

# Annual Report 2021

## Our vision

A just, equitable and sustainable world in which every person enjoys the right to a life of dignity, freedom from poverty and all forms of oppression.

## Our mission

To achieve social justice, gender equality, and poverty eradication by working with people living in poverty and exclusion, their communities, people's organisations, activists, social movements and supporters.

## Our approach

Our human rights-based approach aims to ensure that people are drivers of their own change and able to claim the rights they are entitled to. We focus on women and girls because the denial of their rights is a grave injustice and one of the underlying causes of poverty worldwide.

By working directly with communities, women's movements, groups and networks, social movements and other allies, we aim to tackle the structural causes and consequences of poverty and injustice.

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# Welcome from the Chief Executive and Trustees

Throughout the past year, we have been deeply impressed by the degree to which ActionAid's spirit has remained undaunted. Many of the unprecedented challenges and turmoil of 2020 continued into 2021, but women and girls across the globe have shown themselves to be resilient and creative – standing up for their rights and their safety, as well as facing the ongoing reality of pandemic life.

Inspired by the example of these brave women and girls, ActionAid spent 2021 focusing on the core aspects of our work while remaining able to respond quickly to new crises. Throughout the year, we were heartened by the continued generosity of our supporters and the dedication of our staff, partners and volunteers, all of whom enabled us to keep putting our feminist principles into action.

Despite Covid-19's ever-present shadow in this period, we continued to take action on a wide range of key issues – from gender-based violence and education to humanitarian response and resilience in the face of the climate crisis.

In the pages of this Annual Report, you will learn more about the difference we've made together. You'll read the stories and hear the voices of just some of the women and girls alongside whom we have stood, working to build a world in which they can thrive.

Faced with humanitarian crises in Afghanistan and Haiti, ActionAid-supported first responders – many of them women – moved quickly to provide essentials to those who had suddenly been forced from their homes. By working closely with those who are most at risk, we can do more to enable this kind of emergency response and ensure communities are resilient against future shocks. This is at the heart of our Women-Led Alternatives to Climate Change project which started in 2021, designed to support Women Champions on the front lines of the climate crisis in Cambodia.

Long-term change comes in many forms. 2021 also saw the completion of our three-year Not Any Girl project to end gender-based violence in rural Kenya. Over the course of this UK Government-supported project, more than 5,400 girls were able to access safe spaces and peer support groups, while major advances were made in reaching influential figures and reshaping widespread attitudes to women and girls in those communities. This concerted effort was a huge success and will have a truly transformative effect on the lives of women and girls in the years to come.

ActionAid's ability to work on many fronts at once is absolutely key to our impact. In addition to our work in more than 45 countries, we are also continually pushing for legislative changes here in the UK, to further the rights of women and girls. The past year saw some major campaigning victories here in the UK, including our Government's decision, in response to pressure from ActionAid and others, to sign the first ever international treaty to address harassment and violence in the world of work. We firmly believe the UK can and should lead

the way, when it comes to the rights of women and girls, and we will continue to ensure our leaders turn their words into action.

ActionAid is a truly formidable force for good, a dynamic and determined organisation. This year we have seen time and again that positive change is not only possible; it is happening. As women and girls across the globe stand up for their rights, we must do all we can – with the help of our amazing supporters, campaigners, staff, partners, volunteers and trustees – to stand alongside them. The world remains an unequal place in many respects, but, as is made clear on every page of this report, it doesn't have to remain that way.

John Good, Acting Chief Executive

ActionAid UK Board of Trustees



## In Spotlight: Crisis response

- We were part of the Disasters Emergency Committee's Afghanistan appeal and received nearly £1.1m towards ActionAid's response in the country.
- We reached over 14,300 people in the Democratic Republic of Congo as part of the second phase of the DEC's Covid-19 programme.
- We reached over 10,000 households affected by the Haiti earthquake within the first two months, distributing cash, tarpaulins, buckets with taps, kitchen kits, non-food and food items such as rice, cooking oil and beans.

### Emergency support in Afghanistan

ActionAid has been working in Afghanistan since 2002, supporting women to claim their rights and helping children to go to school. Following the withdrawal of NATO forces from Afghanistan in summer 2021, escalating tensions caused a large number of people to flee their homes and become displaced in their own country. During July and until mid-August, many people travelled from rural areas into urban centres in search of relative calm and safety.

The suddenness of the change in Afghanistan meant that most people left their homes with just the clothes on their backs and very few essential items. As a result, displaced people were, and remain, in dire need of emergency humanitarian assistance, including food, water and essential items such as hygiene kits, cash, tarpaulins, tents, cooking utensils, clothing and bedding.

The World Food Programme (WFP) initially predicted that nearly 23 million people – or over half of Afghanistan's population – would face acute hunger by November 2021. This devastating level of need was only expected to rise during the period before the first harvests in May 2022. In early March 2022, the WFP reported that two-thirds of the country's population were resorting to crisis-level coping strategies to feed their families. This was a six-fold increase since August 2021.

ActionAid UK launched an Afghanistan emergency appeal in May, which, by the end of 2021, had raised over £626,756. By early November ActionAid Afghanistan, who led the crisis response, had reached out to over 3,800 people with cash grants and provided women hygiene kits with supplies like sanitary pads and soap. By the end of November, the team went out to reach an additional 300 households – over 2,000 people – with cash support, food and non-food items.

ActionAid was also part of the DEC's Afghanistan appeal alongside 14 other UK aid charities. The appeal launched in mid-December and within its first 24 hours alone raised £9.5m from the British public. As winter approached, we began our emergency support to communities in Herat, Kabul, Ghor and Balkh provinces. As 2021 came to a close, we sought to scale up our response to reach more than 10,000 families with food support and

essential items to survive Afghanistan's harsh winter, including blankets and heating equipment.

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## In Spotlight: Solidarity action

- 10,457 people took action to protect the rights of women and girls
- 16,706 individual actions were taken to protect the rights of women and girls
- 3,787 people contacted their MP to ask them to protect women's rights

### Violence in the workplace: women demanding change

Violence against women and girls (VAWG), one of the starkest collective failures of the international community, affects one in three women globally. ActionAid supports women to access secure jobs in safe working environments, free from all forms of violence. Following a long campaign by feminist and labour rights activists, we were delighted that the UK Government signed on to the first ever international treaty to address harassment and violence in the world of work, known as International Labour Organisation convention no. 190 (ILO C190).

After the convention was adopted in June 2019 by the International Labour Conference, campaigns began globally to get national governments to sign up to the treaty. Our work to get the UK Government to sign up began with the 2019 General Election; we provided campaigners and the public with an email tool to contact their prospective MPs and ask them to support ratification of the treaty if elected to Parliament.

We had a great response to this campaign, with the public and politicians alike recognising the need for action, and we created a solid foundation from which to launch further work. ActionAid UK then joined coalitions that were talking to Government about progress towards ratification (including getting agreement from government departments and the devolved administrations), and, in particular, the need for 'third party harassment' protection to be enshrined in UK law as the treaty demanded but the Government had resisted.

In a momentous and important change of direction, in 2021 the Government changed its position and pledged to introduce the protection, so we redoubled efforts to secure ratification of ILO C190 during the annual 16 Days of Activism against Gender-Based Violence, during which time we conducted a public awareness raising campaign about the issue generally and the importance of the convention. This included an MP drop-in session in November for parliamentarians to provide a space for them to ask questions about the convention, ratification and implementation. This was followed by a webinar with a parliamentarian, women's rights organisations, INGOs and a journalist from Ecuador, Ghana and the UK. The panel discussed the challenges, opportunities and the strength and importance of the feminist movement in securing the ratification and an end to VAWG. Just

days after this campaign, the Government confirmed that Parliament had given the green light for it to ratify the treaty, and formal ratification was announced on 7 March 2022 (the week of International Women's Day).

This long, cross-sector campaign is testament to the power of collaborative work between charities, NGOs and the labour movement as well as people power. The UK is now one of 11 countries worldwide to have ratified ILO C190.

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## In Spotlight: Public giving support

- ActionAid UK's individual committed givers generously donated a total of £27.9m towards our work for women and girls' rights.
- ActionAid UK supporters helped raise £2.26m, including £1.08m in match funding from the UK Government, towards our *She is the answer* campaign, which funds Women Champions to help fight climate change and its impacts in Cambodia.
- More than 14,200 new supporters in the UK signed up to give a regular monthly gift.

### Working with women in Cambodia on the front lines of the climate crisis

Chea lives in Cambodia, where her way of life – like that of many of her neighbours – is under threat from the looming climate crisis. Rising floodwaters, devastating storms and terrible droughts are having a catastrophic effect on farming and fishing, forcing people and communities into poverty and having an especially harsh effect on the lives of women and girls.

Chea has been a fisherwoman all her life and her family has been hit hard by climate change. Over the last five years, she has noticed major changes in the weather patterns, which have had a big impact on her income and her ability to feed her six children. "Last week, we could not go fishing for three or four days because the winds were too strong. Making ends meet has become more challenging."

In December 2021, ActionAid launched a major new project in Cambodia, one of the countries at greatest risk from the effects of climate change. The project, called Women-Led Alternatives to Climate Change, has been made possible by the efforts of courageous women and communities across four provinces in Cambodia, and we helped to bring the generous support of the UK public behind them.

Every individual donation to our *She is the answer* fundraising campaign, which we ran from March to June, was matched by the UK Government, pound for pound. This important appeal raised an incredible £2.26m, including £1.08m in match funding. This match funding is going directly towards the project in Cambodia.

The 3.5-year project will support over 18,000 women leaders, school children and community members. It will mean ActionAid Cambodia can work with communities to build physical defences against flooding, equip farmers with drought-resistant seeds, and train Women Champions to play a decisive part in planning the future of their communities and actively collaborate with government officials and authorities at all levels on projects related to disaster response and climate change adaptation. With these confident, knowledgeable women in leadership roles, pushing for change at the local and national level, Cambodia's future – in the face of a changing climate – will be transformed.

For too long, women have been absent from the spaces in which decisions are made around climate, and we want to see that changed for good.

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## In Spotlight: Our partnerships

- In 2021 we received nearly £2.6m from People's Postcode Lottery (PPL) to support our work combatting violence against women and girls and responding to emergencies.
- With funding from PPL, we supported nearly 11,000 girls and women in Zimbabwe, helping them to speak out, advocate for their rights, and prevent and respond to violence against women and girls.
- We have reached more than 28 million people across Nepal and Kenya with hygiene products, Covid-19 awareness messaging, and hygiene behaviour change initiatives, as part of the Hygiene & Behaviour Change Coalition with the Foreign, Commonwealth & Development Office and Unilever plc.

### The life-saving impact of water and hygiene facilities

In 2020 and 2021, ActionAid was part of the Hygiene & Behaviour Change Coalition (HBCC), created by Unilever plc and the UK Foreign Commonwealth and Development Office. There were three main components to the HBCC approach: mass communications of hygiene information, hygiene behaviour change programmes, and digital solutions to reach the greatest number of people.

In March 2021, a new water, sanitation, and hygiene (WASH) facility was opened in City Carton, an informal settlement in Majengo, in the outskirts of Nairobi, Kenya. ActionAid Kenya worked with a local organisation, Africa Youth Trust, to set up those new facilities and provide essential hygiene information for communities in the area to prevent the spread of Covid-19.



Wanja, a woman living in the settlement, described how the installation improved her access to water: “During this Covid-19 period, things became challenging; we all had to manage with the little water we got. We also had just one toilet, so people would have to queue for ages. Some people would use the drains as their toilet and you’d then find children playing in the waste, then getting diarrhoea and vomiting – and sometimes even dying from cholera (...). Now we have enough water and more toilets so there is no more queueing. You just fetch your water then have enough time to get on with your hustle.”

Through partnerships in Kenya and Nepal, ActionAid also distributed hygiene products and worked through partners to share information about handwashing and other hygiene practices through media, digital and face-to-face workshops. Overall, more than 28 million people were reached between April 2020 and July 2021 in Kenya and Nepal.

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## Working together – ActionAid UK within the ActionAid Federation

ActionAid UK is a proud member of the ActionAid International Federation. ActionAid International brings together the work of the ActionAid International Federation, co-ordinated by the Global Secretariat, based in Johannesburg, South Africa.

ActionAid is a global Federation working for a world free from poverty and injustice. The Federation is made up of 43 national organisations, most of which are based in Lower Income Countries. In the UK, our role is to raise funds to reduce poverty in the communities and countries where we work, to take action for long-term change and to act in solidarity with women and girls addressing poverty and injustice. By working in partnership with ActionAid International and member countries around the world, we are able to make a bigger global impact.

We remitted £28.5 million to the ActionAid International Federation in 2021, just under 60% of our total expenditure of £47.6 million. ActionAid UK's total income was £49.6 million, which represents 25.7% of the actual income of the entire Federation for 2021 of £192.5m.

The international development and humanitarian work highlighted in this report reflects the results achieved by the Federation as a whole in 2021, and the significant contribution that UK supporters made to these successes. While many of ActionAid UK's funds go towards supporting the Federation's humanitarian and development work overseas, this isn't the whole story. We also campaign in the UK in solidarity with people affected by global poverty, for example to ask the British Government to consider the potentially harmful impact of its trade policies on women and girls, particularly those in Lower Income Countries. Other areas of critical expenditure included fundraising, building understanding of development issues, governance and running costs. ActionAid International's combined financial statements can be found at [www.actionaid.org/publications](http://www.actionaid.org/publications).

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# Glossary

ActionAid UK is part of the ActionAid International Federation and raises funds to support the Federation's development and humanitarian work overseas, campaigns in solidarity with people affected by poverty and injustice, and builds understanding of development issues.

ActionAid International brings together the work of the ActionAid International Federation, coordinated by the Global Secretariat based in Johannesburg, South Africa. The Federation is made up of 43 national organisations, most of which are based in Lower Income Countries who manage their own programme delivery but are united by shared values, vision and mission.

ActionAid on pages 1-28 of this report refers to the collective work of the ActionAid International Federation. On pages 29-87 of this report, ActionAid refers to ActionAid UK, the UK-registered charity.

Disasters Emergency Committee (DEC) brings 15 leading UK aid charities together in times of crisis, including ActionAid UK. The DEC launches appeals to raise money to help those impacted by disaster, making sure that funds reach those who need them most.

The Foreign, Commonwealth and Development Office (FCDO) is a ministerial department which leads the UK's work to reduce poverty and tackle global challenges with its international partners.

Hygiene & Behaviour Change Coalition (HBCC) is a public-private partnership established by Unilever plc and the UK government in response to the Covid-19 pandemic in April 2020. ActionAid was one of the 21 NGO and UN partners to implement programmes aimed at raising awareness of Covid-19 prevention techniques and facilitating good hygiene principles.

People's Postcode Lottery (PPL) is a subscription lottery which raises money for charities. Players' support for ActionAid UK is helping transform the lives of women and girls living in poverty.

## Our Goals

As an organisation, ActionAid UK has three overarching goals. Our staff, partners and volunteers are working in over 45 countries worldwide to achieve the following:

### **1. Significantly reduce the risk of violence against women and girls (VAWG).**

Sadly, gender-based violence remains far too common across the world, with women and girls alike living in fear – even with their very lives under threat – which has serious impacts on their mental and physical health as well as on their independence and opportunities.

### **2. Fight for women’s equal rights to economic opportunities.**

Economic inequality is a blight on the lives of too many women and girls across the globe. Women need to have equal access to secure, high-paying jobs – as well as benefitting them, this will also have positive impacts on their families and on their local and national economies.

### **3. Prioritise women and girls’ rights and their leadership in humanitarian crises**

Time and again, around the world, we have seen the life-saving difference it makes when women participate in crisis response – not only in on-the-ground delivery of aid but in positions of leadership as well. ActionAid is working to ensure that women, who are often worst affected by disasters when they occur, are brought to the centre of planning and response.

In this section we provide details of our progress in these three key areas over the past year.

## Goal One:

# Significantly reduce the risk of violence against women and girls (VAWG)

ActionAid is working to end violence against women and girls. We create change by:

- supporting women and girls to learn about their rights, develop leadership skills and gain an education or vocational skills which will enable them to earn an independent livelihood;
- working with women's rights organisations, local leaders, men and boys and the media to shift social attitudes and behaviours;
- increasing the ability and commitment of governments and institutions to prevent and respond to violence against women and girls;
- providing comprehensive services, including safe spaces for women and girls, and helping survivors of violence access emotional, legal and medical support.

Violence against women and girls is not inevitable. By empowering women and girls and transforming harmful social norms we are leading long-term, sustainable change. Every day, we are making progress towards ending violence against women and girls.

Our support to women's rights organisations and women's groups has resulted in an increased understanding of and support to women and girls who have experienced violence, as well as a strengthening of mechanisms that enable them to approach their authorities in addressing these. We have also successfully influenced policies at local and national level so that the critical role of support systems to deal with cases of violence are resourced and accessible to those who need it most.

## 'Not Any Girl': Challenging violence against girls in Kenya

In spring 2018, ActionAid UK ran a three-month UK Aid Match fundraising appeal entitled *Not This Girl*, during which public donations were matched by the UK Government, pound for pound. Thanks to our incredible supporters, the appeal raised over £1.1m, which was matched by the UK Government. This match funding went directly to fund ActionAid's and local partners' work in rural Kenya to prevent and respond to violence against women and girls. The three-year project, titled Not Any Girl, was implemented across three counties – Homabay, Garissa and Kilifi – and it was successfully concluded in October 2021.

The overarching aim of the project was to empower vulnerable girls and community members to speak out and report violence; work with duty bearers and key influencers to increase state accountability and effectiveness to respond to violence; and build the capacity of Women's Rights Networks to strengthen community-based protection mechanisms against violence.

At the end of the project, over 5,400 girls had been provided with access to safe spaces and peer support groups as well as the knowledge and skills to respond to cases of violence. 87% of girls interviewed said they were more confident reporting violence and had increased awareness of the different reporting pathways and support available to them.

The project ran several activities to change community attitudes to VAWG, reaching over 9,000 community members and duty bearers in spaces such as community forums (Kongomanos) and school forums. The project engaged with public servants and those with the power to influence legal or practical change including community leaders, police and health officials.

Although the project has now ended, it was originally designed with sustainability of its activities in mind. The creation of safe spaces for girls, for example, has ensured that girls will be able to continue interacting with each other and talk about solutions together to issues affecting them. The schools very much embraced the initiative and continue to facilitate these spaces for girls going forward; “The school has embraced girl forums and will continue with the forums in the event that ActionAid leaves. We have seen the benefits,” said a school matron in Homabay County.



## Goal Two: Fight for women's equal rights to economic opportunities

Gender discrimination means that women are more likely to be in insecure, low-wage jobs, be paid less for the same work and have limited access to land and loans.

If women in Lower Income Countries were paid as much as men and had the same access to jobs as men, they could be US\$9 trillion better off.

ActionAid supports women to access secure jobs in safe working environments, free from all forms of violence. Women must be paid living wages that are equal to men's, enjoy social protection such as paid maternity leave, and the burden of unpaid care and domestic work that falls to women must be recognised, reduced, and redistributed.

This is vital in enabling women to have control over their own lives.

### Changing lives with education in Sierra Leone

As well as being a fundamental right, educating women and girls is a crucial step in supporting women's economic rights. Educating girls has enormous and far-reaching benefits to their rights. It reduces rates of child marriage, promotes healthier families, improves jobs opportunities for women and empowers women to become leaders at community and government levels

In July 2021, the Girls Education Challenge - Transition project funded by the FCDO (formerly DFID), concluded in Sierra Leone. ActionAid was part of a consortium that implemented this four-year project, along with Plan International, Open University and Humanity and Inclusion. The project's specific focus was on supporting girls and children with disabilities in six districts of Sierra Leone – a country with one of the world's lowest female literacy rates. Our goal was to make lasting improvement to learning outcomes and help more children stay in school for longer.

At the time this project was designed, the majority of children completing primary school were not literate or numerate, which prevented them advancing to the next grade. Despite increasing access to education, there are still regional disparities within Sierra Leone – many remote districts lack appropriate facilities and teachers. This affects girls and children with disabilities disproportionately and can prevent them from staying in school.

To support students, the consortium partners provided pathways for female learning assistants into teacher training; provided 600 assistive devices to children with disabilities; set up girls' clubs; sought input from students towards school improvement plans; and set up after-school literacy and numeracy study groups. Students reported a great benefit from the

study groups – the majority of students who took part in them moved successfully to the next grade. In the project’s final year, 76% of students, of which 5,447 were girls, moved up a grade, compared with 69% in 2017. In total, the project reached 11,012 girls and 3,227 children with disabilities.

The outbreak of Covid-19 caused huge disruption to the programme. When schools closed, the project trained teachers on home learning and distributed educational resources to children. Upon reopening, GEC-T students had a 99% return to school rate, and study groups were adapted to catch-up activity.

The GEC-T project has generated evidence and resources which will help ActionAid further develop our education programming. In fact, learnings have already informed the design of a new PPL-funded education project in Sierra Leone.





## Goal Three: Prioritise women and girls' rights and their leadership in humanitarian crises

Women and girls often suffer the most during humanitarian emergencies. Typically, more women than men are killed by rapid onset disasters like tsunamis and earthquakes. Violence against women and girls increases during all emergencies, especially in conflict.

There is nothing natural about the increased vulnerability that many women and girls face in emergencies. It is the direct result of the gender inequality and discrimination that women and girls experience in their daily lives.

Our approach in an emergency is to empower women to lead the response. Women-led and women's rights organisations understand best the specific needs of women and girls. They know that, in crisis, services that prevent and respond to gender-based violence, and sexual health services, aren't just important – they are lifesaving. Local, women-led responses are rooted in their communities, along with the understanding, networks, and connections to respond rapidly to crisis.

### Bringing women to the heart of disaster readiness and response

On 14 August 2021, a powerful 7.2 magnitude earthquake struck the south-west of the island of Haiti. It affected 800,000 people, killing 2,248 and injuring more than 12,700. Treating the injured proved seriously challenging since the quake damaged or destroyed approximately 90 health centres in addition to well over 100,000 homes. In the aftermath of the quake, ActionAid moved into action immediately, mobilising resources to support families in the most affected communities, with everything from food and shelter to cash and food assistance. Our network of first responders – many of whom are women – were absolutely vital in this effort.

Ysnelle Jean, 36, is a seamstress and mother of four children in Haiti. She's also a woman first responder, trained by ActionAid to take vital steps to help her community if disaster strikes. "After the earthquake, people were very traumatised. I remember one lady who lost her house. She was not in the house when the earthquake happened. She was in shock when she saw her house. I took time to talk to her so she could understand that even [if] the house is destroyed, she's alive, which matters more."

"With my emergency kit, I was able to give first aid to the injured people. For me, the most important thing was to support girls, women, little children, pregnant women, people living with disabilities. These were people we needed to find a shelter [for]. We helped them find shelter in a school in our community, where they would stay until they found somewhere else to go."

“We know that women are exposed to sexual violence, especially rape after any disaster. We checked the shelters and set a sleeping space for only women and girls. They trusted us as women. We also work with the men, to sensitise them to the issue of sexual violence against women.” “With ActionAid building the network of women leaders and providing training to us on several levels of interventions during emergencies, we gained skills and we are now known within the communities and help anyone in need.”

There is a critical need to recognise and prioritise the needs of women and girls, and the leadership role that women play as a means to truly shift power, resources and influence to women-led responses. This means working with women, and their organisations.

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# Our strategic objectives

ActionAid UK is proud to be a member of the ActionAid International Federation. We support the Federation by focusing on four specific areas in our work in the UK, as stated in our 2017-2022 strategy [Together, with women and girls](#):

1. **Mobilising resources.** We will raise money through investment, adapting our approach and innovation, to fight poverty and injustice and achieve the rights of women and girls.
2. **Influencing for change.** We will work alongside women and girls living in poverty to challenge violence and exploitation, fight for women's equal rights to economic opportunities and support women's leadership in humanitarian crises.
3. **Supporting humanitarian action.** We will build our capacity to respond when emergencies strike working with and through local communities, focusing on women's leadership, and on the specific threats faced by women and girls.
4. **Enabling effectiveness.** We want to deliver our goal, core focus and strategic objectives as efficiently and effectively as possible, ensuring that the maximum level of resources are dedicated to delivering impact for people living in poverty, especially women and girls.

Together, this represents the most effective contribution ActionAid UK can make to the struggle against poverty and injustice, and to the realisation of women and girls' rights.

In this section we outline our key achievements against our four strategic objectives in 2021.

## 1. Mobilising resources

**Thanks to our supporters, donors, local staff and partners, we have made great strides forward in the fight against poverty and injustice. But there is still much to be done. Our primary aim is to raise money in the UK to fight poverty and injustice and achieve the rights of women and girls. To make a lasting difference, we must raise more money through investment, adapting our approach and innovation.**

2021 was another challenging year so we are very grateful to our supporters for stepping up again to support women and girls living in poverty. In 2021, ActionAid UK raised a total of £49.6m, against a budget of £48.0m. Our public fundraising income was £39.5m, a slight increase on £38.2m in 2020, which was also higher than £36.9m in 2019. This is the first time we have had two consecutive years of public fundraising income growth for over 15 years and demonstrates our current strategy, investing in brand alignment, innovation, our supporters and our core programme, is working. We fell slightly short of the number of new supporters we hoped to gain in 2021 however, reaching 89% of our target.

One of our core priorities for 2021 was to continue maximising net resource mobilisation through integration. Our brand-aligned approach to fundraising was demonstrated through our UK Aid Match appeal *She is the answer*. Focusing on the challenges of climate change and our work with women and girls in Cambodia, we delivered a fully integrated cross-

organisational campaign. Thanks to the immense generosity of our supporters, the appeal raised an amazing £2.26m, including £1.08m of match funding from the UK Government.

Sadly, several humanitarian emergencies occurred throughout 2021, and we are very grateful to our supporters for contributing a total of £810,741 to support women and girls responding to the earthquake in Haiti and the crisis in Afghanistan. Having multiple emergencies naturally has an impact on other live projects we have; for example, we had to cut our annual Christmas Appeal campaign short as we launched into the DEC Afghanistan emergency appeal – which was a priority for all teams across the organisation.

In 2021, we aimed to deepen our existing relationships and seek new partners to work with to tackle the challenges ahead. We are very proud to have several new members in our Arise Leadership Circle; an incredible group of influential women in the UK, who are supporting us with our goal of reaching two million people over the next 10 years through building women's resilience to the impacts of climate change and conflict. We are also delighted to have developed several major new partnerships while continuing to work with our valued existing partners. Our relationships are important to us and we are fortunate to have strong and long-standing partnerships with philanthropists, trusts and foundations as well as corporate partners. These enable us to fund work in places such as Vietnam and Kenya, creating greater impact for women and girls.

Our innovation and insight strategy progressed with continued evolution of our human-centred product development approach, and the beginning of a more strategic use of audience insight. However, capacity challenges in other teams impacted ability to maintain momentum for innovation solidly throughout the year. In order to increase our sustainability, we also delivered a scoping project on commercial ventures. We completed the discovery phase of our Customer Relationship Management (CRM) system programme, and although the implementation of the new CRM has been delayed from the planned end of 2022 to early 2023, the project saw significant progress in the Data Warehouse workstream. During the year, we also neared completion on our Child Sponsorship Modernisation project.

The UK institutional funding landscape continues to be subject to uncertainty, cuts and the continuing impacts of Brexit. We have diversified our pipeline of potential programmes even as ensuing we are positioned for UK institutional funding to remain a key vehicle for securing large scale, multi-country transformative programme funding for women and girls rights. We have continued to support requests from our ActionAid Federation partners to secure UK Aid directly in-country. Our Institutional income fell slightly below target for the year, reaching £5.6m against a budget of £6.3m.

## 2. Influencing for change

**It's going to take some bold thinking to overturn the injustices that lock women and girls in poverty. But we're ready for that. Change is needed at all levels of society to challenge the inequality that means the world's poorest women do not receive an education, cannot own land and face multiple discrimination. ActionAid cannot achieve such a huge change alone. We will work alongside local communities, women's networks, governments, institutions and multinational agencies to ensure women and girls know and can claim their rights.**

ActionAid UK worked hard in 2021 to achieve our influencing objectives for the year, which included: helping to ensure movement towards a more gender-just and transparent policy on international trade, the ratification of the ILO Convention 190, and inclusion of gender equality as a priority in G7 discussions hosted by the UK. However, 2021 was a tough year. In July, the Government passed a motion to reduce UK aid spending to 0.5% of Gross National Income, following cuts to Official Development Assistance (ODA) in 2020. The cuts have disproportionately impacted women and girls, including cuts to many programmes implemented by a wide range of organisations in the sector. Despite this context, we have continued to press ahead to drive for progress on the rights of women and girls.

In November, we launched 'Unpacking the impact: setting UK trade policy on a gender-just track' report which looks at the impacts of free trade agreements on women and girls around the world and calls on the UK government to embed gender-just sustainability impact assessments into its trade policy. The International Trade Committee (ITC) agreed to gender and trade as one of its five priority areas for research. In the summer, we co-organised the W7 event, a global women's rights conference linked to the G7 and in October, we hosted a panel at the International Monetary Fund (IMF) promoting feminist economic alternatives.

The UK has recently begun the ratification of the ILO C190, the Convention concerning the elimination of violence and harassment in the workplace. We worked closely with our UK allies to monitor and influence this decision. In Ghana, ActionAid's Access to Justice project was working successfully and the government issued a public consultation on whether to ratify ILO C190. In Jordan, the Access to Justice project trained 20 companies during the year to introduce codes of conduct and reporting mechanisms to end violence and harassment.

We also supported five ActionAid federation members – Ghana, Rwanda, Tanzania, Zambia and Bangladesh – to map existing policies on ending violence against women and girls in the workplace and develop national action plans to support the implementation of ILO C190. The Zero Violence Project was implemented in nine countries in total as a collaboration between Frontline AIDS and ActionAid, with funding from the FCDO. For ActionAid, the particular focus was on showcasing how ILO C190 could be implemented by advocating for the creation and government funding of labour inspectors and ratification of ILO C190. Some of the notable successes were the governments of both Ghana and Bangladesh ratifying the Convention. The project also trained 245 labour inspectors and 670 employers, particularly in informal workspaces, on the Convention. In Ghana, as a result 202 employers committed to adopt sexual harassment policies in their workplaces.

In the lead up to and during the COP26 climate summit, we led a range of activities including national media, sector-wide advocacy, and an international petition and crowdfunded advertising campaign. We also organised EarthWalk Live, a rally and live-streamed event outside the venue and spoke at multiple COP26 events. We have secured funding for a research project to do a gendered analysis of COP commitments to form the foundations on future climate advocacy work.

We have continued to support international development programmes delivering change in the lives of women and girls. This includes programming that tackles violence against women and girls; supports girls to shift attitudes and behaviours towards FGM; supports out-of-school girls to access education and learning; and supports women's movements to demand greater legal protection from violence and harassment. Our economic rights tools and resources, developed with girl activists, included the comic-style guide *Black Girl Resists*, which broke down complex economic theory and is supporting girls to hold their governments to account for economic policies that impact their lives.

### 3. Supporting humanitarian action

**With conflict and climate-driven crises on the increase, the world is facing an unprecedented number of humanitarian emergencies. We are meeting this challenge by scaling up our humanitarian and resilience work, putting local partners and women leaders at the forefront of our response. ActionAid's humanitarian response programmes are led by local staff and partners who have a true understanding of community needs and can shift decision making closer to affected communities. Protecting women's rights and promoting their leadership during emergencies is also key to our approach.**

Two years on after Covid-19 was declared a global pandemic by the World Health Organisation, countries across the globe are still facing huge challenges related to the outbreak. As part of our core strategic priorities for 2021, ActionAid UK continued supporting ActionAid Federation members to respond to the pandemic in accordance with the Federation's humanitarian signature: women's leadership, protection of women and girls during emergencies and accountability to communities.

At the end of 2021, we supported the second phase of the DEC Covid-19 programme in Afghanistan, the Democratic Republic of the Congo (DRC), India and Somaliland, with a specific focus on women and girls. In the DRC, over 14,300 people were reached through six community sensitisation sessions led by women's groups on reducing the impact of Covid-19 and preventing sexual and gender-based violence.

In 2021, ActionAid UK played an important role in enabling the ActionAid Federation to respond to the emergencies affecting ActionAid countries around the world. The Federation declared six Red or Orange rated emergencies, and ActionAid UK went to public appeal on five of them, including two as part of the Disasters Emergency Committee. Our fundraising teams support Federation members to bid for and secure income contracted to them as well as raising income contracted by ActionAid UK for the countries. The ActionAid UK Humanitarian team provided significant support to other members of the ActionAid Federation for contracts worth £8.6m in 2021, as well as securing UK-held contracts worth close to £5m. Our humanitarian support to ActionAid Afghanistan finally led to the country office achieving registration with UN pooled funding mechanisms in Afghanistan, enabling access to new and productive income streams for ActionAid's operations in the country.

One of our humanitarian objectives for 2021 was to continue focussing our policy work on shifting the power from global actors to local and national actors, known as 'localisation'. In the past year, we led the ActionAid Federation's input into the Grand Bargain process and

engaged the FCDO on commitments to localisation and gender. We have continued to feed into ongoing Bond conversations with FCDO on women-led localisation and engaged with the FCDO on Afghanistan attending a roundtable, suggesting witnesses for and attending the closed-door Foreign Affairs Committee inquiry and submitting anonymous evidence.

#### 4. Enabling Effectiveness

**We want to deliver our goal, core focus and strategic objectives as efficiently and effectively as possible, ensuring that the maximum level of resources are dedicated to delivering impact for people living in poverty, especially women and girls. We will build a strong enabling environment to deliver on our strategic objectives, centred on an agile, empowering and performance-focused culture, a ‘digital first’ approach to communication and enhanced accountability and transparency.**

The pandemic continued to have an impact on our UK operations in 2021 and we have focused on ensuring that our colleagues remained safe and in good health, putting in place additional support to ensure staff wellbeing and care for mental health. Across the year the majority of our staff continued to work effectively from home. However, relatively high turnover in teams, recruitment delays and resulting resource and capacity gaps impacted the work of many teams, and with the higher workloads of existing staff we were unable to progress all projects within the planned timeframes (for example, the CRM project mentioned above.)

To ensure that our Information Technology (IT) security remained robust following the increase in remote working, we carried out a full review of our IT security. While this did not reveal any major issues, it did identify a number of areas for improvement. We established a taskforce to address these gaps, and this work has now been completed.

Our core priorities for 2021 included promoting a culture that is truly and fully inclusive, respecting diversity in all its forms. The work started in 2020 on tackling racism and committing to trans inclusion. Our board and staff are committed to ensuring that ActionAid UK is an anti-racist workplace and in 2021 we continued work on understanding how race and racism affect our people, our organisation and our work so that we can begin addressing and dismantling systemic racism within ActionAid UK in 2022.

We have continued to work closely with members of the wider ActionAid Federation and our ActionAid UK branches overseas to ensure that we gather and review data on how UK funding has been used to further our charitable objectives.



## Our celebrity supporters

### Stand Up With Women comedy event

Seven of the best women comedians from across the globe took part in our Stand Up With Women event, an online comedy benefit gig to raise funds to help ActionAid end violence against women and girls. Our special guest host Jo Brand was joined by Rosie Jones, Shazia Mirza, Jan Ravens, Kelly Convey, Lepacious Bose and Heiress Jacinta. The event raised over £20,300 for ActionAid's work.

### Ambassador appointments

In recognition of their long-term support for ActionAid, we appointed actresses Sally and Phoebe Dynevor as our newest celebrity Ambassadors.

Phoebe announced the news of her appointment along with the launch of our UK Aid Match appeal *She is the answer*, via her Instagram account, which has 2.6 million followers. The organic post announcing her becoming an Ambassador had over 550,000 views, making it the most viewed ActionAid UK content ever posted on Instagram.

### *She is the answer* UK Aid Match appeal

Ten celebrities including *Legends of Tomorrow* star Maisie Richardson-Sellers along with Mehreen Baig, Kiran Sonia Sawar, James Purefoy and David Morrissey showed their support for our *She is the answer* campaign on International Women's Day and Mother's Day by sharing stories and images of women from Cambodia on Twitter and Instagram.

### Share a Better Period

ActionAid Ambassador Wunmi Mosaku was joined by Kathryn Drysdale, Sindhu Vee, Charlie Webster and Tova Leigh in a video which was used for a paid social campaign to promote Share a Better Period. It was the top performing creative of the year for the campaign.

### MyBodyIsMine pop up tattoo studio and shop

Three of the UK's leading women tattoo artists – Grace Neutral, Jade Chanel and Rizza Boo – created beautiful artwork and merchandise designs inspired by some of the amazing women we work with, which adorned the MyBodyIsMine tattoo studio and shop.

We had a number of high-profile guests at the launch event, including TV and radio presenter Lauren Layfield (who DJ'd on the night) along with Jo Brand, Fay Ripley and influencers Eliza Hatch and Beth Pearcey.

### Support for our humanitarian work

A number of our warmest supporters showed their support on social media and made generous donations towards Afghanistan, Haiti and the ongoing Covid-19 crisis in India.

### Let Her Learn Christmas appeal

Phoebe Dynevor let us take over her Instagram account ahead of Christmas in support of our Let Her Learn seasonal appeal. She went on a 'virtual visit' to Kenya and met with three young women who had benefitted from ActionAid-supported catch-up centres.



Phoebe's Instagram takeover grid post featuring the video of her virtual visit has generated nearly 32,000 likes, as well as 140 comments (all positive) to date. Within a few hours of the takeover starting we had achieved an average of around 90,000 views per slide on Phoebe's stories and around 70 link clicks back to our appeal page on each slide.

We also secured 35 pieces of media coverage for Phoebe Dynevor's Instagram takeover, as well as a double-page spread interview with Sally Dynevor where she talked about her support for ActionAid and the appeal. Ambassador Fay Ripley also gave six regional radio interviews highlighting the most generous cities across the UK in support of our appeal.



# The year ahead

## Mobilising resources

We will adjust and build on our resource mobilisation strategies to provide more focused and strategic support to our partners in the ActionAid Federation, to create impact, and sustain change for women and girls globally in an accountable manner. In 2022, our aim is to generate £49.2m in income.

The external environment for all types of fundraising has remained uncertain and constrained. We have responded to uncertainties from the FCDO merger and the subsequent cuts to UK aid by diversifying our approach to institutional fundraising. We will continue to engage with the FCDO on the centrality of women's rights to the UK's Official Development Assistance (ODA) policy and spend. We will make the case for continued investment in violence against women and girls programming and importantly ensure that women's rights organisations receive long-term, flexible, core funding – shifting the focus on 'quality' of ODA for gender and keeping the conversation on aid live.

We continue to develop key fundraising strategies in the UK and with Federation Members and develop our identity and anti-racist storytelling. To achieve our goals, collaborative ways of working will be crucial, using evidence, insight, and innovation to maximise supporter engagement, experience, and unrestricted income.

## Influencing for change

ActionAid will continue to work with the UK public, government, business and, most importantly, the women and girls claiming their rights and addressing poverty to call for change.

This year, we will solidify ActionAid UK's identity and engage with key stakeholders to maximise the impact of our work on women and girls. This stream builds on the progress made between departments to align and deliver work and use the appropriate channels to approach and engage key stakeholders, such as our supporters, parliamentarians, feminist networks both inside and outside of the UK. Working more collaboratively across departments will enable a greater integration across ActionAid UK in advocacy and public-facing campaigns to ensure that income, identity and influence are linked in our decision-making and ways of working.

We will build on our work at the COP26 climate summit, sharpening our message and working to hold world leaders to account at COP27. We will also be maintaining our focus on the Government's cuts to overseas aid, doing all we can to ensure they are not made permanent, and that the UK once again lives up to its tradition and reputation of generosity to countries in need. One of the major areas of focus in the coming year will be on the rights of adolescent girls, a vital population who are all too often overlooked when government policy focuses on children and on adults. We will work to raise awareness of the challenges

and obstacles faced by girls aged 12 to 17, and share their stories in order to inspire supporters to stand with them.

We will further grow and develop relationships with parliamentarians and key stakeholders and networks for influencing within international development and humanitarian sectors, to build long term, sustainable and unique proposition on women and girls' rights in the UK context. We will work with Federation members to produce rooted, high quality research, and evidence to underpin policy influence and advocacy in alignment with ActionAid UK strategy.

By maintaining our high programme quality and assurance standards in ActionAid UK-funded grants and contracts, we create impact, which in turn will be used as evidence that will effectively inform our advocacy, campaigning, and research platforms. Therefore, it is also important to continue developing those standards to gather essential data on the impact ActionAid has to support the rights of women and girls globally.

## Supporting humanitarian action

2022 will be another year of exceptional humanitarian need. We will continue to support humanitarian response and resilience work across the ActionAid Federation. Our humanitarian signature focuses particularly on women's leadership and protection of women and children in emergencies.

We will increase our work on resilience and preparedness, to support women leaders and their communities in their efforts to respond to and recover from crisis. We will support women to recover from the economic effects of the pandemic. We will also continue to strengthen our work around accountability in emergencies at the Federation level, in line with the Core Humanitarian Standard.

We continue to monitor emerging crises in a number of countries where ActionAid is present and work with our colleagues in country to seek funding, scale up and respond to needs.

Our work on humanitarian policy is focused on shifting the power from global/international actors to local and national actors (localisation). We will develop our storytelling and communications about ActionAid's humanitarian work.

## Enabling effectiveness

We will focus on strengthening our organisational culture, to become a distinctive, inclusive, rewarding, and impactful feminist organisation that provides a safe environment for its staff and that is clear on its purpose. We will consult on, create, and deliver a comprehensive programme of diversity, equity, and inclusion work across every aspect of our work. We will develop targets and actions on Equality, Diversity and Inclusion, supporting our commitment to become an anti-racist organisation. At the end of 2022, we will also develop a roadmap establishing how ActionAid UK will work in post-Covid context, including clarity on travel policies.

Throughout 2022, we will develop and implement components for our new Child Sponsorship Modernisation and Customer Relationship Management systems, and we will continue to take an agile approach to developing our Data Warehouse. These key modernisation initiatives contribute to several parts of our strategy: they will help us innovate, make greater use of evidence, and help us steward our resources well. They are also a central part of our commitment to become a 'digital first' organisation.

We are also looking to scope, develop and hopefully launch a first-party data strategy that differs from cookie-reliant approaches to digital marketing in order to gain insight and value from our own audience data. This would lead to much improved and more effective communications with our supporters.

Delivering an IT Security and Infrastructure Programme and updating and testing our staff safety and security and crisis management processes and procedures are also some of our priority initiatives in the coming year. These will contribute to strengthening our compliance and assurance, help make us a 'digital first' organisation, and first and foremost making ActionAid UK a great place to work.

We will also be implementing our first greenhouse gas reduction plan and publish our results. We will have set environmental objectives for 2023 and publish them externally. This is part of our strategic commitment to accountability and transparency.

# Statutory Report and Financial Statements

ActionAid is a company limited by guarantee and registered in England and Wales under company number 01295174. ActionAid is registered as a charity with the Charity Commission for England and Wales under charity number 274467, and with the Office of the Scottish Charity Regulator under charity number SC045476.

In this section of the Annual Report 2021, 'ActionAid' refers to the UK-registered charitable company. The Trustees present their statutory report with the financial statements of ActionAid for the year 2021. The Trustees' report has been prepared in compliance with the Charities Act 2011, the Charities and Social Investment Act 2016 and is also a Directors' Report as required by Section 415 of the Companies Act 2006.

# Fundraising Statement 2021

2021 was another year of incredible generosity from our supporters and members of the public. Our fundraising is dependent on building effective and long-lasting relationships with our supporters, guided by our Every Supporter Matters ethos and ActionAid values. This support enables us to continue our work to support women and girls in poverty to change their lives and communities for good.

## How we fundraise

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We work with supporters in a variety of ways. Child Sponsorship remains key for us, with our dedicated supporters building a personal connection to the communities in which we work through their generous, long-term giving. Our Individual Giving programme also supports our donors to make either stand-alone or regular gifts, and inspires our supporters and members of the public through direct mail, print, television, outdoor and digital updates and advertising. Our trading products remain popular and enable support via entry into our ActionAid Lottery, or through purchase of Christmas cards or virtual products.

We also inspire supporters to carry out their own fundraising in their own communities, supported by our Events & Community Engagement team. Some of this fundraising is related to participation in challenges or events, often sporting related, and whilst we continued to see virtual events in 2021, it was wonderful to see a return to some in-person activity such as the London Marathon in October. We work very closely with our First-Hand Experience trip participants, who carry out fundraising in advance of their trips overseas to support specific projects, such as our upcoming trip to build classrooms and a toilet block in Rwanda. These supporters sign a Fundraising Agreement with us to ensure that they are compliant with all relevant aspects of the Fundraising Code of Practice, and we monitor this through our close relationships with them. Whilst these trips have been unable to take place in 2020 and 2021 due to necessary global travel restrictions, fundraising has continued, and we look forward to the trips recommencing in 2022.

We are so grateful to have received over 182 legacy gifts in 2021, totalling £3.2m, from generous supporters who chose to leave us a gift in their Will. We remain a part of the Will Aid network, which connects individuals looking to write their Will with a participating solicitor who can support them through the process and do not charge for their service. We do ask those who participate in the scheme to consider donating the cost of the Will to share between the nine partner charities, however there is no obligation to leave a gift to ActionAid, nor to donate to us when using the service. We are grateful to those supporters who chose to make a donation to us.

Our Philanthropy & Partnerships team works with individuals and organisations able to give at a high level, including businesses, trusts, grant-making organisations and our ActionAid Ambassadors. We are very grateful to them all. We are also proud to have continued to benefit from income raised by individuals playing the People's Postcode Lottery (PPL). In 2021, players raised nearly £2.6 million supporting a range of vital programmatic work and emergency appeals.

We also continued our cause-related marketing partnership with confectionery company Buttermilk, which began in 2020 and ended in October 2021. We work in close contact with any commercial participator to ensure that agreed messaging is used and that any feedback is discussed and swiftly addressed. Our commercial participation agreements cover the requirements from the 2016 Charity Act to ensure that consumers and the general public are informed and protected.

### *Maintaining high standards*

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At ActionAid we firmly believe that Every Supporter Matters and so we always set high standards across fundraising, not simply to meet our compliance obligations, but because it is the right thing to do: our supporters and values are central in our decision-making. We maintain registration with the Fundraising Regulator, work to the Code of Fundraising Practice and can confirm that we have not been the subject of any investigations by the Fundraising Regulator. We regularly participate in best practice discussion groups across the sector and engage regularly with the Chartered Institute of Fundraising (where we hold organisational membership) and the Data & Marketing Association.

We maintain a programme of training on Fundraising & Marketing Compliance, including an induction for all new staff with our head of team, and specialist training on data protection. All staff in the organisation receive a copy of our Compliance Handbook upon joining, which outlines our standards including template solicitation statements and our approach to marketing consent.

### *Monitoring activity, carried out on our behalf*

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Our fundraising activity continues to be supported by specialist agencies who can provide telephone or face-to-face services. This is often seasonal work, and so it becomes cost-effective to work in partnership with industry experts who can also share best practice from across the sector. Any new agency is brought on board through our diligent procurement process, and we then maintain monitoring in line with our Working with Agencies Framework.

We work closely with our agency partners on training, monitoring and continuous improvement, to ensure that they consistently operate at a high standard. In 2021 we had limited face-to-face fundraising activities due to national lockdown restrictions, but for those short campaigns that were run, we undertook mystery shopping. We also carry out call listening of our telephone agencies, with this increased for new suppliers, new campaigns or in the event of any concerns. The result of this monitoring is discussed regularly with our partner agencies, with actions agreed and tracked to completion. This is overseen by our Head of Fundraising & Marketing Compliance, with quarterly reporting to our Board of Trustees.

Our Events & Community Engagement supporters work 'In Aid Of' rather than 'On Behalf Of' ActionAid, but we provide them with a Stay Safe & Legal guide to highlight the relevant aspects of the Fundraising Code. This guide was refreshed in 2021 to ensure that information is current and easily understood.

## Our approach during the pandemic

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In 2021 we built on our work in 2020, where we adapted our ways of working and our monitoring of that work. We have continued to implement robust risk assessment of our practice, and have regularly engaged with updated guidance from the Chartered Institute of Fundraising. Whilst restrictions on movement have eased, we continue to act cautiously and to balance our public fundraising with maintaining high standards and safety and comfort for our staff and the public.

## Complaints & Feedback

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Embracing respectful feedback and learning from mistakes are key to our feminist leadership approach and so we always welcome feedback from our supporters and the public. We sincerely believe that complaints present an opportunity to learn and improve.

Our complaints process is readily available [on our website](#) or by post on request, outlining how we address feedback and what a complainant can expect from us, including our timelines for investigation. We always encourage a complainant to get in touch with us so that we are able to address their concerns directly, but we also provide information on how they can escalate any issue to the Fundraising Regulator if they are unsatisfied with our approach or response. We are gratified that as with 2020, no complainant has chosen this route of escalation.

We received a total of 122 complaints about our fundraising work in 2021, and are pleased to note this is a 37% decrease from the previous year. All complaints are classified according to severity and then swiftly addressed in line with our policy, giving a full and open response to the complainant. Should we receive a complaint relating to the work of one of our partner agencies, we discuss this with them as a matter of urgency, and we hold all partner agencies to a contractual obligation to supply us with prompt and thorough investigation results and monitored action plans if appropriate. Our Board of Trustees are given quarterly reporting on our complaints including volumes, themes of feedback and actions taken to ensure that they have a good overview of how our work is received by and impacts supporters and the public. We also track positive feedback, and any individual contacting us via email is given the chance to complete a quick survey on their experience. We are delighted that 93% of respondents in 2021 rated they were 'Satisfied' or 'Very Satisfied' with their supporter contact experience.

## Protecting our supporters and the general public

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We want to ensure that supporting ActionAid is a positive experience for everyone, and we strive to ensure that any interaction is conducted with respect, dignity, and fairness. Our Treating Donors Fairly policy guides this, ensuring that supporters and members of the public are treated fairly, and that anyone in potentially vulnerable circumstances is protected. We reviewed this policy in 2021 to ensure that it is in line with industry best practice, and revised guidance from the Chartered Institute of Fundraising. All new staff are introduced to this policy via the Compliance Handbook, and we also include it in our training and contracts with partner agencies.



We have a cross-team Supporter Communications group, who meet regularly to ensure that we have a full picture of how and how often we communicate with our supporters. This helps us to manage the number and frequency of communications that any supporter receives. We also offer multiple ways for our supporters to manage their communication preferences, and any requests received via the Fundraising Preference Service (FPS) are swiftly acted upon, usually within three working days.

We are grateful for the generous support that we have seen in 2021, and to every individual who has engaged with us, be that financially, through support for our campaigns, or by giving us feedback to enable us to improve our work.

## Keeping People Safe

As an organisation that works with women and girls living in poverty, we take the risk of harm happening within our organisation very seriously. ActionAid is committed to preventing any form of sexual harassment, exploitation and abuse (SHEA, which includes child abuse and adult at-risk abuse) and responding robustly when these harms take place.

ActionAid has a zero-tolerance approach to sexual harassment, exploitation and abuse and other harmful behaviours and demonstrates this by ensuring that all allegations of sexual harassment, exploitation and abuse and other Safeguarding concerns are responded to in a timely, robust, and survivor-centred manner.

At ActionAid we ensure that we embed our SHEA and Safeguarding approach into every aspect of our work, from how we recruit, to how we build capacity, to how our programmes are designed, so that we uphold the rights of all to live and work with integrity, free from violence and harm.

The best way to prevent such harm is to be survivor-centred and to give survivors the confidence to come forward in the knowledge that they will be listened to, heard and believed. At ActionAid, we ensure that our approach to SHEA and Safeguarding is survivor-centred; that is, that we are committed to upholding the power and dignity of survivors by respecting their confidentiality and their right to make decisions over what happens to them, where it is safe and appropriate for them to do so. We work with survivors to ensure they are central to any response, are not further harmed or disempowered by any processes, and receive support throughout. We are committed to ensuring that our safeguarding work continuously learns from the voice and experience of marginalised and oppressed groups and challenges destructive systems of power, in line with ActionAid's intersectional feminist approach.

Globally, our structure is that safeguarding policies and standards are set, and performance against them monitored, by the staff of ActionAid International, known as the Global Secretariat (GS). Adherence to these policies is reviewed through ActionAid's internal assurance and auditing mechanisms.

Where a safeguarding incident occurs in the UK, it is for ActionAid in the UK to investigate and handle the matter, but since the majority of our work is undertaken overseas, it is often in other countries that safeguarding reports are received. Where this is the case, it is the responsibility of that country member of the Action Aid International federation to investigate in line with the policies, processes and procedures upheld across the Federation. If UK funded projects are involved, ActionAid seeks regular assurances from the GS (Global) Safeguarding team about the progress of the investigation and monitors its outcome. The GS (Global) Safeguarding Team has oversight of all country investigations to ensure that these are handled properly and that lessons learned from cases are implemented. In some cases, the GS Safeguarding team may themselves carry out the investigation.

ActionAid Trustees have a duty to ensure that we do not cause harm to those we seek to support, employ, or work with. This means assuring themselves that there is a zero-tolerance approach to safeguarding violations wherever UK funds are being spent overseas or within the organisation itself. As a result, every concern is looked into, irrespective of whom the person of concern is. To enable the Board to maintain oversight of safeguarding matters both in the UK and overseas, Trustees receive a quarterly report of all cases within the UK organisation, and where UK funding is involved, as well as a more general update on progress with implementing the safeguarding strategy in ActionAid and its legal branches.

One member of the Board acts as a designated Board Safeguarding Focal Person, who receives more regular updates and additional information on the progress of individual cases. A new Focal Person was appointed in December 2021, Caleb Stevens.

If Trustees have concerns about the way that safeguarding standards are being implemented in a member country, they would support that country to improve, working with the Global Safeguarding Team. Ultimately if there is an ongoing risk to those we work with and the assurances received are not robust enough, then they will consider whether to continue funding that member.

In this way, the Trustees of ActionAid maintain oversight of safeguarding across any work carried out around the world using funds raised in the UK, or within the UK organisation, and work to fulfil their responsibility to protect those we seek to support through our programmes and those who have committed to work for us.

At ActionAid, we consider it essential that we prioritise creating an environment in which people feel safe to report incidents that make them feel uncomfortable or threatened in any way. We do this by creating a safe working culture that upholds the rights and dignity of all, founded on our mission, our human rights-based approach, and as outlined in our Code of Conduct, and our Feminist Leadership Principles. Staff, other representatives working with ActionAid, Rights Holders and community members need to feel confident that our safeguarding policies will protect and support keeping people safe. ActionAid's Code of Conduct states that it is the duty and the responsibility of all staff and other representatives to report any suspicions or incidences of sexual harassment, exploitation and abuse. If a staff member or other ActionAid representative does not report an incident or suspicion, they will be in breach of the Safeguarding Policy and may face disciplinary proceedings. This does not apply to survivors who can decide if, when and how to report.

We have a Sexual Harassment, Exploitation, and Abuse (SHEA) at Work Policy the purpose of which is to ensure that ActionAid provides a safe working environment and that procedures are in place to protect staff and other representatives from any form of sexual harassment, exploitation, and abuse carried out by any member of the ActionAid Federation or other representative.

ActionAid's Child Safeguarding Policy ensures that procedures are in place to protect all children from deliberate or unintended actions that place them at risk of abuse or exploitation carried out by any member of the ActionAid Federation or other representative; and our Protection from Sexual Exploitation and Abuse (PSEA) Policy ensures that procedures are in place to protect the rights holders and communities we work with, including adults at-risk, from sexual abuse or exploitation carried out by any member of the ActionAid Federation or other representative

In 2021 ActionAid took a number of steps to further strengthen safeguarding across the organisation including:

- Delivering bespoke SHEA and Safeguarding training for teams in ActionAid;
- Working with and supporting teams with Donor reporting responsibilities and/ or Donor relationships to embed the SOPs for Donor reporting;
- Creating resources to provide safeguarding support during the Covid-19 pandemic;
- Further strengthening the oversight of the SHEA and Safeguarding Oversight Panel;
- Further strengthening relationships with the GS (Global) Safeguarding Team to support case management;
- Acting as a stakeholder in ActionAid's Child Sponsorship Modernisation Programme;
- Completing a SHEA and Safeguarding Mapping Exercise to measure progress in embedding ActionAid International's SHEA and Safeguarding policies and to engage staff on SHEA and Safeguarding and initiate ongoing conversations on how they can contribute to ActionAid's safe working culture;
- By contributing to the consultation and review of ActionAid International's suite of SHEA and Safeguarding policies;
- Participating in an internal Incident Reporting and Management Review.

### Safeguarding Statistics for 2021

Although we are deeply saddened that anyone associated with us has experienced any form of harassment, exploitation or abuse, or has concerns, we are very grateful to those who have come forward over the past year. Thanks to them, we have continued to improve our practices around safeguarding to ensure that we are and continue to be survivor-centred.

The following tables set out the cases that ActionAid responded to in 2021, and the outcomes of these cases. It is important to note that these figures do not relate to the entire ActionAid International Federation, but rather cases relevant to ActionAid (the England and Wales-registered charity). This includes any incident where the complainant and/or the person of concern is an ActionAid staff member, or other individuals acting as representatives of ActionAid. These figures also include cases in countries where any work is funded from the UK.

In the interests of transparency, we have included data since 2019. The incidents included in the figures range from breaches of policy and verbal sexual harassment to sexual and non-sexual assault. We have set out the figures so that it is possible to see how we are dealing with the complaints/reports we receive; however, it is important to note that a report can result in a range of outcomes. For example, an investigation or other process is upheld when it finds in favour of the complainant. When an investigation or other process is not upheld it finds that there is insufficient evidence to confirm that the alleged inappropriate behaviour did take place or that, on the balance of probability, it is most likely that the behaviour did not take place. In some cases, a complaint may be partially upheld; this is when it may not be possible to uphold all parts of a complaint, but some aspects of the complaint may be upheld.

Our safeguarding policies make clear that when incidents take place they should always be responded to swiftly, robustly and, where possible, with an investigation. However, in a few cases, this is simply not possible; for example, where the survivor does not name the person of concern. Where we cannot carry out a full investigation, we will always look at ways of using the complaint to identify areas of focus, including changing behaviours, culture and abuse of power through training and awareness-raising, improvements to policies and procedures and enhancing the way in which we support survivors.

In the tables below, Figure 1 relates to cases concerning survivors who are adult programme participants, Figure 2 relates to cases concerning survivors who are child programme participants, and Figure 3 refers to staff and/or associated personnel (including partners and third parties) who are either the subjects of concern or survivors.

Figure 1: Adult programme participants (incl. community members)	2019	2020	2021
Number of reports received	4	1	0
At the end of year respectively, how many open reports were carried forward into the following year?	1	1	1
How many reports were not investigated and are now closed?	0	0	0
How many reports were investigated and are now closed?	5	1	0
Out of the reports substantiated, how many resulted in dismissals?	0	0	0
Out of the reports substantiated, how many resulted in other disciplinary action?	0	0	0

Figure 2: Child programme participants (incl. community members)	2019	2020	2021
Number of reports received	13	5	2
At the end of year respectively, how many open reports were carried forward into the following year?	2	3	1
How many reports were not investigated and are now closed?	0	0	0
How many reports were investigated and are now closed?	13	4	4
Out of the reports upheld, how many resulted in dismissals?	0	0	0

Out of the reports upheld, how many resulted in other disciplinary action?	0	1	0
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Figure 3: AA Staff/Other Representatives (incl. relatives/partners/other NGO staff)	2019	2020	2021
Number of reports received	26	14	9
At the end of year respectively, how many open reports were carried forward into the following year?	9	8	8
How many reports were not investigated and are now closed?	3	1	1 <sup>1</sup>
How many reports were investigated and are now closed?	18	14	8
Out of the reports upheld, how many resulted in dismissals?	1	1	1
Out of the reports upheld, how many resulted in other disciplinary action?	4	4	1

Of the cases above reported in 2021, 2 relate to someone directly employed by an ActionAid entity. None of these were members of ActionAid staff in the UK.




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<sup>1</sup> In line with our Survivor-centred approach this case was not investigated at the request of the survivor. Other follow up work was carried out as a result of the concern being raised.

# Financial review

## Income

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In 2021, income of ActionAid fell slightly by 1.5% from £50.3million to £49.6 million, following an increase of 2.4% in 2020.

In line with previous years, the majority of our income, more than 84% (2020: 78%), was in the form of donations and legacies. For the third year running, income from committed giving, donations and appeals and legacies grew. We continue to be immensely thankful of the growing commitment and loyalty of our financial supporters. This support saw income from committed giving, donations, appeals and legacies grow to £39.4m from £38.2m in 2020. Committed giving income remained at £27.9m, the first time in several years where this figure did not drop. We achieved high net gains in regular giving supporters and a small drop in Child sponsorship supporters as we achieve another strong performance in these areas.

Our supporters continued to show their generosity as we raised just under £1.3m on the emergency appeals that we ran during the year for the humanitarian crises in Afghanistan, Haiti and Gaza and for continuing support for the global Coronavirus pandemic. In 2021, the Disasters Emergency Committee appeal for Coronavirus was repeated with a focus on India and ActionAid was allocated a further £1.1m to this appeal and the previous Coronavirus appeal. At the end of 2021, DEC also ran an Afghanistan appeal from which we were allocated just under £1.1m. Supporting and fundraising for humanitarian crises continues to be a key part of our strategy.

As part of our institutional funding work in 2021, we were again pleased to collaborate with many key donors and partners including UK Aid, The Netherlands Ministry of Foreign Affairs, Disasters Emergency Committee, Start Network, Humanitarian Grand Challenge, People's Postcode Lottery, Hewlett Foundation, Options, Frontline AIDS, and Plan International.

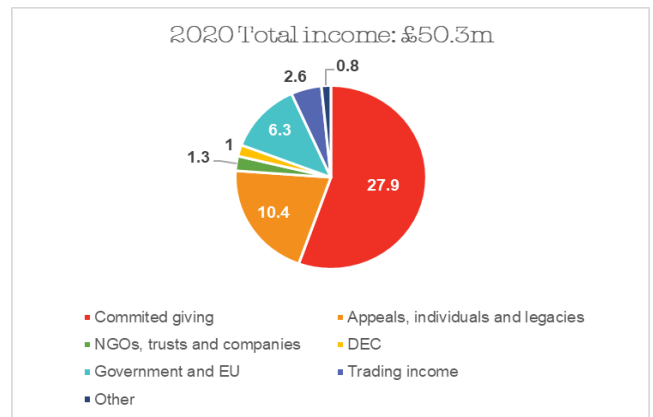
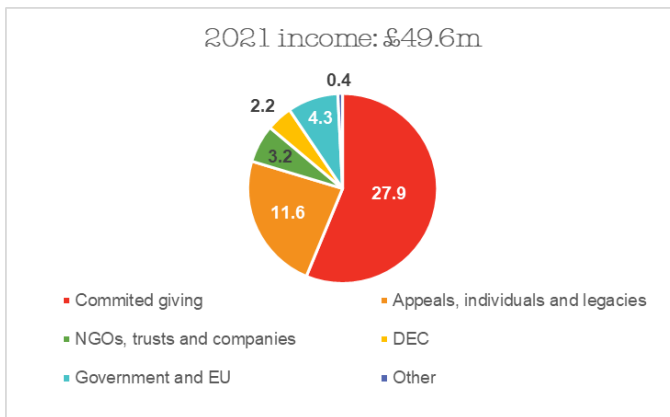
Whilst grant income for the year reduced by £0.4m overall in the year to £7.2m (2020: £7.6m), this movement hides a number of elements. These include the impact of cuts in the 2021/22 budgets for all of our FCDO funded programmes of more than £1m as a result of the Covid-19 pandemic induced reductions across public spending, and the end of the successful 5 year POWER project at the end of 2020.

These reductions in funding were offset by the People's Postcode Lottery (PPL) choosing to provide an Extra Award of just under £2.6m during 2021. We chose to allocate these funds, primarily, to cover the losses incurred on the FCDO-funded programmes in order to minimize the impact of those reductions on our rights holders.

The PPL funding mechanism has changed to a restricted grant, when in previous years this was linked to the use of ActionAid's gambling license. This explains the fall in income from other trading activities of £2.7m. This change in funding mechanism is also the key driver of

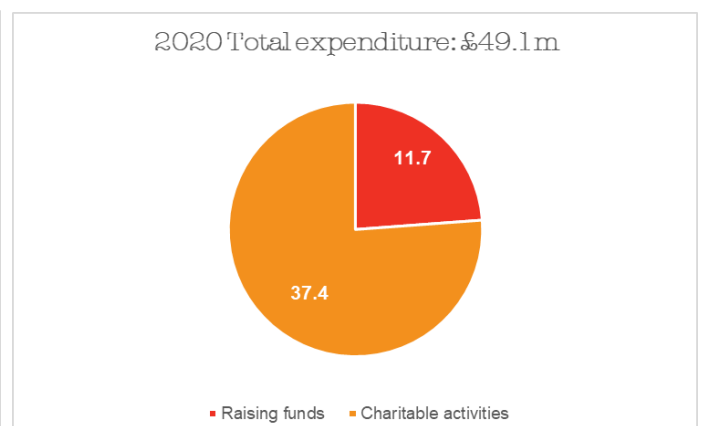
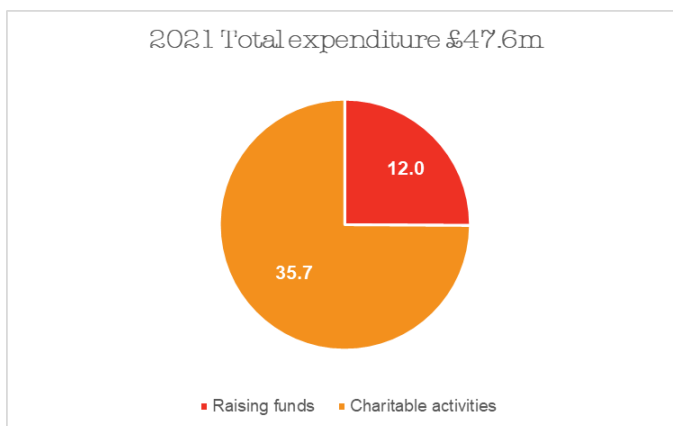
the reduction in unrestricted income overall in 2021 to £25.3m (2020: £27.5m) and the increase in restricted income overall to £24.3m (2020: 22.8m).

During the first few months of 2021 we continued to utilize the Coronavirus Job Retention Scheme and received just over £50k (2020: just over £300k) in furlough payments.



## Expenditure

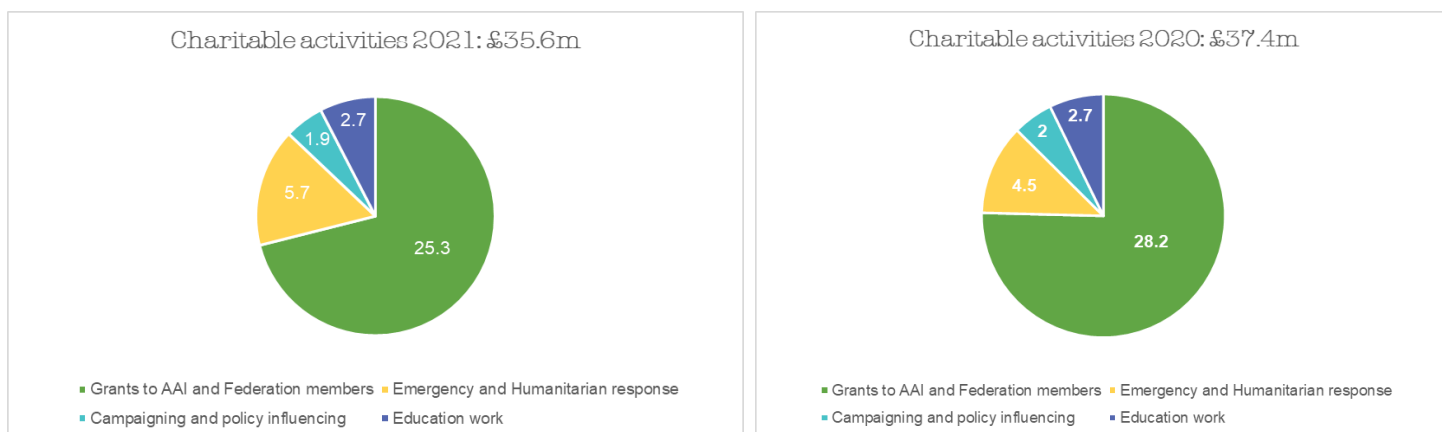
The impact of the Covid-19 pandemic continued to have an impact on expenditure and spending patterns of the organization in 2021. The international travel ban of 2020 was extended into 2021, such that travel expenditure was low and fundraising expenditure continued to be focused on Direct Response TV and digital channels as opposed to face to face. In addition, the impact of the cuts in our FCDO grants as a result of the government’s budget reallocations, explained above, led to a temporary reduction in grants to partners involved in these programmes. As a result, overall expenditure in 2021 was £47.6m, down from £49.1m in 2020.



The decrease in expenditure is driven by a reduction in Charitable activities from 2020 of £1.8m to £35.6m. This represented 75% of our total expenditure (2020: 76%). Our charitable activities include grants to the ActionAid Federation, emergency and humanitarian work, campaigning and policy influencing in the UK and overseas and education work in the UK on

our charitable objects. The focus of these activities is to enable people living in poverty to hold governments and companies to account, to improve the quality of public education, respond to emergencies and to promote the rights of women and girls.

The reduction of Charitable activity expenditure in 2021 was primarily due to a fall in grants remitted to the Federation of £1.5m. This was partly due to the reduction in FCDO programme budgets mentioned above, but also a result of the reduced levels of restricted grant funding following the end of our Dutch Ministry funded project in 2020.



In line with our current strategy, total fundraising expenditure increased to £11.9m (2020: £11.7m), including an allocation of £2.7m of support and governance costs, slightly up from £2.6m in 2020. The increase in spending was a result of an increase in innovation investment and also on the research phase of our new CRM system, whilst maintaining previous levels of spend on committed giving fundraising and institutional business development. While these figures and the new CRM system (which is being built in 2022 ready to go live at the start of 2023) demonstrate our commitment to investment in future fundraising, we are also carefully monitoring the long-term effectiveness and income returns of these investments to ensure that they offer best value to maximise income.

Support and governance costs are allocated to Fundraising and Charitable activity expenditure based on the number of staff employed working in each of these areas. Support and governance costs have slightly increased from £5m in 2020 to £5.1m due to the end of the rental holiday on our London offices.

## Reserves

Reserves are funds that we are yet to spend. Our supporters and donors expect that they money will help us to realise our vision in an appropriate timeframe and for this reason we do not desire to hold excessive reserves. Our restricted reserves represent funds received for specific project work.

Our restricted reserves increased from £3m in 2020 to £6.3m in 2021. The drivers for this were the receipt of significant funds in the last week of December 2021 which did not allow us time to prepare for their granting on to the Federation. These included the allocation of



funds from DEC for the Afghanistan appeal and the receipt of funds from the People's Postcode Lottery (PPL) by way of a restricted grant. As explained on page 36, the way we receive funds from PPL in 2021 changed compared to 2020 and this has led to an increase in our restricted reserves. We are committed to reducing the level of restricted reserves down to much lower levels in the future.

Our policy for General fund reserves is to retain a minimum of 2.6 months of planned annual expenditure (equivalent to £4.5million). Our Trustees believe that this balances the need to apply funds to our mission whilst at the same time ensuring there are sufficient funds to run our day-to-day business, to pre-finance some projects and to protect us from unanticipated shocks. Our general reserves fell to £9.3m at the end of 2021 (£9.5m in 2020), which represents 5.4 months of planned annual expenditure (5.5 months in 2021). We believe this is an acceptable level due to continued uncertainty about the impact of the Covid-19 pandemic and its continuing impact on the future economy as well as other financial risks to the economy such as the impact of Brexit, the rising cost of living and the war in Ukraine. It will also allow us to make planned investments over the next three years to 2024 in line with our strategy. As such, we expect to make unrestricted deficits over the next two years and break even in 2024. Our current forecast is that the general reserve will fall over the next three years but remain slightly above the policy level. During this time, funds will continue to be invested in new systems and fundraising investments, required to deliver the strategy.

ActionAid Trustees have established designated reserves that relate to our holding of tangible fixed assets £0.3m; Emergency & Humanitarian Fund £0.5m; Exchange rate movement fund £0.2m; PPL funds for overseas programmes £0.2m; and Strategic investment pot (SIP) £0.1m. A further two designated reserves were set up at the end of the year being FGM-ALM Contract £0.1m and Intangible fixed assets £0.1m. The balance of designated funds at the end of 2021 was £1.467m (2020: £2.724m). We expect the funds to be actively utilized during 2022 and would expect some of them to be fully utilized by the end of the year.

### Grant-making policy

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We grant our funds to ActionAid International for wider disbursement to the Federation's country programmes and their partners, according to the management agreement that exists between ActionAid and ActionAid International. We also grant funds directly and bilaterally to other ActionAid Federation members. On occasions we make grants to other carefully selected charities where it is deemed that this is the most effective way of delivering our charitable aims. In 2021 (and in 2022), we signed bilateral agreements with each Federation member to which we remit Committed giving and institutional grants.

### AA International's Finances

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These accounts reflect the performance of the UK charity which is a member of the ActionAid International Federation. To find out more about ActionAid International's work or finances, visit [www.actionaid.org](http://www.actionaid.org).

## Principal Risks and uncertainties

ActionAid operates in a rapidly changing environment where it is critical to identify and mitigate the principal risks faced by the organisation. The Board of Trustees has ultimate responsibility for risk management within ActionAid, including risks related to the use of funds in ActionAid countries in receipt of UK funds. Operational responsibility for managing risks on a day-to-day basis is delegated to the Chief Executive and the Senior Leadership Team.

Trustees are satisfied that appropriate internal control systems are in place within ActionAid to manage the key strategic and operational risks that are identified. The following framework provides the Trustees with assurance that systems are in place to manage risks:

- The Board of Trustees receives regular reports on performance against the board-approved strategy and annual plans and budgets. Trustees also review the work of its respective committees and the Senior Leadership Team on the oversight and management of significant risks and consider the adequacy and effectiveness of mitigating actions to reduce the impact of identified risks.
- The Board of Trustees has oversight of our public communications strategy. It ensures that we are fundraising in a manner which is in line with both our legal obligations and public expectations of charities, and that associated risks are identified and managed appropriately.
- The Performance, Risk and Audit Committee has oversight of organisational risks and the internal controls framework within which we operate. The committee approves the ActionAid risk-based internal audit plan, the Senior Leadership Team reviews the significant organisational risks on a regular basis and ensures that the internal control system within which ActionAid operates is effective in managing identified risks. The Senior Leadership Team considers new and emerging risks, reviews internal audit and risk management reports, and assesses progress on implementing mitigating actions.
- We recognise both our legal obligation and moral duty to safeguard funds entrusted to us and have zero tolerance towards fraud, bribery, corruption and terrorist financing. In addition to policies and procedures for raising complaints and grievances, there is also a whistleblowing policy whereby members of staff or volunteers can raise suspicions of wrongdoing, risk or malpractice within the organisation.
- There are operational, communication and reputation management plans in place to help ensure effective and timely management of risks associated with the increasing scrutiny of the charity sector, including fundraising practices and the efficient use of resources. Our most significant risks and mitigating actions, covering our work in the UK and our work in support of ActionAid International, are reviewed on an annual basis by senior management and our Trustees. These are set out in the following table.

#	Risks and Uncertainties	Mitigating actions
1	<p>Safeguarding rightsholders: We fund programmes that work with vulnerable adults and children. A failure in our safeguarding practice could contribute to harm to vulnerable adults or children.</p> <p>We continue to focus on safeguarding and build it into all aspects of our work but assessing the effectiveness of our efforts is made more difficult by travel restrictions.</p>	<p>ActionAid receives assurances from the Global Secretariat through annual attestations from ActionAid Federation members on their safeguarding practices and procedures. Mitigating actions to improve controls are identified and followed up through the Global Secretariat.</p> <p>A global safeguarding lead coordinates the Federation's work on safeguarding including its policies, systems, processes and training. Across ActionAid countries there are staff who act as safeguarding focal points. We have adapted our safeguarding approach to manage the impact of Covid-related travel restrictions.</p>
2	<p>IT security: There has been an increase in the frequency of cyber-attacks on charities over the last 24 months (26% of charities experienced a cyber-attack in 2020).</p> <p>The problem will continue to grow over the short term, and we need to address the vulnerabilities in our network.</p>	<p>ActionAid undertook an IT Security Infrastructure Audit in 2021. We have already implemented a substantial number of the recommendations from the audit and will complete this work in 2022.</p> <p>ActionAid staff have undertaken mandatory cyber security training.</p>
3	<p>Assurances on Federation Systems: The UK largely relies on the Federation's Global Secretariat (GS) for cross Federation assurance on compliance to policy and regulation.</p> <p>The Global Secretariat underwent a major restructure in the opening months of 2022. This may affect the level of assurance the Global Secretariat is able to provide to ActionAid.</p>	<p>Global Secretariat has retained an internal audit team and an assurance team. ActionAid and the Global Secretariat continue to work together on enhancing the level of assurance.</p> <p>ActionAid has put in place bilateral agreements with all the Federation members that it provides funds to. Monitoring of these agreements is undertaken by a team in ActionAid and our Trustees receive quarterly updates on performance against these agreements.</p>
4	<p>Safety and Security: Harm could occur to a staff member, volunteer, trustee or other person formally associated with ActionAid in the course of their work. This could be as a result of safety or security issue within the workplace or work-related travel.</p>	<p>Continue to supplement ActionAid's internal security management skills with specialist advice from the Global Secretariat and travel safety advisory specialists.</p> <p>Provide specialist advice and training to Board Members, staff, consultants and volunteers travelling on behalf of ActionAid.</p>

		<p>Seek assurance from the Global Secretariat on cross-Federation compliance with key policies:</p> <ul style="list-style-type: none"> <li>- Global Security Policy</li> <li>- Health and Safety Policy</li> <li>- Code of Conduct</li> </ul> <p>Monitor compliance with key domestic polices:</p> <ul style="list-style-type: none"> <li>- ActionAid UK Overseas Travel Policy</li> <li>- ActionAid UK Safeguarding Policy</li> </ul>
5.	<p>Increased cost of living: The UK economy is recovering from the pandemic, but tax increases and inflation are eroding households' disposable income. This may affect our voluntary fundraising. ActionAid is a primary source of voluntary income to the Federation and a significant fall will cause challenges in the wider Federation as well as the UK.</p>	<p>We have a diverse fundraising portfolio and will work to target income sources that are less affected by current challenges.</p> <p>We continue to innovate to identify new income sources.</p>
6.	<p>Cuts to Official Development Assistance (ODA) –The UK Government has reduced the amount of ODA to 0.5% of Gross National Income (legislation for 0.7% remains in place, and the Government have committed to increase to 0.7% when the 'economic situation allows' – expected 2024). The Foreign Commonwealth Development Office 2021 Integrated Review changed the UK's policy and programming priorities, with decreased focus on poverty, women and girls' rights and humanitarian support and a shift towards using ODA in the 'national interest'. The cuts to existing ODA impacted ActionAid projects and we have had to scale back and seek alternative sources of funding to manage the impact of this. Changes to UK Government procurement processes increase the investment in applying for funds and a lack of space for consultation on the Integrated Review limited our ability to affect decisions about ODA modality or policy focus.</p>	<p>We have sought alternate funding sources to reduce the impact of cuts in ODA on our programmes.</p> <p>We have a diversified ODA portfolio including donors beyond the UK.</p> <p>We support members of our Federation to develop relationships with UK High Commissions and Embassies to access locally managed ODA.</p> <p>We are investing in commercial contracting.</p> <p>We continue to advocate for a return to 0.7%.</p> <p>We continue to advocate for the UK Government to increase its prioritisation of women and girls' rights in its FCDO policies and programmes, including making practical recommendations for how this can be done.</p>
7.	<p>Anti-Racism Audit: In 2021 ActionAid undertook an Anti-Racism Audit. The subsequent report was summarised and anonymised before being shared</p>	<p>ActionAid recognised that the Anti-Racism Audit was likely to contain challenging findings, and mitigations including additional support for BAME staff and a</p>

	with staff. The report was not accepted by all staff. Some staff feel that evidence of institutional racism has been ignored. This period has damaged staff morale. The report has been leaked externally creating reputational risk for ActionAid.	communication plan were put in place. ActionAid's leadership is currently working with its Board and Federation Leadership to respond to staff concerns, develop an action plan in line with our ambition to become an anti-racist organisation and manage the impact on ActionAid's reputation.
8.	Customer Relationship Management (CRM) and data warehouses: A review in 2018 highlighted that our current CRM and data warehouses need replacing as the system has aged and there is limited knowledge in the organization to keep it performing at the required level.	We are developing a new CRM. We have a dedicated project team tasked with its delivery. We expect to implement the system in early 2023.
9.	Pandemic: ActionAid has a duty to ensure that funds we raised are used for the purpose intended. The pandemic has increased the chance that funds we have raised are used for other purposes.	<p>ActionAid clarified with Federation members when funds can be used flexibly and agreed reporting on flexible use of funds.</p> <p>ActionAid has put in place bilateral agreements with all the Federation members that it provides funds to. Monitoring of these agreements is undertaken by a team in ActionAid and our Trustees receive quarterly updates on performance against these agreements.</p> <p>ActionAid continues to work with Global Secretariat and use GS-led processes to get assurance on use of our funds.</p>
10.	Pandemic: The ongoing pandemic continues to disrupt our operations and those of our suppliers.	<p>During our planning for 2022 we discussed prioritisation and flexibility so that staff and in particular line managers feel able to rapidly adjust plans when their team's or a supplier's capacity is affected.</p> <p>We have a strong focus on wellbeing and supporting all staff and specially line managers to build the skills necessary to operate during periods of high uncertainty.</p> <p>We have employee wellbeing programme that can provide individual support with mental and physical health challenges.</p>

## Directors' duties

How ActionAid Directors have complied with their duties in regard to the following:

The likely consequences of any decision in the long term.

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All key decisions that will have an impact on the long-term future of the charity are discussed at the relevant sub-committee and board. For major and long running projects, the board receives regular updates to ensure that there is appropriate oversight and that appropriate action is taken where necessary.

The interest of the company's employees.

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The impact of major decisions on staff are discussed by the board who also receive regular updates on staff pay; health and safety; and safeguarding.

The board receives a summary of the annual engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

The need to foster the company's business relationships with suppliers, customers and others.

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The board receives regular updates on supporters' complaint levels and any underlying themes. In addition, a survey is undertaken with key partners annually, feedback from which is shared with the board. The board regularly discusses the nature of the relationships it wants with key stakeholders and there are clear processes for engagement with suppliers and donors.

The impact of the company's operations on the community and the environment.

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ActionAid's key objective is to have an impact on the lives of women and girls living in poverty. The board receives regular updates on the work that funds raised in the UK are being used for, to ensure funds are used efficiently and effectively. In addition, an assurance framework is in place with the rest of the Federation to ensure compliance requirements for funding are met and the expected impact is delivered.

The desirability of the company maintaining a reputation for high standards of business conduct.

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The nature of ActionAid's work as a charity makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The senior leadership team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

The need to act fairly between members of the Federation.

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While an independent entity, ActionAid is a member of an International Federation and as such has a common strategy with fellow members. ActionAid board members work to ensure

the work of ActionAid is well aligned with the rest of the Federation and its work is influenced by its fellow members working in the global south.

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## Governance, leadership and Trustee declaration

Our accountability is to people living in poverty and injustice, and also to our supporters here in the UK, to ensure that they have confidence in how we use our resources.

ActionAid is a full affiliate member of ActionAid International (AAI), an association registered in The Hague (Netherlands), and with its global secretariat and head office in Johannesburg, South Africa.

Financial statements have been prepared in accordance with the accounting policies and comply with the charitable company's Memorandum and Articles of Association, applicable laws and requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS102).

ActionAid is an England & Wales and Scotland-registered charity and also a company limited by guarantee. We are governed by a Board of Trustees who are also considered directors under company law.

ActionAid has a wholly-owned subsidiary – ActionAid Enterprises Limited (company number 05011412). The company did not trade in the year ending 31 December 2021.

### Public benefit

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Full details of how ActionAid provides a benefit to a sufficient section of the public in line with our charitable purposes is set out in the Strategic Review section of this report. ActionAid has made grants of just over £28.4 million to the ActionAid International Federation in 2021 to assist country programmes to deliver against our ambitious strategy and strengthen our Federation. Please refer to note 7 in the accounts for the detail.

The Trustees confirm that in setting objectives and planning activities for 2021, they gave consideration to the Charity Commission's public benefit guidance.

### The ActionAid Board of Trustees

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ActionAid's Board of Trustees is charged with ensuring a sharp focus on our mission and values. We set the strategic direction, ensure that we are financially sound and answerable to people living in poverty and injustice around the world and to our supporters in the UK, and make certain that we are compliant with all the relevant laws and regulations. We take seriously our responsibility to safeguard funds entrusted and have a zero-tolerance policy on fraud, bribery and corruption.

The Board delegates day-to-day decision-making and operations to the Chief Executive and the Senior Leadership Team. The Board meets formally four times a year and holds an annual away-day to consider ActionAid's strategic direction given the changing context in which international development charities operate.

There are two committees of the Board:

**The Performance, Risk and Audit Committee** is responsible for assurance oversight of the highest standards of integrity, financial reporting and internal control. In addition to reviewing organisational performance and results against the Annual Plan, the committee also makes certain that ActionAid's systems of financial control comply with legal requirements and provide reasonable assurance against material misstatement or loss. It also has oversight of safeguarding across our organisation. In November 2021 it was agreed to change the name of this committee from previously the Performance, Finance and Audit Committee to better reflect its oversight of risk management within the organisation.

**The Governance and Relationships Committee** has responsibility for good governance across the organisation including overseeing governance reviews and managing the Board Development Plan, which sets clear objectives for the Board's work plan and development. It acts as a nominations committee for appointments to the Board's committees, as well as having oversight of the recruitment and induction of new Trustees. The Governance and Relationships Committee also focuses on the relationships between ActionAid, ActionAid International and other countries within the Federation, as well as leading our input into international policy, principles and governance structures, especially the General Assembly of AAI. Lastly, the Committee has oversight of remuneration, setting overall salary policy for ActionAid and making recommendations to the Board regarding the salary of the Chief Executive.

In addition to these two formally constituted Committees, there is also the **Insight and Foresight Group**, which meets two to three times a year. This Group has no set membership, though Trustees are asked to attend at least one meeting per year. The Group has a roving brief to look in depth at the major strategic matters affecting ActionAid in a generative way.

The Board and the Committee chairs meet regularly as an informal meeting known as the Chairs' Group to provide strong cohesive leadership and effective coordination.

The ActionAid Board plays an active role in the ActionAid International General Assembly, the top-level decision-making body within the Federation.

Trustees, including the Chair, are recruited by open selection and are appointed for a four-year term, renewable for a further four years. Following the end of term of office of Helen Pankhurst and John Monks as trustees, we conducted extensive Trustee recruitment in 2021, and as a result appointed three new Trustees on 23 September 2021: Felicia Willow as Vice-Chair, Caleb Stevens as Safeguarding Lead Trustee, and Nasima Khatun. All new Trustees received a tailored induction and the Board took part in additional training



throughout the year to ensure they continue to develop their skills as Trustees and are aware of relevant legislative changes. At the time of publication of this report, we are actively recruiting for a new Chair and Board members.

Skills audits allow us to maintain Board diversity and skills that are appropriate to current and future challenges. There are regular governance reviews, usually every three years and as the last was held in 2017, a new internal audit review of governance processes against the Charity Governance Code was conducted in 2021. The result was a reassurance that ActionAid has a good governance framework and the recommendations which were made will be implemented throughout 2022.

Annual Trustee appraisals ensure that Trustees receive the information and development opportunities they need to make an effective contribution to ActionAid's governance. AAI and ActionAid together pay for Trustee Indemnity Insurance for the ActionAid Trustees.

#### *Trustee responsibilities for reporting and financial statements*

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The Trustees (who are also directors of ActionAid for the purposes of company law) are responsible for preparing the report of the Trustees including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. These statements must give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditor are unaware; the Trustees have taken all steps that they ought

reasonably to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Internal control

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The Trustees have overall responsibility for ActionAid's systems of internal control. Trustees recognise that systems of control can only provide a reasonable and not complete assurance against inappropriate or ineffective use of resources, or against the risk of errors or fraud.

Trustees remain satisfied that ActionAid's systems provide reasonable assurance that the charity operates efficiently and effectively, safeguards its assets, maintains proper records and complies with relevant laws and regulations.

ActionAid operates a comprehensive accountability system. This includes an annual plan and budget, both of which are approved by the Board. Trustees consider actual results compared with plans and forecasts, and non-financial performance data. Other controls include delegation of authority and segregation of duties. The internal audit function reviews the effectiveness of internal controls and submits reports to the Performance, Finance and Audit Committee.

#### Members' guarantee

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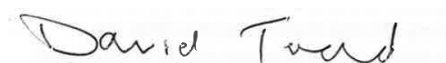
Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 16 (2020: 13).

#### Auditor

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Sayer Vincent LLP was reappointed as the charitable company's auditor during the year. The firm is willing to continue in that capacity.

The report of the Trustees including the Strategic Report was approved by the Trustees on 28 June 2022 and signed on their behalf by:



**David Todd FCA**  
(Treasurer)

# Corporate Directory

## Board of Trustees

Name	Office	Date of Appointment / Resignation
Srabani Sen	Chair	Appointed as Trustee and Chair on 01 September 2020 Resigned as Trustee and Chair on 02 March 2022
John Monks	Trustee	Appointed Trustee 01 October 2013 Resigned as Trustee on 01 October 2021
Helen Pankhurst	Trustee	Appointed Trustee 21 July 2017 Resigned as Trustee on 21 July 2021
David Todd	Honorary Treasurer	Appointed 19 October 2014
Shantha Sinha	ActionAid International Representative	Appointed 14 June 2019
Kath Abrahams		Appointed 13 December 2018
Catharine Brown		Appointed 12 March 2015
Sophie Healy-Thow		Appointed 10 March 2016
Joanna Maycock		Appointed 04 December 2014
Doris Afreh		Appointed 24 March 2020 Resigned 18 May 2021
Eva Appelbaum		Appointed 24 March 2020 Resigned 03 March 2022
Paul George		Appointed 24 March 2020
Abdul Shiil		Appointed 24 March 2020
Felicia Willow	Vice-Chair	Appointed 23 September 2021 Resigned 09 May 2022
Caleb Stevens		Appointed 23 September 2021
Nasima Khatun		Appointed 23 September 2021 Resigned 02 March 2022

## Governance and Relationships Committee

Name	Office	Date of Appointment / Resignation
Felicia Willow	Chair	Appointed as Member and Chair 23 September 2021 Resigned 09 May 2022
Helen Pankhurst	Chair	Appointed 01 January 2018, Resigned as Chair 21 July 2021
Caleb Stevens	Chair	Appointed as Member and Chair 24 May 2022
Shantha Sinha		Appointed 14 June 2019
Joanna Maycock		Appointed 01 January 2018
Sophie Healy-Thow		Appointed 01 January 2018
Eva Appelbaum		Appointed as member 03 September 2020, appointed as Chair 21 July 2021, resigned as Chair 23 Sept 2021
Abdul Shiil		Appointed 03 September 2020

## Performance, Risk and Audit Committee

Name	Office	Date of Appointment / Resignation
David Todd	Chair	Appointed as member and Chair 09 October 2014
John Monks		Appointed 12 December 2013, resigned 01 October 2021
Catharine Brown		Appointed 24 September 2015
Kath Abrahams		Appointed 12 March 2019
Doris Afreh		Appointed 14 September 2020, resigned 18 May 2021
Paul George		Appointed 14 September 2020
Caleb Stevens		Appointed 23 September 2021
Nasima Khatun		Appointed 23 September 2021 Resigned 02 March 2022

Further information about the Trustees is available on the ActionAid website:

[www.actionaid.org.uk/about-us/our-trustees-and-directors](http://www.actionaid.org.uk/about-us/our-trustees-and-directors)

## Senior Leadership Team

- Frances Longley, Chief Executive (appointed 17 May 2021, resigned effective from 30 June 2022)
- Orla Fee, Director of Communications and Public Engagement
- Edward Tait, Director of Fundraising
- John Good, Interim Chief Executive (resigned this role 17 May 2021)
- John Good, Chief Operating Officer (from 17 May 2021), Acting Chief Executive from 30 June 2022
- Jillian Popkins, Director of Policy, Advocacy and Programmes (resigned 20 May 2022)
- Nicola Peachey, Interim Director of Organisational Development and Transformation (appointed 01 November 2021)

## Patron

His Royal Highness, The Prince of Wales

## Legal and Administrative Information

Auditor  
Sayer Vincent LLP  
4th Floor  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

Solicitors  
Bates Wells  
10 Queen Street Place  
London  
EC4R 1BE

Bankers  
Lloyds Banking Group  
25 Gresham Street  
London  
EC2V 7HN

Company Secretary  
Victoria Skinner

Registered Office  
33–39 Bowling Green Lane, London, EC1R 0BJ  
Tel: 020 3122 0561  
Email: [mail@actionaid.org](mailto:mail@actionaid.org)  
Web: [www.actionaid.org.uk](http://www.actionaid.org.uk)

# Annual Remuneration Statement 2021

## 1. Summary

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This is ActionAid's annual governance statement for remuneration. The Chief Operating Officer confirms that the organisation has complied with its salary policy during 2021.

There were no additional ex gratia payments or tribunal judgements against us relating to employment or remuneration matters during the year.

## 2. Governance Arrangements for Remuneration

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A committee of the Board of Trustees ensures that there is a formal transparent policy and process for agreeing the level of available funds for salaries of all staff. The Board also sets the remuneration of the Chief Executive.

The aim of the approach is to balance the need to attract, retain and motivate high quality individuals who deliver high levels of impact against our mission with the financial considerations of being a charity. To inform these decisions, and to ensure that our approach is fair, we benchmark our pay awards with comparator organisations using various data sources, inflation indices and affordability to ensure that we remain financially sustainable.

## 3. Remuneration Policies (salary and benefits)

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All employees can view our remuneration and benefits policies, and we openly share with them how the annual pay award has been decided. This is ratified by the Trade Union (Unite) each year. The policies are aligned to the organisation's mission, vision and values whilst being cognisant of the market and financial landscape within which we operate.

A key reference point from this (although not formally encapsulated in our salary policy) is the ratio between the highest and lowest-paid employee. In 2021 this ratio was calculated as the difference between our lowest apprenticeship salary and CEO pay and was 5.8:1. We are a Living Wage employer, and champion the Living Wage initiative. We are an active member of an International Aid Charities Pay Club sharing pay data and information that helps us to benchmark salaries and benefits with similar organisations in the sector. We also use other external data sources (including XpertHR and Croner) to compare ActionAid to similar organisations in size and scope. Taking data from a range of different sources produces a robust and consistent picture of the market enabling us to compare our salaries to the median level of base pay offered by other organisations for similar roles.

A summary of our remuneration policy is available on request.

## 4. Review of the Year

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Remuneration is overseen by the Board's Governance and Relationships Committee, which met three times in 2021. It ensures that our Remuneration Policies (Salary and Benefits) are adhered to, and also that we remain compliant with the recommendations of the NCVO guidelines on senior pay.

## 5. Senior staff pay

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As per the NCVO guidelines the following states the numbers of senior members of staff at each of the relevant pay bands. This is not what they actually earned in 2021 and thus differs from what is set out in Note 8 to the accounts, but reflects their salary band at the end of 2021.

Pay bands	Number of staff members in band during 2021 <i>taking into account their full time equivalent salary (as some individuals are part-time)</i>
£110,000 to £120,000	1
£100,000 to £109,999	1
£90,000 to £99,999	2
£80,000 to £89,999	1
£70,000 to £79,999	2
£60,000 to £69,999	9

Our CEO was paid £115,141 as at December 2021.

Members of our senior leadership team (excluding the Chief Executive) were paid a total of £383,653 for 2021. (This comprises of Gross salary plus Employer pension contribution). This figure does not include pension contributions or employer NI contributions, and therefore differs from the SORP report.

## 6. Future plans

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In 2022 we expect to undertake a review of how we reward and recognise employees, benchmarking salaries and benefits against other, similar organisations to ensure that our pay provision remains objective, fair and consistent whilst also maintaining transparency.

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# Independent Auditor's Report

Independent auditor's report to the members of ActionAid

## Opinion

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We have audited the financial statements of ActionAid (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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



## Other Information

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

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

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In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the 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 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

## Responsibilities of trustees

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As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the

trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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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 regulations made under those Acts.

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

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

#### Capability of the audit in detecting irregularities

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Performance, Risk and Assurance Committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
  - Reporting received from ActionAid International on internal audit and local self-attestation activities undertaken in the year;
  - Monitoring of country programmes within the ActionAid Federation from the UK, particularly those identified as high-risk.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Use of our report

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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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sayer Vincent LLP*

**Noelia Serrano** (Senior statutory auditor)

**Date** 28 June 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

# Statement of Financial Activities

for the year ended 31 December 2021 incorporating an income and expenditure account.

	Notes	Restricted funds (£'000)	Unrestricted funds (£'000)	Total 2021 (£'000)	Restricted funds (£'000)	Unrestricted funds (£'000)	Total 2020 (£'000)
Income							
Income from							
Donations and legacies	<u>2a</u>	17,028	24,642	41,670	15,192	24,059	39,251
Investment income	<u>2c</u>	-	38	38	-	95	95
Income from charitable activities:							
Grants	<u>2b</u>	7,242	-	7,242	7,605	-	7,605
Contracts	<u>2b</u>	-	235	235	-	-	-
Income from other trading activities	<u>2d</u>	8	303	311	7	3,039	3,046
Other income	<u>2e</u>	-	57	57	-	316	316
<b>Total Income</b>		<b>24,278</b>	<b>25,275</b>	<b>49,553</b>	<b>22,804</b>	<b>27,509</b>	<b>50,313</b>
Expenditure on:							
Raising funds:							
Raising funds	4	343	11,589	11,932	307	11,368	11,675
Fundraising trading: costs of goods sold and other costs	4	-	8	8	-	11	11
Charitable activities	6	20,716	14,920	35,636	22,531	14,909	37,440
<b>Total Expenditure</b>		<b>21,059</b>	<b>26,517</b>	<b>47,576</b>	<b>22,838</b>	<b>26,288</b>	<b>49,126</b>
Net income / (expenditure)		3,219	(1,242)	1,977	(34)	1,221	1,187
Net income / (expenditure) for the year before other recognised gains and losses		3,219	(1,242)	1,977	(34)	1,221	1,187
Exchange rate (losses) / gains		113	(197)	(84)	-	78	78
<b>Net movement in funds</b>		<b>3,332</b>	<b>(1,439)</b>	<b>1,893</b>	<b>(34)</b>	<b>1,299</b>	<b>1,265</b>
Total funds brought forward at 1 January		2,987	12,246	15,233	3,021	10,947	13,968
<b>Total funds carried forward at 31 December</b>		<b>6,319</b>	<b>10,807</b>	<b>17,126</b>	<b>2,987</b>	<b>12,246</b>	<b>15,233</b>

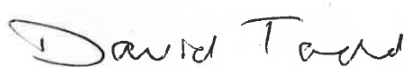
The notes on pages 63-87 form part of these financial statements. There are no recognised gains and losses other than those shown above. Movements in funds are disclosed in notes 14 & 15 to the financial statements. All income and expenditure derives from continuing activities.

# Balance Sheet

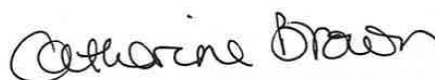
as at 31 December 2021

	Notes	2021 (£'000)	2020 (£'000)
Fixed assets			
Tangible assets	<u>11a</u>	309	349
Intangible assets	<u>11b</u>	37	-
Total Fixed assets		346	349
Current assets			
Debtors	<u>12</u>	4,265	4,198
Cash equivalent on deposit		7,000	7,000
Cash at bank		12,723	6,087
		23,988	17,285
Liabilities			
Creditors: amounts falling due within one year	<u>13</u>	7,208	2,401
Net current assets		16,780	14,884
Net assets		17,126	15,233
Funds			
Restricted funds	<u>15</u>		
Income funds		6,319	2,987
Unrestricted funds			
Designated funds	<u>14</u>	1,467	2,724
General funds		9,340	9,522
Total funds		17,126	15,233

Approved by the Trustees and signed on their behalf by:



**David Todd FCA**  
(Treasurer)



**Catharine Brown**  
(Trustee)

**Date** 28 June 2022

Registered in England and Wales – company no. 01295174

# Statement of Cash Flows

For the year ended 31 December 2021

Cash flows from operating activities	2021 (£'000)	2020 (£'000)
Net cash provided by / (used in) operating activities	6,777	(800)
Cash flows from investing activities		
Interest received	38	95
Purchase of tangible fixed assets	(58)	-
Purchase of intangible fixed assets	(37)	-
Net cash provided by / (used in) investing activities	6,720	(705)
Change in cash and cash equivalents in the year	6,720	(705)
Cash and cash equivalents at the beginning of the year	13,087	13,714
Change in cash and cash equivalents due to exchange rate movements	(84)	78
Cash and cash equivalents at the end of the year	19,723	13,087
Reconciliation of net income / (expenditure) to net cash flow from operating activities	2021 (£'000)	2020 (£'000)
Net movement in funds	1,893	1,265
Depreciation	98	90
(Increase) in debtors	(67)	(919)
Increase / (Decrease) in creditors	4,807	(1,063)
Interest receivable	(38)	(95)
Exchange rate movements	84	(78)
Net cash provided by / (used in) operating activities	6,777	(800)

Analysis of cash and cash equivalents				
	January 2021 (£'000)	Cashflows (£'000)	Other (£'000)	December 2021 (£'000)
Cash at bank	6,087	6,720	(84)	12,723
Cash Equivalent on deposit	7,000	-	-	7,000
Total cash and cash equivalents	13,087	6,720	(84)	19,723
Loans falling due within one year	(63)	-	-	(63)
Total	(63)	-	-	(63)

# Notes forming part of the financial statements

For the year ended 31 December 2021.

## 1. Accounting policies

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### Statutory Information

ActionAid is a charitable company limited by guarantee and is incorporated in the United Kingdom (England and Wales). The registered office address and principal place of business is 33 - 39 Bowling Green Lane, London EC1R 0BJ.

### Basis of accounting

These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP FRS102), the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements 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 nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

### Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

### Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have made this assessment for a period of at least one year from the date of approval of the financial statements. As part of their assessment the trustees have considered the impact of Covid-19. The trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

## 1. Accounting policies (continued)

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### Trading Subsidiary

There was no activity in the subsidiary undertaken in the year and therefore the accounts are not consolidated.

### Country Programmes

ActionAid maintains legal ownership of a number of overseas country programmes which are no longer included in these financial statements. This treatment reflects the operational organisation of the programmes as their activities, assets and liabilities are under the direction of ActionAid International and are deemed to be 'controlled' by the ActionAid International board following internationalisation. Although assets may revert to ActionAid in the highly unlikely event that the internationalisation process is halted, the economic rights and obligations connected with country programmes have been transferred to ActionAid International under the terms of various formal agreements between the entities.

### Fund accounting

All funds raised by ActionAid are used in the furtherance of its charitable objects. There are three types of funds as follows:

Restricted funds are raised on the basis of an agreement or understanding with the donors that their use will be restricted to certain specified projects, activities or areas of operation. These restricted funds are accounted for separately.

Unrestricted funds are those that are spent at the discretion of ActionAid's trustees for use on any of the charity's general charitable purposes. With the consent of the relevant donors, tax recovered through Gift Aid is generally treated as unrestricted.

Designated funds are unrestricted funds that have been set aside by the trustees for a specific purpose.

The accounting for sponsorship and other committed giving income is in accordance with the information provided to supporters. For all child sponsorships commencing after 2003 income is restricted as follows: 20% is unrestricted. Of the balance, 70% is restricted to benefit the community in which the child lives, 10% can be spent on wider activities in the same country, 10% can be applied to international activities with the remaining 10% available to cover local sponsorships administration and information gathering.

ActionAid aims to make its income more flexible by encouraging supporters to transfer from child sponsorship to less restricted forms of giving over time such as Next Step. In January 2015 Next Step income was derestricted such that 100% of income from those donors that were contacted became unrestricted. Of those not contacted, 20% of Next Step income is also unrestricted and of the balance, 90% spent within the selected country, while 10% may be applied to international activities.



## 1. Accounting policies (continued)

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### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition has not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Gifts in kind are recognised when they relate to something that ActionAid would have paid for had they not been received for free and for which there is particular benefit. When this is the case, if the benefit to the charity is reasonably quantifiable and measurable, the gift in kind will be credited to income and debited to expenditure on the basis of the lower of a market-price valuation or the gross value to ActionAid and the corresponding expenditure is taken to the appropriate heading on the SOFA or is capitalised.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### Expenditure

All expenditure is accounted for on an accruals basis. Costs reported under each heading in the statement of financial activities reflect the allocation of activities directly attributable to that heading and an apportionment of support and governance costs (see below).

Where the costs of direct activities fall under more than one of the headings, they are apportioned on a consistent basis by senior management. The cost of raising funds represents expenditure incurred in the UK on raising funds from committed giving supporters, institutional donors, and other members of the public, as well as keeping them informed as to how their donations are being spent.

## 1. Accounting policies (continued)

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Charitable activities comprise:

- Grants from ActionAid to ActionAid International and Federation members to be spent on managing and delivering the long-term development and rehabilitation projects in ActionAid International country programmes worldwide. This includes expenditure of funds received from the European Union for projects in country programmes.
- Grants from ActionAid to ActionAid International and Federation members to be spent on managing and delivering the emergency relief and humanitarian relief projects in ActionAid International country programmes worldwide.
- Policy-influencing and campaigning work carried out in the UK and internationally.
- Education work carried out in the UK and internationally.

Governance costs are the costs associated with the governance arrangements of the charity. The costs included in this category relate to organisational administration and compliance with constitutional and statutory requirements. Costs are allocated across the categories of the costs of raising funds and charitable expenditure. The basis of the cost allocation is staff numbers.

Support costs include expenditure on general management, payroll administration, budgeting and accounting, information technology, property management, communications, human resources and financing. Costs are allocated across the categories of the costs of raising funds and charitable expenditure. The basis of the cost allocation is staff numbers.

### Grants Payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

### Indirect cost recovery

Indirect cost recovery is treated as an allocation out of unrestricted support cost expenditure to restricted support cost expenditure against the appropriate restricted Funding Source code.

### Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and included at cost, including any incidental expenses of acquisition.

## 1. Accounting policies (continued)

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Depreciation is calculated on a straight-line basis for the following categories of fixed assets:

### Office equipment:

Computers	3 years
Other equipment	5 years
Leasehold improvements	15 years / remaining life of the lease

### Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation.

Where intangible assets are internally generated, only the costs of the development phase of the asset generation are recognized as intangible assets. Costs of the research phase of the asset generation are expensed as incurred. Amortisation for internally generated assets will begin when the asset is available for use."

Amortisation for all intangible assets is calculated on a straight-line basis over their estimated useful lives as follows:

CRM system – 5 years

### Investments in subsidiaries

Investments in subsidiaries are at cost.

### Operating leases

Rentals applicable to operating-lease contracts, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight-line basis over the lease term.

### Debtors

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

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Cash equivalent on deposit

Cash equivalent on deposit includes cash held in medium term highly liquid investments with a maturity of between three months to twelve months from the date of acquisition.

## 1. Accounting policies (continued)

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### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### Pensions

ActionAid contributes to a defined contribution pension scheme in the UK and contributions for the year are charged in the Statement of Financial Activities as they become due.

### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. All foreign currency balances have been translated at the exchange rate prevailing at the balance sheet date. Gains and losses on translation are included in the Statement of Financial Activities.

### Taxation and irrecoverable VAT

As a registered charity, ActionAid is potentially exempt from tax on income and gains falling within Sections 466 to 493 of the Income and Corporation Taxes Act 2010 as its income is charitable and applied towards charitable purposes.

In common with many other charities, ActionAid is unable to recover the majority of VAT that is incurred on purchases of goods and services in the UK. The amount of VAT that cannot be recovered is included within the appropriate underlying cost.

### Related party disclosures

Related party transactions are detailed in note 18.

## 2. Income

2 (a) Donations and legacies	Restricted (£'000)	Unrestricted (£'000)	2021 TOTAL (£'000)	Restricted (£'000)	Unrestricted (£'000)	2020 TOTAL (£'000)
Committed giving	10,051	17,860	27,911	10,001	17,946	27,947
Appeals & Individual donors	4,724	3,586	8,310	4,176	2,407	6,583
Disasters Emergency Committee (DEC) appeals - see below	2,236	-	2,236	1,005	-	1,005
Legacies	17	3,196	3,213	10	3,706	3,716
<b>TOTAL</b>	<b>17,028</b>	<b>24,642</b>	<b>41,670</b>	<b>15,192</b>	<b>24,059</b>	<b>39,251</b>
Disasters Emergency Committee (DEC) Appeals income						
Cyclone Idai Appeal	14	-	14	91	-	91
Coronavirus Appeal	1,144	-	1,144	914	-	914
Afghanistan Appeal	1,078	-	1,078	-	-	-
<b>TOTAL</b>	<b>2,236</b>	<b>-</b>	<b>2,236</b>	<b>1,005</b>	<b>-</b>	<b>1,005</b>
DEC is the umbrella body for the 15 leading charities in the UK responding to major international disasters. Its aim is to raise money cost effectively in the UK from the general public. The monies raised are distributed to the charities on the basis of an agreed formula reflecting the charities' capacity and expertise.						
All Emergency/ Non-emergency income by type	Emergency income (£'000)	Non-emergency income (£'000)	2021 TOTAL (£'000)	Emergency income (£'000)	Non-emergency income (£'000)	2020 TOTAL (£'000)
Income from:						
Donations and legacies	4,333	37,337	41,670	2,707	36,544	39,251
Investment income (note 2c)	-	38	38	-	95	95
Income from charitable activities:						
Grants (note 2b)	1,275	6,202	7,477	1,091	6,514	7,605
Income from other trading activities (note 2d)	1	310	311	-	3,046	3,046
Other income (note 2e)	-	57	57	-	316	316
	<b>5,609</b>	<b>43,944</b>	<b>49,553</b>	<b>3,798</b>	<b>46,515</b>	<b>50,313</b>

## 2. Income (continued)

2 (b) Income from charitable activities	Restricted (£'000)	Unrestricted (£'000)	Total 2021 (£'000)	Restricted (£'000)	Unrestricted (£'000)	Total 2020 (£'000)
<i>Grants and contracts from governments and other public authorities:</i>						
<b>CHARITABLE GRANTS TO AAI &amp; FEDERATION MEMBERS</b>						
UK Government (Note 17)	1,347	235	1,582	1,185	-	1,185
Europe Aid	927	-	927	1,710	-	1,710
Dutch Ministry of foreign affairs ( Note 17)	456	-	456	2,219	-	2,219
Government of Guernsey	48	-	48	-	-	-
Foreign Service of the Faroe Islands	50	-	50	-	-	-
Grants from People's Postcode Lottery	2,594	-	2,594	-	-	-
Other grants from companies, trusts and NGOs	63	-	63	166	-	166
	5,485	235	5,720	5,280	-	5,280
<b>EMERGENCY &amp; HUMANITARIAN RESPONSE</b>						
ECHO	9	-	9	122	-	122
UK Government (Note 17)	(59)	-	(59)	-	-	-
Other grants from governments and other public authorities	1,262	-	1,262	1,051	-	1,051
Other grants from companies, trusts and NGOs	13	-	13	840	-	840
	1,225	-	1,225	2,013	-	2,013
<b>CAMPAIGNS &amp; POLICY WORK</b>						
Europe Aid	14	-	14	51	-	51
Other grants from companies, trusts and NGOs	518	-	518	261	-	261
	532	-	532	312	-	312
<b>TOTAL Grants from governments and other public authorities:</b>	<b>7,242</b>	<b>235</b>	<b>7,477</b>	<b>7,605</b>	<b>-</b>	<b>7,605</b>
<b>2 (c) Investment income</b>						
Interest on deposits	-	38	38	-	95	95
<b>Total investment income</b>	<b>-</b>	<b>38</b>	<b>38</b>	<b>-</b>	<b>95</b>	<b>95</b>
<b>2 (d) Income from other trading activities</b>						
People's Postcode Lottery (note 23)	-	-	-	-	2,593	2,593
Office rental income	-	255	255	-	233	233
Other	8	48	56	7	213	220
<b>Total Income from other trading activities</b>	<b>8</b>	<b>303</b>	<b>311</b>	<b>7</b>	<b>3,039</b>	<b>3,046</b>
<b>2 (e) Other income</b>						
Income from Job Retention Scheme	-	57	57	-	316	316
<b>Total Other income</b>	<b>-</b>	<b>57</b>	<b>57</b>	<b>-</b>	<b>316</b>	<b>316</b>

## 3. Support costs

	Restricted (£'000)	Unrestricted (£'000)	Total 2021 (£'000)	Restricted (£'000)	Unrestricted (£'000)	Total 2020 (£'000)
<i>Support costs comprise the following items:</i>						
Communications	-	162	162	-	262	262
General management	-	349	349	-	221	221
Finance	-	572	572	(1)	544	543
Human resources	-	687	687	-	688	688
Information technology	-	652	652	1	631	632
Office administration	-	233	233	-	329	329
Performance and Accountability	-	309	309	-	389	389
Property costs	-	1,246	1,246	-	1,019	1,019
Supporter administration	-	537	537	-	583	583
Indirect Cost Recovery	511	(511)	-	300	(300)	-
	511	4,236	4,747	300	4,366	4,666
Indirect cost recovery reflects the reallocation of support costs from unrestricted funds to various restricted grants in line with budgets agreed with the respective donors in line with our policy set out in Note 1.						
Support and governance costs have been allocated to the categories below on the basis of employee numbers working in each relevant area.						
	Restricted (£'000)	Unrestricted (£'000)	Total 2021 (£'000)	Restricted (£'000)	Unrestricted (£'000)	Total 2020 (£'000)
Costs of raising funds (note 4)	274	2,275	2,549	158	2,303	2,461
Charitable activities (note 6)	237	1,961	2,198	142	2,063	2,205
	511	4,236	4,747	300	4,366	4,666

## 4. Costs of raising funds

	Restricted (£'000)	Unrestricted (£'000)	Total 2021 (£'000)	Restricted (£'000)	Unrestricted (£'000)	Total 2020 (£'000)
Committed giving	-	5,758	5,758	-	5,793	5,793
Other Appeals, Legacies & Individual donors	29	2,805	2,834	70	2,335	2,405
Grants	40	563	603	79	779	858
	69	9,126	9,195	149	8,907	9,056
Support costs allocated (note 3)	274	2,275	2,549	158	2,303	2,461
Governance costs allocated (note 5)	-	188	188	-	158	158
Total costs of raising funds before trading costs	343	11,589	11,932	307	11,368	11,675
Trading	-	8	8	-	11	11
Total costs of raising funds	343	11,597	11,940	307	11,379	11,686

Based on the above information and the income in note 2, the ratio between direct fundraising costs (excluding support costs allocated) and the income generated for each major area of donated income is as follows:

	Total 2021 (%)	Total 2020 (%)
Committed giving	21%	21%
Other income from Donations & legacies	21%	21%
Overall income from Donations & legacies	21%	21%



## 5. Governance costs

	Restricted (£'000)	Unrestricted (£'000)	Total 2021 (£'000)	Restricted (£'000)	Unrestricted (£'000)	Total 2020 (£'000)
External audit fees	-	50	50	-	44	44
Legal & professional fees	-	61	61	-	19	19
Board (including trustee expenses)	-	3	3	-	1	1
Apportionment of staff time	-	237	237	-	234	234
Internal Audit	-	-	-	-	2	2
Total governance costs	-	350	350	-	300	300

External audit fees above include only the costs related to the external audit of ActionAid, inclusive of VAT. Full information of remittances made to our external auditors (exclusive of VAT) can be found in note 10.

Governance costs have been allocated to the categories below on the basis of employee numbers working in each relevant area.

	Restricted (£'000)	Unrestricted (£'000)	Total 2021 (£'000)	Restricted (£'000)	Unrestricted (£'000)	Total 2020 (£'000)
Costs of raising funds (note 4)	-	188	188	-	158	158
Charitable activities (note 6)	-	162	162	-	142	142
	-	350	350	-	300	300

## 6. Charitable activities

	Grants (note 7) (£'000)	Direct costs (£'000)	Staff costs (£'000)	Support cost allocation (£'000)	Governance cost allocation (£'000)	Total 2021 (£'000)
<i>2021</i>						
Grants to AAI & Federation members	23,690	156	912	514	38	25,310
Emergency and Humanitarian response	4,815	104	507	294	22	5,742
Campaigns & policy work	206	125	999	541	40	1,911
Education work	-	1,035	727	849	62	2,673
Total 2021	28,711	1,420	3,145	2,198	162	35,636

Of the Charitable activities set out above £20,716,172 was funded from restricted funds and £14,920,382 from unrestricted funds.

Included within the Grants to AAI & Federation members is an amount of £268,901 that relates to grants in kind to AAI (representing support costs relating to AAI).

	Grants (note 7) (£'000)	Direct costs (£'000)	Staff costs (£'000)	Support cost allocation (£'000)	Governance cost allocation (£'000)	Total 2021 (£'000)
<i>2020</i>						
Grants to AAI & Federation members	26,262	159	1,118	586	38	28,163
Emergency and Humanitarian response	3,782	93	410	231	15	4,531
Campaigns & policy work	245	102	1,077	541	35	2,000
Education work	-	1,093	752	847	54	2,746
Total 2020	30,289	1,447	3,356	2,205	142	37,440

Of the Charitable activities set out above £22,530,938 was funded from restricted funds and £14,908,691 from unrestricted funds.

Included within the Grants to AAI & Federation members is an amount of £324,577 that relates to grants in kind to AAI (representing support costs relating to AAI).

## 7. Grants to ActionAid International and ActionAid country programmes

<i>Restricted funds:</i>	Total 2021 (£'000)	Total 2020 (£'000)
Africa		
Burundi	451	577
Democratic Republic of Congo	758	634
Ethiopia	690	515
Ghana	742	1,057
Kenya	1,297	1,727
Liberia	101	116
Malawi	300	321
Mozambique	406	977
Nigeria	714	367
Rwanda	639	916
Senegal	204	183
Sierra Leone	1,111	1,425
Somaliland	588	353
South Africa	10	67
Tanzania	184	298
Gambia	396	319
Uganda	518	548
Zambia	253	249
Zimbabwe	275	571
	9,637	11,220

<i>Restricted funds:</i>	Total 2021 (£'000)	Total 2020 (£'000)
Asia		
Afghanistan	393	538
Bangladesh	697	1,342
Cambodia	519	526
India	1,374	945
Myanmar	398	881
Nepal	615	665
Palestine	145	129
Philippines	41	-
Indonesia	199	276
Vietnam	300	183
Arab Regional Initiative	27	128
	4,708	5,613

<i>Restricted funds:</i>	Total 2021 (£'000)	Total 2020 (£'000)
Latin America and the Caribbean		
Brazil	145	158
Guatemala	580	551
Haiti	350	440
United States	6	-
	1,081	1,149

## 7. Grants to ActionAid International and ActionAid country programmes (continued)

	Total 2021 (£'000)	Total 2020 (£'000)
<i>Restricted funds:</i>		
ActionAid International – projects involving more than one country	3,247	1,885
Remittances to country programmes for EU projects	783	1,250
Total restricted funds	19,456	21,117
<i>Unrestricted funds:</i>		
ActionAid International (cash grants)	7,167	7,375
* Grant to ActionAid Thailand	445	-
Country Programmes (Other – PPL)	1,152	1,152
Unrestricted charitable grants to ActionAid International	8,764	8,526
ActionAid International (grants in kind representing support costs incurred on behalf of ActionAid International)	269	325
Total unrestricted funds	9,033	8,851
Total grants to ActionAid International and ActionAid country programmes	28,489	29,969
Grants to partner organisations:		
GADN	61	54
Oxfam	-	50
IWRW	56	74
LatinDad	44	56
Restricted grants (individually under £100,000)	17	67
Unrestricted grants	44	19
Total restricted grants to partner organisations	222	320
Total grants	28,711	30,289
All grants are related to Charitable activities.		
* This relates to the amount of £445,380 that was remitted initially as part of the loan agreement with ActionAid Thailand which had previously been included as a debtor in note 12 of the financial statements. However, as explained in note 12, due to concerns about the ability of ActionAid Thailand to repay this, the loan was commuted to a grant from unrestricted funds.		

## 8. Particulars of employees

The average number of employees (head count based on number of staff employed) during the year was:	Total 2021	Total 2020
Charitable activities	69	72
Fundraising	80	81
Support staff	56	58
Total	205	211
The average number of full time equivalent staff in the year was	188	196
	Total 2021 (£'000)	Total 2020 (£'000)
Total remuneration of employees (full-time and part-time) was:	8,145	8,407
Gross wages and salaries	8,145	8,407
Redundancy and termination costs	-	-
Social security costs	831	861
Employer's contributions to defined contribution pension schemes	551	570
Total	9,527	9,838
The number of staff whose emoluments (excluding employer NI and employer pension contributions) are greater than £60,000 are shown below		
	2021	2020
£60,001 - £70,000	7	8
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£90,001-£100,000	1	1
£100,001 - £110,000	1	2
	11	14

In December 2020, Girish Menon left his role as Chief Executive Officer of ActionAid. He was replaced as Chief Executive Officer by Frances Longley on 17 May 2021. In the interim period, John Good acted up as the Chief Executive Officer. The aggregated remuneration of those who were in the ActionAid Chief Executive Officer post in 2021, effectively covering a 12.5 month period due to handover, was £120,681 (2020: £114,490) and £4,322 (2020: 8,450) was paid into a defined pension contribution scheme on their behalf. Of this, the remuneration received by Frances Longley was £76,359 with £4,322 paid into defined contribution pension schemes on her behalf.

In 2021, the remuneration, being the gross salary and Employer's pension contributions, paid to the Directors of ActionAid, who the Board consider to be key management personnel, fell within the following bands: Director of Policy Advocacy & Partnerships £100,001 - £110,000; Director of Organisation Effectiveness £100,001 - £110,000; Director of Fundraising £90,001 - £100,000; Director of Public Engagement £60,001 - £70,000. Together with the Chief Executive, the costs of these key management personnel, inclusive of gross salaries, employer's pension contributions and employer's national insurance contributions were £495,309 in 2021 (2020: £546,973) of which £20,974 (2020: £25,814) was paid into defined contribution pension schemes.

Of those employees who earned £60,000 or more during the year (as defined above) employer contributions were made to defined contribution pension schemes in respect of nine (2020: twelve) employees. During the year this amounted to £48,262 (2020: £65,890).

ActionAid has an expenses policy in place which controls what can and cannot be claimed by trustees, staff and volunteers. Expenses can only be claimed if they have been incurred for valid and necessary business purposes. They will only be paid if they are on the approved list of allowable expenses, have been authorised and have supporting documentation. Inevitably ActionAid incurs significant costs on overseas trips but travel must always be by the most cost effective method and using public transport where possible. All trips are for valid business reasons and ActionAid is constantly seeking new ways to avoid overseas travel and find alternative ways to communicate and manage the business.

## 8. Particulars of employees (continued)

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In 2021, the Chief Executive incurred costs of £257 (2020: £483).

For more information on the principles and implementation of our remuneration policies, please see the Annual Remuneration Statement for 2021 (pages 54-55).

## 9. Trustees' remuneration

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No remuneration or other payments have been made to the trustees of ActionAid for their services as board members or for other services provided to the organisation in 2021 or 2020. The most significant element of trustees' expenses is the cost of visits to country programmes but also includes attendance at board meetings (both ActionAid and ActionAid International).

In 2021, no trustee incurred any expenses (2020: one trustee incurred a total of £141) through expenses reimbursed and costs incurred by ActionAid on their behalf.

## 10. Net income / (expenditure)

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	2021 (£'000)	2020 (£'000)
Net income / (expenditure) are stated after the following charges / (credits):		
Depreciation	98	90
Operating lease rentals Payable - property	1,085	914
Operating lease rentals Receivable - property	(181)	(158)
Auditor's remuneration - statutory audit current year	38	37
Auditor's remuneration - statutory audit prior years	3	-
Auditor's remuneration - other services	1	3

## 11. Fixed assets

11a. Tangible fixed assets	Leasehold improvements (£'000)	Office equipment (£'000)	Total (£'000)
<b>Cost</b>			
At 1 January 2021	717	716	1,433
Additions	-	58	58
Disposals	-	-	-
At 31 December 2021	717	774	1,491
<b>Depreciation</b>			
At 1 January 2021	(458)	(626)	(1,084)
Charge for year	(56)	(42)	(98)
Disposals	-	-	-
At 31 December 2021	(514)	(668)	(1,182)
<b>Net book value</b>			
At 31 December 2021	203	106	309
At 31 December 2020	259	90	349

All tangible fixed assets held are for furtherance of charitable objectives and not for investment purposes.

11b. Intangible fixed assets	CRM system (£'000)	Total (£'000)
<b>Cost</b>		
At 1 January 2021	-	-
Additions	37	37
Disposals	-	-
At 31 December 2021	37	37
<b>Amortisation</b>		
At 1 January 2021	-	-
Charge for year	-	-
Disposals	-	-
At 31 December 2021	-	-
<b>Net book value</b>		
At 31 December 2021	37	37
At 31 December 2020	-	-

In 2020 the Trustee board approved the commencement of a project to develop a new CRM. Work has been ongoing on this project and in the final quarter of 2021 the development phase of the project started. This is due to be completed in 2022. The above cost relates to work in progress on the development phase of the project as at 31 December 2021. Amortisation will only be charged when the CRM has been completed and is being used. In the year ended 31 December 2021, costs related to the research phase of the project and that were directly expensed were £449,818 (2020: £206,994).

## 12. Debtors

	2021 (£'000)	2020 (£'000)
<b>a. Debtors recoverable in more than one year:</b>		
Debtors that in the normal course of events would be recoverable in more than one year:		
Other debtors *	-	437
Prepayments	11	15
	11	452
<b>b. Debtors recoverable within one year:</b>		
Accrued income	2,289	2,808
Other debtors	119	92
Prepayments	520	395
Tax recoverable	1,325	449
Amounts due from employees	1	3
	4,254	3,745
<b>Total debtors</b>	<b>4,265</b>	<b>4,198</b>

Amounts due from employees represents floats for overseas visits forming part of the employee's role and season ticket loans.

\*Other debtors of £nil relates to a loan given by ActionAid to ActionAid Thailand in 2018 and 2019 to enable investment in fundraising activities. Overall, £445,380 was loaned to ActionAid Thailand. It was agreed by ActionAid International (AAI), ActionAid Thailand and ActionAid to end this loan agreement and the guarantorship of this loan by AAI in late 2021. As a result of concerns of the ability of ActionAid Thailand to be able to repay the full amount of the loan, the entire amount was commuted to a grant as set out in note 7.

## 13. Creditors

	2021 (£'000)	2020 (£'000)
<b>Amounts falling due within one year:</b>		
Interest-free loans	63	63
Trade creditors	994	602
Accruals	758	566
Other creditors	144	32
Amounts due to ActionAid International	4,639	810
Taxation and social security	548	266
Deferred income	62	62
<b>Total creditors</b>	<b>7,208</b>	<b>2,401</b>



## 14. Designated funds

	Balance as at 1 January 2021 (£'000)	New designations (£'000)	Utilised in the year (£'000)	Balance as at 31 December 2021 (£'000)
<i>i) Designated funds</i>				
Designated funds				
Tangible fixed assets fund	349	58	(98)	309
Intangible fixed assets fund	-	37	-	37
Emergency & Humanitarian fund	490	-	-	490
Exchange rate movement fund	434	-	(197)	237
PPL funds for overseas programmes	1,136	-	(929)	207
Strategic investment pot (SIP)	315	-	(238)	77
FGM-ALM Contract	-	235	(125)	110
	2,724	330	(1,587)	1,467

Designated tangible fixed assets fund: The fund for fixed assets represents the net book value at the balance sheet date of unrestricted tangible fixed assets. This fund is not therefore available for current expenditure, as the assets are used in the day to day operation of the charity.

Designated Intangible fixed assets fund: The fund for fixed assets represents the net book value at the balance sheet date of unrestricted intangible fixed assets. This fund is not therefore available for current expenditure.

Designated Emergency & Humanitarian fund: This fund represents funds that have been ring-fenced to allow ActionAid to spend funds for fundraising in the event of a DEC fundraising appeal in a country in which the ActionAid Federation currently operates. The ability to utilise these funds is at the discretion of the Senior Leadership team. The balance on this account will be maintained and topped up when necessary.

Designated Emergency response fund: This fund represents funds that have been ring-fenced to allow ActionAid UK to remit funds to partners (ActionAid and non-ActionAid) in emergency type situations. These do not have to be linked to DEC emergencies but is at the discretion of the Senior Leadership team. This amount will be retained and topped up where necessary.

Designated Exchange rate movement fund: This fund represents unrealised gains and losses that have been suffered by ActionAid. These funds are not available for normal operational use and will be used against future exchange rate movements.

Designated PPL funds for overseas programmes: These are funds received from People's Postcode Lottery that are designated for use in programmes overseas and as such will be remitted to other ActionAid Federation members.

Designated Strategic Investment Pot (SIP): Strategic Investment pot are funds that are kept separate from the core budget and are used for specific and chosen strategic projects within ActionAid in UK. Projects must satisfy set criteria and be aligned to the current strategy.

FGM-ALM Contract: This is Phase 2 of the 'Support to the Africa-led Movement to End FGM' contract held with Options Limited that is funded by FCDO. It is a 5 year contract and as such is treated as unrestricted for accounting purposes but has been designated to ensure that any current surplus is ringfenced to help support the delivery of the entire project over its full life.

	Balance as at 1 January 2020 (£'000)	New designations (£'000)	Utilised in the year (£'000)	Balance as at 31 December 2020 (£'000)
<i>ii) Designated funds - comparative</i>				
Designated funds				
Tangible fixed assets fund	439	-	(90)	349
Emergency & Humanitarian fund	500	-	(10)	490
Exchange rate movement fund	355	-	79	434
PPL funds for overseas programmes	-	1,136	-	1,136
Strategic investment pot (SIP)	-	315	-	315
	1,294	1,451	(21)	2,724

## 15. Restricted funds

	Balance as at 1 January 2021 (£'000)	Income and gains (£'000)	Expenditure and losses (£'000)	Balance as at 31 December 2021 (£'000)
Africa	744	11,227	(10,321)	1,650
Asia	438	7,143	(5,777)	1,804
Latin America and the Caribbean	6	1,462	(1,468)	0
International projects and other funds	1,799	4,446	(3,380)	2,865
<b>Total restricted funds - 2021</b>	<b>2,987</b>	<b>24,278</b>	<b>(20,946)</b>	<b>6,319</b>
	Balance as at 1 January 2020 (£'000)	Income (£'000)	Expenditure (£'000)	Balance as at 31 December 2020 (£'000)
Africa	1,321	11,054	(11,631)	744
Asia	838	6,508	(6,908)	438
Latin America and the Caribbean	5	1,416	(1,415)	6
International projects and other funds	857	3,826	(2,884)	1,799
<b>Total restricted funds - 2020</b>	<b>3,021</b>	<b>22,804</b>	<b>(22,838)</b>	<b>2,987</b>

Restricted funds: Restricted funds held by ActionAid at the start and end of the year include funds for European Union funded projects. ActionAid also holds funds for a small number of projects or activities which are managed by ActionAid directly. All other incoming resources are granted to ActionAid International on receipt as ActionAid International is the entity within the ActionAid family which holds and manages the vast majority of restricted funds.

The expenditure in the table above includes direct payments made to country programmes for EU funded projects. At the year-end date some funds sent directly to country programmes may not have been entirely spent.

	Balance as at 31 December 2021 (£'000)	Balance as at 31 December 2020 (£'000)
The balances on restricted funds at the year-end are made up:		
EU and ECHO funded projects	112	115
Other projects managed by ActionAid	6,207	2,872
<b>Total restricted funds</b>	<b>6,319</b>	<b>2,987</b>

Projects funded by the European Commission are generally development projects intended to run for several years; projects funded by the European Commission Humanitarian Aid Office are short term emergency relief projects. Projects may be based in one country or may be initiatives spanning a number of countries internationally.

Fund balances may be negative when expenditure is made on a project that is expected to be reimbursed by a government or other agency, but where, at the end of the financial year, not all the conditions have been met that would justify this income being recognised within the accounts. This results in an excess of expenditure over income on some project funds at the year end point. The total deficit fund balances at the year-end amounted to £0.24m (2020: £0.42m). The trustees consider that the likelihood of reimbursement is sufficient to justify carrying the deficit fund balances at the end of the year for all projects in deficit.

## 16. Analysis of net assets between funds

<i>i) Analysis of net assets between funds</i>	Restricted (£'000)	Unrestricted		Total 2021 (£'000)
		Designated (£'000)	General (£'000)	
Fund balances at 31 December 2021 are represented by:				
Fixed assets	-	346	-	346
Current assets	9,776	1,121	13,091	23,988
Current liabilities	(3,457)	-	(3,751)	(7,208)
	6,319	1,467	9,340	17,126
<i>ii) Analysis of net assets between funds - comparative</i>	Restricted (£'000)	Unrestricted		Total 2020 (£'000)
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	-	349	-	349
Current assets	3,798	2,375	11,112	17,285
Current liabilities	(811)	-	(1,590)	(2,401)
	2,987	2,724	9,522	15,233

## 17. Grants received

Grants received in 2021 from the FCDO were as follows:	2021 (£'000)	2020 (£'000)
CSSF Commonwealth Equality Project - Zero Violence (funds received through Frontline Aids)	458	150
Girls Education Challenge Sierra Leone (funds received through Plan)	563	648
Speak out! Addressing SRHR and GBV in Rwanda	4	9
Aid Match Violence Against Girls in Kenya	293	362
Leave No Girl Behind	29	16
Enhancing Community Resilience Programme (ECRP)	(59)	
Total grants received from the UK Government	1,288	1,185
Contracts received in 2021 from FCDO:		
Support to the Africa-led Movement to End FGM: PH2 (contracted with Options)	235	-
Total received from FCDO in 2021	1,523	1,185

Grants received in 2021 from The Dutch Ministry for Foreign Affairs were as follows:	2021 (£'000)	2020 (£'000)
FLOW Women's rights to sustainable livelihoods 2 (POWER)	456	2,219
	456	2,219

## 17. Grants received (continued)

Grants received in 2021 from The START Fund were as follows:	2021 (£'000)	2020 (£'000)
Start Fund Alert 557 - Conflict Displacement in Kasindi, DRC	270	-
Start Fund Alert 516 - Response to Conflict Displacement, Nigeria	200	-
Start Fund Alert 553 - IDP response in Amhara Region, Ethiopia	162	-
Start Fund Alert 538 - Response to Conflict Displacement in Afar Region, Ethiopia	145	-
Start Fund Alert 527 - Cyclone response in India	104	-
Start Fund Alert - Covid-19 Response Nigeria	100	-
Start Fund Alert 542 - Earthquake response in Haiti	90	-
Start Fund Alert 495 - Zimbabwe	80	-
Start Fund Alert 531 - Cholera Response in Bauchi, Nigeria	69	-
Start Fund Alert 497 - Earthquake Response in Indonesia	41	-
Start Fund Alert CV19 091 - Covid Response in Somaliland	-	160
Start Fund Alert 438 - Aid to Displaced Families Cabo Delgado, Mozambique	-	141
Start Fund Alert 423 - Storm Response DRC	-	140
Start Fund Alert 453 - Flood Response, Ethiopia	-	111
Start Fund Alert 398 - Response to Crisis in Salambila, DRC	-	100
Start Fund Alert 011 - Covid Response Myanmar	-	99
Start Fund Alert 103 - Covid response Mozambique	-	96
Start Fund Alert 410 - Response to Flood in Safala, Mozambique	-	96
Start Fund Alert 408 - Flood response in Binga, Zimbabwe	-	42
	1,261	984

Grants received in 2021 from The Alborada Trust were as follows:	2021 (£'000)	2020 (£'000)
Supporting families affected by Cyclone Idai to rebuild their communities and livelihoods	120	120
Improving water, sanitation, hygiene & environment for Rohingya refugees in Bangladesh	100	85
Humanitarian support for families affected by conflict in Tigray and northern Ethiopia	150	-
	370	205

Grants received in 2021 from Guernsey Overseas Aid Commission were as follows:	2021 (£'000)	2020 (£'000)
Increasing access to clean water Southern Province	25	25
Supporting sustainable small fisheries in Zambia	23	-
	48	25

Grants received in 2021 from The Barrowman Foundation were as follows:	2021 (£'000)	2020 (£'000)
Improving access to quality education for children in Ghana	135	138
	135	138

Grants received in 2021 from Ethical Tea Partnerships were as follows:	2021 (£'000)	2020 (£'000)
Empowering Tea Communities in Kenya	136	-
	136	-

Grants received in 2021 from The Foreign Service of the Faroe Islands were as follows:	2021 (£'000)	2020 (£'000)
Supporting and strengthening sustainable small-scale fisheries in Zambia	50	-
ActionAid's Covid-19 Emergency Appeal (reported in 'appeals' in note 2a)	11	-
	61	-

## 18. Related party transactions

ActionAid recognises ActionAid International and other members of the ActionAid group as related parties. Material transactions between the entities are shown below.

	2021 (£'000)	2020 (£'000)
Grants to ActionAid International	21,471	20,917
Grants direct to ActionAid Federation members	6,973	9,052
	28,444	29,969

See note 7 for details of grants to ActionAid International.

See note 12 for details of a loan given to ActionAid Federation member in Thailand.

See note 13 for creditor balances owed to ActionAid International at the balance sheet date.

As noted in the constitution and governance section of the report of the board of Trustees, ActionAid International is entitled to appoint one trustee to ActionAid's board. This designated trustee is Shantha Sinha, who is a member of the Board of ActionAid India. During 2021, a total of £1,837,054 (2020: 1,828,676) was granted to ActionAid India. All of these grants were in line with the normal course of our charitable activities. She received no remuneration for her work as trustee of ActionAid.

Frances Longley was a Trustee of the Disaster Emergencies Committee (DEC), as are all CEO's of DEC member organisations. During the course of the year, ActionAid received and recognised income from DEC as set out in Note 2a.

No donations from trustees received during the course of the year had restrictions that were outside of our normal charitable activities.

## 19. Subsidiary undertakings

ActionAid has one subsidiary undertaking:

ActionAid Enterprises Limited

A wholly owned subsidiary incorporated in the United Kingdom (No. 5011412).

The total investment in the subsidiary is £1 (2020: £1).

There was no activity undertaken in the subsidiary in 2021 or 2020.

## 20. Obligations under operating leases

The charity had non-cancellable commitments at the year-end under operating leases for land and buildings expiring as follows:	2021 (£'000)	2020 (£'000)
Within one year	1,105	1,105
In two to five years	2,782	3,878
After 5 years	-	10
	3,887	4,993

## 21. Future income under operating leases

In late 2021, the charity sub-let the second floor of its rented premises in Bowling Green Lane, London.

In 2018, the charity sub-let the ground floor of its rented premises in Bowling Green Lane, London. The future minimum lease payments under non-cancellable operating leases are:

	2021 (£'000)	2020 (£'000)
Within one year	242	217
In two to five years	825	667
	1,067	884

## 22. Contingent assets and liabilities

ActionAid originally set up most of ActionAid International's Country Programmes. ActionAid International now manage these Country Programmes on behalf of ActionAid and have taken over the control and the financial responsibility for them. ActionAid is currently working to transfer the country programmes such that they become legally owned by ActionAid International.

Country Programme assets are no longer included in the accounts of ActionAid (since 2007). However, ActionAid retains the legal right to take back management of its Country Programmes from AAI under a termination clause incorporated into the legal agreements in place over management of Country Programmes. Therefore ActionAid has contingent assets in the form of the assets held by those Country Programmes which were originally set up by ActionAid.

No situation exists, or is anticipated to occur, whereby ActionAid would exercise its right to terminate the agreements with ActionAid International, however the legal position is stated here to give a full picture of the assets of ActionAid. It is not practical to estimate the value of assets which would revert to ActionAid control and would be included in the accounts. However, the funds held in ActionAid country programmes at the year-end but not included in these accounts were £9.04m (2020: £9.41m). The majority of this £9.04m (2020: £9.41m) are restricted funds and we would anticipate that if a country programme were to close down, such funds would be redirected to other countries, with a similar level of restriction as opposed to being sent back to ActionAid in UK. These figures do not include those countries which are Associate or Affiliate members of AAI - although they may hold assets which are legally owned by ActionAid. For accounting purposes the depreciated value of these assets is nil (2020: nil).

There also exist potential contingent liabilities for ActionAid relating to the country programmes which are legally owned by ActionAid. Such a liability would only impact ActionAid if ActionAid International had insufficient funds in hand to discharge the obligations of a country programme. ActionAid believes such a circumstance is improbable and any notional exposure cannot be reasonably estimated.

As at the year-end there were a number of projects on which funds are outstanding from the donor pending finalisation of donor audits. Amounts disallowed are generally insignificant as a proportion of overall project budgets and in any event these amounts are considered to be fully recoverable as they are covered by ActionAid International.

### Residual legacies:

At the end of the year, we have been notified that we are entitled to funds from a total of 20 (2020:21) residual legacies. However, as at 31 December 2021, we have not been notified as to the value of our entitlement or when this will be received. As such we are not able to recognise these funds in the financial statements for the year, but we include the existence of these as a contingent asset.

### 23. People's Postcode Lottery (PPL) Income

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During the previous year ActionAid received the proceeds of lotteries held by PPL. ActionAid has no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal, and so only net proceeds due to ActionAid are recognised under trading income from charitable activities in the statement of financial activities. The net proceeds received are analysed as follows:

	2021 (£'000)	2020 (£'000)
Ticket Value	-	8,104
Prize Fund	-	(3,868)
Management Fee	-	(1,643)
Net proceeds received	-	2,593

As a result of the change in the laws governing the running of lotteries, in 2021, PPL no longer needed to utilise the gambling license of ActionAid. However, PPL continued to support ActionAid by way of a 2021 Extra Award Grant for £2.594m from the Postcode International Trust. This has been included in note 2b as an Other grants from companies, trusts and NGOs under Charitable grants to AAI and other Federation members.