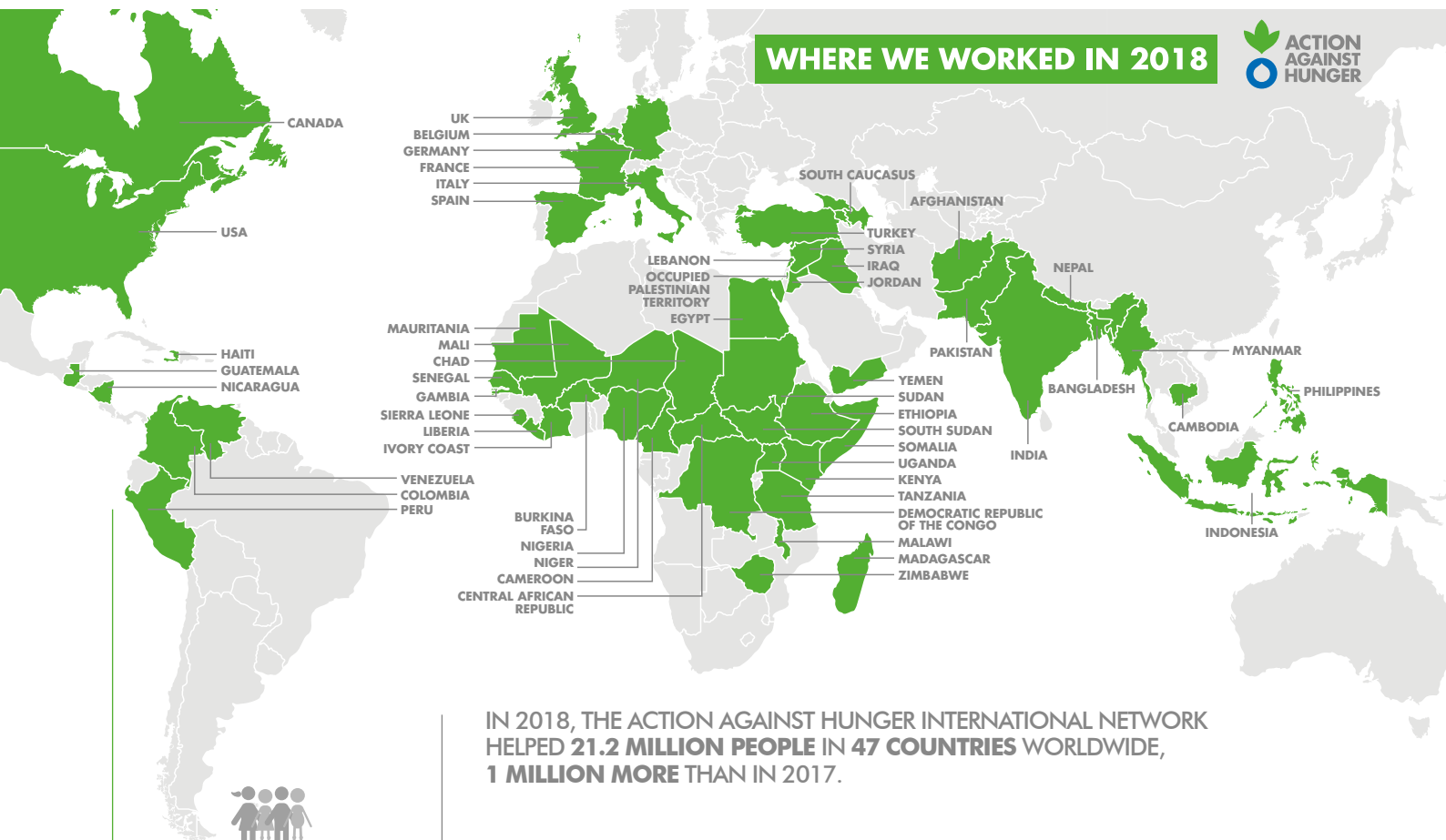
Over the past 20 years, Action Against Hunger UK has nurtured a powerful base of relationships and financial support from many areas of the food and hospitality industry. We proudly count high profile chefs, Michelin starred restaurants, high street chains, influencers, industry bodies, restaurateurs, as well as passionate customers and “foodies” among our supporters. Focusing this passionate audience around a common call to action has proved to be a powerful vehicle for engaging the food-loving public in our cause and vision to end child hunger.

**THANK YOU.**

**PAUL WILSON**  
CHAIRMAN, ACTION AGAINST HUNGER UK



# OUR GLOBAL REACH AND IMPACT IN 2018



  
**21.2M**  
PEOPLE

  
**47**  
COUNTRIES

  
**37**  
EMERGENCIES

IN 2018, THE ACTION AGAINST HUNGER INTERNATIONAL NETWORK HELPED **21.2 MILLION PEOPLE** IN **47 COUNTRIES** WORLDWIDE, **1 MILLION MORE** THAN IN 2017.



**8.7 MILLION PEOPLE HELPED WITH  
NUTRITION AND HEALTH**



**8.9 MILLION PEOPLE REACHED WITH  
WATER, SANITATION AND HYGIENE**



**2.7 MILLION PEOPLE SUPPORTED WITH  
FOOD SECURITY AND LIVELIHOODS**



**172 PROJECTS DELIVERING  
MENTAL HEALTH AND CARE PRACTICES**





# DIRECTORS' REPORT

**FOR ALMOST 40 YEARS, ACROSS NEARLY 50 COUNTRIES, ACTION AGAINST HUNGER HAS LED THE GLOBAL FIGHT AGAINST HUNGER. WE SAVE THE LIVES OF MALNOURISHED CHILDREN. WE ENSURE PEOPLE IN NEED CAN ACCESS CLEAN WATER, FOOD, TRAINING AND HEALTHCARE. WE ENABLE ENTIRE COMMUNITIES TO BE FREE FROM HUNGER.**

The directors of Action Against Hunger (UK) Limited – hereafter referred to as Action Against Hunger UK – present their annual report and audited accounts for the year ended 31 December 2018, and confirm they comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Account (Scotland) Regulations 2006 as amended in 2010, and the Charities Statement of Recommended Practice 2015.

Anguri, 35, has 6 children and lives in Baran, India. India has the highest numbers of malnutrition children in the world.

# OUR STRATEGIC PRIORITIES

We know that hunger and undernutrition are preventable. In a world in which conflict, natural disasters, poverty and threats to natural resources present significant challenges, our strategic plan has a bold vision to increase our impact and influence. We set out to relieve the consequences of hunger, tackle its causes and change the way it is addressed. Together with our global partners, in 2018 we worked hard to further reduce and prevent hunger and undernutrition among the most vulnerable people in 47 countries.

## OUR FIVE GOALS, SET OUT IN OUR 2016-2020 STRATEGIC PLAN, ARE:

GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5
Reduce mortality in children under five years of age.	Reduce the prevalence of chronic and acute undernutrition.	Increase the coverage of programmes to treat severe acute malnutrition.	In emergencies, ensure people's unmet humanitarian needs are covered, where they are within our areas of expertise.	Provide reliable evidence and expertise to improve national and international strategies on undernutrition.

## OUR UK OBJECTIVES IN 2018

Our annual objectives set out what we need to achieve each year in the context of our five-year strategy. In setting these objectives and planning our activities, Action Against Hunger UK's directors give careful consideration to the Charity Commission's general guidance on public benefit. Our objectives in 2018, all of which we met, were:

- **TO RAISE A MINIMUM OF £15M TO SUPPORT HUMANITARIAN PROGRAMMES.**
- **TO APPLY TO BECOME A DEC MEMBER, COMPLETING A SELF-ASSESSMENT AGAINST THE CORE HUMANITARIAN STANDARD.**
- **TO EVIDENCE A RANGE OF COST-EFFECTIVE, HIGH-QUALITY SOLUTIONS TO COMBAT SEVERE ACUTE MALNUTRITION (SAM) AND TO USE THESE STRATEGICALLY IN OUR PROGRAMMES IN 10 COUNTRIES.**
- **TO CONDUCT A MID-TERM REVIEW OF THE 2020 INTERNATIONAL STRATEGY.**
- **TO REACH 100,000 SUPPORTERS AND RAISE £4M FROM PRIVATE SOURCES.**
- **TO FULLY COMPLY WITH GENERAL DATA PROTECTION REGULATION (GDPR) AND FOLLOW CHARITY COMMISSION GUIDANCE IN PROVIDING A SAFE ENVIRONMENT FOR THE PEOPLE WE ASSIST AND FOR OUR STAFF.**





# STRATEGIC REPORT

## TACKLING MALNUTRITION

### WHY FOCUS ON NUTRITION?

According to The State of Food Security and Nutrition in the World report of September 2018, one in every nine people in the world is going hungry. Global hunger is returning to levels seen 10 years ago – challenging the Sustainable Development Goal of Zero Hunger by 2030. The key factors are climate change, conflict and economic changes.

More than 50 million children under the age of five were suffering from acute malnutrition in 2018, and 16.6 million were affected by severe acute malnutrition. Acute malnutrition is one of the greatest challenges to child survival in the world today. Every day, around 15,000 children under the age of five lose their lives. Undernutrition contributes to nearly half of all these deaths. It puts the vulnerable, especially babies and young children, at greater risk of dying from common infections. Children with the most severe form of acute malnutrition are nine times more likely to die from infections such as diarrhea, dysentery, respiratory infections and measles. 56 million children under the age of five are projected to die between 2018 and 2030.



Children are weighed and measured at an Action Against Hunger led malnutrition screening centre in Haiti. Dietary supplements are also distributed.



# FOR A WORLD FREE FROM HUNGER

In 2018, more than 20 million people in Yemen were in desperate need of help, with 14 million on the brink of starvation and reliant on food aid. While in Bangladesh, a million Rohingya refugees from Myanmar continue to find safety in cramped living conditions in 34 camps in Cox's Bazar. In so many food crises, mothers are undernourished and shocked – this can affect how they breastfeed their babies.

There are things that can be done. We provide safe shelter, privacy, nourishment and reassurance so that mums can continue to breastfeed successfully. Malnutrition is measurable: a tape placed around a child's upper arm can quickly show which children are in danger. Where communities are trained to use the tape, and treatment is available, lives can be saved with a simple product. With such straightforward diagnosis and treatment, Action Against Hunger is determined to reach, treat and cure as many people as possible to bring down the global statistics.

Poor nutrition in the first years of a child's life can also lead to stunted growth, impaired cognitive ability and poor school performance. Women and girls are disproportionately affected by malnutrition, yet few programmes are tailored specifically to their needs (for example increased risk of anaemia). Our programmes aim at empowering women around household resources, including nutritious food, as well as more broadly. We also reinforce antenatal care services so that iron supplements can be available for more pregnant women around the world.



Rohingya mothers bring their babies to be screened for malnutrition at Action Against Hunger's emergency operations centre in a refugee camp in Cox's Bazar, Bangladesh.

IN **2018**,  
ACTION AGAINST  
HUNGER'S SUPPORTERS  
AROUND THE WORLD  
ENABLED US TO HELP  
**8.7 MILLION PEOPLE**  
WITH **NUTRITION**  
**AND HEALTH PROJECTS**  
AND  
**2.7 MILLION PEOPLE**  
WITH **FOOD SECURITY**  
**AND LIVELIHOODS**  
**PROJECTS**



# GROWING OUR TREATMENT PROGRAMMES

Action Against Hunger's SAM2020 Agenda sets out a call to reach more children with access to life-saving treatment for severe acute malnutrition by 2020. There is still much work to be done, for currently less than 25% of children who are in need every year are accessing treatment. Action Against Hunger UK supports the global efforts to scale-up treatment through leadership and technical support to generate evidence and uptake.

## GENERATING EVIDENCE AND UPTAKE NO WASTED LIVES

No Wasted Lives is a coalition of partners committed to catalysing action for acute malnutrition. As a founding member, Action Against Hunger UK hosts the No Wasted Lives Secretariat Team who lead the research and technical activities of the coalition.

In 2018, the UK Secretariat Team continued to support the generation and uptake of evidence across a range of programmatic solutions to improve the quality, effectiveness and cost-effectiveness of treatment for acute malnutrition.

## OUR MOST IMPORTANT ACTIVITIES IN 2018:

- Leading the translation of the Global Research Agenda for Acute Malnutrition to initiate new research activities and funding from donors, and so filling critical gaps in the evidence.
- Working with our Action Against Hunger network and global partners to ensure robust research uptake strategies are in place to support uptake and use of emerging evidence.
- Providing technical support into the design and implementation of economic evaluations and cost-effectiveness studies in our key research on treatment, including the ComPAS study, C-Project Phase 2 in Mali, and the iCCM Kenya.
- Leading the ComPAS follow-up study to assess longer-term body composition following combined and simplified treatment for acute malnutrition in Kenya.
- Working with the UK Operations Team and Action Against Hunger Network to update and expand the research section of the Knowledge Hub, ensuring the latest updates on key areas of research are publicly available.
- Expanding the State of Acute Malnutrition website, a platform for country and global level data, resources and updates on acute malnutrition. In 2018, based on user feedback, the site was upgraded and expanded, and more data visualisations are planned for 2019.

## USING COVERAGE AND NUTRITION INFORMATION TO SCALE UP PROGRAMMES

Action Against Hunger UK leads on providing coverage monitoring and nutrition information services to the Action Against Hunger network and stakeholders in the sector. This technical leadership is critical to ensuring that our efforts to scale-up treatment understand context-specific barriers and boosters for treatment, and that they are effective.

In 2018, Action Against Hunger had a goal to collect and use nutrition information to support strategic and coherent programming in 10 countries. By the end of the year we had:

- conducted coverage training for Action Against Hunger nutrition technical advisors in Paris
- provided both direct and remote support for coverage survey activities, including training, planning, implementation, analysis and reporting support to:
  - Action Against Hunger South Sudan (Aweil East, Bentiu PoC and Juba)
  - Action Against Hunger Cameroon
  - Action Against Hunger Madagascar
  - UNICEF Cameroon
  - IRC Nigeria
  - Action Against Hunger Bangladesh in the Rohingya refugee camps in Cox's Bazar
- provided additional technical support for broader nutrition information efforts, under our Long-Term Agreement (LTA) with UNICEF. These included:
  - a one-day consultation on acute malnutrition to UNICEF HQ in New York
  - review of the community based/integrated management of acute malnutrition (CMAM/IMAM) guidelines for Cambodia, Laos, Mongolia, Timor Leste, Malaysia, and Indonesia
  - capacity building on SMART (nutrition survey) methodology in Bangladesh.

## FINANCING NUTRITION PROJECTS AND INCREASING PUBLIC SUPPORT

In 2018, in partnership with the International Coalition for Advocacy on Nutrition (ICAN) UK members, Action Against Hunger developed policy and financial asks of the UK Government for the 2020 Nutrition for Growth Summit (N4G), which will be a key milestone for securing funding and policy commitments on nutrition. Alongside this, the group worked on a joint advocacy action plan towards N4G, to be implemented between 2018-2020. This included producing and disseminating a joint briefing for UK Parliamentarians on financing malnutrition and promoting ambitious and effective policy responses to maximise the effectiveness of aid for nutrition, as well as convening meetings with senior decision makers, such as the Secretary of State's Special Adviser. Action Against Hunger will be scaling up its advocacy and campaign action towards N4G over 2019-2020.



## CASE STUDY

Oumou Macalou, a 25 year old mum of four, lovingly hugs her little daughter Awa. "A few weeks ago, Awa became very ill. She was listless and weak and didn't engage with her siblings anymore," Oumou says. "Thankfully, she's getting better now. She is interacting with the nurses and takes everything in very attentively. She's even smiling every now and then."

Awa was born blind. When her mum noticed that she was unwell, she took her to the nearest health centre, where she was diagnosed with life-threatening malnutrition. The health workers immediately referred her to the Action Against Hunger-supported nutrition unit at the regional hospital in Kita.

Not long ago, it was nearly impossible for mothers to get the urgent treatment they needed for their children, often because healthcare was too far away. Things changed when Action Against Hunger and the innocent foundation launched an ambitious research project with the potential to revolutionise the treatment of malnutrition, paving the way for health workers to treat malnourished children in their communities.

By training community health workers to diagnose and treat children at home, rather than parents having to walk up to 40km to the nearest clinic every week for treatment, health workers can treat children in urgent need of care and also spot the early signs of malnutrition – thus preventing children from getting seriously ill.

From now on, only children with medical or other complications have to be referred to the hospital and, thanks to the project, transport is now available.



*Agao goes with her daughter to the Action Against Hunger outpatient treatment center (OTP) in Yargot, South Sudan.*



# FOCUSING ON PREVENTION

Our mission in fighting hunger includes preventing malnutrition before it happens. Through the work we do with the Action Against Hunger network globally, we contribute to improving the overall health, mental health, livelihoods, and water and sanitation of populations, especially those affected by crises and disasters.

## IDENTIFYING THE CAUSES OF MALNUTRITION

We believe that to prevent malnutrition we need to understand the root causes of the problem. The Action Against Hunger network has developed the Link NCA methodology, with the support of leading researchers from Tufts University in Massachusetts, the Institute of Research for Development (IRD), and the World Food Programme.

In 2018, Action Against Hunger UK supported field programmes in Wag Himra Zone, Ethiopia, and Amboasary Sud, Madagascar, to identify the causes of undernourishment and promote the implementation of adapted responses by all organisations involved in fighting malnutrition. Gender inequalities and poor sanitation came up strongly as main causes of malnutrition in both studies.

## PREVENTING MORTALITY AND HIGH LEVELS OF MALNUTRITION IN DISASTERS

Under our Long-Term Agreement (LTA) with UNICEF, our UK team provided technical support to build the capacity of the ministries of health and civil societies on preparedness and response to emergencies.

We supported the health ministries of Myanmar and Indonesia to strengthen their national Nutrition in Emergencies (NiE) capacities. In Myanmar, this involved a needs-assessment phase to identify country specific NiE learning needs, the development of NiE training content and the facilitation of in-country training. In Indonesia, in-country training was provided to members of ASEAN, which ensured the inclusion of nutrition in their overall preparedness and response.



# ACTING IN EMERGENCIES

In 2018, Action Against Hunger UK signed 20 new contracts and grants with a total value of £33.9m from UK Government funding (UK Aid), £32m of which went to emergency response. This included funding directly from the Department for International Development (DFID), as well as from the Start Network, to which the UK Government is a major donor. Additionally, following Action Against Hunger UK's successful application to become a DEC member in 2018, £370,800 was secured from the DEC for the Indonesia Earthquake and Tsunami response in September.

## SOME EXAMPLES OF HOW UK AID FUNDING SUPPORTED ACTION AGAINST HUNGER'S HUMANITARIAN RESPONSES:

### BANGLADESH – RESPONDING TO THE ROHINGYA REFUGEE CRISIS IN COX'S BAZAR

In August 2018, Action Against Hunger secured a £10m grant from DFID to improve wellbeing and health in the Rohingya refugee and host communities in Cox's Bazar over 11 months. Action Against Hunger is leading a consortium of six other NGOs to deliver life-saving health, nutrition, livelihoods and water. This includes treatment for malnourished babies, provision of primary health through mobile clinics, psychosocial counselling for victims of gender-based violence, cooking gas and promotion of hygiene. All support is designed to be inclusive, particularly for people with disabilities and other vulnerable groups. A total of just under 369,000 refugees and members of the host communities will benefit.

### DEMOCRATIC REPUBLIC OF CONGO PUNC III – EMERGENCY NUTRITION PROGRAMME

This DFID-funded, £6.4m, 20-month project, started in February 2018 with the aim of improving the nutritional status of the communities in the Democratic Republic of Congo. The aim is to carry out a number of life-saving interventions, including treatment of patients with severe acute malnutrition (SAM) and initial capacity building of healthcare professionals, management teams and community health workers within the catchment areas. Action Against Hunger is providing nutritional, medical, anthropometric WASH supplies to health centres and for distribution to beneficiaries. The project also carries out SMART surveys to evaluate the level of nutritional crisis and improve surveillance.

### GUATEMALA – VOLCANO RESPONSE

In June 2018, £37,367 secured from the Start Fund enabled Action Against Hunger to provide water, sanitation, hygiene and other essential items to those living in formal and informal shelters affected by the volcano that hit Escuintla. This included installing 48 mobile toilets and eight mobile showers within 10-20 days of the emergency. Kitchen kits were also distributed as well as 10 gas cookers and cooking facilities.

### NIGERIA - INTEGRATED BASIC NUTRITION RESPONSE TO THE HUMANITARIAN CRISIS (INP+):

Action Against Hunger's DFID-funded £7.9m project, running over three years, started in March 2016 and is being implemented in Borno and Yobe states in Nigeria. The project aims to improve the nutritional status of children under five years of age, and pregnant and lactating women, through prevention, detection and treatment of undernutrition, mainly through infant and young child feeding practices (IYCF), micronutrient supplementation and improved food/nutrition security, as well as improved livelihoods and better hygiene behaviours, and access to sanitation solutions.



*In 2017-2018, people in Somalia faced the brink of famine, one of the worst food crises since 2011.*





## PROMOTING RECOGNITION OF CONFLICT AS A KEY CAUSE OF HUNGER

Action Against Hunger organised a Parliamentary event in February 2018 to support advocacy for adoption of UN Security Council Resolution 2417 on conflict and hunger. At the event there were speeches from the Minister and Shadow Ministers for International Development, Harriet Baldwin MP and Dan Carden MP, alongside Action Against Hunger's East Africa Regional Director, Hajir Maalim. The event was held to mark the UN's announcement of famine risk in four conflict-affected countries. Action Against Hunger UK also produced a report on the humanitarian situation in the most at-risk countries, with policy recommendations on conflict and hunger. This report included contributions and endorsements from the wider NGO sector. It was shared with UK Parliamentarians and later adapted for dissemination to UN Security Council members.

## IN THE SAHEL

The Sahel region has faced recurrent and protracted crises due to ongoing conflicts. DFID is now scaling up its presence in the Sahel region, overseen by a cross-government Sahel Unit. Given Action Against Hunger's wide and long-established presence across the area, in 2018 the UK headquarters took on co-chairing of the UK-NGO Sahel Working Group. Action Against Hunger UK has also led on promoting and coordinating engagement between Action Against Hunger country directors and DFID, to help inform the latter's approach to resilience-building and tackling malnutrition across the region – for example through the communication of Action Against Hunger's position paper on building resilience in the Sahel.



# FOR A POWERFUL MOVEMENT IN THE UK

OVER 350  
RESTAURANTS  
SUPPORTED OUR 'LOVE  
FOOD GIVE FOOD'  
CAMPAIGN

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MORE THAN  
820 SCHOOL  
CHILDREN  
RAISED MONEY BY  
TAKING PART IN  
OUR RUN AGAINST  
HUNGER

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OUR CHEF  
AMBASSADORS  
AND STUDENT  
SUPPORTERS

RAISED £434,000

TREKKING IN PERU,  
NEPAL, ETHIOPIA AND  
TANZANIA

---

20 CORPORATE  
PARTNERS  
DONATED MORE THAN  
£575,000

TO SUPPORT  
LIFESAVING WORK  
AROUND THE WORLD



Supporter Rosie Mira reaches the Mount Bwahit summit on our Ambassador Challenge in Ethiopia.



## **FOR ACTION AGAINST HUNGER**

# **MOBILISING SUPPORT**

We have worked with the hospitality industry for two decades and are proud to share with them our passion both for food and for building a world free from child hunger. We have new and longstanding supporters from students to chefs, restaurants and hospitality outlets to food critics.

In total, our supporters, corporate partners and private donors contributed £3.8m to our overall income.

## **CORPORATE AND PHILANTHROPY PARTNERSHIPS**

We continue to work with Starbucks on their food waste initiative. Customers receive a 50% discount on food that would otherwise be thrown away during the last hour of trading across 350 stores. All funds raised through this initiative are generously donated to Action Against Hunger. The scheme has now raised over £170,000 and has been expanded to Spain, Austria, Switzerland and the Netherlands.

unearted® continues to raise a huge amount of funds for us through their on-product donations – totalling over £650,000 since 2010 – and we continue to work with Palringo, who have raised an incredible £285,000 since 2015.

We are grateful to the People's Postcode Lottery who in 2018 awarded us £250,000 for our malnutrition programmes in Mali and Tanzania, as well as for selecting us to be a regular recipient of funds year on year. Without the players of the People's Postcode Lottery, this would not have been possible.

In addition, we would like to extend a thank you to the innocent foundation for its continued support.

## **WORKING WITH THE HOSPITALITY INDUSTRY**

We continue to be one of the hospitality industry's charities of choice.

We would like to thank our superb chefs, street food traders, restaurants, corporate partners, supporters and volunteers, who brought their energy to fundraising in 2018 through a range of brilliant events and campaigns.

In 2018 our annual flagship fundraising campaign Love Food Give Food was supported by over 350 restaurants, raising more than £425,000, with 2 million members of the public enjoying a meal at participating restaurants. We are grateful to all of the restaurants who took part and the thousands of their staff who championed our cause throughout September and October. Restaurants raised funds by adding a £1 donation to table bills or made a donation through sales of a special dish. Our top fundraiser of Love Food Give Food 2018 was the Bone Daddies group, which raised an incredible £44,000.

Our Fine Wine Auction, hosted by Hugh Bonneville and Mariella Frostrup, raised £305,268 and our Auction Against Hunger, which brought together 558 people with host DJ BBQ, raised £55,031.

We are extremely grateful for the support of Carluccio's, with our partnership now in its eleventh year and having raised more than £2m since its inception.

We continue to work with the incredible Hawksmoor restaurants, which raised £75,000



in 2018 through donations on book sales, donations on desserts and by participating in Love Food Give Food.

In 2018, we were also thrilled to partner with Busaba who are providing a year round donation on both their children's menu and aubergine curry, and we also partnered with the burritos chain Tortilla who donated 50p for every bottle of soft drink Arizona sold throughout September, resulting in a 31% increase in the volume of drinks sold.

Our partnerships in the North have also continued to expand. In 2018, we secured a partnership with North Bar in Leeds, which sees them donate 10p from every sale of their best-selling pale ale. In addition to the above, North Brewing Co have created a special Action Against Hunger beer in collaboration with a number of other breweries. The beer is available to buy in keg and cans and North Brewing Co will donate 25p per can and 10p per pint sold.

Towards the end of 2018, there was a fantastic event in Manchester called Too Many Owners, which saw Manchester's most renowned hospitality industry owners come together under one roof for a DJ battle in aid of Action Against Hunger, raising £10,000.

## **AN EXCITING NEW PARTNERSHIP WITH THE MUSIC INDUSTRY**

Working alongside the music industry, Action Against Hunger launched MealTickets, a powerful new campaign through which £1 from every concert ticket goes towards saving the lives of malnourished children across the world. The campaign launched in November 2018, supported by New Order, who also generously gifted a license to use a track from their latest album and live footage from their tour for a campaign video. This was in addition to £12,000 raised from guest list contributions and the £1 donation on tickets to their only UK gig. Last year, their contribution to the MealTickets campaign was worth an incredible £60,000. The campaign demonstrates the huge potential for increased brand positioning and new audiences for Action Against Hunger UK.

## **FUNDRAISING WITH THE PUBLIC**

Over the year, we confirmed our position as a leading charity for student fundraising; university students demonstrated their fundraising power, with over 500 signing up with us to trek, run, and volunteer. In total, they raised just over £380,000.

Supporters young and old ran for us. They pushed themselves to their limits, taking part in the London Marathon, Tough Mudder and, for 820 school children, our Run Against Hunger.

Two teams, of chefs and influential hospitality industry supporters, took part in our Ambassador Challenges this year. The Challenges took place in Nepal and Ethiopia, with the groups trekking to high altitudes through difficult terrain. In the process, together they raised more than £150,000 for the fight against hunger.

We were delighted to be chosen as the beneficiary charity for a number of events, from Iftars to concerts, where our supporters used their passion, skills and networks, and in total raised over £120,000.

We thank all our new and loyal supporters for their generosity – in response to our newsletter, You Against Hunger; our urgent Christmas appeal for children caught up in conflict; or to an emergency appeal. We are extremely grateful for all your support to help us in the fight against hunger.





## PUBLIC CAMPAIGNING

Six out of ten undernourished children live in regions impacted by conflict. In countries such as Yemen, Syria, Nigeria, the Democratic Republic of Congo, Central African Republic or South Sudan, hunger is deliberately used as a weapon of war. Bombing markets, blocking access to roads, poisoning wells, destroying farming lands... these are some of the war tactics used to starve and enslave entire populations.

To condemn these crimes, Action Against Hunger ran the Stop Hunger Crime public awareness campaign. In partnership with Action Against Hunger France, we melted decommissioned bullet casings from a former war zone into 200 limited edition pieces of cutlery. These were given to celebrities and influencers, who posted social media images of themselves with the knives and forks crossed. We also encouraged the public to take pictures with their own crossed knives and forks and share them across their social networks with the hashtag #StopHungerCrime. The campaign reached more than 50 million people around the world through press and broadcast coverage, 600,000 people shared posts, and there were 500 million social media impressions. In the UK alone, media and social media exposure reached more than 60 million people.



# A HIGHER PERFORMING ORGANISATION AND A FIRST-CHOICE EMPLOYER

## OUR PEOPLE

Action Against Hunger is proud to have such a committed and passionate team of people driving its mission to end world hunger.

In 2018, the average number of staff employed by Action Against Hunger UK and working in the UK office was 74.

The average number of staff contracted by Action Against Hunger UK and working overseas was 64. These included staff who worked overseas on projects run by both Action Against Hunger UK and other members of the Action Against Hunger International network in 22 countries.

Although Action Against Hunger employs less than 250 people in the UK, we have committed to publishing our gender pay gap (GPG). In April 2018, it showed no difference in the median pay gap between female and male full-time employees. Data in April 2019 indicates that there is now a negative gender pay gap in favour of women of -2.5%.



A group of women learn about nutritious food production from an Action Against Hunger worker in Niger.



## LEARNING AND DEVELOPMENT

We believe that investing in the development of our staff is key to our effectiveness as a high-performing organisation. In 2018:

- Fifty-eight individual employees undertook some form of learning and development activity.\*
- The average learning and development spend per employee was £539 (sector: £379\*\*).
- The average number of off-the-job training days per employee was 3.5 (sector: 3\*\*).

We are committed to ensuring that the health, welfare and safety of our staff and beneficiaries is paramount when prioritising our learning and development activities. In 2018, we invested in ensuring that relevant personnel were trained in the management of safeguarding; that those UK staff travelling overseas received appropriate safety and security training; and that 50 employees received mental health awareness training, as part of a longer term strategy to promote employee wellbeing and resilience. In 2018, we provided placements for 20 volunteers, each seeking to gain exposure and valuable experience through working in our HR, Fundraising & Communications and Operations departments. Our sincere thanks go to all our volunteers for their support for our work.

\* Excludes mandatory PSEA e-learning, which was completed by all staff and trustees | \*\*People Count Survey

## OUR COMMITMENTS

Action Against Hunger trustees, employees and volunteers are committed to respect the Charity Code of Conduct, which articulates the values the organisation wishes to foster in leaders and employees.

We are committed to ensuring that those working for and on behalf of Action Against Hunger are clear, confident and equipped to understand their obligations to uphold the six founding principles of independence, neutrality, non-discrimination, free and direct access to victims, professionalism, and transparency.

Our policies in relation to the protection against sexual abuse, sexual exploitation and sexual harassment, and those relating to the prevention of financial mismanagement and misconduct have been reviewed.

All employees have been inducted into and briefed on the new policies as part of an annual cycle of training and re-assimilation, as well as embedded into our mandatory induction programme.

Alongside our commitment to prevention, we are also committed to ensuring that multiple channels exist to ensure that staff and volunteers can report any concerns they may have in relation to impropriety. In a recent staff survey, 96% of respondents stated they were confident in knowing how to raise a concern if they suspected sexual abuse/exploitation/harassment, fraud, corruption or a legal breach.



# HOW WE RAISE OUR MONEY

We are registered with the Fundraising Regulator, follow its Code of Fundraising Practice and believe in its aim to set the highest fundraising standards and enhance public confidence in the charitable sector. As a registered charity we are regulated by the charity commissions in England, Wales and Scotland.

In 2018, we are proud to say 94p in every pound we raised was spent on our charitable activities. The remaining 6p was primarily used for support activities and fundraising. These activities enable us to increase the number of children's lives we save now and in the future, and to find new ways to drive down the cost of treatments so that the money we do raise goes further.

We know that when people give us money they need to know we are using their gifts effectively and resourcefully. We keep our office costs as low as we can and, thanks to the incredible support we have from the UK food industry, we're also able to provide exceptional value on a large proportion of our fundraising because of the time, food and other services that they generously donate for free.

We have a team of fundraisers dedicated to making sure our fundraising is legal, open, honest and respectful. When we use external suppliers to support us with their expertise or increase our capacity, they are contracted and monitored to ensure that they are working to our standards.

Action Against Hunger collects data from supporters to process donations, personalise the supporter experience or to provide supporters with the goods or services they have requested. Except as required by law, Action Against Hunger will never share supporter details with other organisations to use for their own purposes.

On the rare occasion that we do have a complaint about our fundraising – in 2018 we recorded two complaints – we follow a clear process of recording and investigating the complaint, working toward a positive end. We do not put undue pressure on people to make donations, and we use fundraising channels we consider to be engaging and not unreasonably intrusive.

We are careful to ensure we do not accept donations from anyone we suspect to be vulnerable. As well as following the Code of Fundraising Practice, we seek guidance from the Institute of Fundraising in any such instances.

Every pound we raise makes a difference to people's lives worldwide. And with increasing numbers of people donating and levels of support, we are able to have greater impact in the world. As such, we place the highest importance on our approach to fundraising, and we believe this approach is why some of our loudest and most committed champions are our supporters themselves.

## ACTIVITIES IN SCOTLAND

We are required by the office of the Scottish Charity Regulator to report separately upon the activities that we have undertaken in Scotland. We raise funds from individuals and organisations throughout Scotland.



# THANK YOU

THANK YOU TO ALL OUR WONDERFUL SUPPORTERS AND PARTNERS FOR GIVING US SUCH GENEROUS BACKING IN 2017. HERE WE ACKNOWLEDGE SOME OF THE ORGANISATIONS AND PEOPLE WHOSE CRUCIAL SUPPORT ENABLED US TO HELP PEOPLE PROVIDE FOR THEMSELVES AND SEE THEIR CHILDREN GROW UP STRONG.

## OUR FOOD AND HOSPITALITY SUPPORTERS

Aubaine, Bakkavor, Banana Tree, Bone Daddies, Busaba, Caffé Musetti, Carluccio's, Champagne Taittinger, D&D London, Dining Club Group, Ella's Kitchen, Fazenda, Full Time Cover, Hakkasan, Hammerson, Hawksmoor, JKS Restaurants, North Bar and North Brewing Co, Red & Blue Restaurants, Pho, Shake Shack, Starbucks, Twisted, unearthed®

## OUR CORPORATE, INSTITUTIONAL, SCHOOL AND FOUNDATION PARTNERS

Children's Investment Fund Foundation, Department for International Development, Disasters Emergency Committee, Gotshal & Manges, innocent foundation, Orrick, Palringo, People's Postcode Lottery, Start Network, Weil.

## EVERYONE WHO HELPED US HOST OUR EVENTS

Chefs Sophie Michell, Sally Clarke, Tania Steytler, Angela Hartnett, Helene Darroze and Jacob Caraan; The Fine Wine Auction committee; Fine Wine Auction hosts Hugh Bonneville and Mariella Frostrup and video presenter Rick Stein; the team at 1 Lombard Street; auctioneer Tom Best; Lucy Charles, Rachel Pickles, and the whole team at Borough Market; Auction Against Hunger hosts DJ BBQ and Matt White; PR specialist Libby Andrews; The Adam Handling Group, Anna Hansen, Lyle's, Luca, Mike Reid, The Begging Bowl, Yauatcha Patisserie, Horn OK Please, Nieves Barragán Mohacho, KS\_Ate\_Here and Bread Ahead, David Carter and Smokestack, Jennifer Earle, Ravneet Gill, Ceviche and Andina, Khanom Krok, Claw, Busaba, Simon Rogan, Luke French, Anton Piotrowski, Mary-Ellen McTague, Simon Wood, The Rabbit, Fazenda, Maray, Elnecot, Beastro, Firebird Hope, Bacaro and Finca; Selin Kiazim, Asma Khan, Chantelle Nicholson, Zoe Adjonyoh, Rosie Birkett, Tom Hunt, Jason Atherton, Hus Vedat, Jack Stein, Romy Gill; Bill Knott; Too Many Critics London host Neil Rankin and Temper, and this year's critics, Joe Warwick, Tracey MacLeod, Adam Hyman, Hugh Thomson; Too Many Critics Manchester host Dishoom and this year's critics Emily Heward, Simon Binns, Louise Rhind-Tutt, Neil Sowerby and Ruth Allen; Nick de Sousa and the team at Tariff & Dale for hosting Too Many Owners; Caroline Peel; Nigel Barden; Moveable Feast hosts Asha's, Adam Reid at The French, Australasia, Grand Pacific and WOOD Manchester; Cecile Rebbot, Annie Helps, Hannah Furnival, Tim Wyatt, Kelly Stewart at Taste of London; five star head-chef Charlie Nicoll and front of house manager Rosie Johnson; our Nepal trekkers Richard Brown, Josh Moore, Paddy Smith, Steph Whittingham, Lucy Noone, James Bates, Aine Morris, Fiona Botham, Ross Mackenzie, Vince Margiotta, Dominic Borel, James Fowler, Jamie Randall, Anthony Fielden, Kieran Waite, Peter Sanchez-Iglesias, Josh Eggleton; our Ethiopia trekkers Nieves Barragán Mohacho, James Knappett, Shaun Searley, Robin Gill, Dan Joines, Sarah Fox, Rosie Mira, Nick Garston, Fran Astbury; our Moveable Feast London hosts Duck & Waffle, Hawksmoor, Darbaar, Andaz, The Ninth, Hakkasan, Barrafinna, Quo Vadis, Sartoria, Aubaine, Gymkhana, Park Chinois; Bluebird Café; The Big Feastival team and The Ethicurean; Jun Tanaka; Neil Rankin, Nick Gibson and the chefs who cooked at Too Many Chefs – Luke Frankie (Drapers Arms), Smoke and Salt, Karan Gokani (Hoppers), Jack Stein, Seb Holmes, Mark Jarvis (Anglo), Hus Vedat, Lee Westcott, Elizabeth Haigh.

## EVERYONE WHO HELPED US LAUNCH OUR MEALTICKETS CAMPAIGN

New Order, A Certain Ratio, The Winachi Tribe, Moovin Festival, Clint Boon, Happy Mondays and Black Grape, Mute, PIAS, Gas Music, SJM, Universal Music Publishing, Warrington Music Festival, Golden Square shopping centre, Warrington BID, the Porter Novelli communications agency and Mani from the Stone Roses.

# THE YEAR AHEAD

## PRIORITIES FOR 2019

**OUR PRIORITIES FOR 2019 ARE ALIGNED WITH OUR INTERNATIONAL 2016-2020 STRATEGIC PLAN. THEY ARE:**

- To raise at least £25m to support humanitarian programmes.
- To further develop our Emergency Fund.
- To remain a core organisation of the No Wasted Lives initiative.
- To continue to provide a range of cost-effective and high-quality services on severe undernutrition and on monitoring, evaluation and learning.
- To identify and publicise the causes of malnutrition by undertaking Nutrition Causal Analysis.
- To intensify our advocacy work on Conflict and Hunger, and on the Sahel region.
- To raise £4m from private sources.
- To mitigate risks and reach top-quality standards.
- To further progress our digital transformation ambitions.
- To keep a safe environment for the populations we assist and for our staff, including having effective protection measures against sexual exploitation and abuse.





# FINANCIAL PERFORMANCE

Action Against Hunger's total income for 2018 was a record £43.0m (2017 – £31.4m) thanks to some large grants signed with DFID in the year. These income amounts include the full amount of multi-year grants, accounted for in accordance with the Charities SORP and Accounting Standards, which require us to recognise the full amount of income on most grants when agreements are signed. Income received from supporter donations and from fundraising events and other activities was flat year on year, reflecting the challenging fundraising environment that currently exists in the UK.

The Accounts show that in 2018, 94% of the total annual expenditure was allocated to charitable projects and services, with the remaining spend mostly used to support fundraising and, to a lesser extent, indirect support costs.

Total expenditure for the year grew in line with the increase in income. Most of the increase in expenditure related to the subcontracting of programme grants to other members of the Action Against Hunger international network who manage the field work carried out at mission level. The total amount paid out in salaries and benefits to staff fell slightly in 2018 to £5.0m (2017 – £5.1m) as a consequence of a lower number of expatriate staff hired by Action Against Hunger UK and seconded to overseas programmes managed by sister Action Against Hunger member companies.

We ended the year with a net unrestricted funds deficit of £0.04m, which has been deducted from general reserves brought forward. The Board of Directors has reviewed the reserves policy of the Charity and consider it appropriate to seek to maintain unrestricted free reserves equivalent to six months of general expenditure, to cover eventual risks including property liabilities and staff redundancies, as well as the closure of the Charity, to provide a cushion against seasonal variations in income and expenditure, to costs and to fund strategic plans outside of its normal operations. Unrestricted reserves as of 31 December 2018 were £1.7m (which represents around six months of general expenditure).

The Charity's memorandum of association provides the Trustees with the authority to invest in such assets as they see fit, in order to benefit the Charity and its continued financial wellbeing. The Charity is committed to using any surplus cash funds in the most effective way possible. However, the Charity is occasionally required to react quickly in response to particular emergencies and has a policy of investing any surplus funds in relatively short-term deposits, ranging from one month to immediate access.

Action Against Hunger's Board reviews the investment policy annually. The objective of the current policy is to maintain high liquidity while ensuring maximum security. To achieve this, the Charity invests with institutions with a high security rating in instant access, fixed-term or call cash deposits.

## RISK STATEMENT

The trustees are pleased to report that provisions are in place to mitigate the risks considered to be potentially the most harmful. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Action Against Hunger is a responsible organisation with a duty of care to both its staff and the populations it assists. Action Against Hunger is a forward thinking organisation with high appetite for risks around innovation, complex programming, leading consortiums, creative fundraising, partnerships with corporate and non civil society organisations, new ways of

working, embracing digital technologies, exploring new technical approaches that challenge existing ones and any other activities that would improve the performance of the charity. The charity will take risks as long as it does not breach its principles, values, policies and legal obligations. The charity is committed to making the best use of these resources and has low appetite for risks in money investment.

The organisation also has a formal risk management policy to assess business risks and implement risk management strategies. This involves identifying the types of risk faced, prioritising risks in terms of potential impact and the likelihood of occurrence and, finally, identifying the means of mitigating risk. A risk assessment exercise and a register are undertaken on an annual basis. The trustees have identified the major risks to which the Charity is exposed:

<b>RISK</b>	<b>MEASURES IN PLACE TO MANAGE THE RISKS</b>
<b>FIELD SECURITY INCIDENTS</b>	<ul style="list-style-type: none"> <li>Detailed security plans and guidelines are updated on an annual basis in every country</li> <li>Staff receive comprehensive security training before assignment</li> <li>Each country is equipped with all the necessary equipment (vehicles, flak jackets, etc)</li> <li>Critical incident management procedures and training are in place and continually</li> </ul>
<b>FRAUD, CORRUPTION AND BRIBERY</b>	<ul style="list-style-type: none"> <li>Zero tolerance policy for fraud, corruption and bribery</li> <li>Full implementation of Action Against Hunger Risk Management Policies (Anti-bribery, Fraud, Corruption, Abuse of Power)</li> <li>Senior Management and Trustees sign Conflict of Interest forms</li> <li>Whistleblowing and complaints mechanisms are in place</li> </ul>
<b>POLITICISATION, MILITARISATION AND COMMODIFICATION OF AID</b>	<ul style="list-style-type: none"> <li>Stand firm on humanitarian principles (humanity/impartiality/neutrality) and ethics</li> <li>Refuse unacceptable donors'/authorities' conditions for operating</li> <li>Increase financial independence with increased share of private funding</li> <li>Maintain involvement in dialogue with host governments, donors, military, warring parties</li> </ul>
<b>PUBLIC DONOR FATIGUE/BAD PRESS REGARDING THE CHARITY SECTOR</b>	<ul style="list-style-type: none"> <li>Provide more evidence of impact of programmes</li> <li>Transparency and regular communication on the use of all funds raised</li> <li>Publication of annual review</li> <li>Highlighting values and ethics driving the organisation's decisions and actions</li> </ul>
<b>DATABASE MISUSE</b>	<ul style="list-style-type: none"> <li>Ensuring that security procedures are in place and followed</li> <li>Ensuring compliance with data protection laws</li> <li>Training of staff</li> <li>Implementation of records retention policy and retention schedules in line with donor and government regulations</li> </ul>
<b>LOSS OF SKILLED STAFF</b>	<ul style="list-style-type: none"> <li>Fair Benefits and Reward Policy</li> <li>Career Development Planning and implementation</li> <li>Increase in training and development budget</li> <li>Create a stimulating working environment</li> <li>Prohibit sexual exploitation and abuse by employees, partners, suppliers.</li> <li>Zero tolerance policy on safeguarding</li> <li>Undertake awareness raising and related trainings</li> <li>Improve mechanisms to report and handle concerns</li> </ul>
<b>SAFEGUARDING</b>	<ul style="list-style-type: none"> <li>Prohibit sexual exploitation and abuse by employees, partners, suppliers</li> <li>Zero tolerance policy on safeguarding</li> <li>Undertake awareness raising and related trainings</li> <li>Improve mechanisms to report and handle concerns</li> </ul>

**SERIOUS INCIDENTS:** In 2018, there were six allegations of abuse of power, harassment, sexual exploitation (one allegation referred back to 1998), abusive language or fraud. All cases were investigated. As a result, one case of abuse of power and one case of abusive language were proven and led to disciplinary actions; one case of abuse of power was referred to local authorities as it involved local community leaders. There were no cases of sexual exploitation. The cases meeting the Charity Commission's criteria for serious incidents were duly reported.



# STRUCTURE, GOVERNANCE AND MANAGEMENT

Action Against Hunger UK Limited is a registered charity (number 1047501 in England and Wales and from April 2018 SC048317 in Scotland) and is constituted as a private company limited by guarantee (registered in England number 3069468). Its objectives and powers are set out in its Memorandum and Articles of Association.

## DIRECTORS:

Mr Paul Wilson  
(Chairman)

Mrs Frances Pasteur

Mrs Pilar Junco

Mr François Danel\*

Mr Tim Wright

Mr Nicolas Sarkis

*\*resigned*

## SENIOR MANAGEMENT TEAM:

Mr Jean-Michel Grand    Chief Executive

Ms Maria Eaton    Director of Human Resources

Ms Juliet Parker    Director of Operations

Mr Steve Notman    Director of Finance and Administration

Mr Matthew White    Director of Fundraising and Communication

## AUDITORS:

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick RH6 0PA

## SOLICITORS:

Reed Smith Corporate Services Ltd  
Minerva House  
5 Montague Close  
London SE1 9BB

## TRUSTEES

The Directors of Action Against Hunger are the Trustees. The Memorandum and Articles of the Association of the Company set out the way in which trustees may be appointed. The Board has reviewed its composition based on the recommendations of a Board development review carried out at the end of 2016. The trustees identified some gaps in skills, launched a formal and transparent recruitment process and we are currently in the process of hiring a number of additional trustees. All new trustees will be provided with a structured induction programme. This covers, but is not limited to, trustees' roles and responsibilities; a clear understanding of the objectives of the charity, its vision and strategy; principles and values articulated in the charity's Code of Conduct and Charter; an introduction to some of its main policies, risks, and financial situation; meetings with the executive teams and a field visit of its overseas programmes.

Action Against Hunger's Board of Trustees meet on a quarterly basis. The board delegates the use of certain powers, related to the management and administration of the Charity, to Mr Jean-Michel Grand, the chief executive. The chief executive is responsible for the day-to-day management of the Charity's affairs, and for implementing the Charity's strategy, annual plans and policies agreed by the board. The chief executive also ensures full accountability and transparency of the organisation's accounts and reports to the board on a regular basis. He leads the senior management team.

The chief executive and the senior management team are responsible for making day-to-day decisions.

They define and propose the following to the board for approval:

1. Strategies (five-year plan)
2. Annual action plan
3. An annual risk register
4. Policies
5. Investment plans
6. Budgets



In order for informed decisions to be made, members of the senior management team and the chief executive respond to the board's questions at meetings. The board takes a majority vote on decisions (simple majority), communicating them through minutes and resolutions. A quorum of three is necessary.

Any change in strategy, action plan, policy or procedure proposed by the chief executive is examined and ratified by the board. The board approves the delegation of financial authority through the chief executive to the charity, within specific limits.

During 2018, the Charity conducted a review of its governance against the guidelines set up by the Charity Governance Code. Several recommendations were provided. More than half have been addressed in 2018.

#### **Arrangements for setting the pay and remuneration of the charity's key management personnel**

Action Against Hunger operates an incremental pay structure for all roles, including senior management. Grades are established by assessing the job description against the organisation's job evaluation tool. Where appropriate, roles are also periodically

benchmarked against the annual Croner Charity Rewards Survey and comparable roles in similar organisations. Incremental increases are service related and awarded annually to the top of the designated grade. The Trustee Remuneration Committee meets annually in December, to review financial and non- financial remuneration, including pension arrangements and annual cost of living awards, which are applied to uplift the salary scales. Remuneration Committee recommendations are ratified by the full Board of Trustees.

#### **CONNECTED CHARITIES**

The directors consider Action Contre la Faim, a charity registered in France, to be a connected charity. Action Contre la Faim has the same objectives to that of the Company and works closely with it. Its business address is 14/16 Boulevard Douaumont – CS 80060, 75854 Paris CEDEX, France, from which accounts incorporating the results of Action Against Hunger (UK) Limited can be obtained.

Other connected charities are Action Against Hunger USA, a charity registered in the US, and Accion Contra el Hambre, a charity registered in Spain, Action Against Hunger Canada, a charity registered in Canada and Fight Hunger Foundation, a charity registered in India. Expenses are recharged between the connected charities where staff and other resources are used on projects run by the other charity. This gives rise to the balances at the year end referred to in Notes 11 and 12.

#### **RELATED PARTIES/SUBSIDIARIES**

Action Against Hunger UK has a subsidiary trading company called Action Against Hunger Enterprises Limited (company no: 6569439). This Company's principal activity is to raise funds for Action Against Hunger through various trading avenues.

Action Against Hunger UK is one of the five members of the trading company Action Against Hunger Licensing Ltd, a company based in the UK (Company No. 06672034). One of its main roles is to license its Action Against Hunger members the right to use trademarks. The Action Against Hunger UK Executive Director is a Director of that company.

Action Against Hunger UK is also a member of Action Against Hunger Development, a foundation registered in France and an organisation that pools resources and expertise to support the development of Action Against Hunger International Network. One of Action Against Hunger's Trustees is an executive Director of that organisation.



## APPROVAL

This Annual Report is signed by the Chairman on behalf of the Board of Trustees. The trustees also approve the Strategic Report, which is contained within this report, in their capacity as company directors. By order of the board,

**MR PAUL WILSON**  
**CHAIR OF TRUSTEES**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report, incorporating the strategic report, and the financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for the charity for each financial year. Charity law requires the trustees to prepare group financial statements for the charity and its subsidiary undertakings. The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and the group, and of the incoming resources and application of resources of the group for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the directors has confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that he/she has taken all the steps that he/she ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



# INDEPENDENT AUDITORS' REPORT

*A young girl gets her schoolbooks ready to go off to school in Baran, India.*

## TO THE MEMBERS OF ACTION AGAINST HUNGER (UK) LIMITED

We have audited the financial statements of Action Against Hunger (UK) Limited ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the Group and Parent Charitable Company statement of financial positions, the consolidated statement of cash flows and notes to the financial statements, 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 (UK Generally Accepted Accounting Practice).

### OPINION

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2018 and of the Group's incoming resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 as amended in 2010.

### 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 Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in

the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Directors' report,



the Strategic report and structure, governance and management. The Trustees are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 MATTER 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 and the Strategic 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 Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 require us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **RESPONSIBILITIES OF THE TRUSTEES**

As explained more fully in the statement of directors' responsibilities, 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 determines 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 Group's and the Parent 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 Group or the Parent 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**

We have been appointed as auditor under section 44 (1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**BDO LLP** 26 September 2019  
**FIONA CONDRON (SENIOR STATUTORY AUDITOR)**  
**FOR AND ON BEHALF OF BDO LLP, STATUTORY AUDITOR, GATWICK, UNITED KINGDOM**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

### INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

### FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total £
<b>Income from:</b>					
Donations and legacies	2a	2,885,587	1,255,351	<b>4,140,938</b>	4,798,176
Charitable activities	2b	1,993,607	36,775,704	<b>38,769,311</b>	26,546,439
Investment and other income		45,195	1,300	<b>46,495</b>	5,630
Total income		4,924,389	38,032,355	<b>42,956,744</b>	31,350,245
<b>Expenditure on:</b>					
Raising funds	3	2,270,771	50,940	<b>2,321,711</b>	1,919,813
Charitable activities	4	2,697,497	38,005,270	<b>40,702,767</b>	29,407,451
Total expenditure		4,968,268	38,056,210	<b>43,024,478</b>	31,327,264
<b>Net (expenditure)/income</b>	7	(43,879)	(23,855)	<b>(67,734)</b>	22,981
<b>Net movement in funds</b>		(43,879)	(23,855)	<b>(67,734)</b>	22,981
<b>Reconciliation of funds:</b>					
Total funds brought forward	13	1,707,756	1,178,975	<b>2,886,731</b>	2,863,750
<b>Total funds carried forward</b>	13	1,663,877	1,155,120	<b>2,818,997</b>	2,886,731

The results for the year shown above all derive from continuing activities.

The group has no other recognised gains or losses.





## STATEMENTS OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2018

<b>COMPANY NUMBER: 3069468</b>		<b>Group 2018</b>	<b>Group 2017</b>	<b>Charity 2018</b>	<b>Charity 2017</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	9	7,840	11,433	7,840	11,433
Investment in subsidiary	10	-	-	1	1
<b>Current assets</b>					
Debtors	11	28,731,738	14,851,898	28,721,472	14,848,682
Cash at bank and in hand		6,349,622	5,557,247	6,329,123	5,551,226
		35,081,360	20,409,145	35,050,595	20,399,908
<b>Creditors</b>					
Amounts falling due within one year	12	(32,270,203)	(17,533,847)	(32,265,694)	(17,536,266)
<b>Net current assets</b>		<b>2,811,157</b>	<b>2,875,298</b>	<b>2,784,901</b>	<b>2,863,642</b>
<b>NET ASSETS</b>		<b>2,818,997</b>	<b>2,886,731</b>	<b>2,792,742</b>	<b>2,875,076</b>
<b>FUNDS</b>					
Unrestricted funds	13	1,663,877	1,707,756	1,641,947	1,700,169
Restricted funds	13	1,155,120	1,178,975	1,150,795	1,174,907
		<b>2,818,997</b>	<b>2,886,731</b>	<b>2,792,742</b>	<b>2,875,076</b>

The deficit for the financial year dealt with in the financial statements of the parent Company was £79,334 (2017: deficit of £45,646).

Approved and authorised for issue by the Board on 25 September 2019,  
and signed on their behalf by: Mr Paul Wilson (Director)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Net cash provided by operating activities</b>	<b>1</b>	<b>789,404</b>	<b>2,261,796</b>
<b>Cash flows from investing activities</b>			
Investment income received		5,061	3,010
Purchase of fixed assets		(2,091)	(3,445)
<b>Net cash provided by/(used in) investing activities</b>		<b>2,970</b>	<b>(435)</b>
Change in cash and cash equivalents in the year		792,375	2,261,361
Cash and cash equivalents at 1 January		5,557,247	3,295,886
<b>Net cash provided by investing activities</b>		<b>6,349,622</b>	<b>5,557,247</b>
<b>1. Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
Net (expenditure)/income		(67,734)	22,981
Depreciation of tangible fixed assets		5,684	101,212
Increase in debtors		(13,879,840)	(2,172,653)
Increase in creditors		14,736,355	4,313,266
Investment income receivable		(5,061)	(3,010)
<b>Net cash provided by operating activities</b>		<b>789,404</b>	<b>2,261,796</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

In the trustee's report, there is a review of financial performance and the charity's reserves position. There are adequate financial resources and the charity is well placed to manage business risks. The planning process, including financial projections, has taken into account the current economic conditions and the potential impact on sources of income and planned expenditure. It is a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. There are no known uncertainties of a material nature that cause doubt on the ability of the charity to continue. Therefore, the accounts have been prepared on the basis that the charity is a going concern.

#### (b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Action Against Hunger (UK) Limited and its trading subsidiary Action Against Hunger Enterprises Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities (SoFA) has been presented for the charity as permitted by Section 408 of the Companies Act 2006.

#### (c) Income

Income is included in the SoFA when the charity is entitled to it, the receipt is probable and the amount can be quantified with reasonable accuracy. For restricted grants from institutional donors (eg charitable entities, governments or other non-governmental organisations), where receipt of funding is conditional only on administrative requirements such as the submission of a claim, it has been recognised. Where there are restrictions on the time period in which funding received can be spent, or where there are other conditions that specify the services to be performed under the grant agreement or contract, the income has not been recognised.

#### (d) Expenditure recognition

Expenditure is included in the financial statements on an accruals basis. With respect to grants from institutional donors that are subcontracted to other members of the Action Against Hunger network, the full amount of the grant payable is recorded when the subgrant agreement is signed.

#### (e) Basis of allocation or apportionment of expenditure

Expenditure during the year is analysed into raising funds and charitable activities.

Notes 3 and 4 provide an analysis of these categories. All costs are directly charged against the appropriate category. The basis of apportionment of support costs is stated in Note 5.

#### (f) Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Fixtures, fittings and equipment held in the UK – 25% on cost
- Vehicles, fixtures, fittings and equipment held overseas – 50% on cost
- Leasehold property improvements – over the term of the lease

#### (g) Operating leases

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income as incurred.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## (h) Foreign currencies

Foreign currency transactions are recorded at the average exchange rate for the month in which the transaction arose. Year end balances held in foreign currencies are converted at the closing rate. All differences on conversion are charged to the SoFA.

## (i) Fund accounting

Restricted funds are monies provided by grant or donation for specific projects. Unrestricted funds consist of monies provided for general charitable activities.

## (j) Pension

The Charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the Charity in an independently administered scheme. The pension cost charge payable by the Charity in the year amounted to £52,422 (2017: £47,719). At the end of the financial year there were no contributions (employee and employer) still to be paid over to the scheme (2017: £Nil)

## (k) Gifts in kind

Action Against Hunger accepts gifts in kind (goods and services) that are in line with the charities mandate from individuals, corporates, foundations and government agencies. Gifts in kind are defined by Action Against Hunger UK as goods and services received for the purpose of carrying out the activities of the charity and also for fundraising and awareness of the organisation. These are non-monetary items that are valued at fair market price.

## (l) Accounting estimates and key judgements

In the application of the charity's accounting policies the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects the current and future periods.

## 2 INCOME

### 2 (a) Donations and legacies

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Unrestricted £	2017 Restricted £	2017 Total £
<b>Donations and legacies</b>						
Individuals (including legacies and events)	2,137,486	123,036	2,260,522	2,427,816	180,755	2,608,571
Corporate donors	483,835	91,381	575,216	401,325	203,550	604,875
Trusts & Foundations	61,839	721,246	783,085	18,075	634,805	652,880
International partners	-	319,688	319,688	-	790,245	790,245
Gifts in kind	202,427	-	202,427	141,605	-	141,605
<b>Total donations and legacies</b>	<b>2,885,587</b>	<b>1,255,351</b>	<b>4,140,938</b>	<b>2,988,821</b>	<b>1,809,355</b>	<b>4,798,176</b>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## 2 (b) Charitable activities

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Unrestricted £	2017 Restricted £	2017 Total £
<b>Grant based activities</b>						
UK Government - DFID other	-	33,523,419	33,523,419	-	19,080,476	19,080,476
UK Government - DFID START	-	393,968	393,968	-	2,832,856	2,832,856
Children's Investment Fund Foundation	-	484,124	484,124	-	23	23
DEC appeal fund via Christian Aid	-	1,191,279	1,191,279	-	646,739	646,739
Disasters Emergency Committee	-	380,700	380,700	-	-	-
UNICEF	-	180,212	180,212	-	191,157	191,157
Others	-	-	-	-	209,226	209,226
	-	36,153,702	36,153,702	-	22,960,477	22,960,477
<b>Monitoring and evaluation services</b>						
UK Government - DFID	-	-	-	-	707,330	707,330
UK Government - DFID START	-	-	-	-	237,760	237,760
DEC Information system partnership	-	-	-	-	13,668	13,668
Others	-	290,689	290,689	-	232,530	232,530
	-	290,689	290,689	-	1,191,288	1,191,288
<b>Provision of other services</b>						
Provision of employees to Action Against Hunger missions	1,993,607	-	1,993,607	2,055,227	-	2,055,227
Other services for Action Against Hunger network partners	-	331,313	331,313	179,347	160,101	255,773
	1,993,607	331,313	2,324,920	2,234,574	160,101	2,394,675
<b>Total charitable activities</b>	<b>1,993,607</b>	<b>36,775,704</b>	<b>38,769,311</b>	<b>2,234,574</b>	<b>24,311,865</b>	<b>26,546,439</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 EXPENDITURE ON RAISING FUNDS

	Direct £	Support costs £	Total 2018 £	Total 2017 £
Fundraising events	1,253,800	-	1,253,800	1,075,433
Other fundraising activities	859,805	118,166	977,971	844,380
	<b>2,113,605</b>	<b>118,166</b>	<b>2,231,771</b>	<b>1,919,813</b>

All fundraising events expenditure in 2018 and 2017 relates to unrestricted expenditure.

Within other fundraising activity costs, £50,940 relates to restricted expenditure (2017: £37,056).

### 4 CHARITABLE ACTIVITIES

	Direct £	Support costs £	Total 2018 £	Total 2017 £
Overseas projects	37,891,135	284,678	38,175,813	26,785,177
Supply of aid workers	2,261,127	36,088	2,297,215	2,444,906
Advocacy/awareness raising	67,120	36,089	103,209	55,614
Monitoring and evaluation services	112,363	14,167	126,530	121,784
	<b>40,331,745</b>	<b>371,022</b>	<b>40,702,767</b>	<b>29,407,451</b>

Of total charitable activities, £2,697,497 related to unrestricted expenditure (2017: £3,061,588) and £38,005,270 related to restricted expenditure (2017: £26,345,863).

### 5 SUPPORT COSTS

	Executive Office £	Admin £	Finance and IT £	Total support £
<b>Allocated to project costs</b>				
Overseas projects	43,843	69,892	170,943	284,678
Recruitment of aid workers	21,922	4,111	10,055	36,088
Advocacy/awareness raising	21,922	4,111	10,056	36,089
Evaluations	-	4,111	10,056	14,167
	<b>87,687</b>	<b>82,225</b>	<b>201,110</b>	<b>371,022</b>
<b>Allocated to fundraising</b>	<b>11,059</b>	<b>78,556</b>	<b>28,551</b>	<b>118,166</b>
	<b>98,746</b>	<b>160,781</b>	<b>229,661</b>	<b>489,188</b>





# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## 5 SUPPORT COSTS (CONTINUED)

**Basis for support cost allocation:** Staff costs have been allocated on a basis consistent with the time spent on each activity. Office and administration costs are allocated based on number of staff. Direct support costs are allocated directly to project costs.

## 6 STAFF COSTS

	2018 £	2017 £
<b>Staff costs for employees on UK contracts</b>		
Wages and salaries	4,627,937	4,783,952
Employer pension contributions	65,395	52,422
Social security costs	295,351	246,480
	<b>4,988,683</b>	<b>5,082,854</b>

The above amounts represents costs for the parent charity and the group (the parent charity's subsidiary does not employ any staff). The total emoluments earned and paid to the Chief Executive for the year, including pension contributions, was £80,074 (2017: £75,122).

The number of other employees whose remuneration amounted to over £60,000 in the year was as follows:

	2018	2017
£70,001 to £81,000	1	0
£60,001 to £70,000	4	2

Remuneration includes salaries and benefits in kind but excludes employer pension scheme contributions. No contributions were made to defined benefit schemes for employees whose remuneration was greater than £60,000

Excluding the Chief Executive, total emoluments paid to other members of the Senior Management Team totalled £261,623 (2017: £241,076) in the year.

The average number of staff working overseas employed by Action Against Hunger under UK contracts during the year was 64 (2017: 76). At the year-end, staff numbers overseas were 64 (2017: 73). These amounts include staff that worked overseas on projects run by both Action Against Hunger and other members of the Action Against Hunger International network. The average number of staff employed by Action Against Hunger and working in the UK office in 2018 was 74 (2017: 69). At the year-end, UK staff numbers were 73 (2017: 78).

**Trustees' expenses and remuneration and related party transactions:** Trustees are not remunerated but travel expenses were covered for one trustee for a total amount of £170 (2017: £450).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 NET (EXPENDITURE)/INCOME

	2018 £	2017 £
<b>Net (expenditure)/income is stated after charging:</b>		
Depreciation of tangible fixed assets	5,684	101,212
Operating lease payments – property	76,636	84,080
Auditor's remuneration: Charity	23,287	22,950
: Trading subsidiary	2,588	2,050

### 8 TAXATION

The charitable company meets the definition of a charity in Schedule 6 Finance Act 2010 and accordingly is entitled to exemptions set out in Part II Corporation Tax Act 2010 and section 256 Taxation of Chargeable Gains Act 1992 to the extent that its income and gains are applied for charitable purposes.

### 9 TANGIBLE FIXED ASSETS

Group and Charity	Leasehold property improvements £	Fixtures fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2018	176,929	54,026	230,955
Additions	750	1,342	2,092
At 31 December 2018	177,679	55,368	233,047
<b>Depreciation</b>			
At 1 January 2018	176,929	42,593	219,522
Charge for the year	-	5,685	5,685
At 31 December 2018	176,929	48,278	225,207
<b>Net book value</b>			
At 31 December 2018	750	7,090	7,840
At 31 December 2017	-	11,433	11,433



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Action Against Hunger Enterprises Limited (Company number 6569439) is a wholly owned subsidiary and is a company incorporated in England & Wales. The principal activity is conducting trading fundraising activities for the charity.

	2018 £	2017 £
<b>Share capital</b>		
Authorised	100	100
Called up	1	1

A summary of the company's trading results and statement of financial position is shown below.

	2018 £	2017 £
<b>Statement of income and retained earnings</b>		
Turnover	56,680	11,767
Cost of sales	(1,731)	(113)
Net profit before taxation	54,949	11,654
Taxation	-	-
Retained profit for the year	<b>54,949</b>	<b>11,654</b>
<b>Statement of financial position</b>		
Current assets	59,461	11,655
Current liabilities	(4,511)	-
Net current assets	54,950	11,655
Total assets less current liabilities	<b>54,950</b>	<b>11,655</b>
<b>Capital and Reserves</b>		
Called up share capital	1	1
Retained profit	54,949	11,654
Equity shareholders' funds	<b>54,950</b>	<b>11,655</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 DEBTORS

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Charity 2018 £</b>	<b>Charity 2017 £</b>
Institutional donors	27,910,818	13,901,443	27,910,818	13,901,443
Accrued income	591,326	645,635	581,059	642,419
Sundry debtors	77,580	120,514	77,580	120,514
Prepayments	152,014	184,306	152,014	184,306
	<b>28,731,738</b>	<b>14,851,898</b>	<b>28,721,472</b>	<b>14,848,682</b>

Included in the amounts due from Institutional donors above are amounts due after more than one year of £xxxx (2017: £4,212,241).

### 12 CREDITORS

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Charity 2018 £</b>	<b>Charity 2017 £</b>
<b>Amounts falling due within one year:</b>				
Action Against Hunger - France	18,545,896	12,552,862	18,545,896	12,552,862
Action Against Hunger - Spain	854,751	1,205,395	854,751	1,205,395
Action Against Hunger - USA	11,577,836	3,281,575	11,577,836	3,281,575
Action Against Hunger - Canada	30,871	3,921	30,871	3,921
Action Against Hunger - India	22,311	48,770	22,311	48,770
Action Against Hunger Enterprises	-	-	26,760	2,833
Other creditors	1,165,149	342,898	1,133,880	342,483
Accruals	73,389	98,426	73,389	98,426
	<b>32,270,203</b>	<b>17,533,848</b>	<b>32,265,694</b>	<b>17,536,266</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 13 STATEMENT OF FUNDS

	As at 01 Jan 18	Income	Expenditure	As at 31 Dec 18
	£	£	£	£
DFID UNOPS Humanitarian response Cox's Bazar	-	10,000,000	(10,000,000)	-
DFID Nigeria Integrated basic Nut 300432-107	-	3,097,087	(3,097,087)	-
DFID Somalia (SHARP)	-	8,709,453	(8,709,453)	-
DFID SOMALIA2 (AG4891)	-	1,092,579	(1,092,579)	-
DFID UNOPS Rohingya refugees	-	1,875,000	(1,875,000)	-
DFID via NRC Famine Prev Drought Impact Resp	-	1,312,036	(1,312,036)	-
DFID DRC PUNC	-	6,386,000	(6,386,000)	-
DFID START FUND (DEPP)	-	601,586	(601,586)	-
NRC - BRICS - Somalia	-	462,017	(462,017)	-
UK AID MATCH TN4C (Teenage Nutrition for Change)	-	1,121,051	(1,121,051)	-
START/DFID -various alerts	9,408	409,482	(409,482)	9,408
Disasters Emergency Committee-Indonesia appeal	-	380,700	(380,700)	-
IARAN - Regional Analyst network	(41,348)	304,179	(269,349)	(6,518)
Yemen disaster response (DEC via Christian Aid)	-	1,191,279	(1,191,279)	-
DFID CARE Yemen MHRP revision (Note 1)	-	(1,133,390)	1,133,390	-
People's Postcode Lottery	-	300,000	(300,000)	-
tcc foundation	-	133,590	(122,791)	10,799
Kulcyk foundation	-	32,574	(29,781)	2,793
Waterloo foundation	-	50,000	(50,000)	-
James Percy Foundation	-	50,000	(50,000)	-
Soneva foundation	-	37,986	-	37,986
innocent Foundation	16,078	22,500	(24,328)	14,250
DFID START FUND (Bangladesh Secretariat)	137,760	-	-	137,760
Evaluations - in total	-	493,297	(491,746)	1,551
UNICEF projects	72,880	180,212	(155,845)	97,247
Joint India Project	155,385	-	(113,630)	41,755
Carluccio's	171,409	-	(80,230)	91,179
Appeal funds for Indonesian tsunami	-	65,025	(21,494)	43,531
CIFF SAM 2.0 Project	228,984	484,124	(432,160)	280,948
Others	428,419	373,988	(409,976)	392,431
<b>Total restricted funds</b>	<b>1,178,975</b>	<b>38,032,355</b>	<b>(38,056,210)</b>	<b>1,155,120</b>
<b>Unrestricted funds</b>	<b>1,707,756</b>	<b>4,924,389</b>	<b>(4,968,268)</b>	<b>1,663,877</b>
<b>TOTAL FUNDS</b>	<b>2,886,731</b>	<b>42,956,744</b>	<b>(43,024,478)</b>	<b>2,818,997</b>

Note 1: The budget for this multi-year programme was revised down by agreement between DFID and consortium partners for operational reasons. As a result, the income and expenditure recognised in prior years has been adjusted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 13 STATEMENT OF FUNDS (CONTINUED)

	As at 01 Jan 17	Incoming resources	Resources expended	As at 31 Dec 17
	£	£	£	£
DFID Somalia humanitarian assistance grants	-	6,652,849	(6,652,849)	-
DFID Yemen Multi-Sector Humanitarian Response via CARE	-	5,868,194	(5,868,194)	-
DFID UNOPS Rohingya refugees	-	3,000,000	(3,000,000)	-
DFID Nigeria humanitarian assistance	-	1,802,982	(1,802,982)	-
DFID START FUND (DEPP)	(15,775)	1,251,923	(1,236,148)	-
DFID Nepal WASH	-	1,188,521	(1,188,521)	-
START/DFID -various alerts	9,408	1,127,613	(1,127,613)	9,408
DFID Humanitarian response Cox's Bazar	-	895,000	(895,000)	-
IARAN – Regional Analyst network	-	790,245	(831,593)	(41,348)
Yemen disaster response (DEC via Christian Aid)	-	646,739	(646,739)	-
DFID South Sudanese refugees DRC/Uganda	-	516,605	(516,605)	-
DFID START FUND (DEPP Philippines)	-	471,591	(471,591)	-
Innocent Foundation	34,497	450,271	(468,690)	16,078
DFID UNOPS Cyclone Mora	-	375,000	(375,000)	-
DFID (MERIAM)	-	367,510	(367,510)	-
DFID (Refani)	-	339,820	(339,820)	-
DFID START FUND (Bangladesh Secretariat)	-	237,760	(100,000)	137,760
Evaluations – in total	44,490	261,482	(305,972)	-
UNICEF projects	36,027	223,004	(186,151)	72,880
Joint India Project	217,267	200,866	(262,748)	155,385
Central African Republic Livelihood Project Phase II DFID via Solidaritie Int)	-	166,660	(166,660)	-
Appeal funds Bangladesh Rohingya	-	96,167	(15,310)	80,857
Appeal funds East Africa Famine	-	88,698	(20,357)	68,342
Carluccio's - Senegal project and Emergency fund	149,932	84,168	(62,691)	171,409
Appeal funds for Yemen	(591)	81,566	(1,082)	79,893
DEC Information Systems Partnership	11,484	7,458	(14,941)	4,001
Appeal funds Nigeria	12,971	1,033	-	14,004
CIFF SAM 2.0 Project	631,354	23	(402,393)	228,984
Appeal funds Haiti	30,534	13	(13,638)	16,909
DFID Sierra Leone Urban WASH	-	(1,236,946)	1,236,946	-
DFID Yemen Humanitarian Resilience	62,995	-	-	62,995
DFID European Refugee Response	29,547	-	(113)	29,434
ECHO ERC Project	86,591	-	(59,619)	26,972
Others	99,943	164,405	(219,335)	45,013
<b>Total restricted funds</b>	<b>1,440,674</b>	<b>26,121,220</b>	<b>(26,382,919)</b>	<b>1,178,975</b>
<b>Unrestricted funds</b>	<b>1,423,076</b>	<b>5,229,025</b>	<b>(4,944,345)</b>	<b>1,707,756</b>
<b>TOTAL FUNDS</b>	<b>2,863,750</b>	<b>31,350,245</b>	<b>(31,327,264)</b>	<b>2,886,731</b>

Funds may be in temporary deficit at the end of the financial year due to timing differences between receipt of funding and programme expenditure.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2018 are represented by:

	2018 Unrestricted funds £	2018 Restricted funds £	2018 Total funds £	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £
Tangible fixed assets	7,840	-	7,840	11,433	-	11,433
Net current assets	1,656,037	1,155,120	2,811,157	1,696,323	1,178,975	2,875,298
<b>Total net assets</b>	<b>1,663,877</b>	<b>1,155,120</b>	<b>2,818,997</b>	<b>1,707,756</b>	<b>1,178,975</b>	<b>2,866,731</b>

### 15 OPERATING LEASE COMMITMENTS

The company and the group have total outstanding operating lease commitments relating to the lease of its London office of £57,402 (2017: £61,023), which are due within one year.

### 16 CONNECTED CHARITIES

The directors consider Action Contre la Faim ('Action Against Hunger'), a charity registered in France, to be a connected charity. Action Against Hunger has the same objectives to that of the Company and works closely with it. Its business address is 14/16 Boulevard Douaumont – CS 80060, 75854 Paris CEDEX, France, from which accounts incorporating the results of Action Against Hunger (UK) Limited can be obtained. Other connected charities are Action Against Hunger USA, a charity registered in the US, and Action Contra el Hambre, a charity registered in Spain, Action Against Hunger Canada, a charity registered in Canada and Fight Hunger Foundation, a charity registered in India. Expenses are recharged between the connected charities where staff and other resources are used on projects run by the other charity. This gives rise to the balances at the year end referred to in Notes 11 and 12.

### 17 RELATED PARTIES

Action Against Hunger is one of the five members of the trading company Action Against Hunger Licensing Ltd ('AAHL'), a company based in the UK (Company No. 06672034). One of its main roles is to license its Action Against Hunger members the right to use trademarks. The Action Against Hunger UK Executive Director is a Director of that company. During the year UK license expenses totalling £536 were charged to Action Against Hunger UK by AAHL. At the year end, an amount of £14,754 was due from AAHL to Action Against Hunger UK. Action Against Hunger UK is also a member of Action Against Hunger Development, a foundation registered in France and an organisation that pools resources and expertise to support the development of Action Against Hunger International Network. One of Action Against Hunger's Trustees is an executive Director of that organisation.

### 18 EVENTS AFTER REPORTING PERIOD

Action Against Hunger UK moved its main office in London in 2019 as a consequence of the landlord of its previous office in Greenwich giving notice to the Company that they planned to develop the building and exercising a break of their lease over the office. A lease of a new office at Mitre Passage, London, was signed in March 2019 and the Company physically moved in June 2019. The new lease runs for a term of 76 months and the average monthly cost for rent and service charges payable, excluding VAT, amounts to £17,805.



*A young girl in Mali is treated in her community with ready-to-use therapeutic food.*



**FOR FOOD.  
FOR WATER.  
FOR HEALTH.  
FOR NUTRITION.  
FOR KNOWLEDGE.  
FOR CHILDREN.  
FOR COMMUNITIES.  
FOR EVERYONE.  
FOR GOOD.  
FOR ACTION.  
AGAINST HUNGER.**

