



**ACTION
AGAINST
HUNGER**



ANNUAL REPORT AND FINANCIAL STATEMENTS

**Action Against Hunger (UK)
Company 03069468
Year ended 31 December 2021**

2021

ABOUT ACTION AGAINST HUNGER

Action Against Hunger is building a world where no one dies from hunger. Life-threatening hunger is predictable, preventable and treatable, so a world without it is possible. We tackle it where it hits and lead research to stop it. We work relentlessly to save lives and create a world free from hunger.

OUR MISSION

No one needs to die from hunger. We predict and prevent it. Where it exists, we treat it.

We stop life-threatening hunger in its tracks. By training parents and healthcare workers to spot the signs, we get life-saving care to people who need it. Our research drives forward understanding of how to predict, prevent and treat life-threatening hunger. With unbeatable knowledge and unstoppable determination, we're taking action against hunger.

A GLOBAL NETWORK

Action Against Hunger UK is part of an international network that operates under the name of Action Against Hunger, with head offices in Canada, France, Germany, India, Spain, the UK and the USA. It also has a fundraising office in Italy. 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 UK has management responsibility, unless otherwise stated.

The company is a registered charity No. 1047501 (England and Wales) and SC048317 (Scotland). The company is registered in England No. 03069468 and was incorporated on 16 June 1995.

Cover image: © Peter Caton for Action Against Hunger

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WHY WE DO WHAT WE DO

1 in 10



Globally, one in ten people are hungry or undernourished

828 million



Around the world, we produce more than enough food to feed the global population – but 828 million people still go to bed hungry every night

30 million



In 2021, 30 million more people were affected by hunger as a result of the Covid-19 pandemic

2 million



More than 2 million children die from malnutrition every year

3/4



Three-quarters of malnourished children under five years do not get the treatment they need

43 million



Over 43 million people in 38 countries are now at risk of famine or a food crisis

WELCOME

At the time of writing, Europe is witnessing its first state vs state conflict since World War II, and the continent's fastest-growing refugee crisis in history as millions of Ukrainians flee their country. Action Against Hunger is responding to the crisis, alongside the many other ongoing crises where populations are on the brink of starvation, such as in Afghanistan, Madagascar, Mali, Somalia, and Yemen. Action Against Hunger has been supporting Afghan populations since 1979, and we continued our work in 2021 – a year in which the Taliban came to power.

We took part in the DEC's Afghanistan appeal, which was launched in December 2021, and raised over £400,000 in just three weeks. This amount is included in the 2021 Accounts. Our work in Afghanistan reached over 78,000 people with life-saving health and nutrition services, targeting children under the age of five years, and meeting the needs of pregnant or breastfeeding women.

In sharp contrast to the generosity of the UK public for our life-saving work in crisis-hit countries, we sadly experienced a massive reduction in funding from the Foreign, Commonwealth & Development Office (FCDO), whose support for our work fell 90 per cent compared to 2020 levels. This is a direct consequence of the cut in the UK aid budget in the year from 0.7 per cent to 0.5 per cent of GDP. In addition to a lack of new agreements signed in 2021, FCDO also reduced the funding for two grants (in Somalia and Nigeria) that we had signed in prior years and, in 2022, stopped funding a third grant that we were in the process of implementing in Nigeria. The cuts to these grants totalled over £5.7 million and we have accounted for this as a one-off reduction in our total income in 2021. More importantly, this reduced funding meant that we were not able to treat as many malnourished children as we had expected to in the relevant programmes.

Our technical expertise, especially on the treatment and prevention of undernutrition, continued to strengthen. We developed our nutrition strategy, signing long-term agreements with UNICEF and the World Food Programme to help them tackle undernutrition at national level. As Co-chair of the International Coalition for Advocacy on Nutrition (ICAN UK) we played a leading role in advocacy efforts to promote UK aid for nutrition. We briefed MPs and engaged our supporters, including a number of high-profile chefs, in writing to the Prime Minister, Foreign Secretary and MPs on the topic. As a result we convinced the FCDO to commit £1.5 billion to nutrition programmes until 2030.

We also benefited from extraordinary support from the food and hospitality industry. Despite a very difficult year for the hospitality industry because of the Covid-19 pandemic, our annual restaurant fundraising campaign, Love Food Give Food (LFGF), raised £404,000 – a huge £211,000 of which was raised by YO! Sushi, a new partner for 2021 and our biggest LFGF partner ever. In 2020, for the first time in our history, we took the decision to address food poverty in the UK. This was the result of food insecurity rates in the UK rising to become among the highest in Europe. This was a regrettable but necessary step, as we remain a charity driven by needs wherever they are. Given the ongoing food crisis here in the UK, we continued to address food poverty at home in 2021. We are proud to present this report, which gives a snapshot of just some of the successes and challenges of our year.



Paul Wilson

Paul Wilson
Chair of Trustees



JM Grand

Jean-Michel Grand
Executive Director and
Company Secretary



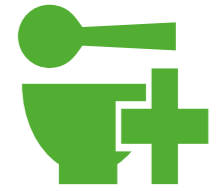
A SUMMARY OF OUR ACHIEVEMENTS IN 2021



**As a network,
we worked in
51 countries**



**Together, we
assisted 26.3
million people**



**Collectively,
we ran 686
projects**

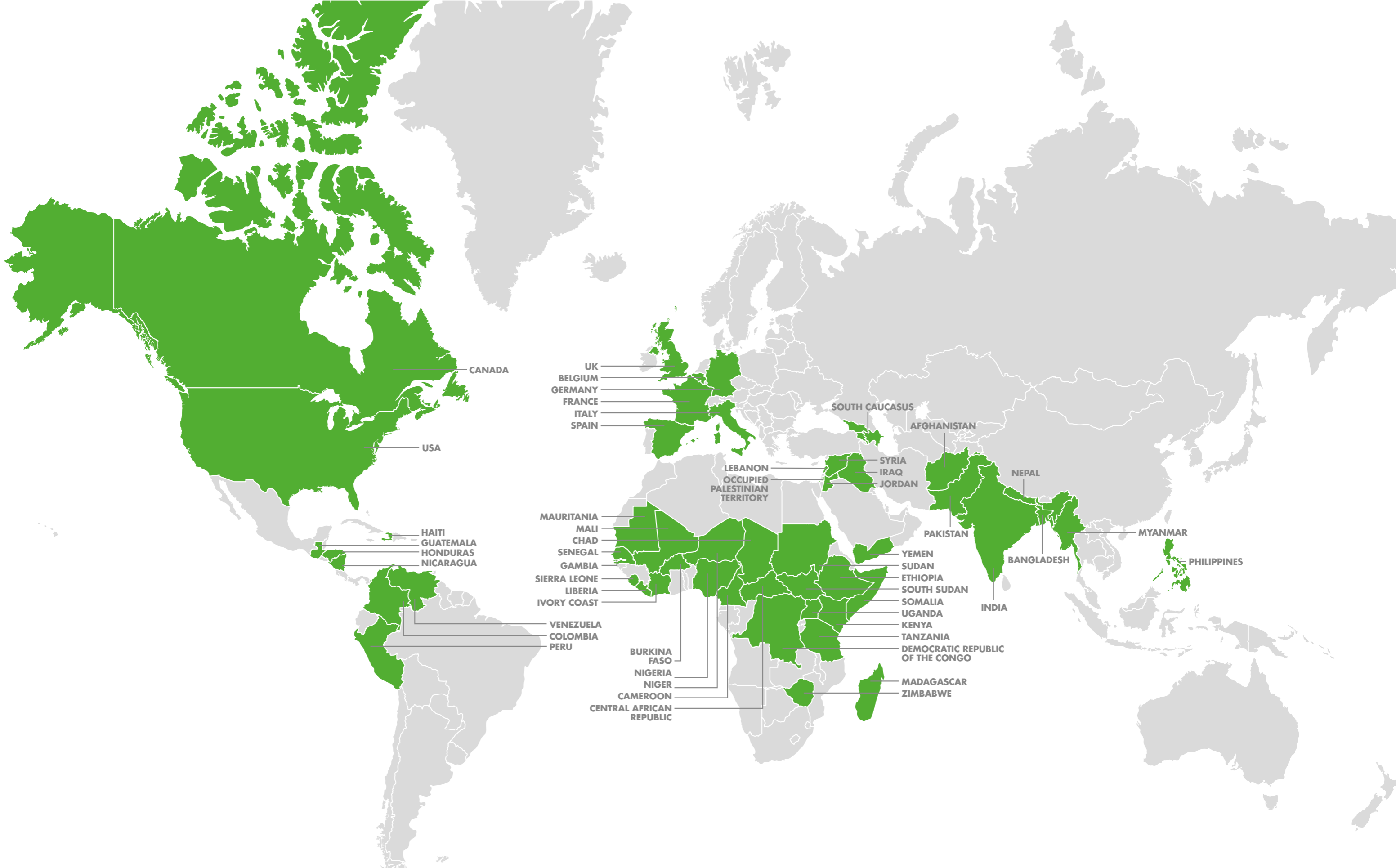


**We helped
persuade the
UK Government
to commit to
spending £1.5
billion on
nutrition, despite
deep aid cuts**



**We carried out
nutrition surveys
in Bangladesh,
Madagascar, Mali,
Myanmar, Niger,
Pakistan, Somalia
and South Sudan**

OUR WORK AROUND THE WORLD



DIRECTOR'S REPORT

For more than 40 years, across 51 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, healthcare and training. And we enable entire communities to be free from hunger.

The directors of Action Against Hunger UK – hereafter referred to as Action Against Hunger – present their annual report and audited accounts for the year ended 31 December 2021, and confirm they comply with the Companies Act 2006 and the Charities Statement of Recommended Practice (FRS 102) 2019.

PUBLIC BENEFIT

The trustees of Action Against Hunger have a duty to ensure that the charity provides public benefit and achieves its objectives as set out in

its governing document. The Trustees' Annual Report provides a detailed account of the significant activities undertaken by the charity to carry out its purposes for the public benefit. These activities have been carried out in line with the charity's objects, these being to relieve poverty, deprivation and distress throughout the world, and to relieve hunger, whether chronic or temporary, by way of emergency intervention and/or establishing rehabilitation programmes.

The trustees have reviewed the charity's strategies to ensure these are consistent with its objects and to consider how its activities contribute to these. The trustees have referred to the Charity Commission's guidance on public benefit, when reviewing its aims, objectives and activities and are confident that they have complied with their duty to have due regard to the guidance when exercising their powers and duties.

STRATEGIC REPORT

Action Against Hunger is a humanitarian and development network that has been at the forefront of the fight against hunger for over 40 years. We are a needs-driven and rights-based organisation with a primary focus on assisting the most at-risk populations.

We are focused on reducing and eliminating hunger and malnutrition. Each year, our international network provides treatment to over 600,000 acutely malnourished children, making us the leading international non-governmental organisation (NGO) in treating acute malnutrition.

Our technical expertise, based on research, mass data analysis and collaboration with scientists and government ministries is internationally recognised and respected.

We create innovative responses to treat life-threatening malnutrition. We protect livelihoods and improve long-term food security. We do this by constantly investing in research and innovative nutrition products and field-testing treatment protocols. These have become international best practices in treating and preventing undernutrition of adolescents, pregnant and breastfeeding women, new-borns and young children.

OUR PRIORITIES

At our core, we respond to hunger crises.

This is our starting point and where our expertise is grounded. Our strategy is to build from this core strength, continually broadening our technical capabilities on issues central to our mission.

We will use the growing recognition of our reliable and expert technical services to expand our offer to partner with more civil society organisations, scientists, funders and decision-makers in the fight against hunger.

Our increasing evidence-based knowledge and expertise gives us a powerful voice to engage the public and influence government to deliver more action on hunger.

A strong voice and a high profile will drive more support from individuals and partners as we seek to grow more diverse and sustainable income streams.



© Sandra Calligaro



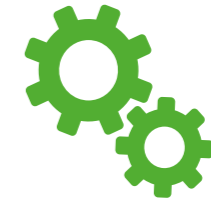
OUR OBJECTIVES IN 2021

In 2021, our objectives were to:



OBJECTIVE 1

Raise over £44 million to provide treatment to at least 40,000 acutely malnourished children and help a further 760,000 vulnerable people



OBJECTIVE 2

Share our expertise in addressing malnutrition and in monitoring, evaluation and learning



OBJECTIVE 3

Respond to the food poverty crisis in the UK



OBJECTIVE 4

Bring the voices of affected communities to our supporters and activists

OBJECTIVE 1

RAISING FUNDS TO TREAT MALNOURISHED CHILDREN AND VULNERABLE PEOPLE

Several factors made it a hugely challenging year for raising funds, including: the cutting of the international aid budget from 0.7 per cent to 0.5 per cent of GDP by the UK government; the Covid-19 pandemic that meant many of our fundraising events were cancelled; and a squeeze on the public's personal donations due to the economic crisis in the UK.

Drastic cuts to the UK aid budget – impacting both ongoing and new projects – and the decision to channel what remained through organisations such as the UN resulted in a loss of contracts for almost all charities in the humanitarian sector, including Action Against Hunger.

While we had 24 ongoing grants with a total value of £45.3 million in 2021 from UK Aid grants, only 15 new contracts totalling £2.2 million were signed in 2021. This was a huge blow to our ability to support programmes around the world.

Players of People's Postcode Lottery continued to support our work, with two separate grants totalling £850,000. This strategic funding allowed us to continue to build a strong, sustainable charity, able to do more in the fight against hunger.

The innocent foundation approved a grant to treat malnutrition through community health workers in Mali; and the ALBORADA Trust provided over £300,000 to help us respond to humanitarian crises in Afghanistan, Haiti and Uganda.

Despite a very difficult year for the hospitality industry due to the Covid pandemic, our annual restaurant fundraising campaign, Love Food Give Food (LFGF), raised £404,000. A huge £211,000 of that total was raised by YO! Sushi, a new partner for 2021 and our biggest LFGF partner ever.

This year's Fine Wine and Art Dinner was our most successful gala yet, raising over £400,000 for our life-saving work. Over the past 15 years this event has raised over £4 million. It simply would not be possible without the support of our dedicated organising committee, chaired by Robin Hutson, Chairman and CEO of Lime Wood Group Limited and Home Grown Hotels Limited, ensuring a spectacular and seamless event year after year.

Recognising the need to diversify how we raise funds, and in order to reduce reliance on grants from the UK government, at the end of 2021 we committed to growing our bank of regular givers. This is also useful because it provides an invaluable method of growing unrestricted income.

By the end of 2021 we had built a five-year regular giving recruitment strategy and secured long-term investment to recruit 10,000 regular givers by the end of 2025.

Despite these challenges, we still managed to raise £12.4 million. And, working with our partners in the international network, we ran 686 projects in 51 countries, assisting over 26.3 million people.

CASE STUDY – THE DISASTERS EMERGENCY COMMITTEE

As a member of the Disasters Emergency Committee (DEC), we participated in two appeals in 2021 – one to address the Covid crisis around the world, and the other to address the hunger crisis in Afghanistan.

In July 2020, the DEC had launched a Covid appeal to raise funds for work in Afghanistan, Bangladesh, the Democratic Republic of Congo, India, Somalia, South Sudan, Syria and Yemen.

Following a huge spike in cases in India in spring 2021, they took the unusual step of re-launching the appeal. Due to India's population volume and density, it has been particularly challenging to limit the spread of Covid in affected states and cities.

We provided medical kits and supplies to government healthcare facilities and provided training for health workers. We also distributed hygiene kits; supported counselling projects; ran a Covid prevention ad campaign; and distributed food baskets to those in need. By the end of 2021, we had reached 21,410 people.

In Afghanistan, 3.1m children and 720,000 pregnant or breastfeeding women were suffering acute malnutrition in 2021. The situation worsened when the Taliban took power and some governments and international financial institutions withdrew funding and support.

As the situation deteriorated, the DEC launched an appeal for Afghanistan in December 2021. We provided life-saving health and nutrition services to children under the age of five years and to pregnant or breastfeeding women; and provided counselling to those experiencing trauma, reaching 78,500 people.



OBJECTIVE 2

SHARING OUR EXPERTISE IN ADDRESSING MALNUTRITION AND IN MONITORING, EVALUATION AND LEARNING

Action Against Hunger UK houses technical expertise on both nutrition and monitoring, evaluation and learning (MEAL), not just for our international Action Against Hunger network, but for the wider sector as well. In 2021 we challenged ourselves on how to best review and leverage our credibility and knowledge.

We developed our nutrition strategy, focusing on improving equitable and sustainable access to effective nutrition services; identifying the causes of malnutrition and the effectiveness of prevention activities; and improving early warning systems, preparedness and response to nutrition emergencies through more effective data collection and analysis.

Our Nutrition team signed two long-term agreements with UNICEF, allowing us to influence how it tackles under nutrition. And our MEAL team signed a long-term agreement with the World Food Programme, thus consolidating and improving our experience and knowledge as an expert on nutrition and MEAL.

We carried out a range of studies and surveys in 2021, including two Link Nutrition Causal Analysis (Link NCA) surveys in Madagascar and Myanmar. A Link NCA survey is a research method at community level which allows us to identify the main causes of malnutrition in children in a specific area through rigorous quantitative and qualitative research methods.

We also carried out Community-based Management of Acute Malnutrition Coverage (CMAM Coverage) surveys in Bangladesh, Mali and Pakistan. CMAM Coverage surveys are surveys conducted in communities which help us to understand what percentage of malnourished children are accessing life-saving treatment and for those that are not, what challenges they face in reaching treatment.

We strengthened our nutrition analysis tools and expertise by starting to develop a new, simplified methodology for nutrition assessments that can allow scale-up and ownership by Ministries of Health around the world. We co-chaired the European NGO Forum; organised webinars and training sessions at a range of universities in the UK and around the world; and participated in the Strategy Advisory Group of the Global Nutrition Cluster.

We worked with our colleagues in the international network to develop the “SAM Photo App”, which helps to identify severe acute malnutrition through photography and could also help to increase diagnostic coverage of the condition. It could also strengthen community-based management of acute malnutrition, and presents a great opportunity for governments and local health systems to revolutionise nutrition assessments and surveillance, and improve the impact and coverage of nutrition programmes.

Collating data for the international network is key to work of the MEAL team, but what this data tells us needs to be in the hands of those taking decisions in our operations every day. So in 2021 we explored ways of collating, analysing and packaging data and insights to make them accessible, understandable and – importantly – used.

CASE STUDY – MITIGATING HUNGER IN MADAGASCAR

In the midst of famine in Madagascar – the first famine in the world to be attributed to climate change – we carried out three wide-reaching nutrition assessments in order to reformulate new programme approaches to tackling malnutrition. This work was highlighted by ITV News.

Lenka Blanárová, a Senior Nutrition Assessment Coordinator at Action Against Hunger UK, spent four months in the country. She reports:

“Madagascar is in the grip of the worst drought in 40 years, with as many as 500,000 people marching towards starvation. I spent four months in Madagascar visiting communities, where families were surviving solely on leaves.

Droughts and sandstorms have destroyed crops and turned land to desert. When you add to this Covid-19 you have a perfect storm of humanitarian needs. Families have little choice but to consume whatever water they can find, leading to a spike in waterborne diseases. These increase the likelihood of a child becoming malnourished, which remains the biggest killer of children under five.

Between October and March, our teams handled 8,727 child severe acute malnutrition cases, 8,582 moderate acute malnutrition cases, and 9,611 with other diseases.

The situation has since got worse. Madagascar is teetering on the brink of a famine it has played no part in creating. If governments genuinely care about reversing the impact of climate change, then they must stop looking to the future.”



© Stephane Rakotomalala

OBJECTIVE 3

RESPONDING TO THE FOOD POVERTY CRISIS IN THE UK

In recent years, food insecurity rates in the UK have been among the highest in Europe. The Covid pandemic exacerbated the situation, and as result we decided (for the first time in our history) to address the food poverty crisis in the UK in 2020. We continued this work in 2021.

We are experts in emergency response. When a crisis happens, our rapid response teams evaluate immediate needs in order to launch the appropriate response. We do this by teaming up with local government agencies, partners and community leaders.

By integrating our programmes with local and national systems, we aim to ensure that short-term interventions become long-term solutions. We assessed the situation in the UK and felt we could have greater impact by supporting partners to go beyond providing immediate emergency needs.

We supported our partners to rapidly adapt and expand their programmes at a time of crisis to meet the growing food poverty needs in areas of the country with some of the highest rates of child poverty.

Many food banks, community kitchens, food pantries and social supermarkets are seeing record levels of demand for their help. Some are being overwhelmed – unable to keep up with increasing demand.

Two years since the onset of the pandemic, nearly one in 10 UK households are now having problems getting hold of enough, nutritious food. Many are skipping meals, going hungry or not eating for a whole day – because they can't afford food.

We are supporting food projects including community kitchens, food pantries and social supermarkets.

A social supermarket is a shop that sells food to people on a lower income at a huge discount. It's like a normal supermarket with a lot of choice but goods are available at a fraction of the price of high street stores.

Food pantries are similar, but members pay a small fee to join and in return they get to choose their own discounted food at a fraction of the high street cost. They both buy up high-quality, surplus food. So it's cheaper and so nothing goes to waste.

Community kitchens are different. They provide hot meals to hungry guests – including the homeless, families living with food poverty and people who are isolated and lonely. Guests can simply come along without booking and enjoy great food and company in a welcoming community setting.

So far, we've partnered with groups in Manchester, south east London, and the West Midlands in order to help support social supermarkets, food pantries and community kitchens in areas of high deprivation and where hunger levels are rising.

We also provided training to our UK partners on nutrition and healthy living and conducted an impact evaluation of the food pantry model (see "Lewisham Homes" case study).

While the evidence needed to decide if this will be a long-term strategy in the UK is not yet available, we nevertheless employed the existing principles underpinning our ways of work to ensure we: supported pantries as opposed to food banks, to allow for a sustainable future, plus agency and choice for the consumer; worked in areas of highest need, as we would in all our work; and used our added value of Monitoring, Evaluation and Learning (MEAL) and Nutrition teams to build the capacity of our partner organisations.



© Garineh Bonyadi

CASE STUDY – LEWISHAM HOMES

Our partner, Lewisham Homes Limited, operates four community food stores in the south London borough of Lewisham, which enable low-income families to buy food for a weekly voluntary membership fee of £3.50.

Each community food store acts as its own "local community hub", offering a range of services and initiatives to tackle food poverty and its underlying causes. These include community gardens, debt advice, employment support, digital training, financial education, and counselling during the pandemic.

Working with Lewisham Homes, we implemented the "Healthy Meals, Healthy Lives" project, in addition to providing financial support for its work. We also supported them to carry out an impact evaluation of their community food store concept. This evaluation found improvements in people's sense of dignity, financial stability, nutrition and health.

Members said paying a membership fee gave them a sense of "fairness" and lessened the feeling of receiving "charity". They also said they saved money when visiting the store, which allowed them to avoid falling into debt and to release money for other needs such as transport or clothing. Members also said they now eat healthier and more varied diets, as the stores offer healthy food at a lower cost.

The evaluation shows how each store also helps tackle social exclusion and loneliness, and enables members' needs and struggles to be identified and linked to the wider support network available in the borough.

OBJECTIVE 4

BRINGING THE VOICES OF AFFECTED COMMUNITIES TO OUR SUPPORTERS AND ACTIVISTS

We believe it is important for our supporters and stakeholders to hear from the people we are helping in the countries in which we work. But we think it is also important to give the people we assist the space to share their own voice, rather than speaking for them.

To bring the voices of affected communities to our supporters, we recruited, trained and supported an in-country communications officer in Yemen, who delivered photos, videos and case studies from our local projects.

We also gathered interviews, photos and video footage of our work from a range of countries, including Ethiopia, Guatemala and the UK. And we ensured the voices of communities were brought to our audiences in the UK by promoting their stories on the website and social media, in emails and newsletters, and by promoting their stories in the press.

As well as sharing stories from the countries where we work in the field with our supporters, we continued to advocate for political action on the underlying causes of hunger and malnutrition, as well as effective responses. In 2021 our UK advocacy focused on the leading drivers of malnutrition: conflict and climate change, prevention of malnutrition through aid for nutrition, and effective humanitarian response to crises. To this end, we organised meetings, produced numerous reports and briefings for decision makers, media outputs, and engaged our activist supporters in public campaign actions.

We focused on promoting effective implementation of UN Security Council Resolution 2417 on conflict and hunger, briefing UN member states on setting up a new UN Group of Friends to champion the agenda within the UN system.

With the UK Government hosting the G7 Summit, we also led an advocacy campaign on the development of a new G7 Humanitarian Crises and Famine Prevention Compact, that was endorsed by World Leaders at the Summit. We invited 120 NGOs globally to sign a public letter calling for action on emerging hunger crises.

The UK Government also hosted the UN Climate Change Conference in Glasgow, for which we produced a report examining the relationship between climate change and hunger. The report contained data on how climate change is having an inequitable impact on those who are already the most food insecure in the world. This report was presented at several official side events and at a stand at the Conference in Glasgow.

As Co-chair of the international coalition for advocacy on Nutrition (ICAN UK) we played a leading role in advocacy efforts to promote UK Aid for nutrition. We briefed MPs and engaged our supporters in writing to the Prime Minister, Foreign Secretary and MPs. We met with Ministers and held online briefings for MPs.

Several of our chef supporters, including Tom Kerridge and Angela Hartnett, wrote a public letter to The Times calling for nutrition to be a UK Aid priority. Recently the Foreign, Commonwealth & Development Office (FCDO) announced a £1.5 billion commitment to aid for nutrition by 2030, despite deep aid cuts. The FCDO informed us that our advocacy played an instrumental role in achieving this.



CASE STUDY – MOTHERS ON THE FRONTLINE APPEAL

In autumn and winter 2021 we ran a direct marketing campaign focusing on the incredible lengths to which mothers will go to protect their children from hunger. When Medina's 18-month-old daughter Munira became sick, Medina did everything she could to get her the treatment she needed.

Munira had started losing weight and rejecting her food. Medina tried to treat Munira with traditional remedies, but they didn't help. She went to neighbours and hospitals seeking help.

"Everybody was worried, my whole family was worried. I stopped eating because I was so worried she would die," says Medina.

One day, Action Against Hunger's health and nutrition staff visited Medina's community to spread awareness about malnutrition.

Medina immediately took Munira to one of our mobile clinics. Our nurses checked her symptoms, her weight and evidence of any other complications such as swelling or peeling of the skin. Munira was admitted to a life-saving programme where she was treated with medicine and given ready-to-use therapeutic food – a peanut-based paste used to treat children suffering from malnutrition.

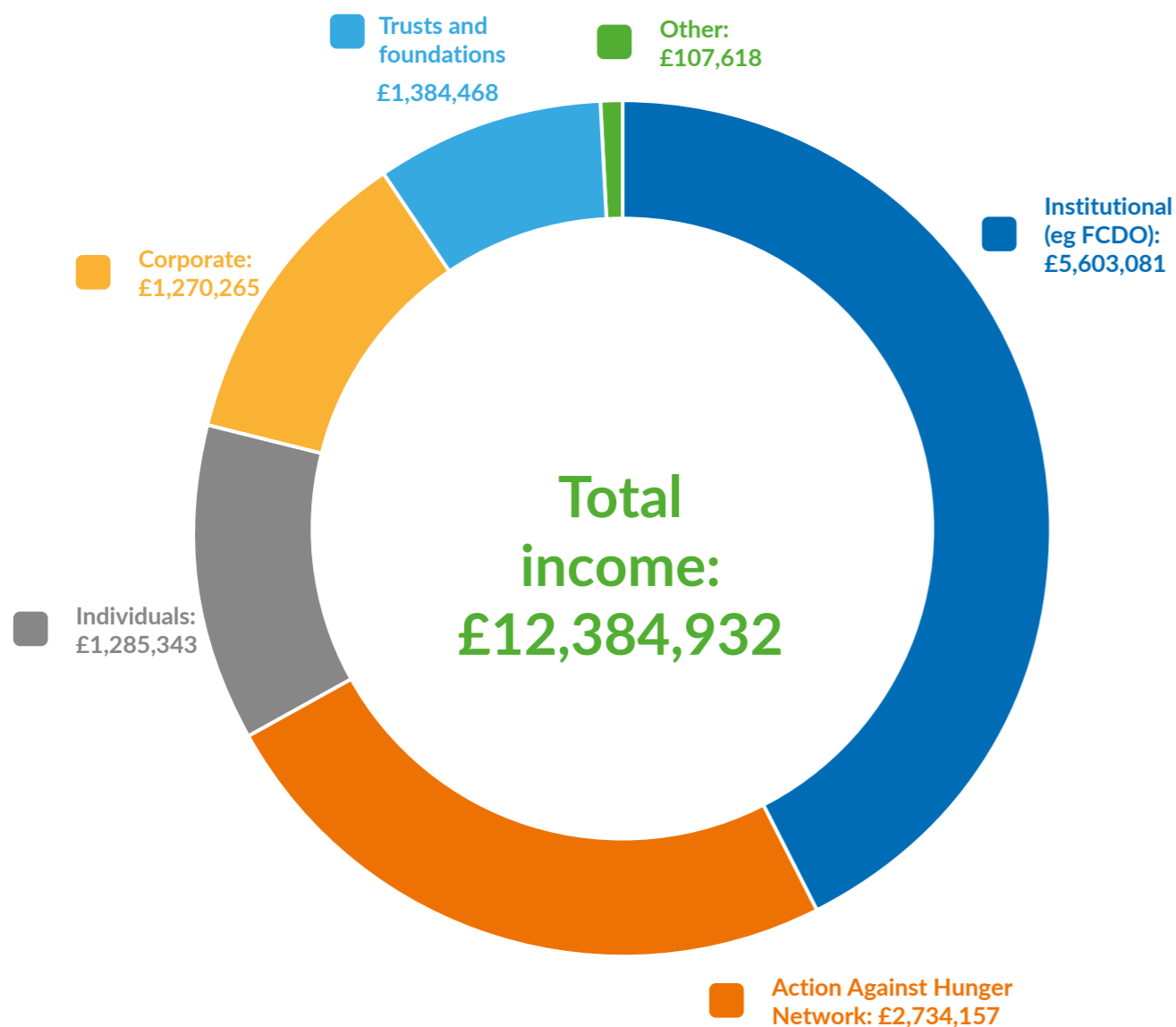
After receiving treatment, our teams discharged Munira and then visited Medina at home to check on Munira's progress and make sure she was eating her therapeutic food.

"They come and check Munira," says Medina, "They make sure that we are following the instructions and eating the therapeutic food properly by checking her weight." Medina has made a full recovery.

OUR INCOME AND EXPENDITURE IN 2021

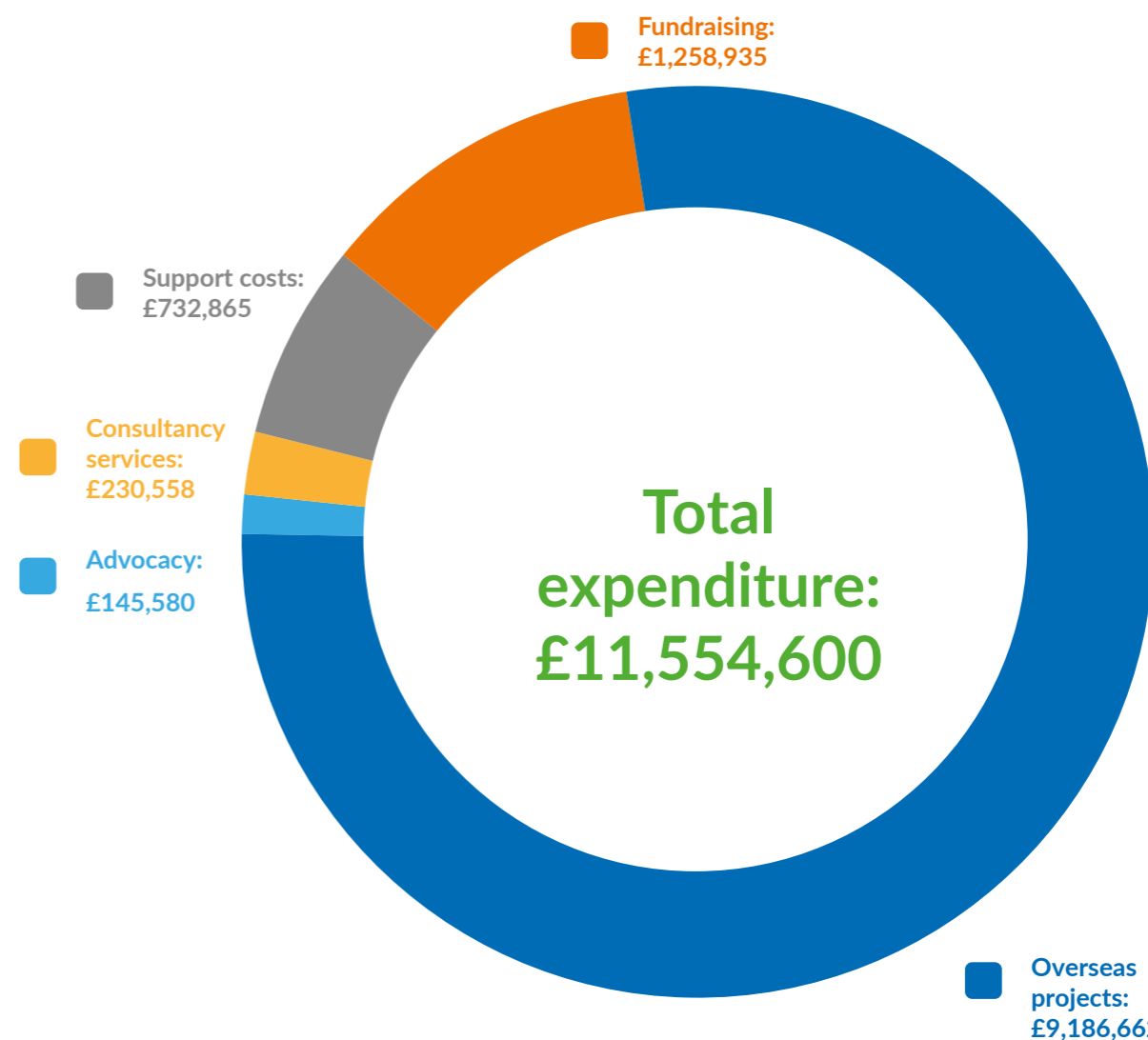
HOW WE RAISED OUR MONEY

Action Against Hunger receives grants and donations from UK individuals, institutional donors, trusts and foundations, and corporate partners. See the details of all donors page 57. But in 2021 our principal grant funder, the FCDO, amended three grant agreements for work in Afghanistan and Nigeria. We also recalculated some income recognised in prior years. This resulted in a total reduction of income and expenditure by £10.4 million. In order to comply with UK accounting rules, we recorded these grant adjustments in 2021 even if the grants were recognised in prior years as noted in the Financial Statements, note 2(b) on page 49. The diagrams below represent income and expenditure before the reduction in FCDO grants.



HOW WE SPENT OUR MONEY

Most of our income is spent on emergency relief, disaster risk-reduction work and long-term development projects.





OUR OBJECTIVES FOR 2022

In 2022, we aim to build on our achievements in 2021 and to:



OBJECTIVE 1

Raise over £32.5m to provide treatment to at least 60,000 acutely malnourished children and help a further 1.1 million vulnerable people



OBJECTIVE 2

Continue to respond to the poverty food crisis in the UK



OBJECTIVE 3

Continue to expand our technical expertise



OBJECTIVE 4

Continue to digitalise expertise and drive innovative approaches



OBJECTIVE 5

Continue to use evidence uptake and data to inform and influence positions and policies



OBJECTIVE 6

Continue to bring the voices of affected communities to our audiences

THANK YOU

Action Against Hunger could not fulfil its mission without the support of our donors and stakeholders. Thank you to all our fantastic supporters and partners for your generosity in 2021. We would like to thank the following donors and partners for supporting us in 2021.

The ALBORADA Trust
Bakkavor Limited
D&D Limited
Disasters Emergency Committee (DEC)
ELRHA
Foreign, Commonwealth & Development Office (FCDO)
Hakkasan- Limited
Hawksmoor Limited
Kelly Deli Company Limited
Mowgli

North Brewing Company Limited
People's Postcode Lottery Limited
Schroders
Soneva Foundation
Starbucks
Start Network
The Innocent Foundation
The Pig
The Waterloo Foundation
unearthed®
WOLF

We thank all our Love Food Give Food partners and all those who supported our emergency appeals and our long-term development programmes. And we thank our chef, celebrity and committee supporters.

Adam Gahlin
Angela Hartnett
Asma Khan
Bill Knott
Calum Franklin
Candice Brown
Carl Clarke
Chris Whitney
Cyrus Todiwala
David Gleave
Ed Wilson
Elly Curshen
Hugh Bonneville
Huw Gott
Isaac McHale
James Chase
James Holden
James Knappett
Kar-Shing Tong
Ken Hom
Lee Tiernan
Mariella Frostrup

Mark Hix
Michel Roux Jr
Mitch Tonks
Neil Rankin
Nick Garston
Nick Gibson
Nieves Barragán Mohacho
Nokx Majazi
Peter Nagle
Raymond Blanc
Richard Hodsdon
Rick Stein
Robin Hutson
Sam Buckley
Sam Hainsworth
Shaun Searley
Soren Jessen
Tom Best
Tom Hunt
Tom Kerridge
Vivek Singh
Will Beckett

You have all helped us to achieve our mission of tackling hunger and malnutrition around the world: thank you!

© Peter Caton



STRUCTURE, GOVERNANCE AND MANAGEMENT

Action Against Hunger UK is a registered charity (number 1047501 in England and Wales and SC048317 in Scotland) and is constituted as a private company limited by guarantee (registered in England number 03069468). Its objectives and powers are set out in its Memorandum and Articles of Association.

DIRECTORS

Paul Wilson

Chair of Board and Chair of the Governance and Remuneration Committee

Frances Pasteur

Safeguarding Trustee

Tim Wright

Chair of the Audit, Risk and Compliance Committee (resigned on 12 December 2022)

Nicolas Sarkis

Chair of the Fundraising, Engagement & Ethics Committee

Sanjay Dhiri

Eleanor White

Jordan Winokur

AUDITORS

BDO LLP

2 City Place
Beehive Ring Road
Gatwick RH6 0PA

EXECUTIVE COMMITTEE

Jean-Michel Grand

Executive Director

Maria Franklin

Director of Human Resources

Steve Notman

Director of Finance and Administration

Matthew White

Director of Fundraising and Communications, resigned June 2021

Charlotte Matier

Director of Fundraising and Communications, from October 2021 to November 2022

Alison McNulty

Director of Operations

SOLICITORS

Reed Smith Corporate Services Ltd

Third Floor, The Broadgate Tower
20 Primrose Street
London EC2A 2RS

TRUSTEES

The Directors of Action Against Hunger UK are the Trustees. The Memorandum and Articles of the Association of the Company set out the way in which trustees may be appointed.

Trustees are elected for a three-year term and can serve a maximum of three successive terms. The Code of Conduct and conflict of interest forms are signed by the Trustees every year. Trustees' self-assessments are carried out annually. The assessment also includes some questions on the performance of the Chair. The outcomes of the assessments are discussed at the subsequent Board meeting.

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 Executive Director.

The Executive Director 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 Executive Director also ensures full accountability and transparency of the organisation's accounts and reports to the Board on a regular basis.

He leads the Executive Committee. The Executive Committee defines and proposes the following to the Board for approval:

- Strategies (five-year plan)
- Annual action plan
- A risk register
- Policies
- Investment plans
- Budgets.

Board sub-committees meet quarterly to oversee the following areas:

- Audit, Risk and Compliance: ensures the organisation's key risks are adequately

managed through financial and non-financial internal controls. This committee also provides oversight to the development of Action Against Hunger UK's safeguarding culture and handles and reviews all reported safeguarding incidents across Action Against Hunger UK and its partners.

- Fundraising, Engagement and Ethics: oversees and advises on Action Against Hunger UK fundraising and marketing activities and considers whether relationships meet specific ethical criteria.
- Governance and Remuneration Committee: ensures good governance practices for the organisation and reviews financial and non-financial remuneration, including pension arrangements and annual cost-of-living awards for employees.

The Board has delegated approval for day-to-day operational decisions up to certain financial thresholds to the Executive Director and other Executive team members under a Scheme of Delegation to enable them to coordinate and direct Action Against Hunger UK's work worldwide. All decisions above this financial threshold must be approved by the Board. The Board has also reserved to itself certain important decisions, such as major initiatives, appointment of the Executive Director and approval of the long-term objectives and strategy.

In order for informed decisions to be made, members of the Executive Committee and the Executive Director respond to the Board's questions at meetings. The Board takes a majority vote on decisions (simple majority), communicating them through minutes. A quorum of three is necessary. Any change in strategy, action plan, policy or procedure proposed by the Executive Director is examined and ratified by the Board. The Board approves the delegation of financial authority through the Executive Director to the Charity, within specific limits.

The Trustee Governance and Remuneration Committee supervises implementation of the Charity Governance Code.

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 Governance and Remuneration Committee meets 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. The Governance and Remuneration Committee recommendations are ratified by the full Board of Trustees.

INTERNAL CONTROL AND RISK MANAGEMENT

"The Trustee Directors have overall responsibility for Action Against Hunger's system of internal control. Such a system can provide only reasonable, and not absolute, assurance against errors or fraud. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

The systems of internal control are designed to provide assurance against material misstatement or loss. They include:

- strategic plan and budgets approved by the Board;
- regular monitoring of Key Performance Indicators (KPIs) and progress against the strategic plan;

- quarterly consideration by the Board of financial performance and variance from budgets;
- the use of committees in meeting their duties and delegating certain functions of the Board;
- appropriate identification, management and reporting of risks;
- implementation of key policies and procedures;
- structured delegated and financial authorities which are signed off by the Board and
- significant matters carried out by the internal audit functions of our implementing network partners.

Trustees continue to review the adequacy of the Charity's internal control systems with the Senior Management Team. This is carried out quarterly as part of the Risk and Ethics committee meetings (see below).

Action Against Hunger operates an annual planning and budgeting process with reference to the five-year Strategic Plan, and with start-of-year and mid-year revised budgets approved by the Board of Trustee Directors. Significant changes during the year are subject to specific approval.

The financial reporting systems provide monthly comparison of actual results with budget. Forecasts of the expected results for the year are undertaken regularly. Action Against Hunger maintains a comprehensive register of risks, the most significant of which are stated on page 34. The register identifies the major strategic and operational risks faced and how they are being managed.

As part of the annual three-year planning process, the key risks are considered by the Trustee Directors and the risks Action Against Hunger faces are reviewed quarterly by the Executive team. The Trustee Directors are satisfied that systems are in place to monitor, manage and mitigate Action Against Hunger's exposure to major risks. They consider that maintaining Action Against Hunger's general reserves at the levels stated on page 57, and reviewing internal controls and risks through an

internal audit programme, will provide Action Against Hunger with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of Action Against Hunger's work requires active acceptance and management of some risks when undertaking activities to achieve the objectives of the Charity.

THE ACTION AGAINST HUNGER INTERNATIONAL NETWORK

International Action Against Hunger is a global humanitarian organisation committed to saving the lives of malnourished children and supporting their families to beat hunger. In 2021, the Action Against Hunger International network was made up of seven separate legal entities (and their branches and subsidiaries) which were active in 51 countries around the world. The entities that make up the Action Against Hunger international network share the same objectives and operate under common International Co-Operation Protocols, including an International Charter of Principles and a number of common policies agreed by the International Committee of Chairs and the International Executive Committee.

In 2021 the entities that made up the Action Against Hunger International network were:

- Action Against Hunger (UK)
- Action Contre La Faim (a registered charity in France)
- Action Against Hunger USA (a registered s501(c)(3) organisation in the USA)
- Accion Contra el Hambre (a registered charity in Spain)
- Action Against Hunger Canada (a registered charity in Canada)
- Fight Hunger Foundation/ Action Against Hunger (a registered charity in India)
- Aktion Gegen Den Hunger (a charity registered in Germany)

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: 06569439). 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 seven members of the trading company ACFIN Licensing Ltd, a company incorporated in England and Wales (Company No. 06672034). The company's main objective is to license the Action Against Hunger trademarks to the entities that make up the Action Against Hunger International network. The Action Against Hunger UK Executive Director is a Director of the company.

APPROVAL

This Annual Report is signed by the Chair 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.



Mr Paul Wilson
Chair of Trustees

Approved on 22 December 2022

FINANCIAL PERFORMANCE

Action Against Hunger's income for the year ended 31 December 2021 decreased sharply, from £50.8 million in 2020 to just £2 million in 2021. This was mainly the result of significantly fewer new grants being signed with the Foreign, Commonwealth & Development Office (FCDO) – the principal donor to our humanitarian programmes, also because we had to make an exceptional accounting adjustment to reduce FCDO grant income by a total of £10.4 million, in respect of two grants where FCDO cut funding in 2021, one ongoing grant where FCDO terminated their funding in 2022 and recalculation of some income recognised in prior years. In these cases we had previously recorded the total amount of income stated in the original grant agreement when it was signed, in prior years, in anticipation that the full amount of the grant would be paid. Such cuts are highly unusual and relate directly to the pressure on FCDO to find budget savings.

In 2021, the UK government cut UK aid spending from 0.7 per cent to 0.5 per cent of GDP, despite this being a legal commitment. This meant that the FCDO's UK Aid budget decreased from £15 billion to £10 billion with most of that lower amount ringfenced for legally or contractually binding spending commitments to institutions such as the World Bank, the UN and the Climate Investment Funds. Discretionary spend by themes like Water, Sanitation and Hygiene (WASH) and Nutrition fell from around £7 billion to £2 billion. Existing programme budgets were cut and the FCDO was instructed not to produce new business cases for bilateral programmes. This had a major impact on our ability to raise new funds from the FCDO in 2021.

The UK government has stated that the reduction from 0.7 per cent to 0.5 per cent of GDP will be a temporary measure to release funds to address the Covid-19 pandemic. As the impact of the pandemic reduces, we would anticipate that the FCDO will review its position on bilateral collaboration and British charities will be able to bid for a much higher number of grants with the FCDO in 2022 and 2023.

As in prior years, total income includes 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 such grants when agreements are signed.

We ended the year with a net unrestricted funds surplus of £288,542, which has been added to accumulated general reserves. The Board of Directors has reviewed the reserves policy of the Charity and considers 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 security against seasonal variations in income and expenditure; to costs; and to fund strategic research, investment and innovations.

Unrestricted reserves as of 31 December 2021 were £2.02 million (which represents around eight 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 utilising any surplus cash funds in the most effective way possible. However, the Charity is occasionally required to react quickly 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

Action Against Hunger UK considers effective risk management to be fundamental to good management practice and to provide an essential contribution towards the achievement of the Charity's strategic and operational objectives. The Trustees are satisfied that appropriate internal control systems are in place to identify and mitigate the Charity's key strategic and operational risks.

Whilst the Charity operates necessarily in high-risk contexts to save the lives of children and provide them and their families with opportunities for a better life, at Action Against Hunger we remain prudent on how we mitigate these risks.

Action Against Hunger is a forward-looking organisation driven by impact and cost-effectiveness, therefore it embraces higher risk approaches on innovation, complex programming, leading consortiums, creative fundraising, new ways of working, embracing digital technologies, exploring new technical approaches that challenge existing ones and any other activities that support the achievement of our objectives and the strategic priorities of the International Action Against Hunger network.

The Charity's risk appetite reflects the need to take risks in order to achieve our objectives, provided always that these risks do not breach our principles, values, policies, legal obligations or our duty of care to staff, donors and the populations we support.

Action Against Hunger UK's Risk Management Policy sets out the Charity's approach to risk management, and uses a risk management framework to support the identification, assessment and management of key risks, including the implementation of comprehensive mitigation plans and risk management strategies. This includes a thorough risk identification process; prioritisation of key risks based on an assessment of impact and likelihood; regular review of mitigation measures and controls;

evaluation of risks against the Charity's risk appetite; and, where appropriate, the development of mitigation plans. Action Against Hunger regularly monitors its key risks with a view to embedding a strong risk management culture across the Charity.

The Board is responsible for appointing members of the Charity's Audit, Risk and Compliance Committee, of which four trustees were members in 2021. The main functions of the Committee are to:

- Review and monitor the key risks and mitigation measures identified in the Charity's Risk Register (the Risk Register is reviewed by the Audit, Risk and Compliance Committee on a quarterly basis);
- Oversee, support and advise the executive team on the assessment, management and mitigation of key risks and to inform the board of any new major risks or key changes in the risk environment;
- Monitor the implementation of existing mitigation measures and proposed mitigation action plans;
- Review serious incident reports reported by the executive team and confirm authority for these to be reported to the Charity Commission and
- Ensure that risk management is mainstreamed and embedded within the culture of the Charity.

During 2020 and 2021, the Covid pandemic and consequential economic impacts presented significant challenges for international humanitarian organisations all over the world, including Action Against Hunger. This required a rapid and dynamic response and the Charity acted quickly to manage the situation and mitigate the risks arising from the crisis.

KEY RISKS

A risk assessment exercise is undertaken and the Risk Register is reviewed annually. Most recently, the Trustees have identified the following major risks to which the Charity is exposed:

Risks	Measures in place to manage the risk
Field security incidents	<p>Detailed security plans and guidelines are updated on a frequent basis in every country where work is carried out, to take account of changing conditions on the ground.</p> <p>Staff receive comprehensive security training before their assignment.</p> <p>High security consciousness among staff.</p> <p>Critical incident management procedures and training are in place and are continually updated.</p>
Safeguarding incidents at field level	<p>Safeguarding policy that ensures zero tolerance of safeguarding transgressions.</p> <p>Safeguarding policies and measures are communicated to all employees, partners and suppliers and are implemented and monitored in all countries in which we work.</p> <p>Undertaking of awareness raising and related trainings.</p> <p>Complaints and whistleblowing mechanisms are in place and tested to ensure they are effective.</p>
Fraud, corruption and bribery	<p>Zero tolerance policy for fraud, corruption and bribery.</p> <p>Implementation of Action Against Hunger Risk Management Policies (anti-bribery, fraud, corruption, abuse of power, anti-terrorism and money laundering).</p> <p>Senior Management and Trustees sign Conflict of Interest forms annually.</p> <p>Whistleblowing and complaints mechanisms are in place.</p>
Significant decrease in revenues	<p>Diversify private fundraising activities.</p> <p>Investment in individual giving.</p> <p>Diversification of income streams and reduction in dependence on UK Aid funding.</p>
Cyber security breach and/or significant data loss through IT failure	<p>Conducted full assessment of risks relating to security breach / cybercrime / data breach in the context of all staff working from home.</p> <p>IT measures implemented to mitigate risks.</p> <p>Awareness and training of staff on risk identification and mitigation.</p>
Increasing requirements on compliance with legal, regulatory or donor obligations in programme delivery	<p>Network Due Diligence review and policy harmonisation project.</p> <p>Further strengthen / standardise UK compliance and due diligence processes and reviews.</p> <p>Strengthen serious and reportable incident processes.</p> <p>Arrange regular scheduled compliance workshops and training for staff.</p>

SERIOUS INCIDENTS

In 2021 there were 15 allegations related to fraud, abuse of power, sexual exploitation, harassment, terrorism or bribery, mostly in four countries where we work. All cases were thoroughly investigated and decisive/appropriate actions were taken. All cases meeting the Charity Commission's criteria for serious incidents were duly reported to the Charity Commission and all cases were reported to the Foreign, Commonwealth & Development Office (FCDO).

ENERGY USE AND GREENHOUSE GAS EMISSIONS

In the year ended 31 December 2021, Action Against Hunger UK consumed less than 40,000 kWh of energy and therefore is exempt from the requirements to publish information regarding its annual emissions and energy consumption.

STAKEHOLDER ENGAGEMENT

The Trustee Directors are required to explain how they consider the interests of key stakeholders and the broader matters set out in Section 172 of the Companies Act 2006 in promoting the success of the company for the achievement of its charitable purposes. This statement focuses on matters of strategic importance and the level of information disclosed in this statement is consistent with the size and complexity of the business.

GENERAL CONFIRMATION OF TRUSTEE DIRECTORS' DUTIES

Action Against Hunger UK's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Page 29 explains the roles and responsibilities of the Board Sub Committees. When making decisions, each Trustee Director ensures that they act in good faith to best promote the company's success for the achievement of its charitable purposes, and in doing so will have regard (among other matters) to:

S172(1) (A) 'THE LIKELY CONSEQUENCES OF ANY DECISION IN THE LONG-TERM'

The Charity is guided by a five-year strategic plan, at both UK and international level through the Action Against Hunger network.

In order to meet this, the Board of Trustees has to pay due regard to the long-term consequences of all its decisions. Throughout the life of the strategy its implementation is regularly monitored through annual progress reports, which help inform the long-term decision-making that is required to achieve the objectives set out in our strategy.

S172(1) (B) 'THE INTERESTS OF THE COMPANY'S EMPLOYEES'

The Trustees recognise that Action Against Hunger UK employees are our most important asset and are fundamental to the delivery of our strategic plan. Our success depends on attracting, retaining, motivating and developing them, wherever they are located. The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Action Against Hunger. It enables the Board to understand how we are learning from survey findings to strengthen Action Against Hunger's culture and values, and informs decision-making from pay and benefits to health, safety and wellbeing. The Staff Forum operates throughout the year as a mechanism for bringing an issues or suggestions for improvements to the Senior Management Team, as well as being an important vehicle for staff consultation on any significant changes or restructuring.

STAKEHOLDER ENGAGEMENT (continued)**S172(1) (C) 'THE NEED TO FOSTER THE COMPANY'S BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS'**

Action Against Hunger UK's key business relationships are with other members of the Action Against Hunger international network; the communities with whom we work; our suppliers; and our donors and supporters. Our engagement with these stakeholders is referenced within this report. In order to deliver our mission and strategy, and to create impact at scale, we need to work with others. We will continue to work primarily through the implementing members within the Action Against Hunger network and also build our capacity to work through other partnerships, alliances, and networks.

S172(1) (D) 'THE IMPACT OF THE COMPANY'S OPERATIONS ON THE COMMUNITY AND THE ENVIRONMENT'

The Board of Trustees has fully committed the organisation to the Core Humanitarian Standards. These standards "put communities and people affected by crisis at the centre of humanitarian action". The charity fully subscribes to this ethos, which we enact in all of our programme delivery. Recognising that climate change is currently one of the main drivers of food insecurity and hunger, we advocate on this and ensure that within our programme work and in the UK, due attention is paid to the environmental impact of everything we do.

S172(1) (E) 'THE DESIRABILITY OF THE COMPANY MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT'

It is important that Action Against Hunger UK continues to maintain its reputation for high standards of conduct in all its work. As part of the Action Against Hunger network, all employees and trustees are required to sign and abide by a Global Code of Conduct. We also ensure compliance at all times with the high standards of business conduct attached to receiving funding from many important institutional and private donors, including the FCDO/UK Aid. Reputational risk is addressed within our Corporate Risk Register and informs all key decision-making. Currently, the Trustee Governance and Remuneration Committee is supervising the implementation of the Code of Good Governance to ensure that recommended practices set out in the Code are in place.

S172(1) (F) 'THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY'

This is not relevant to Action Against Hunger's organisational structure, as the charity is run in the interests of its charitable objects rather than in the interests of its members.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing the financial statements the trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr Paul Wilson
Chair of Trustees

Approved by the Board on 22 December 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Action Against Hunger UK

OPINION ON THE FINANCIAL STATEMENTS

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 2021 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.

We have audited the financial statements of Action Against Hunger UK ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated and Charity Statement of financial position, the Consolidated cash flow statement 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 (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain 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.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

Conclusion relating to going concern (continued)

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

OTHER INFORMATION

The Directors are responsible for the 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, the Structure, Governance, and Management, and the Directors' responsibility statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

OTHER COMPANIES ACT 2006 REPORTING

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

- the information given in 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 have been prepared in accordance with applicable legal requirements.

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 misstatements in the Directors' report or Strategic report.

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

- adequate 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 Trustees' 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)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and charity and the sector in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the group and charity are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- We agreed the financial statement disclosures to applicable financial reporting standards – FRS 102, Companies Act 2006, and the Charities SORP.

- We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Statement of Recommended Practice for Accounting Reporting by Charities (SORP FRS 102) and tax legislation.
- We reviewed Serious Incident Reports submitted to the Charity Commission.
- We understood how the charity is complying with those legal and regulatory frameworks that are significant to their activities by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondence with HMRC and the various regulators.
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to recognition of grants and cash flow forecasts used in going concern assessments.
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments; testing the application of cut-off and revenue recognition, particularly around grant income, donations and legacies, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 and trustees 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, 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.

DocuSigned by:

Fiona Condron

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Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor London, UK

Date: 23 December 2022

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2021	2021	2020
	Note	Unrestricted	Restricted	Total	Total
		£	£	£	£
Income from:					
Donations and legacies	2a	2,653,186	1,328,134	3,981,320	3,573,871
Charitable activities	2b	2,609,760	(4,656,131)	(2,046,371)	46,945,504
Investment and other income	2c	66,374		66,374	271,226
Total income		5,329,320	(3,327,997)	2,001,323	50,790,601
Expenditure on:					
Raising funds	3	1,242,939	193,918	1,436,857	1,644,428
Charitable activities	4	3,797,839	(4,063,705)	(265,866)	49,624,298
Total expenditure		5,040,778	(3,869,787)	1,170,991	51,268,726
Net income/(expenditure)	7	288,542	541,790	830,332	(478,125)
Net movement in funds		288,542	541,790	830,332	(478,125)
Reconciliation of funds:					
Total funds brought forward	13	1,739,387	224,679	1,964,066	2,442,191
Total funds carried forward	13	2,027,929	766,469	2,794,398	1,964,066

The results for the year shown above all derive from continuing operations. There are no recognised gains or losses for the year other than those shown above. There are no material differences between the results for the year as stated above and those calculated on a historical cost basis.

The accompanying notes on pages 45 to 59 form an integral part of these Financial Statements.

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL) STATEMENTS OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY NUMBER: 03069468

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible assets	9	65,356	68,236	65,356	68,236
Investment in subsidiary	10	-	-	1	1
Current assets					
Debtors	11	11,693,631	37,094,959	11,693,631	37,094,959
Cash at bank and in hand		4,031,115	6,990,839	4,031,115	6,990,839
		15,724,746	44,085,798	15,724,746	44,085,798
Creditors					
Amounts falling due within one year	12	(12,995,704)	(42,189,968)	(12,995,705)	(42,189,969)
Net current assets		2,729,042	1,895,830	2,729,041	1,895,829
NET ASSETS		2,794,398	1,964,066	2,794,398	1,964,066
FUNDS					
Unrestricted funds	13	2,027,929	1,739,387	2,027,929	1,739,387
Restricted funds	13	766,469	224,679	766,469	224,679
		2,794,398	1,964,066	2,794,398	1,964,066

The surplus for the financial year dealt with in the financial statements of the parent Company was £655,857 (2020: surplus of £141,062).

Approved and authorised for issue by the Board on 7 December 2022, and signed on their behalf by:



Mr Paul Wilson (Chair of Trustees)

Date: 22 December 2022

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Net cash used in operating activities	1	(2,940,210)	(1,625,106)
Cash flows from investing activities			
Investment income received		684	5,025
Purchase of fixed assets		(20,199)	(718)
Net cash (used in)/provided by investing activities		(19,515)	4,307
Change in cash and cash equivalents in the year		(2,959,724)	(1,620,799)
Cash and cash equivalents at 1 January		6,990,839	8,611,638
Cash and cash equivalents carried forward		4,031,115	6,990,839
1. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure)		830,332	(478,125)
Depreciation of tangible fixed assets		23,077	20,428
Decrease/(Increase) in debtors		25,401,329	(12,180,929)
(Decrease)/Increase in creditors		(29,194,264)	11,018,545
Investment income receivable		(684)	(5,025)
Net cash used in activities		(2,940,210)	(1,625,106)

ACTION AGAINST HUNGER UK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Charities and Trustee Investment (Scotland) Act 2005, Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities effective from 1 January 2019, FRS102, and applicable United Kingdom accounting standards. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

Implications of the Covid 19 pandemic have had a significant impact on the income of the Charity in 2021. Over the last few years FCDO and UK Aid have been the major institutional donor funding Action Against Hunger UK's overseas programme work. UK Aid budgets awarded to many INGO's such as the Charity were suspended or cut in 2021 as a consequence of the decision by the UK government to reduce the aid budget from 0.7 per cent to 0.5 per cent of GDP. For us, this meant that no new agreements were signed in 2021 and budgets relating to three agreements that have been signed in previous years were reduced. The fall in our income in 2021 as a consequence has been extreme, but in 2022 we expect to see our programmatic funding levels bounce back considerably due to new multi million pound grants having been signed with FCDO and other funders in the first half of the year.

In assessing whether it is appropriate to prepare the accounts on a going concern basis, the Trustee Directors (who are the Directors of Action Against Hunger UK for the purposes of company law and the trustees of Action Against Hunger UK for the purposes of charity law) have taken account of the current levels of unrestricted reserves and cash and the current and future expected funding environment.

The Trustee Directors continue to review the Charity's financial performance, business plans and budgets on a quarterly basis and are content that the 2021 accounts should be prepared on a going concern basis. As explained in last year's accounts, during 2020 and the early part of 2021 the impact of the Covid-19 pandemic and its financial effects on the Charity was significant, primarily due to the impact that the pandemic had on the food and hospitality industry in the UK upon which Action Against Hunger has a close relationship in respect of its private fundraising. In response to this, the executive team and trustees prepared revised budgets in 2020 and 2021 to ensure that Action Against Hunger would be able to continue its core activities and remain a going concern. In 2020 a range of cost reductions to mitigate the impact of reduced income levels were carried out including a reduction in our UK office staffing by about 20%. The 2021 unrestricted budget was held at the same level as the prior year revised budget and only modest affordable growth built in the 2022 budget. Poor economic conditions and the impact of Covid on fundraising have continued into 2022 and are now being compounded by steep rises in inflation, a fall in the value of Sterling.

ACTION AGAINST HUNGER UK NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

(a) Basis of accounting (continued)

Our overseas operations, which are funded largely by FCDO and trusts and foundations through restricted grants are being impacted, although the UK financial position, centred around our unrestricted reserves and funding, remains stable.

Having considered all these matters, the Trustee Directors do not believe there is a material uncertainty and so have prepared the accounts on a going concern basis.

(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 (e.g. 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. Occasionally, a grant maker may reduce the value of their grant sometime after the initial agreement is signed. This happened in 2021 with 2 grants signed with FCDO – ‘Nigeria SUNNY’ and ‘Afghanistan R3’. A further FCDO grant signed in 2020 – ‘Nigeria LAFIYA-HeRON’ was terminated in 2022. In such cases, the decrease to the grant and income that has been recorded in prior periods will be adjusted in the period in which the grant reduction is made. See note 2(b) below for further details.

(d) Expenditure recognition

Expenditure is included in the financial statements on an accruals basis.

Sub contracted grants

Subcontracted grants to other members of the Action Against Hunger network or third parties are charged to the Statement of Financial Activities when they have been approved and where a binding commitment has been made to the other organisation. Subcontracted grants that have been approved but not yet disbursed at the balance sheet date are carried forward as creditors in the balance sheet. In situations where grants from public funders are reduced subsequent to the signing of the initial grant agreement (see note 1(c) above), the liability to the subcontracted partner will be reduced by the same amount under the terms of the subcontract agreement.

(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	– 25% 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.

(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 funds or gifts in kind provided for general charitable activities or monies raised from appeals for specific emergency responses.

(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 £76,719 (2020: £82,874). At the end of the financial year there were no contributions (employee and employer) still to be paid over to the scheme (2020: £Nil).

ACTION AGAINST HUNGER UK NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

(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.

The significant judgements and estimates that could impact the carrying amounts of assets and liabilities are as follows:

Revenue Recognition

Revenue Recognition requires judgement to appropriately apply the income accounting policies across the different funding streams the Charity has. Note 1(c) above details the accounting principle adopted and its application in particular to restricted grants received from institutional funders, such as FCDO (UK Aid).- the judgements made in recording such income are continually reassessed including in cases where the grant agreement wording and conditions are changed from year to year, and where appropriate provision is made for contingencies or deferrals to account for conditions yet to be fulfilled.

ACTION AGAINST HUNGER UK (COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2 INCOMING RESOURCES

2 (a) Donations and legacies

	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations and legacies						
Individuals (including legacies and events)	1,212,589	72,754	1,285,343	1,013,415	54,513	1,067,928
Corporate donors	861,255	409,010	1,270,265	648,438	42,883	691,321
Trusts & Foundations	538,098	846,370	1,384,468	842,892	898,329	1,741,221
International partners	-	-	-	34,864	-	34,864
Gifts in kind	41,244	-	41,244	38,537	-	38,537
Total	2,653,186	1,328,134	3,981,320	2,578,146	995,725	3,573,871

2 (b) Charitable activities

	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Grant-based activities						
UK Government - Start fund	-	1,011,894	1,011,894	-	600,633	600,633
UK Government - FCDO	-	1259,174	1,259,174	-	33,960,028	33,960,028
Al-Thani Humanitarian fund	-	-	-	-	5,373,317	5,373,317
Disasters Emergency Committee	-	250,317	250,317	-	570,000	570,000
Others	-	699,423	699,423	-	362,956	362,956
FCDO grant reductions (note i)	-	(10,383,609)	(10,383,609)	-	-	-
Total	-	(7,162,801)	(7,162,801)	-	40,866,934	40,866,934

Note (i) - During 2021, we agreed with FCDO reductions to 2 grants that had been signed in prior year, - 'Nigeria SUNNY' and 'Afghanistan R3'. In addition, in 2022 a FCDO funded programme of which Action Against Hunger was a consortium member 'LAFIYA - HeRON', was terminated early by FCDO. These reductions were an exceptional occurrence and made as a consequence of FCDO seeking budget savings related to the reduction in the UK aid budget from 0.7 per cent to 0.5 per cent of GDP. As noted above at note 1(c) the decrease to the grant and income that has been recorded in prior periods is adjusted in 2021.

ACTION AGAINST HUNGER UK

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

2 (b) Charitable activities (continued)

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted £	2020 Total £
Monitoring and evaluation services						
UK Government – FCDO	-	1,760,568	1,760,568	-	2,776,775	2,776,775
UN agencies	-	276,402	276,402	-	259,115	259,115
Others	(121,147)	466,450	345,303	-	222,056	222,056
	(121,147)	2,503,420	2,382,273	-	3,257,946	3,257,946

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted £	2020 Total £
Provision of employees to Action Against Hunger programme	2,573,344	-	2,573,344	2,496,129	-	2,496,129
Other services for Action Against Hunger network partners	157,563	3,250	160,813	-	324,495	324,495
	2,730,907	3,250	2,734,157	2,496,129	324,495	2,820,624
Total charitable activities	2,609,760	(4,656,131)	(2,046,371)	2,496,129	44,449,375	46,945,504

2 (c) Investment and other income

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted £	2020 Total £
UN agencies	684	-	684	-	5,025	5,025
Others	65,690	-	65,690	-	266,201	266,201
Investment and other income	66,374	-	66,374	-	271,226	271,226

2 (c) Investment and other income (continued)

Other income in 2021 and 2020 is related to payments from HMRC as part of the Coronavirus Job Retention Scheme, in which organisations were able to claim for 80% of employees' wages plus any employer National Insurance and pension contributions for staff put on furlough or flexible furlough because of coronavirus.

3 EXPENDITURE ON RAISING FUNDS

	Direct £	Support Costs £	Total 2021 £	Total 2020 £
Fundraising events	263,133	-	263,133	163,126
Other fundraising activities	995,802	177,922	1,173,724	1,481,302
	1,258,935	177,922	1,436,857	1,644,428

All fundraising events expenditure in 2021 and 2020 relates to unrestricted expenditure. Within other fundraising activity costs, £193,918 relates to restricted expenditure (2020: £139,687).

4 CHARITABLE ACTIVITIES

	Direct £	Support Costs £	Total 2021 £	Total 2020 £
Overseas projects	(3,072,289)	332,967	(2,739,322)	46,927,476
Supply of aid workers	2,407,073	55,494	2,462,567	2,229,893
Advocacy/ awareness raising	145,580	27,747	173,327	253,308
MEAL and Nutrition services	230,558	138,736	369,294	213,621
	(289,078)	554,942	265,866	49,624,298

Of total charitable activities, £3,797,839 relates to unrestricted expenditure (2020: £3,688,986) and £4,063,705 relates to restricted expenditure (2020: £45,935,312).

ACTION AGAINST HUNGER UK

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

5 SUPPORT COSTS

	Executive Office	Admin	Finance and IT	Total 2021	Total 2020
	£	£		£	£
Allocated to Project costs					
Overseas projects	54,945	162,220	115,802	332,967	273,003
Recruitment of aid workers	9,157	27,037	19,300	55,494	45,501
Advocacy/ awareness raising	4,579	13,518	9,650	27,747	22,750
MEAL and Nutrition services	22,894	67,592	48,250	138,736	113,751
	91,575	270,367	193,002	554,943	455,005
Allocated to Fundraising	23,458	102,882	51,582	177,922	217,746
	115,033	373,249	244,584	732,866	672,751

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

	2021	2020
	£	£
Staff costs for employees on UK contracts		
Wages and salaries	4,992,144	4,920,661
Employer pension contributions	76,719	82,874
Social security costs	306,540	287,543
	5,375,403	5,291,078

The above amounts represent 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 Executive Director, Jean-Michel Grand, for the year, including pension contributions, was £112,432 (2020: £102,072). The number of other employees whose remuneration amounted to over £60,000 in the year was as follows:

	2021	2020
£80,001 to £90,000	1	-
£70,001 to £80,000	3	2
£60,001 to £70,000	-	4

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 Executive Director, total emoluments paid to other members of the Senior Management Team totalled £309,561 (2020: £284,721) in the year.

The average number of staff working overseas employed by Action Against Hunger under UK contracts during the year was 74 (2020: 68). At the year-end, staff numbers overseas were 79 (2020: 64). 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 in 2021 was 62 (2020: 70). At the year-end, UK staff numbers were 62 (2020: 59).

Trustees' expenses and remuneration and related party transactions

Trustees are not remunerated and no expenses were claimed in 2021 (2020: £Nil).

ACTION AGAINST HUNGER UK

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

7 NET INCOME / (EXPENDITURE)

	2021	2020
Net Income/(Expenditure) is stated after charging:	£	£
Depreciation of tangible fixed assets	23,077	20,428
Operating lease payments – property	192,512	192,512
Auditor's remuneration: Charity	35,000	33,000
Trading subsidiary	2,500	2,500

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
	£	£	£
Cost			
At 1 January 2021	248,626	79,769	328,395
Additions	-	20,199	20,199
At 31 December 2021	248,626	99,970	348,594
Depreciation			
At 1 January 2021	196,565	63,596	260,161
Charge for the year	11,825	11,252	23,077
At 31 December 2021	208,390	74,851	283,238
Net book value			
At 31 December 2021	40,236	25,120	65,356
At 31 December 2020	52,061	16,175	68,236

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.

	2021	2020
	£	£
Share capital		
Authorised	100	100
Called up	1	1

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

	2021	2020
	£	£
Statement of income and retained earnings		
Turnover	12,775	10,795
Cost of sales	(177)	(64)
Net profit before taxation	12,598	10,731
Taxation	-	-
Retained profit for the year	12,598	10,731
Statement of financial position		
Current assets	15,402	10,732
Current liabilities	(3,027)	-
Net current assets	12,375	10,732
Total assets less current liabilities	12,375	10,732
Capital and Reserves		
Called up share capital	1	1
Retained profit	12,374	10,731
Equity shareholders' funds	12,375	10,732

ACTION AGAINST HUNGER UK

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

11 DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Institutional donors	9,525,186	36,597,285	9,525,186	36,597,285
Action Against Hunger – Canada	25,688	20,458	25,688	20,458
Action Against Hunger – Spain	1,570,079	-	1,570,079	-
Action Against Hunger – India	67,682	168,603	67,682	168,603
Accrued income	400,878	191,041	400,878	191,041
Sundry debtors	70,091	29,716	70,091	29,716
Prepayments	34,027	87,856	34,027	87,856
	11,693,631	37,094,959	11,693,631	37,094,959

Institutional debtors are related to grant agreements signed with FCDO, directly or via a consortium lead or managing agent. As noted above, our accounting policy recognises the full amount of the grant at the time the agreement is signed and therefore the full grant amount is treated as a current debtor rather than as a debtor due after more than one year. Included in the amounts due from Institutional donors are amounts due after more than one year of £1,653,117 (2020: £4,294,303).

12 CREDITORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Amounts falling due within one year:				
Action Against Hunger – France	11,579,964	34,345,632	11,579,964	34,345,633
Action Against Hunger – Spain	101,149	3,839,093	101,149	3,839,093
Action Against Hunger – USA	189,963	2,218,658	189,963	2,218,658
Deferred income	254,790	629,411	254,790	629,411
Other creditors	672,672	906,773	672,672	906,774
Accruals	197,166	250,401	197,167	250,401
	12,995,704	42,189,968	12,995,705	42,189,969

13 STATEMENT OF FUNDS

	As at 01 Jan 21 £	Income £	Expenditure £	31 Dec 21 £
FCDO Shine Somalia	-	1,441,352	(1,441,352)	-
Start Fund alerts	-	579,110	(579,110)	-
Start Fund Bangladesh hosting	-	399,576	(355,000)	44,576
FCDO Integrated Reponse Rohingya Crisis in Cox's Bazaar Bangladesh	-	378,500	(378,500)	-
People's Postcode Lottery	-	425,000	(412,823)	12,177
FCDO MERIAM	-	319,216	(319,216)	-
Power of Nutrition Gujarat	-	325,328	(19,194)	306,134
DEC Afghanistan appeal	-	380,716	(380,716)	-
DEC Covid-19 appeal	-	250,317	(250,317)	-
CIFF SAM 2.0 Project	103,628	-	-	103,628
UN projects	-	276,402	(276,402)	-
Alborada Trust	-	317,800	(227,800)	90,000
Soneva Foundation	-	19,800	(19,800)	-
Barclay's UK project	100,000	-	(100,000)	-
Bloom Foundation	-	20,000	(20,000)	-
Action Against Hunger Network	-	3,250	(3,250)	-
FCDO prior year grant reduction	-	(10,383,609)	10,383,609	-
FCDO SHARP Somalia	-	880,674	(880,674)	-
Others	21,051	1,038,571	(849,668)	209,954
Total restricted funds	224,679	(3,327,997)	3,869,787	766,469
Unrestricted funds	1,739,387	5,329,320	(5,040,778)	2,027,929
TOTAL FUNDS	1,964,066	2,001,323	(1,170,991)	2,794,398

ACTION AGAINST HUNGER UK

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

As at 31 December 2020

	01 Jan 20	Income	Expenditure	31 Dec 20
	£	£	£	£
FCDO DRC Punch	-	10,914,876	(10,914,876)	-
Health Resilience in North East (HeRoN) Nigeria	-	6,104,709	(6,104,709)	-
Al-Thani foundation	-	5,373,317	(5,373,317)	-
Recovery Reintegration Resilience Consortium Afghanistan	-	4,904,962	(4,904,962)	-
FCDO DRC PUNCH III	-	4,000,000	(4,000,000)	-
FCDO Rapid Response Fund Yemen	-	3,000,000	(3,000,000)	-
FCDO SHINE Somalia	-	2,746,775	(2,746,775)	-
FCDO Multisector Humanitarian Response Yemen	-	1,894,079	(1,894,079)	-
FCDO Strengthening National Response Plan for COVID-19 in DRC	-	1,500,000	(1,500,000)	-
FCDO Rapid Response Fund Activation Somalia	-	891,402	(891,402)	-
FCDO Ebola Emergency in DRC	-	750,000	(750,000)	-
CIFF SAM 2.0 Project	447,459		(343,831)	103,628
Start Fund alerts	-	596,001	(596,001)	-
DEC Covid-19 appeal	-	570,000	(570,000)	-
People's Postcode Lottery	-	450,000	(450,000)	-
UN projects	102,046	259,115	(361,161)	-
Alborada Trust	-	200,000	(200,000)	-
Soneva foundation	-	138,600	(138,600)	-
Power of Nutrition Gujarat	-	118,481	(118,481)	-
Barclays UK project	-	100,000	-	100,000
ELRHA R2HC: Research to support Covid-19	-	101,834	(101,834)	-
Action Against Hunger Network	-	613,088	(613,088)	-
Others	305,072	217,860	(501,881)	21,051
Total restricted funds	854,577	45,445,100	(46,074,998)	224,679
Unrestricted funds	1,587,614	5,345,501	(5,193,728)	1,739,387
TOTAL FUNDS	2,442,191	50,790,601	(51,268,726)	1,964,066

14 ACCOUNTING ESTIMATES AND KEY JUDGEMENTS

Included in the income and expenditure for the year is an amount of £4.3 million relating to a FCDO grant funded programme: Recovery Reintegration Resilience Consortium Afghanistan (R3). Action Against Hunger is working on this project as part of a consortium led by the Norwegian Refugee Council (NRC). FCDO has an Accountable Grant Agreement with NRC for this project with the reference number: 300420-103. The Action Against Hunger component of the programme is subcontracted by Action Against Hunger UK to Action Against Hunger France. Immediately following the change of government in Afghanistan in August 2021, Action Against Hunger suspended its R3 programme activities, repatriated all expatriate staff from the country and withdrew all local staff from local field offices. Subsequently, following consultation with the R3 consortium members, the donor, and in-country stakeholders some activities resumed and our expectation is that the programme will be able to proceed, with some adjustments, in the coming months. If the programme were required to be terminated, there would be no material impact of the net funds or cash flows of the Charity.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2021 are represented by:	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	65,356	-	65,356
Net current assets	1,962,573	766,469	2,729,042
Total net assets	2,027,929	766,469	2,794,398

Fund balances at 31 December 2020 were represented by:	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	68,236	-	68,236
Net current assets	1,671,151	224,679	1,895,830
Total net assets	1,739,387	224,679	1,964,066

ACTION AGAINST HUNGER UK

(COMPANY LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

16 OPERATING LEASE COMMITMENTS

The company and the group have total outstanding operating lease commitments relating to the lease of its London office of £786,160 (2020: £1,003,883).

17 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, 75017 Paris CEDEX, France, from which accounts 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.

18 RELATED PARTIES

Action Against Hunger is one of the five members of the trading company ACFIN 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. During the year UK license expenses totalling £536 were charged to Action Against Hunger UK by Action Against Hunger Licensing Ltd. At the year end an amount of £16,256 was due from Action Against Hunger Licensing Ltd 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 a Executive Director of that organisation.



"We are proud to support the excellent work Action Against Hunger does in Bangladesh to teach families business skills and to set up climate resilient home gardens. This allows the families in a sustainable way to access more nutritious food and improves disposable income. It is heartening to hear how Sabuda Begum and her family's situation is now transformed. They now eat healthy food and are able to send their children to school."

The Soneva Foundation

"Such a small act on my part. You're the hero."

KS (Kar-Shing Tong, A Foodie Influencer) after we thanked him for supporting the DEC Appeal

"Thank you for having us at this wonderful event. It was such an amazing night and for such a good cause. Both Hawksmoor staff and those there from Action Against Hunger were amazing. I cannot commend all the people involved putting this event together; it was absolutely seamless."

Hawksmoor Dinner Guest

"I chose to support Action Against Hunger because it doesn't just provide aid and disaster relief but makes lasting change by addressing the causes of hunger. It does this by sharing knowledge among communities, empowering the voices of individuals and advocating for policy change."

Marianne

"You guys are doing an amazing job. I would definitely chip in if there were any further fundraising events."

Jyothi

"I was proud to complete the London Marathon wearing my Action Against Hunger shirt - thanks for having me along for the ride."

Dan

"At YO! we believe in the power of good food, which is why we wanted to partner with Action Against Hunger to help more communities access the food they need to survive and thrive."

Victoria, YO! Director of Marketing



Action Against Hunger

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AAH_UK



actionagainsthungeruk



Action Against Hunger UK



Action Against Hunger UK

The company is a registered charity No. 1047501 (England and Wales) and Sc048317 (Scotland). The company is registered in England No. 3069468 and was incorporated on 16 June 1995.

