

EMBRACE THE MIDDLE EAST

England & Wales · Charity number 1076329

Details

Other names BIBLELANDS, BIBLE LANDS

Status Registered

Legal form Charitable company

Company number [03706037](#)

Registered 1999-06-30

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development

Activities: Embrace the Middle East, formerly known as BibleLands, seeks to improve the lives of vulnerable and disadvantaged people in the Middle East. We do this in partnership with local Christians, focusing on education, healthcare and community development.

Classification

- **How:** Makes Grants To Organisations, Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Egypt
- Iraq
- Israel
- Lebanon
- Occupied Palestinian Territories
- Syria

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,780,000	£4,855,000	£8,213,000	35
2023-12-31	£4,648,000	£4,694,000	£7,063,000	35
2022-12-31	£3,811,000	£4,573,000	£6,931,000	34
2021-12-31	£4,432,000	£4,777,000	£8,263,000	35
2020-12-31	£4,243,000	£4,557,000	£8,309,000	35

Trustees

Name	Role	Appointed
William John Clyde Mitchell OBE	Chair	2019-04-04
BENJAMIN WILLIAM EDWARD MORGAN		2018-10-16
Janet Bow Bolton		2025-06-03
Katharine Lucy Von Schubert		2020-09-25
Katherine May Hodkinson		2020-09-25
Kristiina Wells		2024-05-09
Rev Dr Canon James Douglas Thomas Hawkey		2020-04-02
Rev Iain Osborne		2024-05-09
Rev Joshua Lloyd Harris		2022-09-22
Sara Elizabeth Connell		2025-06-03
Victoria Jane Smith		2019-04-04

EMBRACE THE MIDDLE EAST

England & Wales - Charity number 1076329

Accounts



EMBRACE
the Middle East

Annual Report & Accounts 2024



A MESSAGE FROM THE CHAIR OF TRUSTEES



John Mitchell (left) with Daniel Munayer, CEO of Embrace partner Musalaha; Rt Rev Rachel Treweek, Bishop of Gloucester; and Jamie Eyre, CEO of Embrace the Middle East.

In 2024, we celebrated 170 years of Embrace the Middle East.

The Turkish Aid Missions Society was established in 1854 with the support of Lord Shaftesbury. Quite unusually at the time, the society responded to the challenges of the day by forming partnerships with local Christians. What was a radical way of working in its day remains the bedrock of Embrace's local partnership approach today.

We watched in horror as the cycle of violence in the Israel-Palestine conflict only seemed to grow in its intensity and spilt over into Lebanon. We are heartbroken and humbled by the dedication of our local partners as they continue to serve even while experiencing these crises in their own lives.

In Gaza, in 2024, the intensity of the Israeli bombardment persisted, with a lasting ceasefire and release of hostages still out of reach. The small Christian community we partner with continued their service, faithfully providing emergency support as the whole population of Gaza experienced an unparalleled humanitarian crisis. In the West Bank, the rising tensions and violence prevented us from organising Olive Tree

trips or Encounter Tours for supporters. However, our programme team continued to travel and collaborate closely with partners as they adapted to work in increasingly challenging circumstances.

Challenges were not limited to Gaza and the West Bank. The escalation of border tensions between Israel and Hezbollah led to intense fighting in the autumn and a need for all our Lebanese partners to respond to the sudden displacement of over 500,000 people within Lebanon. They provided food, shelter and medical support to these displaced people. Further south, Egypt continued to contend with a very challenging economic situation and the influx of 1.2 million refugees from Sudan during the year. As the year came to a close, the unforeseen and sudden collapse of the Assad government in Syria presented new uncertainties for our Christian partners in Aleppo, Homs, Hama and Damascus.

In the UK, supporters showed immense compassion and generosity in response to our appeals for Gaza, the West Bank, and Lebanon, with over £600,000 being donated.



“We are heartbroken and humbled by the dedication of our local partners as they continue to serve even while experiencing these crises in their own lives.”

We continued our calls for prayer and action focussed on the conflict in Gaza – notably through a powerful message from our trustee Rev Dr Munther Isaac when we filled Bloomsbury Baptist with a Gaza vigil in February. In the autumn, 1200 supporters endorsed our Advent Not Arms campaign, while many others wrote to their MP and the new government.

Our efforts to raise an international Christian voice calling for a ceasefire and lasting peace also continued to grow. With our friends in the US, Churches for Middle East Peace, we coordinated two letters from international Christian leaders, signed by more than 250 Bishops and leaders from the UK, US and beyond, which were delivered to No 10 and the White House.

We move forward with strong confidence in our mission, our supporters, our partners, and our ability to achieve great things together, even when facing daunting challenges. Embrace's dedication to our Christian partners and to maintaining their social witness in the complex, vibrant, and often troubled Middle East remains steadfast.

On behalf of the Board, I would like to express my gratitude to all of Embrace's staff, especially our outgoing CEO, Tim Livesey, and our new CEO, Jamie Eyre, for another year of inspired, resilient, and faith-filled service. Above all, I would also like to thank our supporters who sustain us and enrich our mission, our programmes, and those of our partners.



John Mitchell OBE,
Chair of Trustees

The Trustees of Embrace the Middle East, who are also Directors of the Charity for the purpose of the Companies Act 2006, are pleased to present their Annual Report, and the charity's audited consolidated financial statements, for the year ending 31 December 2024.

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Embrace the Middle East Group: Embrace the Middle East

Registered charity number: 1076329. **A company limited by guarantee:** 3706037

Registered office: Embrace the Middle East, Old Library Building,
Queen Victoria Road, High Wycombe, Buckinghamshire, HP11 1BG

We change the name of children and vulnerable adults whose stories are included in the report. Pictures are for illustrative purposes unless otherwise stated. All content is the copyright of Embrace the Middle East and our partners and may only be reproduced with permission.

WHO WE ARE & WHAT WE DO...



OUR VISION

Healing and hope to all who face marginalisation and injustice in the Middle East.

Our vision is rooted in Christ's invitation to care for those most in need. Where there is a call – for refuge, for health care, for education, for safeguarding, for economic empowerment, for justice and human rights – we want, with and through our partners, to respond.

OUR MISSION

To support the social witness of Middle East Christians as they work to transform lives.

We encourage all, regardless of faith, to join us in supporting and sustaining our partners, and the Middle Eastern churches, in their social witness and their particular and vital contribution to building cultures of inclusion, justice and peace in the suffering and war-torn Middle East. We build strong and lasting relationships with our partners, nurtured by mutual respect and a shared commitment to excellence.

OUR VALUES

Respect, Compassion, Trust and Integrity.

We are guided by four core values, which are inspired and informed by our Christian faith, as well as a commitment to meet all professional and regulatory standards relevant to our work.



Respect

We respect the human dignity and value of every person and all peoples – no matter what their beliefs or background – as made in God's own image.



Trust

Just as we trust that God cares for us and sustains us in our work, we work with a generous and positive spirit, trusting that God desires to see all of humanity flourish.



Compassion

Our Christian faith teaches us to treat every person with compassion, especially anyone who suffers from social or economic marginalisation, or from having their basic human rights withheld or compromised.



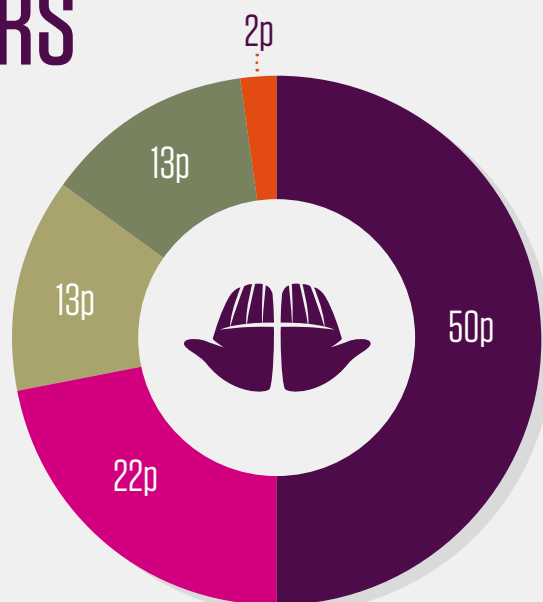
Integrity

We see honesty and integrity as foundational to Embrace's way of working with partners, supporters and donors and have high expectations of all who work for, and with, the charity in any capacity.

THE CHARITY IN NUMBERS

EXPENDITURE

Grants, incl. support	£2,450k
Other support to partners	£1,052k
Cost of generating funds	£635k
Information & Education	£618k
Governance	£100k

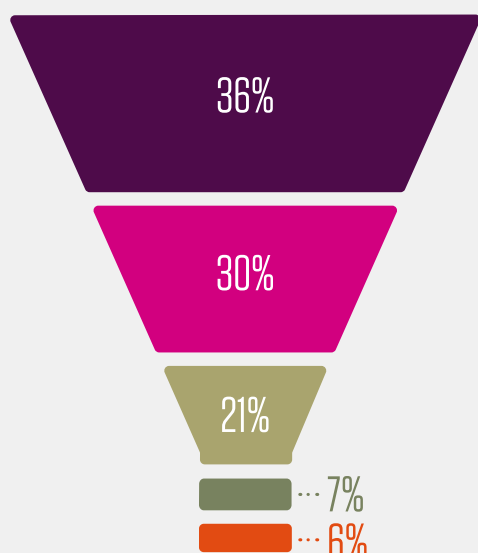


How each £1 donation is spent

GRANT

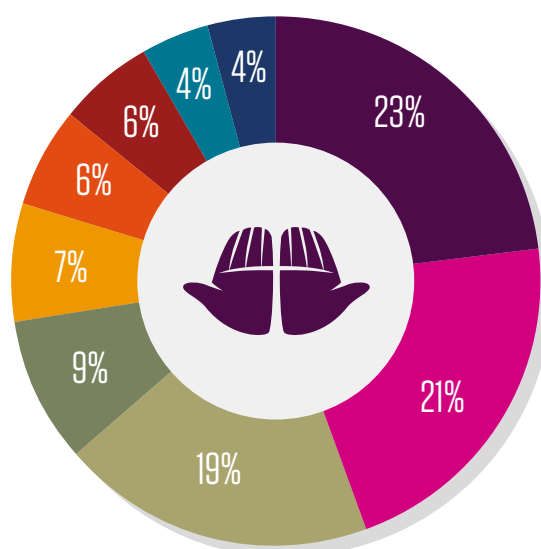
Spend by country

Israel-Palestine	£882k	Syria	£160k
Lebanon	£735k	Iraq	£143k
Egypt	£500k		



TYPES OF PROJECTS SUPPORTED

Health	£561k
Education	£503k
Disability	£470k
Humanitarian	£226k
Capacity	£180k
Women's empowerment	£155k
Livelihoods	£139k
Human rights	£95k
Youth	£91k



OUR IMPACT

Working in equal partnership with Christians living in the region helps Embrace give effective and dependable support to people and communities facing marginalisation, injustice and oppression in the Middle East.

As conflict intensified across the region throughout 2024, leading to mass displacement and devastation, our partners understood the realities on the ground. They were able to adapt their projects to continue providing vital healthcare, education, practical help and psychological support. As daily life became ever more challenging for so many, Embrace-supported projects continued to be a beacon of hope and a lifeline for many families and individuals.

In 2024 we continued to support programmes in Egypt, Lebanon, Iraq, Israel-Palestine, and Syria, working to support those facing marginalisation and oppression by:

RESPONDING TO CRISIS



Providing for practical needs and psychological support.

TACKLING POVERTY & INJUSTICE



Working with communities at risk of marginalisation and exclusion.

SPEAKING OUT



Raising awareness of injustice and amplifying the voices of our Christian partners.

INVESTING IN THE FUTURE



To ensure the continuation of Christian social witness in the region.



WEeping WITH THOSE WHO WEEP

2024 was a year that brought more heartbreak for the Middle East than any of us could have imagined.

Perhaps more than in previous years, we have had to learn to dwell with the sadness, lamenting as we witnessed failed peace talks, a seemingly endless brutal military campaign and intransigence as hostages remained captive. We listened to the testimonies of our Christian partners and the people they serve, and cried out in pain alongside them.

There is a closeness in the true partnership that Embrace has forged over many years. Many of us feel connected to the Christians we serve in the Middle East, whether as staff or supporters. We are part of God's one household, and their mission is also ours. For those of us privileged enough to travel, the places, faces, and time spent in Gaza, the West Bank, and Lebanon are etched in our memories, making the heartbreaking stories of destruction and pain all the more difficult to hear.

Our Church Engagement Lead, Su McClellan, writes: In October 2022, I found myself dribbling a football through a group of giggling girls on the astroturf pitch of the YMCA in Gaza City. Donations from Embrace supporters had made the pitch a reality, giving girls and young women trapped in the enclave the chance to keep themselves fit and enjoy the 'beautiful game'. Around the corner from the football pitch was a children's playground.

As I wandered towards it, I could hear the squeals of excited children as they were pushed higher on the swings or slid down the slides.

Just over a year later, I watched in horror a news report that showed bodies being buried in the same playground I'd stood in a year before. The football pitch was gone. The peals of laughter at my inept football skills were a distant memory, and the shouts of children's delight were buried in the rubble. I wept.

At Embrace, we talk a lot about being part of the family of the '*one household of God*' (Ephesians 2.19). Embrace's partners are living through and witnessing an unimaginable horror as the people of Gaza, and the remaining hostages held there, starve as the bombardment and blockade continue. As part of that one household, we watch, weep, pray and lament.

In his letter to the Romans, Paul urges us to '*weep with those who weep*' (Romans 12.15b). Jesus wept in solidarity with Martha and Mary (John 11.35). For Embrace, weeping with those who weep is as much a part of our calling as amplifying our partners' voices and raising the funds that support their life-affirming work.

RESPONDING TO CRISIS

Providing for practical needs and psychological support.



IN 2024 WE PROMISED TO...

- Support people in crisis through flexible and effective projects.
- Work with partners working in crisis to respond to changing needs.
- Support refugees and displaced people.

IN 2024 WE...

- Worked flexibly with Palestinian and Lebanese partners, supporting them to adapt their projects to respond to emergency needs created by the wars in Gaza and Lebanon.
- Supported 30 projects working with people in crisis, 14 of which were new in 2024.
- Funded 16 projects, over £900,000, supporting refugees and displaced people.



Children salvage items from the rubble in Gaza.
(Credit: Hosny Salah, Pixabay)

HOW WE KEPT OUR PROMISE...

2024 was a year of violence, loss and destruction that personally affected many of our partners' staff.

Although caught up in the tragedies themselves, they continued to provide emergency responses to the crises unfolding around them, adapting to the increasingly challenging conditions.

As the war in Gaza continued, Embrace funding helped our partners provide primary healthcare, hospital treatment, cash assistance and specialist disability rehabilitation.

The West Bank also saw increasing violence, movement restrictions and economic paralysis. Embrace responded by supporting a new livelihoods project in Bethlehem and continuing to fund mental health projects across the West Bank, Gaza, Lebanon and Israel for those struggling with the psychological trauma of the violence.

In September, the conflict between Hezbollah and Israel rapidly intensified with Israeli Defence

Forces' airstrikes across Lebanon and a ground invasion in the south. Embrace funding helped our partners initiate emergency response plans to meet the needs of displaced families and adapt their existing projects to the unfolding situation.

Embrace partners also had to adapt to change swiftly as a new leadership swept to power in Syria in December, leading to fragile hope but also much uncertainty, particularly for minority groups such as the Christian community.

HERE ARE JUST SOME OF THE WAYS WE RESPONDED TO CRISIS IN 2024...



Keeping medical services running in times of war in Gaza

Embrace funding helped to pay for medicines and staff salaries at Al Ahli Hospital in Gaza City and its outreach clinic in the south. Operating at over double its intended capacity and often without electricity and with minimal medical supplies, the hospital team provided vital surgeries and treatment throughout 2024, treating 300-500 cases a day. Al Ahli Hospital was often one of the only hospitals open in the north of Gaza. Embrace funding also helped support the primary healthcare services provided by our partners DSPR-NECC. With their clinics damaged, they set up temporary medical points and a mobile clinic to maintain services.

HOSPITAL TREATMENT
FOR AROUND
300-500
A DAY



"Al Ahli Hospital team is determined to provide care and bring smiles to the faces of our children, even in these dire circumstances, to bring hope to the hearts of our people."

Dr Mohammad Al Naqa, Al Ahli Hospital

Mental health services amid the trauma of war

Alongside the physical injuries, medical needs caused by the psychological trauma of the wars in Gaza and Lebanon surged. Embrace supported a psychological intervention programme for children at Al Mawasi camp in Gaza, run by Al Ahli Hospital staff, and provided emergency funding to help the Karagehusian Healthcare Centre in Lebanon rapidly scale up its mental health services.

OVER **13,500**

THERAPY SESSIONS PROVIDED AT THE KARAGEHUSIAN HEALTHCARE CENTRE IN 2024



“In these turbulent times, mental health issues are no longer just a concern; they have become a daily reality. Trauma, anxiety, and panic attacks have surged.”

Karagehusian Healthcare Centre, Lebanon

Sustaining Livelihoods in Bethlehem

Lack of tourists, strict movement restrictions and rising insecurity crippled the economy of the West Bank in 2024 and unemployment levels soared. Bethlehem's reliance on tourism meant it was particularly hard hit. In response, Embrace funded a new project run by our partner Pontifical Mission for Palestine to support six Christian-run businesses and NGOs there, to create new employment opportunities and support important community services.

SUPPORT FOR

6 LOCAL BUSINESSES



“Without this funding, local institutions and businesses will continue to struggle to operate.”

Pontifical Mission for Palestine



Supporting Survivors of Gender-Based Violence in Syria

In Syria, an estimated 8.5 million women are experiencing gender-based violence. In 2024, through our partner Middle East Revive and Thrive (MERATH), Embrace helped fund a support centre in Homs to help women escape such violence. As well as counselling and psychological support, women can access a range of other services through the centre – including healthcare, legal advice and vocational training.



“Entering the centre always meant getting away from the noise and stress of daily life and feeling inner peace and reassurance.”

Ayla

Supporting displaced families fleeing airstrikes in Lebanon

Embrace funding helped our partners in Lebanon initiate emergency response plans to help the thousands of families displaced by the IDF airstrikes and ground invasion as the Israel-Hezbollah war escalated. Our partner MERATH, rapidly expanded their existing winter support programme to provide more mattresses, food parcels, and other essentials to displaced Lebanese families. Tahaddi began a comprehensive emergency response programme, including producing beds and blankets in their workshops. The Karagheusian Medical Centre provided medical care at emergency shelters and opened as a place for people to recharge their phones and lamps. And several of our partners turned their community centres into emergency shelters.



“Amidst this darkness, one truth stands out: we are called to serve. We must rise in this moment of despair, turn toward our neighbours, extend our hands, and let the light of Christ shine through us.” MERATH



Malak's story: “I wish I could get my leg back”

Malak is one of the 12,000 children in Gaza who have disabilities caused by injuries they have suffered in the recent war.

She is receiving support through a new specialist rehabilitation unit at Al Ahli Hospital. Set up with the help of Embrace funding, it is a satellite unit of our partner the Jerusalem Princess Basma Centre. It was originally due to open in October 2023, but the war meant plans were changed. Instead, the centre's team of therapists initially began supporting families wherever they were sheltering – using whatever equipment they were able to find or create. Incredibly, the team were able to finally get the centre opened in July 2024, while also continuing to treat children in temporary locations across Gaza.



So far this year, our team in Gaza have delivered 2,840 sessions to over 500 children with chronic conditions and trauma-related injuries and their families.”

The Jerusalem Princess Basma Centre



Above: The team of the Princess Basma Centre satellite unit at Al Ahli Hospital in Gaza

TACKLING POVERTY & INJUSTICE



Working with communities at risk of marginalisation and exclusion.

The Embrace-supported library and community centre at Dbayeh Refugee Camp, Lebanon.



IN 2024 WE PROMISED TO...

- Support the next generation to flourish, funding projects working with young people to realise their potential.
- Support projects providing basic health care, and specialist disability care.
- Support work which engages, empowers, and includes people who are excluded or on the margins.
- Support innovative income and livelihoods programmes, meeting immediate needs and building for the future.

IN 2024 WE...

- Supported 26 projects focused on youth and children, working to help disadvantaged children access education and young people gain livelihoods and manage the trauma of conflict.
- Provided funds to support 15 projects working in health and disability care.
- Supported 10 projects which engaged and empowered people living on the margins.
- Invested over £300,000 in programmes supporting livelihoods and skills development.

HOW WE KEPT OUR PROMISE...

Alongside our crisis response, Embrace continued to fund a wide range of vital healthcare, education, disability services and community projects.

In 2024, spreading conflict and rising economic insecurities across the region exacerbated already acute problems for those living with marginalisation and inequality.

The complexity and multi-layered nature of the issues facing many in the region meant that the holistic approach of the projects we support was key. Alongside providing for immediate needs, our funding helped projects that campaigned

for systemic change to tackle the root causes of poverty and that provided longer-term solutions such as vocational training, livelihood development, and women's empowerment.

HERE ARE JUST SOME OF THE WAYS WE TACKLED POVERTY AND INJUSTICE IN 2024...

Access to essential medical care in Syria

St Vincent de Paul Society in Aleppo provides medical aid for those unable to afford medicines and hospital treatment.

In May 2024, through our partner the Pontifical Mission, Embrace began supporting this project. In the first 6-months, Embrace funds helped subsidise life-saving surgery, medicines and the costs of hospitalisations for 578 people.

“I am so thankful to the Society of St Vincent de Paul and especially the generous benefactors who provided me with surgery and medical support.”

HOSPITAL TREATMENT
FOR **578** PEOPLE



Education and community services for refugees in Lebanon

At the Dbayeh Palestinian refugee camp in Lebanon, poverty levels are extremely high.

Embrace supports the community library there, run by our partner the Joint Christian Committee (JCC), which not only provides educational resources, recreational activities and remedial support classes for the camp's children but also delivers adult workshops and support sessions, as well as hosting a range of community celebrations. In 2024 over 500 people attended sessions and events at the library.

“The Community Centre serves as a hub for empowerment and connection, offering a welcoming and inclusive space for individuals to come together, share experiences, and grow.” JCC

Helping families stay together in Egypt

In Egypt, many families face the agonising decision to place their children in orphanages, driven by the fear that they cannot provide adequate care (due to instability, insufficient income, or inadequate housing). This choice is deeply heartbreaking for parents and carries significant psychological and developmental consequences for the children. In 2024, Embrace remained committed to addressing this issue through the 'Rock Project,' which offers both practical and emotional support to safely reunite families and prevent unnecessary separations. By strengthening family units and addressing root causes, the project creates a safer, more stable environment for children to thrive within their own homes.

SUPPORT
TO KEEP

20

FAMILIES
TOGETHER



Supporting additional educational needs in the West Bank

Embrace supports two specialist schools in Jericho and Bethlehem that provide interventions for children struggling in mainstream education. Run by SIRA, the schools provide support for children with a range of learning needs including dyslexia, dysgraphia, dyscalculia, and concentration difficulties. Although rising tensions in the West Bank meant schooling was disrupted for many children in 2024, the SIRA schools were mainly able to remain open, supporting 145 children and providing them with the skills and confidence to return to mainstream education.



SPECIAL EDUCATIONAL
SUPPORT FOR

145
STUDENTS



“During these hard times it has proven to be important to have stable institutions which continue to give special education, security and hope to the students and their families.”

SIRA School

Supporting Minority Communities in Israel

Many Arab citizens of Israel live in marginalised communities, where lack of investment and infrastructure have left high poverty and crime levels. In 2024, Embrace continued to support a project in Acre, northern Israel, run by the International Christian Committee in Israel, which works with girls from vulnerable families who are at risk of dropping out of school. Although some activities had to be cancelled due to fears of Hezbollah rocket attacks in the area, the overall project continued, providing 117 girls with academic support, life skills and counselling. The psychological support was particularly needed this year as the wars brought additional fears and increased tensions between the Arab and Jewish citizens of Israel.

“We provided sessions on how to deal with stress, fear, and anxiety resulting from war, developing psychological immunity and a positive attitude, and hope for a better future.” ICCI

HOLISTIC
SUPPORT FOR
117
GIRLS



Habib's Story: Gaining vital skills for the Egyptian job market

The Embrace-supported Arkan Centre offers specialist media courses for young people in Egypt to boost their employability – and it also helps build bridges between the Christian and Muslim communities:

“My name is Habib. Growing up Christian in Alexandria, I always felt scared, worried about people different than me in religion. I only felt safe with my church friends. One of them told me about the Arkan Culture Centre. It seemed random, but it changed everything! Arkan was a mix of people with different cultures and religions.

There, I met Farah, a Muslim girl with a laugh that makes everyone smile. We were different on paper, but at Arkan, those things didn't matter. We talked for a long time, shared dreams and worries, learned from each other. It made me see the world in a new way; showed me how similar we all are, even if we look different.

I took three classes in Arkan and those skills helped me get a great opportunity as an intern at a media company here in Alexandria. Now, I use my video editing skills to make videos that make a difference.”



“I took three classes in Arkan and those skills helped me get a great opportunity as an intern at a media company here in Alexandria.” Habib

SPEAKING OUT

Raising awareness of injustice and amplifying the voices of our Christian partners.



IN 2024 WE PROMISED TO...

- Continue to develop our advocacy voice, building alliances with our peers and forging relationships with church leaders, in the UK and internationally.
- Speak out on issues of injustice, refugees, and the significant role of Christians in the Middle East.
- Provide our supporters and the church in the UK with resources and access to Middle East Christian voices, both to engage and educate.

IN 2024 WE...

- Increased our visibility on social media and in the mainstream media, speaking and writing about the presence and work of our Christian partners in the countries in which we work and giving them the platform to speak.
- Joined the Together with Refugees UK coalition, to signal our solidarity in the face of increased anti-asylum rhetoric in the UK, and to amplify the self-sacrificial work of our Middle Eastern partners serving refugees in their contexts.
- Collaborated with the US organisation Churches for Middle East Peace (CMEP) in producing two global leaders' letters, focused on the ongoing war in Israel, the Occupied Palestinian Territories (OPT) and Lebanon, calling on the UK and US governments to take specific actions to work for peace.
- Ran an advocacy campaign called Advent Not Arms, calling on the UK government to push further for a ceasefire and suspend arms sales to Israel.



The Revd Munther Isaac leads Embrace's Vigil for Gaza at Bloomsbury Baptist Church, February 2024. (Credit: Kevin Snyman)

HOW WE KEPT OUR PROMISE...

We have worked hard this year to grow our advocacy work, amplifying the voices of our partners and using our own voices to push for change in the situations that our partners are in.

This included widening our Partnerships & Programmes team to include a stronger focus on advocacy and hiring a Partnerships, Programmes & Advocacy Director to replace Jamie Eyre as he became CEO.

We have focused on the situation with Israel and the Occupied Palestinian Territories and have done this through working with CMEP on the coordination of global leaders' letters; joining with others on the Palestine Platform in letters to the UK

Government, and our Advent Not Arms campaign. These have all given us and our partners increased media presence.

This has gone hand in hand with our continuing mission to represent our partners to UK Christians. Throughout 2024 we continued to increase the range of opportunities UK churches had to hear directly from and learn about Christians in the Middle East – through new website resources, podcasts and in-person events.

HERE ARE A FEW HIGHLIGHTS OF OUR SPEAKING OUT IN 2024...

Advent Not Arms

In November we launched our Advent Not Arms campaign, recognising that both Israel and Hamas have committed crimes against International Humanitarian Law and calling on the UK Government to suspend arms sales to Israel (as it has no diplomatic or trade relationships with Hamas) and push further for a ceasefire from all sides.

The petition attracted over 1,200 signatures (an encouraging number given we have not done something like this for several years). We also ran a joint Advent Not Arms global leaders' letter with CMEP which attracted church leader signatures from over 40 countries. The campaign was picked up by the Christian media and led to a positive first meeting with the Foreign, Commonwealth and Development Office's head of IOPT reconstruction and recovery.



1,200
PETITION SIGNATURES



Increasing understanding of the impact of Gaza/West Bank Conflicts

Our online resources helped deepen understanding of the Christian communities of the Middle East and the impact of the Israel-Palestine conflict, bringing our partner voices directly to UK Christians. Our Partner Updates webpage continued to provide the latest news, while podcasts, blogs and our Annual Lecture gave more analysis and personal insights. Our 'Christians in the Middle East' web resources hub also proved extremely popular with over 20,000 visits since its launch in April.

20,000

VISITS TO OUR
NEW WEB
RESOURCES HUB



His Eminence Archbishop Angaelos, Coptic Orthodox Archbishop of London, gives the keynote speech at Embrace's Annual Lecture 2024.

Building a Media Presence for Our Partners

It has been excellent this year to see Embrace the Middle East become an organisation that the media are turning to for input. We have been building our reputation as a credible mouthpiece and as an organisation that is able to provide information from the ground. Embrace's total potential media audience in 2024 was 9,060,000 (radio 8,949,000, print 111,000) which is a big step up for us. Our biggest audiences came when we were able to facilitate opportunities for our partners to speak on BBC Radio 4's *Sunday* – Myriam of Al Kafaat and Serop Ohanian - Karagheusian Association. Other highlights included extended update pieces in *Evangelicals Now* about the situation in Gaza, as well as several pieces in *Reform*, *Church Times* and on *UCB Radio*.

Combating anti-refugee rhetoric

In Refugee Week 2024, Embrace hosted a webinar, *How can Christians welcome refugees? Stories from Beirut and Bristol*, featuring speakers from Lebanon and the UK. Both speakers spoke with great knowledge and passion on how we can all play a part in building a kinder, safer and fairer world for refugees. We also launched a new webpage of resources for UK Christians wanting to take further actions to support refugees.

Collaborating with the Palestine Platform

Throughout 2024, Embrace played an active part in the **Palestine Platform**, a group of UK-based charities working together to advocate for Palestinian human rights, welfare and dignity. The group continued to lobby the UK Government to take action in working for a meaningful ceasefire in Gaza that tackles the root causes of the conflict. We were co-signatories to a number of joint statements calling on the government to fully comply with its obligations to uphold international humanitarian law – including a statement setting out the key steps that the new Labour government should take during its first 100 days to reset UK government policy towards the occupied Palestinian territories.

Advocacy through prayer

We continued to increase opportunities for UK Christians to pray with and for their sisters and brothers in the Middle East – through the events we ran at Greenbelt, the '*Christ under the Rubble*' vigil at Bloomsbury Baptist Church in February, our downloadable prayer resources for churches and online Advent Vigils.



INVESTING IN THE FUTURE

To ensure the continuation of Christian social witness in the region.



Children taking part in a climate awareness project in Iraq, run by Embrace partner the Ankawa Humanitarian Committee.



IN 2024 WE PROMISED TO...

- Continue our support for projects working with Christian young people and the next generation of potential leaders.
- Invest in the Embrace team through training and personal development.

IN 2024 WE...

- We invested in the next generation of Christian young people through projects, including supporting the development and resilience of young Christians in Bethlehem.
- Ensured all Embrace staff and trustees participated in interactive safeguarding refresher training.
- Provided international travel safety and security refresher training for all Embrace staff who travel internationally or would be required to support in an emergency.

HOW WE KEPT OUR PROMISE...

We are committed to fostering a culture of learning, development and innovation.

In 2024 our grants helped initiate innovative pilot projects to allow partners to develop new interventions. We also helped with our partners' plans for development and growth by supporting organisational reviews, strategic development plans, and training programmes to increase impact and capacity.

Fostering future leadership is key to sustaining and strengthening Christian service in the Middle East so Embrace also supported development projects among Christian youth, as well as those that address environmental and sustainability concerns.

HERE ARE A FEW EXAMPLES OF HOW WE INVESTED IN THE FUTURE IN 2024...

Advocacy training to campaign for disability rights in Lebanon

Embrace partner the Learning Centre for the Deaf (LCD) provides specialist medical and educational support for deaf children and young people in Lebanon.

Embrace funds also support an Advocacy Office at LCD to lead their campaigns for equal rights for Lebanon's deaf community – including improved access to education, employment rights and healthcare support. 2024 campaign successes include the introduction of sign-language interpretation on the main national news programme and an advocacy training course for 25 deaf adults so they could play an active role in the future campaigns.



In 2024 we also celebrated 170 years of Embrace the Middle East. The three events we held to mark this were an opportunity to not only look back but also reinforce our commitment to continue walking and serving with our Middle East sisters and brothers, as the one household of God.



Building on Embrace's 170-year history

As part of celebrating our 170th anniversary, we took the opportunity to engage new audiences and reaffirm our commitment to continuing to work alongside Middle East Christians. We held events in London, Cardiff and Glasgow and launched the 170 fundraising challenge. We also released a new edition of the Bethlehem Carol Sheet (first published in 1954) and ran a printed Welsh edition for the first time. The 70th-year edition was hugely popular, with over 80,000 carol sheets sold.



RELEASE OF 70TH
YEAR EDITION OF
THE BETHLEHEM
CAROL SHEET



Empowering future climate leaders in Iraq

Equipping the future generation with the skills to drive meaningful change is vital in the worldwide fight against the climate crisis. The Embrace-funded Climate Leaders project, run by the Ankawa Humanitarian Committee (AHC), helped almost 350 students at four secondary schools in Erbil, Iraq, gain the knowledge, leadership skills and practical experience to run local initiatives to address the challenges of climate change in their region.

“By empowering students and providing necessary support, the initiative aims to initiate a ripple effect of positive change, impacting the local ecosystem and the broader community.”

AHC

350

STUDENTS GAINED LEADERSHIP EXPERIENCE



Increasing disability services in the West Bank

The Jerusalem Princess Basma Centre leads the way in providing specialist disability rehabilitation services for children in the West Bank. Thanks to Embrace funding in 2024, the centre was able to continue a vital programme of increasing disability services by providing clinical training at 8 partner centres. 34 sessions were held, covering topics on occupational therapy, physiotherapy and speech and language therapy.

“Our goal has always been to improve the skills of our team at the centre. Through the Outreach program, our staff has benefitted immensely from the expertise of JPBC.”

Mr. Omar Abu Eram, Director of Yatta Municipal Centre

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TRAINING SESSIONS FOR MEDICAL STAFF



Nurturing new Christian Leaders in the West Bank

As many young Christians leave the West Bank in search of a more secure life, sustaining the future of Christian social witness in the West Bank is vital. In 2024 Embrace supported a pilot project run by Anar to provide intensive mentoring, spiritual and psychological support, and volunteering opportunities to help nurture 14 young Christians (18–28-year-olds) who have shown promising leadership potential. The success of the project has meant it will be continued and expanded in 2025.



“This training helped me a lot, both professionally and personally... Now, I’m more confident and setting goals for my future.”

TRAINING & SUPPORT FOR

14

YOUNG LEADERS



PRIORITIES FOR 2025



Our plans for 2025 are based on Hope in Action: Strengthening Christian Service in the Middle East, our strategic plan 2021-25. The plan can be downloaded from our website:

embraceme.org/five-year-strategy

FAITH IN ACTION

We will support locally-led Christian initiatives:

- Making a significant impact by serving and empowering marginalised communities and individuals, including women, girls, disabled people and refugees.
- Promoting and strengthening essential health and specialist disability care.
- Which encourage and support young people to flourish and realise their potential.
- Which deliver targeted, effective aid and adapt during times of emergency and ongoing crisis.

INVESTING IN THE FUTURE

We will support locally-led Christian initiatives:

- Investing in capacity building and organisational development.
- Investing in the development of the next generation of leaders.

PUBLIC ENGAGEMENT

We will develop our advocacy and supporter engagement, building on the experience, learning, and new expertise held within the charity:

- Increasing prayer, action and giving by the UK church as an expression of solidarity with, and a deepening understanding of, the Middle Eastern Christian experience.
- Speaking out on issues of injustice and the significant role of Christians in the Middle East.
- Broadening and deepening alliances with our peers and forging relationships with church leaders and stakeholders in a position of authority in the UK and internationally.
- Providing our supporters and the church in the UK with resources and access to Middle Eastern Christian voices to engage, educate and influence those in a position of authority to bring about positive change.

FINANCIAL REVIEW OF 2024

OVERVIEW

Charity finances showed resilience in 2024, as the charity responded to the ongoing crises, notably in Gaza, the Occupied Palestinian Territory and Lebanon. 2024 income closely matched our strong year in 2023 and was boosted significantly by the exceptional income from the sale of the Charity's 24 London Road West property.

Expenditure was in line with expectations. While operating costs were in excess of regular income (i.e. excluding the exceptional income generated by the sale of the property this year), this was in line with our approved operating budget and reserves policy, and our planning took account of the level of free reserves held by the Charity.

The generosity of donors meant that the charity's income totalled £4,603k this year. As noted above, this almost matches the £4,648k generated in 2023 (*income generated in 2023 was buoyed by the strong response to 2x emergency appeals in both Syria and Gaza in 2023). The one-off profit on the sale of the office building was £1,177k, further boosting total income, which ended the year at £5,780k.

The charity maintained all planned grant spending, at £2,420k (2023: £2,304k), funded through a combination of strong fundraising and a pre-

agreed drawdown on reserves in support of our charitable mission. The charity ended the year with substantial reserves available to continue providing vital support to partners as they respond to crises, rebuilding where possible, and investing in raising awareness, new supporters, and advocating in the UK well beyond 2025.

In the UK, charity costs continued to reflect broader economic pressures. Although the inflationary growth of 2022 and 2023 subsided, the effects on operating costs and wages remained apparent in 2024. The relocation from our Amersham premises resulted in a decrease in utility costs and building expenses, which were offset by the rental costs for our new shared service office.

The charity ended the year with an operating surplus of £925k (2023: operating deficit of £(46)k).

Due to gains on the investment portfolio, the charity ended the year with an overall surplus of £1,150k (2023 £132k).

This leaves total reserves at £8,213k (2023: £7,063k), with free reserves of £2,547k (2023: £2,054k). Free reserves represent 14 months of non-grant spend (after designations), which is slightly above of the target range set out in our reserves policy, as discussed further below.

INCOME

Total income for 2024 was £5,780k, inclusive of a one-off profit on sale of the office building of £1,177k. Excluding this exceptional item, income totalled £4,603k (2023: £4,648k) – a decrease of £45k or 1% versus the previous year. Whilst this partly reflects the impact of the prior year fundraising appeals both in Syria and Gaza (which boosted prior year appeal income to an exceptional level), 2024 donations were (10)% less than the previous year. The charity is now looking to further boost income from trusts and foundations in 2025, with a focus on additional targeted donor engagement.

That said, 2024 legacy income increased by almost 20% on prior year, and there is a significant legacy pipeline in place, including one single legacy, potentially in excess of £1.4m, which is likely to be received in 2025.

Committed regular giving was in line with 2023, which is encouraging considering the moderate number of cancellations we needed to offset due to changes in circumstances associated with our ageing donor base.

Webshop income from Embrace's trading operation was also in line with the prior year, though reflective of a shift in sales mix this year, to focus on primary purpose items that directly support Embrace's charitable objectives.

EXPENDITURE

Total expenditure in 2024 was £4,855k (2023: £4,694k), which is £161k, or 3%, more than 2023.

The cost of generating funds was 13% less than the previous year at £635k (2023: £728k), due primarily to some reduction in staff and supporter engagement and related support costs, together with a reduction in webshop costs.

However, the cost of charitable activities increased to £4,220k (2023: £3,966k), a 6% increase. This reflects the charity's aim to maintain (or increase)

support to our partners where possible. Grants paid to partners were £2,420k (2023: £2,304k). A list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 46).

2024 support costs increased by 20% from 2023 at £519k (2023: £434k). This is primarily due to increased premises costs following the associated move to rented premises in High Wycombe.

BALANCE SHEET

The charity continues to show a strong balance sheet. We ended 2024 with total funds of £8,213k (2023: £7,063k). General unrestricted free reserves amounted to £2,547k at the end of 2024, an increase of £493k on the 2023 year-end figure of £2,054k.

However, this increase is partly a result of the planned reduction in the level of designation

to help ensure the future sustainability of the organisation (reflecting the forecast requirements, including projected deficits, of our latest financial model). Our reserves position is discussed further below. It is pleasing to note that the organisation is in a healthy financial position as we face the challenges of our next financial year.

RESERVES AND INVESTMENT POLICY

Trustees monitor the charity's reserves position regularly and formally review the reserves policy every two years. The last review took place in 2022-23, resulting in the policy which is summarised as follows:

'Mindful of their responsibility to spend the charity's funds in fulfilment of the charity's objects and in a timely manner, but also to build the charity's resilience to unforeseen and detrimental hazard or risk, the trustees of Embrace the Middle East have determined that for the foreseeable future the charity's free reserves (cash and investments less restricted and designated funds) should not exceed the equivalent of twelve months, or fall below the equivalent of six months, of budgeted non-grant expenditure. If the level of free reserves is likely to rise above this ceiling, or fall below this floor, the trustees will take action to restore the appropriate equilibrium between income and expenditure that this range of reserves is intended to secure. The

Trustees will keep the charity's level of free reserves under regular and ongoing review.'

In line with this policy, the Trustees have also reviewed the required level of funds that they believe should be designated for specific purposes. This is, and will continue to be, reviewed on a regular basis.

Designations have been agreed to cover the equivalent of twelve months of the charity's committed multi-annual core grants programme and recurring short-term work, equating to £1,800k in 2024 (2023: £1,800k). This is in addition to £1,600k (2023: £1,900k), which is currently being drawn from annually to support an approved deficit budget. A total of £2,000k indicates a new designation in 2024, representing the proceeds from the sale of the office in Amersham, which, in the short term, is generating interest that will offset costs associated with the High Wycombe office space. The aforementioned designations are

FINANCIAL REVIEW OF 2024 (continued)

RESERVES AND INVESTMENT POLICY (continued)

all subject to review in 2025 as the trustees and management consider the next strategic period for the charity, commencing 1st January 2026 and, should the need arise, could be accessed to support our charitable work. An additional designation of £2k (2023: £864k) reflects the value of fixed assets held by the charity at the year-end, as these are not readily accessible to fund charity activities. Further detail is provided in Note 18 to the financial statements.

After taking these designations into account, the Trustees expect free reserves to fall within a banding of not more than £2,231k and no less than £1,115k. This banding represents between 6 and 12 months of budgeted non-grant expenditure, in line with current reserves policy.

Free reserves at the end of 2024 were £2,547k, approximately equal to fourteen months of

budgeted non-grant expenditure. This is an increase on 2023. Whilst reserves are now in excess of the Trustees' target banding range, this is still deemed appropriate in light of increased instability in the Middle East and the combined impetus of a new strategy, which is being developed in 2025, under the guidance of the board and new CEO. The additional reserves at the charity's disposal will help mitigate any temporary annual reserve fluctuations and ensure the continued financial resilience of the charity for the longer term in the context of regional instability and the significant disruption in humanitarian and development aid as major donors withdraw and recalibrate.

Restricted funds amounted to £264k at the end of 2024 (2023: £445k) and further information is detailed in Note 19 to the financial statements.

GOING CONCERN

The charity ended 2024 in a stronger financial position than at the beginning of the year, boosted by the impact of both gains on the investment portfolio together with the profit on sale of the Amersham property. As a result, reserves increased by more than £1.1m overall versus the previous year.

Looking forwards to 2025, budgeted income is in excess of £6m. There is a substantial legacy pipeline in place, inclusive of a single substantial legacy in excess of £1.4m. Plans are also under development to grow income incrementally in 2025. This, together with prudent expenditure planning going forwards, gives confidence that Embrace the Middle East remains, very much, a going concern.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE

LEGAL BASIS

Embrace the Middle East is a registered charity (no. 1076329), and a company limited by guarantee and not having share capital (no. 3706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006, 18 October 2011, 16 June 2015 and 9 October 2020.

OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of Embrace began in 1854 when what was then known as the Turkish Missions' Aid Society was founded. Our charitable objective today is set out in our Articles of Association:

Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.

Our main purpose is to work in partnership with Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon, Egypt, Syria and Iraq.

We raise funds in the UK to support this work, primarily through a large body of individual donors, but also through a number of generous trusts. These funds are used to support our partners and their work through short-term and multi-annual grants. As part of our commitment to long-term partnership nonfinancial assistance may also be provided. This includes capacity building, advocacy for positive change, as well as facilitating

encounters between UK Christians and our partners and their beneficiaries.

While the charity works exclusively through Christian-led agencies in the Middle East, the faith identity of beneficiaries is never an issue: we and our partners seek to support those in most need, regardless of faith.

The trustees confirm that in agreeing the objectives and planned activities of the charity in 2022, they have had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In September 2020, following consultation with the Charity Commission, the trustees voted to amend the charity's charitable object to better reflect the role that educating the public about the social outreach of Middle East Christians plays in the charity's overall mission. Also in September 2020, the trustees agreed a five-year strategy (Hope in Action: 2021-25). Underpinned by an agreed financial framework, this strategy will guide and support the aims, and ambition, of the charity through to 2025.

GOVERNANCE

The governing body of the company is the Board of Trustees, whose members are also Directors of the company. Trustees who served during 2023, and up to the date of this report, are listed under 'Who we are' on p.31.

The Board delegates some powers to two standing committees – Governance and Resources (largely concerned with the internal workings of the charity) and Programmes and Public Engagement (concerned with external matters) – and an ad hoc

Officers and Chairs Committee. This committee comprises the officers of the charity (Chair, Vice Chair and Treasurer) and the Chairs of the two standing committees.

It meets, as required, to ensure effective coordination between Board committees and working groups, to set and keep under review the Chief Executive's objectives, performance and remuneration, and to manage Trustee recruitment, development and deployment.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (continued)

GOVERNANCE (continued)

Terms of reference for all Board committees, role descriptions for officers and the Chief Executive, and a detailed scheme of Board powers, both reserved and delegated, were agreed by the Board, prior to the implementation of the new committee structure in 2016 and are subject to periodic review.

In 2023 the Governance and Resources and Programmes and Public Engagement Committees each met twice, and the Officers and Chairs Committee four times. The Board met four times during the year – in January, June, September and December.

TRUSTEE RECRUITMENT AND TRAINING

Two new trustees were recruited to the Board – Kristiina Wells, Rev Iain Osborne – in May 2024 and one trustee, Chris Woo, stood down at the end of his three-year term in March 2024. Trustees are recruited through an open and transparent process, including by public advertisement on charity job websites, and are selected on the basis that they have the professional skills and experience required for the charity to operate effectively. The charity strives to ensure that the Board is both gender-balanced and diverse, and includes trustees from a range of denominations. Trustees are elected for a three-year term which may be renewed, up to a maximum of nine years.

The Articles of Association of the charity requires all trustees to be practising Christians. The maximum number of trustees is set at 12, with provision for an additional two co-opted trustees, if required, to fill skills gaps.

New trustees receive an induction from the Chief Executive, covering their legal obligations under charity and company law, the procedures of the Board and its committees, the strategic plan and Trustees' Annual Report, and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate or enhance their capacity to fulfil their role. Typically, training is focused on good governance, legal and financial compliance and safeguarding. Trustees are expected to make a familiarisation visit to one of the countries in which the charity operates to better understand the work of Embrace the Middle East and our partners. Longer serving trustees may make more than one visit.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

Trustees, working through the Board and its committees, are the ultimate decision-makers for Embrace the Middle East. They delegate the day-to-day management of the charity to a senior leadership team, which operates within a specified framework and Scheme of Delegation established by the trustees. The Chief Executive leads the senior leadership team, known as the Leadership Group. This group includes the three Directors of Programmes, Partnerships and Advocacy, Fundraising and Communications, and Shared

Services, as well as the Head of Human Resources and Culture. The Senior Finance Adviser attends as necessary. Members of the Leadership Group and other senior staff may participate in Board meetings but do not possess voting rights. In July 2024, a change in CEO occurred; after seven years in the role, Tim Livesey left the charity. Following a search process led by the Board, Jamie Eyre, the organisation's Director of Programmes, Partnerships and Advocacy, was chosen to succeed Tim.

PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the trustees, the Chief Executive, the Directors of Programmes, Partnerships and Advocacy, Fundraising and Communications, and Shared Services, the Heads of Human Resources and Culture, and the Senior Finance Adviser.

The total employee benefits of the Leadership Group in 2024 were £383K (2023: £394k). Details can be found in note 7 to the accounts found on

page 45. Remuneration and benefits for executive management are determined on the basis of periodic peer sector benchmarking. In the case of the Chief Executive, this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel, the Chief Executive determines pay and benefits, subject to an overall budget agreed by the trustees.

TRUSTEE RECRUITMENT AND TRAINING

Embrace the Middle East, as a charity, is committed to the highest safeguarding standards. The charity regularly reviews our safeguarding policy and practices in a determined effort to uphold the highest possible standards, in accordance with best practices. Staff and trustees participate in induction training and also refresher training each year. The signature and adherence to new codes of conduct by all staff, volunteers, and third parties coming into contact with partners or their beneficiaries is mandatory. A Safeguarding Committee, consisting of staff from all areas of the charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practices and the adjudication of cases of concern referred to it.

The Chair of the Committee serves as the charity's designated Safeguarding Officer. The Committee convenes quarterly or as needed and reports

directly to the CEO and the trustees at least twice a year or, if circumstances require, directly to the Chair or Vice Chair of Trustees. The Vice Chair of Trustees is the Board's designated Safeguarding Officer. The charity's safeguarding policy and reporting mechanism are regularly professionally peer-reviewed by Keeping Children Safe, of which the charity is an associate member, as well as Thirtyone:eight, of which we are also a member. Safeguarding policy and practice are also crucial components of our due diligence process regarding partners and, where appropriate, an area where we provide capacity development support and advice. The trustees understand their statutory responsibilities concerning safeguarding and keeping informed about the Charity Commission's ongoing concerns in this governance area. A copy of the charity's safeguarding policy is available on the website: embraceme.org/safeguarding.

RISK MANAGEMENT

The charity's Risk Management policy is reviewed annually. The Risk Register, and where appropriate, particular risks are reviewed each time the Board or one of its standing committees meets. The Board describes its overall approach to risk as follows:

'In pursuit of its charitable purpose, Embrace the Middle East is required to work with partners in

inherently complex and pressured environments. We embrace risk as a condition of partnership, of our mission to tackle poverty and injustice in the Middle East and of our ambition for growth in our impact. Working to transform the lives of vulnerable and marginalised people precludes an undue or exaggerated aversion to risk. In accepting risk as a necessary part of our work we undertake

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (continued)

RISK MANAGEMENT (continued)

at all times to seek to mitigate and manage risk to our staff, our partners, their beneficiaries and the sustainability of the charity and its work. We will not shy away from reasonable risks that further the purpose of the charity and are consistent with our values.'

Consistent with this overall approach the charity's risk policy:

- Establishes a general approach to the management of risk, based on the identification, analysis, evaluation, and treatment of specific risks. The policy describes how risks will be analysed.
- Categorises risks as recommended by the Charity Commission: governance, operational, financial, environmental or external, and compliance (law or regulation).

- Sets out how the charity's risk register will be compiled and kept up-to-date.
- Sets out a detailed process for the monitoring and review of risks by the Board, its committees and the Leadership Group.

New variants of existing risks and additional mitigation added to the register in 2024 included risks to income, changes in leadership (CEO), and oversight of fundraising.

STATEMENT OF FUNDRAISING PRACTICE

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Embrace the Middle East in 2024:

'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2024 there were no failures to comply with this Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any unsolicited telephone calls to the general public. We do not use SMS as a communication channel'

In 2024 Embrace did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992. During the year

we received 4 complaints about our fundraising practice (2023:5) in response to over 75,953 pieces of fundraising direct mail. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices and supporter-facing staff are trained to enable Embrace to be sensitive to the interests of older and more vulnerable supporters or potential supporters. We act promptly on requests from supporters to change their contact preferences, and comply with all requests to cease contact received through the Fundraising Preference Service.

Embrace the Middle East maintains a team of specialist staff dedicated to maintaining excellent and respectful relationships with all of our supporters.

WHO WE ARE

TRUSTEES

John Mitchell OBE
Chair of Trustees

Anne Clayton
Vice Chair of Trustees

Victoria Smith
Treasurer

Rev Josh Harris
*Chair of Governance and
Resources Committee*

Rev Dr James Hawkey
*Chair of Programmes and Public
Engagement Committee*

Katie Hodgkinson

Rev Dr Munther Isaac

Dr Kathryn Shah

Ben Morgan

Mary Oakes

Rev'd Iain Osborne
(from May 2024)

Katharine von Schubert

Dr Kathryn Shah

Kristiina Wells
(from May 2024)

Chris Woo
(until March 2024)

PATRONS

**His Eminence Archbishop
Angaelos OBE**, Bishop of the
Coptic Orthodox Diocese of
London

Rt Rev Christopher Chessun,
Anglican Bishop of Southwark

Rev David Coffey OBE, former
President, Baptist World Alliance

Rt Rev Dr Michael Langrish,
former Anglican Bishop of
Exeter

**His Eminence Timothy
Radcliffe**, member of the
College of Cardinals and former
Master of the Dominican Order

Rt Rev Rachel Treweek,
Anglican Bishop of Gloucester
(January 2025)

LEADERSHIP GROUP

Tim Livesey
*Chief Executive Officer and
Company Secretary (until July
2024)*

Jamie Eyre
*Chief Executive Officer and
Company Secretary (from July
2024). Director of Programmes
and Advocacy (until July 2024)*

Ruth Valerio
*Director of Programmes,
Partnerships and Advocacy
(from August 2024)*

Lucy Insua
*Head of Human Resources and
Culture*

Sam Mackwell
Director of Shared Services

Ian Livett
*Director of Fundraising and
Communications*

REGISTERED OFFICE

Old Library Building
Queen Victoria Road
High Wycombe
HP11 1BG

AUDITORS

Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

BANKERS

NatWest Bank plc
2nd Floor
Rapid House
40 Oxford Road
High Wycombe
HP11 2EE

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

INVESTMENT ADVISORS

**Investec Wealth and
Investments**
2 Gresham Street
London
EC2V 7QN

CCLA Fund Managers Limited
CCLA
One Angel Lane
London
EC4R 3AB

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also the directors of Embrace the Middle East for the purposes of company law) are responsible for preparing the annual report and financial statements of the charity in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of all corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 6 June 2025 and signed on its behalf by:



John Mitchell OBE,
Chair of Trustees
June 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST

OPINION

We have audited the financial statements of Embrace the Middle East (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the consolidated and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST (continued)

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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 United Kingdom and Republic of Ireland (FRS 102)), the Charities Act 2011, and the Companies Act 2006, and other regulations including safeguarding, data protection, fundraising and employment law.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed

procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP,
Statutory Auditor

130 Wood Street
London
EC2V 6DL



24 July 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2024 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Income:					
Donations and legacies	2	2,872	1,128	4,000	4,064
Trading - Webshop activities		371	-	371	374
Investments		230	-	230	175
Other income	2	2	-	2	35
Profit on sale of Property		1,177	-	1,177	-
Total Income		4,652	1,128	5,780	4,648
Expenditure:					
Cost of generating funds	3	635	-	635	728
Charitable activities	3	2,911	1,309	4,220	3,966
Total Expenditure		3,546	1,309	4,855	4,694
Net Income / Expenditure on operations		1,106	(181)	925	(46)
Net gains on investments	10	225	-	225	178
Net Income/(Expenditure) on operations after net gains / (losses) on investments		1,331	(181)	1,150	132
Net movement in funds		1,331	(181)	1,150	132
Reconciliation of funds:					
Total funds brought forward		6,618	445	7,063	6,931
Total fund carried forward		7,949	264	8,213	7,063

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

All income and expenditure derive from continuing activities.

The notes on pages 40 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2023)

For the year ended 31 December 2023 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income:					
Donations and legacies	2	2,451	1,613	4,064	3,320
Trading - webshop activities		374	-	374	318
Investments		175	-	175	99
Other income	2	35	-	35	74
Profit on sale of property		-	-	-	-
Total Income		3,035	1,613	4,648	3,811
Expenditure:					
Cost of generating funds	3	728	-	728	730
Charitable activities	3	2,733	1,233	3,966	3,843
Total Expenditure		3,461	1,233	4,694	4,573
Net Income / Expenditure on operations		(426)	380	(46)	(762)
Net gains on investments	10	178	-	178	(570)
Net Income/(Expenditure) on operations after net gains / (losses) on investments		(248)	380	132	(1,332)
Net movement in funds		(248)	380	132	(1,332)
Reconciliation of funds:					
Total funds brought forward		6,866	65	6,931	8,263
Total fund carried forward		6,618	445	7,063	6,931

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

All income and expenditure derive from continuing activities.

The notes on pages 40 to 55 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 December 2024

	Note	2024 Group £'000	2023 Group £'000	2024 Charity £'000	2023 Charity £'000
Fixed Assets					
Tangible assets	9	2	864	2	864
Investments	10	3,802	3,596	3,803	3,597
		3,804	4,460	3,805	4,461
Current assets:					
Stocks		50	53	50	-
Debtors: amounts falling due within 1 year	11	279	148	278	299
Cash at bank and in hand		4,418	2,720	4,418	2,515
		4,747	2,921	4,746	2,814
Creditors					
Amounts falling due within 1 year	12	(338)	(318)	(338)	(214)
Net current assets		4,409	2,603	4,408	2,600
Net assets		8,213	7,063	8,213	7,061
Funds					
Restricted funds	19	264	445	264	445
Designated funds	18	5,400	4,564	5,400	4,564
Reserves available for charitable purposes		2,549	2,053	2,549	2,052
Non charitable trading funds	4	-	1	-	-
Total funds	17	8,213	7,063	8,213	7,061

The financial statements were approved by the Board of Trustees on 6 June 2025 and were signed on its behalf by:



John Mitchell OBE
Chair of Trustees

The notes on pages 40 to 55 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities:			
Cash generated from operations	21	(580)	(67)
Net cash from operating activities		(580)	(67)
Cash flows from investing activities:			
Income from investments		230	175
Net proceeds from sale of fixed assets		2,030	-
Purchase of property, plant and equipment		(1)	-
Purchase of investments		(881)	(985)
Proceeds from the sale of investments		900	925
Net cash from investing activities		2,278	115
(Decrease) / Increase in cash and cash equivalents		1,698	48
Cash and cash equivalents at beginning of year		2,720	2,672
Cash and cash equivalents at end of year		4,418	2,720

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ACCOUNT PRACTICES

Basis of preparation

Embrace the Middle East is a company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect to the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are set out on page 28.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom (FRS 102), and UK Generally Accepted Practice as it applies from 1 January 2015 and updated for Bulletin 1&2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the Charity, and its wholly owned subsidiary, Embrace the Middle East Trading Limited.

Funds accounting

The Charity's reserves are classified in the following three ways:

Restricted funds – funds that have been received by the Charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and administering these funds are charged against the

unrestricted, or free, reserves of the Charity and accordingly Gift Aid tax reclaimed on these funds is included in unrestricted reserves.

Designated funds – these are funds that trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned, or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

Unrestricted funds – funds, also termed free reserves, which are available for the trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, when the amount can be measured reliably, and when it is probable that the income will be received.

Donations – Donations are included in the financial statements when the receipts have been deposited into the bank. Gift Aid tax reclaimable is recognized in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

Legacies – The amount shown for legacy income includes accruals - where the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved has been clearly quantified.

Grants – Grants are recognized when paid out of the bank account, or when deposited into the bank. Grants agreed, but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year-end are not accrued as expenditure.

Investment income – Investment income is recognized using the effective interest method. All expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to the category.

Expenditure

Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is categorized under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income and include employment costs of fundraising employees, along with the direct costs of publications and advertising.
- Investment management fees are the fees charged by the fund managers who manage the investment portfolio.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs allocation

Support costs are those that assist the work of the charity, but do not directly represent charitable activities, and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to costs of raising funds, and charitable expenditure in proportion to allocations of hours worked by employees on the above headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. The analysis of these costs is included in note 4.

Tangible fixed assets

Depreciation is provided at the following rates on assets costing £1k or over, in order to write off the value of each asset over its estimated useful life:

UK freehold property – 1% per annum on a straight line basis

Fixtures and fittings – 10% per annum on a straight line basis

Motor vehicles – 25% on a straight line basis

Computer equipment – 25% per annum on a straight line basis

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Activities (SOFA).

Fixed asset investments

Investments are recognized initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognized in 'net gains/ (losses) on investments' in the SOFA, if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all aspects of purchase, and other costs incurred in bringing stock to its present location and condition. Each item is valued on a weighted average cost basis, whereby the cost of goods purchased is divided by the number of units held. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in expenditure.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in the Statement of Financial Activities. If the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest.

Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

Foreign currency

Foreign currency transactions are initially recognized by applying the foreign currency amount of the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

Short-term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognized as an expense in the period in which they are incurred.

The company recognizes an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary costs of the respective employee in relation to the period of absence.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

Accounting 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 following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognized in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets.

Bad debt provision

Bad debts are provided for specific debts when required, there is no estimation in use. There are no other key assumptions concerning the future and other key 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 financial year.

2. INCOME

The major activities of the charity are the provision of grants to Christian partners and raising awareness of their work in the UK.

		Total 2024 £'000	Total 2023 £'000
Income:			
Donations	Unrestricted funds	1,751	1,455
	Restricted funds	1,066	1,613
Legacies	Unrestricted funds	1,121	996
	Restricted funds	62	-
		4,000	4,064
Trading - Webshop activities		371	374
Investment income		230	175
Other income	Rental income	1	34
	Other income	1	1
		2	35
Profit on sale of Property		1,177	-
Total charitable activity expense		5,780	4,648

3. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2024 £'000	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2023 £'000
Cost of generating funds	260	316	59	635	274	379	75	728
Charitable activities								
Information and education	459	138	21	618	429	124	21	574
Grants to partners		2,420	30	2,450	-	2,304	35	2,339
Other support to partners	687	-	365	1,052	680	-	268	948
Total charitable activities excl Governance	1,146	2,558	416	4,120	1,109	2,428	324	3,861
Governance	44	12	44	100	47	22	36	105
Total charitable activities	1,190	2,570	460	4,220	1,156	2,450	360	3,966
Total group costs	1,450	2,886	519	4,855	1,431	2,829	434	4,694

Staff costs have been allocated based on percentage of time spent on the various categories.

Direct costs at the level of cost centre and expenditure type have been allocated across categories based on purpose of activity.

Support costs have been allocated across the categories based on % attributed to each category of spend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3. ANALYSIS OF EXPENDITURE (continued)

Support costs	2024 £'000	2023 £'000
Trading Support costs (incl audit)	8	67
Depreciation	10	19
Disposal	-	2
Property and Equipment	103	74
Licences	37	20
Travel	38	33
Bank Charges	25	21
Insurance	24	21
Computer systems related costs	34	16
Other	196	125
Governance	44	36
	519	434

Governance Costs	2024 £'000	2023 £'000
Audit (charity only)	12	22
Staff salaries	44	47
Other governance	43	30
Trustee meeting and expense related costs	1	6
	100	105

4. COMMERCIAL TRADING ACTIVITIES OF THE TRADING SUBSIDIARY

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (company number 00901022).

For the year ending 31 December 2024, Embrace the Middle East Trading Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. In addition, the members of the company have not required the company to obtain an audit of its accounts for the year in question, in accordance with section 476 of the Companies Act 2006.

All activities were transferred to the Charity from 14th August 2024. A summary of the Trading company's results for the period up to 14 August 2024 is shown below:

Summary profit and loss account

	2024 £'000	2023 £'000
Turnover	76	430
Cost of sales and administrative expenses	(78)	(451)
Tax		
Profit / (loss) for the year after tax	(2)	(21)

Summary Balance Sheet

	2024 £'000	2023 £'000
Current assets		
Stock	-	53
Debtors	1	7
Cash	-	205
	1	265
Creditors falling due within one year	-	262
Net current assets	1	3
Called up share capital	1	1
Capital redemption reserve	-	8
Profit and loss account	-	(7)
Shareholders' funds	1	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

5. DETAILS OF GRANTS WE MADE TO OUR PARTNERS

	2024 £'000	2023 £'000		2024 £'000	2023 £'000
Egypt			Palestine and Israel		
Anafora	27	27	Al Ahli Arab Hospital	87	93
BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services)	92	99	Anar for Empowerment and Psychological Support Charitable Association	-	28
Episcopcare	91	91	Aviv Ministries	25	18
Fairhaven School	17	17	Bethlehem Arab Society for Rehabilitation	42	47
Harpur Memorial Hospital	20	85	Caritas Jerusalem	77	58
Life Vision for Development	63	57	East Jerusalem YMCA	127	120
Refuge Egypt	55	59	Episcopal Diocese of Jerusalem	-	25
Salaam Center	50	50	Four Homes of Mercy	-	50
Think & Do	85	81	Helen Keller School	3	-
Total of Egypt	500	566	International Christian Committee in Israel	30	30
Lebanon and Syria			Olive Tree Project (Joint Advocacy Initiative)	24	23
Al Kafaat	141	85	Musalaha	49	30
Beit El Nour	62	31	Nazareth School of Nursing	-	15
Howard Karagheusian Commemorative Corporation	107	88	Near East Council of Churches	101	101
Joint Christian Committee	66	59	Palestinian Bible Society	39	39
Learning Centre for the Deaf	42	41	Pontifical Mission of Palestine	106	112
Lebanese Society for Social Education and Development	137	99	Princess Basma Centre	95	54
Middle East Council of Churches	35	45	SIRA School	19	19
Pontifical Mission for Lebanon	53	30	Society of St Yves	58	50
Tahaddi	67	66	Total of Palestine and Israel	882	912
Zvartnotz Centre	25	28	Iraq		
Other	-	1	Ankawa Humanitarian Committee	54	32
Total of Lebanon	735	573	CAPNI (Christian Aid Program Nohadra Iraq)	48	37
			Chaldean Archdiocese of Erbil	41	-
			Total of Iraq	143	69
			Syria		
			Lebanese Society for Educational and Social Development	118	91
			Pontifical Mission for Lebanon	42	84
			The Awareness Foundation	-	8
			Total of Syria	160	183
			Grand Total	2,420	2,304

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging:

	Year ended 2024 £'000	Year ended 2023 £'000
Auditors' remuneration	19	27
Depreciation - owned assets	2	19
Staff pension contributions	194	210
Services provided by the Charity's auditor during the year:		
Audit of the Charity and consolidated financial statements	19	22
Audit of the Trading subsidiary including provision of annual report and accounts	-	4
Corporation tax calculation for Charity & Trading subsidiary	-	1
	19	27

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any emoluments during the year.

Trustees' expenses

During the period the Charity reimbursed necessary travel expenses incurred by trustees (or paid travel expenses on their behalf). The total of these expenses was:

	2024 £'000	2023 £'000
Trustee travel expenses - for 4 Trustees (2023: 8)	1	3

The key management personnel of the charity comprise the trustees, and the Senior Leadership Team which at the end of 2024 comprised the Chief Executive, the Director of Programmes Partnerships and Advocacy, the Director of Shared Services, Head of HR and the Director of Fundraising.

The total employee benefits of the Senior Leadership Team in 2024 were £383k (2023: £394k), including gross pay, employers national insurance contributions and employers pension contributions.

Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking.

In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel by the Chief Executive, subject to the overall budget agreed by trustees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

8. GROUP STAFF COSTS

	2024 £'000	2023 £'000
Wages and salaries	1,143	1,111
Social Security costs	113	110
Pension plan contributions	194	210
	1,450	1,431

The average monthly headcount of employees during the year was as follows:

	2024	2023
UK management staff	5	5
UK administrative staff	30	30
	35	35

Number of employees receiving total employee benefits (gross pay and company pension contributions), in the ranges:

	2024 £'000	2023 £'000
£60,000 - £70,000	1	3
£70,000 - £80,000	1	1
£80,000 - £90,000	1	-

9. TANGIBLE FIXED ASSETS

Group	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2024	968	83	11	1,062
Additions	-	-	1	1
Disposals	(968)	(71)	(6)	(1,045)
At 31 December 2024	-	12	6	18
Depreciation				
At 1 January 2024	126	62	10	198
Charge for the year	5	4	1	10
Disposals	(131)	(55)	(6)	(192)
At 31 December 2024	-	11	5	16
Net Book Value				
At 31 December 2024	-	1	1	2
At 31 December 2023	842	21	1	864

Charity	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2024	968	83	11	1,062
Additions	-	-	1	1
Disposals	(968)	(71)	(6)	(1,045)
At 31 December 2024	-	12	6	18
Depreciation				
At 1 January 2024	126	62	10	198
Charge for the year	5	4	1	10
Disposals	(131)	(55)	(6)	(192)
At 31 December 2024	-	11	5	16
Net Book Value				
At 31 December 2024	-	1	1	2
At 31 December 2023	842	21	1	864

10. FIXED ASSET INVESTMENTS

Group	Listed investments £'000	Unlisted investments £'000	Total £'000
Market value as at 31 December 2023	3,588	8	3,596
Additions	881	-	881
Disposals	(900)	-	(900)
Revaluations	225	-	225
Market value as at 31 December 2024	3,794	8	3,802
Historical cost of the investments were:			
31 December 2023	3,249	3	3,252
31 December 2024	3,236	3	3,239

Charity	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £'000
Market value as at 31 December 2023	3,588	8	1	3,597
Market value as at 31 December 2024	3,794	8	1	3,803

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

10. FIXED ASSET INVESTMENTS (continued)

Listed investments were comprised of the following:

	2024 £'000	2023 £'000
UK equities	601	838
Overseas bonds	181	184
UK bonds	459	400
Property	116	283
North American equities	1,020	800
International equities	439	232
European equities	273	272
Far East and Australasian equities	136	136
Emerging economies	57	97
Cash	193	-
Other investments	319	346
Total	3,794	3,588

The following holdings were over 5% of the total market value of the portfolio in either 2023 or 2024

	Market Value at 31 December 2024 £'000	Market Value at 31 December 2023 £'000
JPMorgan ETFS	199	182
JPMorgan Liquidity	193	-
Polar Cap Fds Plc Global Technology	210	-
Vanguard S&P 500 ETF	246	131

Of the unlisted investments, £8k was invested overseas.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Other debtors	263	140	262	133
Prepayments	16	8	16	8
Total	279	148	278	299

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	98	101	98	36
Social security and other taxes	49	44	49	44
Other creditors	1	37	1	1
Accruals	190	136	190	133
Total	338	318	338	214

13. ACCRUED GRANTS

	2024 £'000	2023 £'000
At 1 January 2024	79	71
New grants committed (note 5)	2,420	2,304
Grants paid in year	(2,359)	(2,296)
At 31 December 2024	140	79

14. CONTINGENT LIABILITIES

As at 31 December 2024, the Trustees had made grant offers in respect to multi-annual grants totalling £1,226,915 (2023: £1,231,514). As the payment of these grants was subject to specific conditions placed on the recipient which had not been met by the 31 December 2024, they were not accrued for in the accounts.

15. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme for its UK employees. The assets are held separately from those of the Charity in an independently administered fund. The pension costs charged represents contributions to the fund payable by the charity and amounted to £194k (period to 31 December 2023 £210k). These contributions include employee salary sacrifice contributions. There were £nil contributions outstanding at 31 December 2024 (period to 31 December 2023 £nil).

16. OPERATING LEASE COMMITMENT

	Land & Buildings	
	At 31 December 2024 £'000	At 31 December 2023 £'000
Amounts payable:		
Within 1 year	72	83
Within 2-5 years	-	72

Operating lease charges totalling £86k incl VAT (2023: £7k) were expensed during the period.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2024 total funds £'000
Fixed assets	2	-	-	2
Investments	166	3,636	-	3,802
Current assets	2,719	1,764	264	4,747
Current liabilities	(338)	-	-	(338)
Total Funds	2,549	5,400	264	8,213

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

2023	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2023 total funds £'000
Fixed assets	-	864	-	864
Investments	-	3,596	-	3,596
Current assets	2,372	104	445	2,921
Current liabilities	(318)	-	-	(318)
Total Funds	2,054	4,564	445	7,063

18. DESIGNATED FUNDS

2024	As at 1 January 2024 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2024 £'000
Fixed Assets ¹	864	-	(864)	-
Programme Fund ²	1,800	-	-	1,800
Sustainability Fund ³	1,900	-	(300)	1,600
Strategic development fund ⁴	-	2,000	-	2,000
	4,564	2,000	(1,164)	5,400

1. Fixed Assets - Following the disposal of the property at 24 London Road West, Amersham, Buckinghamshire, Trustees have resolved to release the designation of funds to the value of £864k.

2. Programme Fund - Trustees have designated funds to cover 12 months of budgeted expenditure (2023: 12 months) subject to other grant conditions being met on committed multi-annual grants to partners.

3. Sustainability Fund - Trustees have designated funds to help ensure the ongoing sustainability of the charity over the coming years. These funds are currently being drawn from annually to support an approved deficit budget.

4. Strategic development fund - Trustees have designated funds to the value of the proceeds on disposal of the property at 24 London Road West, Amersham, Buckinghamshire, which in the short term, is generating interest that will offset costs associated with the High Wycombe rented office space.

The aforementioned designations are all subject to review in 2025 as the trustees and management consider the next strategic period for the charity, commencing 1st January 2026 and, should the need arise, could be accessed to support our charitable work.

2023	As at 1 January 2023 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2023 £'000
Fixed Assets ¹	885	-	(21)	864
Programme Fund ²	1,800	-	-	1,800
Sustainability Fund ³	2,207	-	(307)	1,900
	4,892	-	(328)	4,564

1. Fixed Assets - Trustees have resolved to designate funds to the value of £864k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund - Trustees have designated funds to cover 12 months of budgeted expenditure (2022: 12 months) subject to other grant conditions being met on committed multi-annual grants to partners.

3. Sustainability Fund - Trustees have designated funds to help ensure the ongoing sustainability of the charity over the coming years. These funds are currently being drawn from annually to support an approved deficit budget.

19. RESTRICTED FUNDS

The tables below show the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

2024	Opening balance £'000	Income during 2024 £'000	Spending during 2024 £'000	Closing balance £'000
General funds ¹				
Community Development	1	31	(31)	1
Country specific	-	84	(84)	-
Education	-	262	(262)	-
Health	-	82	(82)	-
Human Rights	-	-	-	-
Humanitarian	428	520	(706)	242
Livelihoods	-	30	(28)	2
Other	2	14	(11)	5
Special needs and disability	-	38	(38)	-
Partners working within the following fields ²				
Education	5	1	(3)	3
Health	7	19	(15)	11
Humanitarian	-	8	(8)	-
Livelihoods	2	-	(2)	-
Special needs and disability	-	36	(36)	-
Youth	-	3	(3)	-
Total restricted funds	445	1,128	(1,309)	264

2023 comparative	Opening balance £'000	Income during 2023 £'000	Spending during 2023 £'000	Closing balance £'000
General funds ¹				
Community Development	1	-	-	1
Country specific	-	231	(231)	-
Education	-	227	(227)	-
Health	-	126	(126)	-
Humanitarian	-	771	(343)	428
Livelihoods	-	55	(55)	-
Other	-	2	-	2
Special needs and disability	-	79	(79)	-
Partners working within the following fields ²				
Education	3	5	(3)	5
Health	61	54	(108)	7
Humanitarian	-	1	(1)	-
Livelihoods	-	30	(28)	2
Special needs and disability	-	24	(24)	-
Women's education and empowerment	-	7	(7)	-
Youth	-	1	(1)	-
Total restricted funds	65	1,613	(1,233)	445

1. **General funds** are funds restricted either by field of work or by country. | 2. **Partner restricted funds** have been categorised by type of work.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

20. RELATED PARTY DISCLOSURES

Embrace the Middle East is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation.

Until 14th August 2024, Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and website sales and also sold alternative gifts which are a form of donation.

	2024 £'000	2023 £'000
Donations received on behalf of the charity to 14th August 2024	13	61
Alternative gifts sold on behalf of the charity to 14th August 2024	27	142
Total	40	203

As at 31 December 2024 a net figure of £1k was owed by the Charity to the Trading company

As at 31 December 2023 a net figure of £158k was owed by the Trading company to the Charity.

A total of £7k of donations were received from 7 Trustees during the year.	7	5
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During 2024 a grant was payable of £49k (2023: £30k) to Musalaha, a faith based organisation in Israel where our Trustee, Rev Dr Munther Isaac, is also a Director. A purchase of £728 of stock was also purchased in 2024 from Musalaha, for sale in the Embrace web-shop. In addition, whilst no grant was payable in 2024, £28k was payable in 2023 to the Anar for Empowerment and Psychological Support Charitable Association. Rev Dr Munther Isaac is also a Director for this organisation. However, the Charity ensures that Trustees do not participate in any decision making relating to activities where there is any potential conflict of interest for them, as a Related Party.

21. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2024 £'000	2023 £'000
Net (expenditure) income (as per the statement of financial activities)	1,150	132
Adjustments for:		
Depreciation charge	10	19
(Profit) / Loss on disposal of property	(1,177)	2
Net gains on investments	(225)	(178)
Investment income receivable	(230)	(175)
Decrease in stock	3	24
(Increase) / Decrease in debtors	(131)	122
Increase / (Decrease) in creditors	20	(13)
Net cash used in operating activities	(580)	(67)

22. CASH AND CASH EQUIVALENTS

	2023 £'000	2023 £'000
Cash and cash equivalents at beginning of year	2,720	2,672
Cash and cash equivalents at end of year	4,418	2,720

23. POST BALANCE SHEET EVENTS

As noted in the Post Balance Sheet Events note in 2023, the charity was notified of a large legacy in early 2024. Still without any grant of probate, the final amount and timing of receipt are uncertain. However, given that the charity is an administrator for the estate, we estimate that the value should be in the region of £1.4m to £1.7m. This amount has not been recognised in the financial statements.



EMBRACE
the Middle East

We would like to thank every person and church
that has supported our work in the past year.
It is through your kind generosity that the
achievements in this report have been possible.

Embrace the Middle East | Old Library Building | Queen Victoria Road | High Wycombe | HP11 1BG
01494 897950 | info@embraceme.org | embraceme.org | @FollowEmbrace   



Registered with
**FUNDRAISING
REGULATOR**

Front cover image: Mother and son in Egypt supported by Embrace partner The Rock Project.
Back cover image: Activities for displaced children in Gaza, run by Embrace partner the Princess Basma Centre.

Annual Report designed by www.fisherdesign.co.uk

EMBRACE THE MIDDLE EAST

England & Wales - Charity number 1076329

Accounts



EMBRACE
the Middle East

A woman wearing a grey and white patterned hijab and a brown long-sleeved shirt is focused on her work. She is using her hands to manipulate a piece of blue fabric with a pink border. The background is slightly blurred, showing more fabric and a workshop-like environment. In the top right corner, there are two overlapping circles, one purple and one pink.

EMBRACE THE MIDDLE EAST
ANNUAL REPORT
& ACCOUNTS
2023

A MESSAGE FROM THE CHAIR OF TRUSTEES



2023 was a year of tremendous hardship and challenge for many people across the Middle East. The resolve and the response of our partners, our team, and our supporters highlights what can be done, even in the face of such adversity.

During 2023 we were required to respond to two unpredictable events of, literally and figuratively speaking, seismic significance: the earthquake that struck Western Turkey and northern Syria in February and the humanitarian catastrophe that began, and continues to unfold in Gaza, following the Hamas attacks in Southern Israel on 7 October.

We might have been forgiven for faltering in the face of such unexpected and potentially debilitating events. We have certainly witnessed, and through the shared experience of our partners in Syria, Lebanon, Gaza, the West Bank and Israel, experienced ourselves at one remove, both the horror, and the deep sense of pain and loss brought about by these twin catastrophes.

The Trustees of Embrace have been humbled by the fortitude of our partners, the skill, energy and determination of Embrace's staff to respond to these events, and the extraordinary generosity and compassion of our supporters who helped us raise record sums in response to two emergency appeals. They and we did not stop there.

As you can read in this report, together we were galvanised into months of urgent and intensive advocacy in response to events in Gaza – for a ceasefire, and for more constructive engagement from our politicians and church leaders in support of the massive humanitarian response which is needed if we are to avoid more terrible loss of life and the continuation of decades of occupation, enmity and insecurity.

The humanitarian situation in Syria, particularly for the large numbers of people who remain homeless after the earthquake, remains critical. The scale of need is daunting and requires a long-term commitment from us, and from major international donors. We were able to provide emergency aid to thousands of families in 2023 and will continue to support those who are most vulnerable through our partners on the ground.

Despite these huge challenges we emerge from another extraordinarily challenging year in far better shape than we feared when it began. As we navigate 2024, our 170th year, having moved our office from Amersham to High Wycombe, we look forward with great confidence – in our



“The Trustees of Embrace have been humbled by the fortitude of our partners, the skill, energy and determination of Embrace's staff to respond to these events, and the extraordinary generosity and compassion of our supporters who helped us raise record sums in response to two emergency appeals. They and we did not stop there.”



mission, our supporters, our partners, and in what we can achieve together in the face sometimes of seemingly overwhelming odds. Embrace's commitment to our Christian partners, and to helping to sustain their social witness in such a rich, diverse, fascinating and often troubled region, the Middle East, is unwavering.

On behalf of the Board, I want to thank all of Embrace's staff, and in particular our CEO Tim Livesey who leaves us in the summer, for yet another year of inspired, resilient and faith-filled service. We are delighted that Jamie Eyre, Director of Programmes and Advocacy for many years, will lead Embrace in the next phase of its extraordinary history. With grateful thanks too, to all our generous benefactors and supporters who keep us going, and help to nourish our mission, as well as our programmes, and those of our partners.

John Mitchell OBE,
Chair of Trustees

Picture above: Gaza, October 2023 (Credit: Mohammed Al-Rifai/AFP via Getty Images)

The Trustees of Embrace the Middle East, who are also Directors of the Charity for the purpose of the Companies Act 2006, are pleased to present their Annual Report, and the charity's audited consolidated financial statements, for the year ending 31 December 2023.

TRUSTEES ANNUAL REPORT

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Embrace the Middle East Group: Embrace the Middle East

Registered charity number: 1076329. **A company limited by guarantee:** 3706037

Registered office: Embrace the Middle East, Old Library Building, Queen Victoria Road, High Wycombe, Buckinghamshire, HP11 1BG

We change the names of children and vulnerable adults whose stories are included in the report. Pictures are for illustrative purposes unless otherwise stated. All content is the copyright of Embrace the Middle East and our partners and may only be reproduced with permission.

WHO WE ARE & WHAT WE DO...



OUR VISION

To bring healing and hope to all who face marginalisation and injustice in the Middle East.

Our vision is rooted in Christ's invitation to care for those most in need. Where there is a need – for refuge, for health care, for education, for safeguarding, for economic empowerment, for justice and human rights – we want, with and through our partners, to respond.

OUR MISSION

To support the social witness of Middle East Christians as they work to transform lives.

We encourage all, regardless of faith, to join us in supporting and sustaining our partners, and the Middle Eastern churches, in their social witness and their particular and vital contribution to building cultures of inclusion, justice and peace in the suffering and war-torn Middle East. We build strong and lasting relationships with our partners, nurtured by mutual respect and a shared commitment to excellence.

OUR VALUES

Respect, Compassion, Trust and Integrity.

We are guided by four core values, which are inspired and informed by our Christian faith, as well as a commitment to meet all professional and regulatory standards relevant to our work.



Respect

We respect the human dignity and value of every person and all peoples – no matter what their beliefs or background – as made in God's own image.



Trust

Just as we trust that God cares for us and sustains us in our work, we work with a generous and positive spirit, trusting that God desires to see all of humanity flourish.



Compassion

Our Christian faith teaches us to treat every person with compassion, especially anyone who suffers from social or economic marginalisation, or from having their basic human rights withheld or compromised.



Integrity

We see honesty and integrity as foundational to Embrace's way of working with partners, supporters and donors and have high expectations of all who work for, and with, the charity in any capacity.

THE CHARITY IN NUMBERS

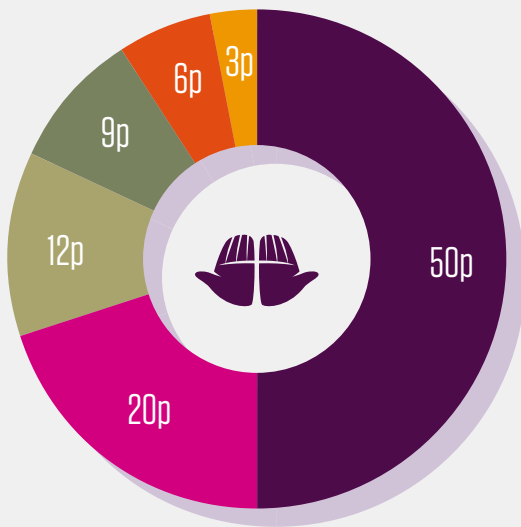
The table below contains key financial data for the charity. These summary numbers are taken from the financial statements on pages 35 to 55, but for the purposes of clarity exclude the income and costs of our Trading subsidiary, and any gain/losses on the sale of investments.

Year ending 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Donations*	5,094	4,875	2,874	2,869	2,849	2,360	3,116
Legacies	1,437	1,269	1,288	823	1,022	1,054	996
Investment income	56	60	107	96	105	99	96
Other	57	71	77	72	79	74	114
Total Income	6,643	6,275	4,346	3,860	4,055	3,587	4,322
Grants	2,732	2,683	3,040	2,467	2,424	2,326	2,304
UK staff costs	984	1,165	1,238	1,206	1,301	1,263	1,352
Other costs	926	784	945	555	676	683	692
Total resources expended	4,642	4,632	5,223	4,228	4,401	4,272	4,348
Net surplus/(deficit)	2,001	1,643	(877)	(368)	(346)	(685)	(26)
UK charity income less costs	2,001	1,643	(877)	(368)	(346)	(685)	(26)

Net Assets at 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Investments	1,905	2,129	3,579	3,589	3,914	3,359	3,597
Cash at bank and in hand	4,741	6,198	4,416	4,005	3,494	2,585	2,515
Other net assets	950	761	575	618	756	965	949
Total funds	7,596	9,088	8,570	8,212	8,164	6,909	7,061

Further commentary on the 2023 results can be found in the 'Financial review' section on pages 24 - 25. In the pages that follow, we give details of what we and our partners achieved in 2023, compare our outcomes to the plan we set ourselves for the year, and set out our plans for 2024 and beyond.

THE CHARITY IN NUMBERS

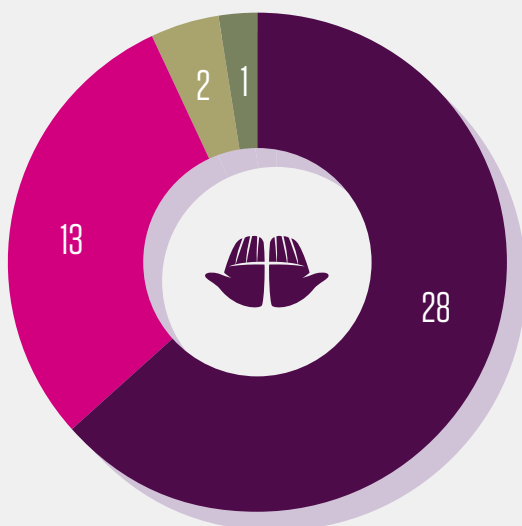
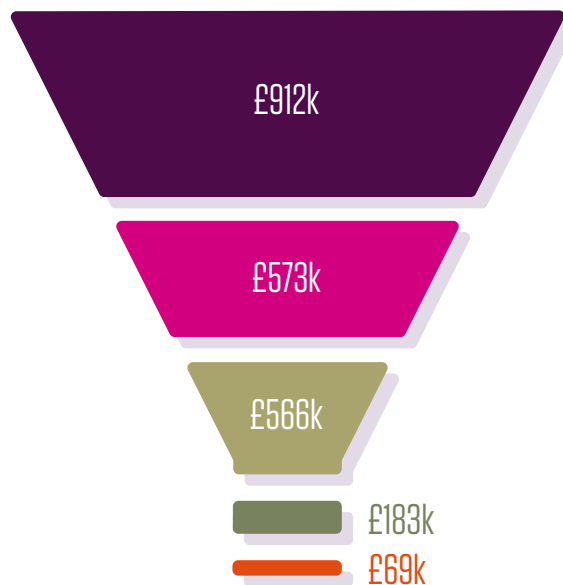


EXPENDITURE: How each £1 donation is spent

- Grants to partners **50p per £1** (Overall £2,339k)
- Other support to partners **20p** (£948k)
- Public education and engagement **12p** (£574k)
- Trading costs **9p** (£428k)
- Cost of generating funds **6p** (£300k)
- Governance **3p** (£105k)

GRANT: Spend by Country

- Palestine and Israel **£912k** (39%)
- Lebanon **£573k** (24.5%)
- Egypt **£566k** (24.5%)
- Syria **£183k** (8%)
- Iraq **£69k** (4%)



Types of Projects Supported

- Multi-annual **28 projects** (63.6%)
- Short-term **13 projects** (29.5%)
- Capacity building **2 projects** (4.5%)
- Olive tree **1 project** (2.4%)

OUR IMPACT

2023 was a year of tremendous hardship across the Middle East, as intense conflict and natural disaster placed significant new pressures on already hard-pressed communities and our partners - who are not immune from these challenges in their own lives.

From the earthquake which devastated north and western Syria in February 2023, to the outbreak of war in Gaza, following the barbaric 7 October Hamas attacks, it was a year of significant challenge.

The need for our partners, and their Christian service, remains great. As daily life is ever more challenging for so many, Embrace-supported projects continued to be a beacon of hope and a lifeline for many families and individuals.



In 2023 we continued to support programmes in Egypt, Lebanon, Iraq, Israel/Palestine, and Syria, working to transform lives by:

TACKLING POVERTY & INJUSTICE



Working with communities at risk of marginalisation and exclusion.

RESPONDING TO CRISIS



Providing for practical needs and psychological support.

SPEAKING OUT



Raising awareness of injustice and amplifying the voices of our Christian partners.

INVESTING IN THE FUTURE



To ensure the continuation of Christian social witness in the region.



TACKLING POVERTY & INJUSTICE



Embrace supports Middle East Christians as they serve those in their communities facing social marginalisation and economic exclusion - working to transform lives and restore dignity.

What we promised to do in 2023:

- Support and strengthen essential health and social care services for marginalised communities.
- Support livelihood and income generation projects, providing for immediate needs and opportunity for the future.
- Support work which empowers people who are excluded or displaced (women, girls, people living with a disability, refugees), bringing inclusion, engagement and equality.

In 2023:

- 14 partners were supported to provide livelihood and income generation opportunities for marginalised communities.
- We provided support to 13 projects focussed on the empowerment of women and girls.
- We provided over £1,000,000 of funds in support of health and social care projects.

How we kept our promise:

Across the region, the needs of marginalised communities and, increasingly, the middle classes grew in 2023.

Economic conditions throughout the region remained challenging in all contexts where our partners work. The financial crisis continued in Lebanon with no end in sight. Egyptians wrestled with currency devaluation and inflation of 35%. Increased tensions and rising violence in Israel-Palestine were overtaken by the outbreak of war in Gaza after atrocities of 7 October. The earthquake in Syria and the ongoing effects of climate change exacerbated already acute problems in the country.

Rising costs and increased need challenged our partners to find creative ways to respond, and inevitably hard choices had to be made. Our partners responded to the challenge, reaching

across divides, sharing the love of Christ through acts of service and sacrifice.

The complexity and multi-layered nature of the issues facing many in the region meant that the holistic approach of the projects we support was key. The projects run by our partners addressed immediate needs – providing free healthcare, education, and specialist disability care. But they also provided mental health support, offered resources to provide longer-term solutions – such as training, livelihood development, and women's empowerment – and addressed the root causes of poverty and injustice by campaigning for social change and equality.



HERE ARE A FEW HIGHLIGHTS OF PROJECTS WE SUPPORTED IN 2023:



Subsidised healthcare in Lebanon

The continued economic crisis engulfing Lebanon means that few can afford the cost of medical care. Lebanon's prolonged economic crisis has meant cuts in government subsidies previously available to help with the costs of medical care and medications, leading to soaring costs. At the same time international financial support has also been in steep decline. In 2023 the Embrace the Middle East UK Medical Programme with the Karagheusian Health Centre supported 2,384 individuals with medical expenses (including hospital treatment), while Embrace funding helped 2,313 patients at the Tahaddi Health Centre.

HEALTHCARE SUPPORT
FOR OVER
4,500
PEOPLE

“Many beneficiaries have expressed their gratitude for the support provided by Embrace ...and for its empathy and understanding towards their medical needs.”

Karagheusian Health Centre

Supporting the foundations for peace in Israel-Palestine

Embrace partner Musalaha continued to work with groups of Israeli and Palestinian women - Jewish, Muslim and Christian - to promote cross-community understanding, grassroots activism and co-resistance to end injustice and build a path to peace in Israel-Palestine. The 7 October attacks, and the events that followed, made their work extremely challenging. However despite the personal risks involved, the majority of participants in the project remained committed to meeting online and working together, sharing Embrace's belief that reconciliation is key for a lasting and just peace.

“Imagining an end to this violence, and indeed an end to the Occupation, may seem like a far-fetched dream for some - but for others, this vision is the only possibility for life.”

Musalaha

A safe place to play for Syria's children

Embrace continued to support three child-friendly spaces, in Damascus, Homs and Mhardeh. The hubs are a safe place where children and young people can meet friends, learn, play, and express their emotions. Many have been traumatised by growing up amid civil war, economic hardships and the recent earthquake. In 2023 the centers provided fun activities, including drama, arts and crafts, sports, and therapeutic sessions to help with mental health and resilience, for 918 children and youth.

“The centre here is allowing us to create beautiful memories with our friends and it is a small escape from the sad reality we live in.”

Miriam, who attends the Mhardeh centre



SUPPORT
FOR OVER
900
CHILDREN

Magy's Story: Education support in Egypt

For many women and children living in informal settlements in Egypt's cities, the hardships of daily life mean they struggle to succeed in their education.

In 2023 Embrace continued to support literacy classes for adults and free after-school tutoring and mentoring for children through a programme run by our partner Episcocare at their community centres in Cairo and Alexandria.

Magy began as a volunteer in 2019, and is now the educational programme coordinator at the centre:

“Every time I see a child or a woman whom I've helped, it encourages me to continue, and I feel that I have value and play a significant role in the lives of the people around me. I can't forget one of the literacy students, Nailah. Nailah couldn't attend the literacy classes regularly, so I spent extra time with her after the class, helping her catch up. She was determined to learn, and her success in obtaining a literacy certificate filled me with joy.”



745
PEOPLE BENEFITTED
FROM LITERACY
CLASSES AND AFTER-
SCHOOL TUTORING

Supporting specialist disability care in the West Bank

The Jerusalem Princess Basma Centre provides specialist support and rehabilitation therapies for children living with disabilities in the West Bank. In 2023 Embrace's funding included supporting their Outreach Team as they carried out in-the-field assessments for over 600 children with disabilities. The team referred over 400 children for specialist treatment either at the Jerusalem Princess Basma Centre or local medical centres, helping them access the care and support they need.

MEDICAL ASSESSMENTS
CONDUCTED FOR
635
CHILDREN WITH
DISABILITIES

Vital services for marginalised communities in Egypt

As the economic conditions in Egypt deteriorated in 2023, ordinary families struggled to afford the basics. The work of our partners such as the Salaam Centre, run by The Daughters of St Mary Coptic Convent, became a vital lifeline. The centre serves the marginalised Zabbaleen community by providing a wide range of services including free health checks, legal advice for women, and support groups for those affected by drug abuse. In 2023 over 7,000 people accessed these services – including around 3,000 children and young people.

7,000
PEOPLE USED
THE CENTRE



RESPONDING TO CRISIS



Ours is a vision of faith, hope and love in action. It is rooted in, and inspired by,
Christ's invitation to care for those most in need.

What we promised to do in 2023:

- Provide targeted grants that keep services running and deliver essential extra support in on-going crises and emergency situations.

In 2023:

- We supported 54 projects that delivered essential services.
- We supported partners to respond to the earthquake in Syria, and the war in Gaza.
- We worked with partners to adapt programmes and support the needs of people affected by crisis.

How we kept our promise:

2023 saw natural disasters and rising instability in the Middle East.

On 6 February a series of devastating earthquakes struck Turkey and Syria. In Syria, the earthquake added new hardships to communities living with over a decade of war and the devastating impact of prolonged international sanctions. A new crisis sat atop an already complex emergency. Embrace moved swiftly to launch an emergency appeal and, through our partners Pontifical Mission and MERATH, were able to support churches in Aleppo, Lattakia and other towns in Northern Syria, not just with their initial emergency response, but with long-term funding.

In April, armed conflict broke out in Sudan, causing over 400,000 people to flee into

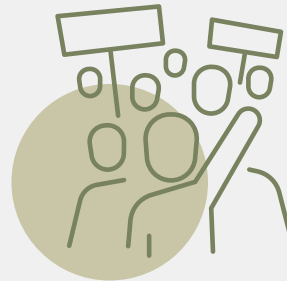
neighbouring Egypt. We responded by giving additional funding to our partner Refuge Egypt as they sought to meet the increased needs.

In October we launched another emergency appeal responding to the atrocities carried out by Hamas on 7 October, the subsequent devastating war in Gaza, and severe movement restrictions, and increased violence, in the West Bank. We were able to support partners in Gaza, Israel and the West Bank with their initial emergency responses, as well as having funds available for their larger and longer-term responses during, and in the aftermath of the war.



Left to right (above): Emergency olive harvest project (Credit: PMP). | Syria earthquake response (Credit: MERATH). | DSPR-NECC medical clinic, Gaza. **Main picture (left):** Gaza, October 2023 (Credit: Abed Rahim Khatib/Anadolu via Getty Images).

HERE ARE JUST SOME OF THE WAYS WE RESPONDED TO CRISIS IN 2023:



Long-term support for victims of the earthquake in Syria

Tens of thousands of families lost homes and businesses in the earthquake of 6 February 2023. A successful emergency appeal meant Embrace was able to raise funds to support two projects providing emergency relief (such as food parcels, blankets, and hygiene kits) in northern Syria, and can also provide the long-term support needed for the many years of recovery ahead.

“In these dark circumstances, the light remained stronger through people who thought of us although they were far from us...”

Resident of Aleppo



Shelter for Sudan's Refugees

In April 2023, armed conflict broke out in Sudan. By the end of the year over 400,000 refugees had fled to neighbouring Egypt. Embrace provided additional funds to support Refuge Egypt, as they expanded their programme in response to this dramatic rise in those needing their help. Many had survived extremely traumatic events both in Sudan and on their journey to Egypt, so staff provided emotional and psychological support as well as meeting their immediate needs with food, clothing, and hygiene kits, and helping them find suitable accommodation.

10,851
FOOD BAGS
DISTRIBUTED

Food for Israeli citizens sheltering from attack

Ashkelon, situated about 10km from Gaza, came under heavy rocket attack at the beginning of the Israel-Hamas War. Shops were closed and many citizens were forced to stay for long periods in public bomb shelters. Embrace responded quickly by supporting a project by Aviv Ministries to cook and distribute hot meals to groups of vulnerable people in the shelters, providing vital supplies to over 180 families.

HOT MEALS
FOR OVER
180
FAMILIES

Helping save the olive harvest in the West Bank

The severe movement restrictions and economic impact that followed the 7 October attacks, in Area B of the West Bank, meant many farmers were unable to access their fields, or afford the workers to gather their vital olive harvest. Other Palestinians could not travel to their jobs in Israel. We responded by funding a mini-project with our partner Pontifical Mission for Palestine to pay for 33 local workers to be trained and employed to harvest the olives on 8.27 acres of land in the Bethlehem Governorate, helping 9 farmers to save their harvests.

EMPLOYMENT
FOR
33
LOCAL
WORKERS

Ensuring education opportunities amid Lebanon's economic crisis

The severe economic crisis in Lebanon continued throughout 2023, with schools being particularly badly affected.

Many state schools struggled to remain open with insufficient funding for things like electricity and supplies. For the first three months of 2023 schools were shut due to teachers' strikes over pay. Prior to the recent financial crisis, around 75 per cent of Lebanese parents opted to send their children to private schools – but fees are now unaffordable for many. This meant that education projects funded by Embrace, such as Al Kafaat inclusive school, became even more important:

With the severe crisis in Lebanon, families with limited financial resources who cannot afford to pay high tuition fees have come to our school.

Our student numbers rose from 140 students in July 2023, to 188 students at the start of the new academic year in October 2023.

Providing education to the most vulnerable remains the most positive impact. We are able to empower students who have special needs and financial challenges, reinforcing their self-esteem and providing them with the social skills to pursue higher education, or vocational training, and integrate into their communities and the labour market.

Thanks to Embrace, the school was able to pursue its services and the results can only make us proud and thankful.



Critical medical aid for Gaza

Following the outbreak of the war in Gaza, the majority of our partners had to pause their projects and seek shelter themselves. Embrace launched an emergency appeal to raise funds for the necessary long-term response and rebuilding once fighting stops. Embrace was also able to give immediate funding to Al Ahli hospital – for medical supplies, medicine, and salaries for additional staff. Our partner Caritas Jerusalem used Embrace funding to establish clinics in the Holy Family Catholic Church and St Porphyrius Orthodox Church in Gaza city, providing vital first aid and primary medical care to those choosing to shelter in the churches, or unable to flee south.

“...We bear witness to the harrowing tales of suffering from the Gaza community, particularly women and children. Despite resource constraints, our steadfast presence in Gaza City and the south allows us to alleviate some of this suffering through vital services...”

Caritas Jerusalem



SPEAKING OUT



Where there is a need – for refuge, a home, for health care, for education,
for justice and human rights – we, with our partners, respond.

What we promised to do in 2023:

- Speaking out and encouraging supporters to engage actively in support of justice and equal rights for all.
- Creating resources that inform and nourish church and individual engagement with the life and social witness of Christians in the region.

In 2023:

- We increased our public advocacy through statements, hosting high-profile events, and encouraging supporters to write to their MPs and church leaders.
- We provided study guides, prayer resources, and online seminars for supporters and churches.

How we kept our promise:

During 2023 we intensified our advocacy and public communications in support of Embrace's partners and their aspirations, as well as our own.

Wherever possible, we work in concert (and actively collaborate) with other like-minded organisations – churches and civil society. Our overriding goal is to further the interests of our Christian partners by engaging with, and influencing the decisions and outlook of significant decision makers – in the Church in the UK and elsewhere, and in UK and international politics.

This goal sits alongside a desire to provide meaningful opportunities for Embrace supporters, present and future, to better understand the challenges faced by Christians in the Middle East, and to take actions that support their endeavours, aspirations, and social witness.



Above: Revd Munther Isaac at Embrace's 'One Household of God?' event at Coventry Cathedral.

Main picture (left): Embrace at Greenbelt Festival.

HERE ARE A FEW HIGHLIGHTS OF OUR SPEAKING OUT IN 2023:



On-line education and communication

**TWO NEW
'MY MIDDLE EAST'
PODCAST SERIES
FEATURING
11
GUESTS FROM
ACROSS THE REGION**

We continued to publish content designed to engage and inform – in the form of blogs, two new series of our podcast series My Middle East, our monthly Re:Action e-mail, on-line seminars, and a number of lobbying initiatives which encouraged Embrace supporters to lobby their MP, members of the House of Lords, including the Lords Spiritual, and church leaders to calling for specific actions. Some of those actions, and special events with an advocacy impact, are shown on the right.



Fundraising and engagement

2023 saw exceptionally strong public engagement and fundraising in response to two major humanitarian crises, bringing in significant funds and attracting many new supporters. In February, we raised over £307,000 – at the time, the second highest single appeal on record - for partners in Lebanon and Syria responding in the aftermath of the earthquake that struck Turkey and Northern Syria. Thanks to the network of churches and local Christian groups, Embrace partners were able to act in a matter of hours.

**300
NEW SUPPORTERS**

We launched an emergency appeal quickly after the 7 October Hamas attack on Israel and focused the 2023 Christmas appeal on the subsequent humanitarian crisis in Gaza. The response from Embrace supporters, churches and the public was remarkable, raising in excess of half a million pounds between the two appeals. Our thorough and balanced reporting from partners attracted new support from over 300 people.



Public engagement and advocacy

Inevitably the intensity of our advocacy picked up dramatically in the final quarter of the year, continuing in 2024, following the atrocities carried out by Hamas on 7 October in Southern Israel, and then the war waged in Gaza by the Israeli Defence Forces which has cost so many innocent lives and destroyed so much of Gaza's buildings and infrastructure.

It is no exaggeration to suggest that Embrace has never engaged with such intensity in so much urgent, direct and indirect (through supporter actions) advocacy, both in the media and with political and church leaders. In terms of impact our metrics and informal feedback suggests we are reaching new audiences and punching well above our weight.

Some of the highlights from our advocacy and public engagement during 2023 and early 2024 include:

- Public statements and Parliamentary lobbying in favour of a ceasefire in Gaza from mid-October, as well as lobbying against the Economic Activity of Public Bodies (Overseas Matters) Bill in autumn 2023, and the so-called Defending Democracy Policing Protocol in March 2024.
- A section of our website specially designed and dedicated to events in Gaza aimed at keeping the public informed of lived experience on the ground, as seen through the eyes of partners as well as promoting an active response – prayer and acts of practical solidarity – among Embrace supporters.
- Public events including a Gaza vigil at St James Piccadilly in October, a lecture at Coventry Cathedral given by Rev Dr Munther Isaac, Embrace-led worship services at Greenbelt, and the Embrace Annual Lecture given by the Archbishop of Canterbury, alongside our partner Daniel Munayer of Musalaha, at St Martin the Fields, in September.
- A four-part seminar series of Conversations with Middle East Christians exploring issues in Lebanon, Egypt, Iraq and Palestine/Israel.



Left to right: Embrace Annual Lecture at St Martin in the Fields, London. | Embrace Annual Lecture speakers. | Embrace at Greenbelt.



INVESTING IN THE FUTURE



Our goal is to contribute to a culture of human flourishing in a troubled region.

What we promised to do in 2023:

- Provide targeted investment in our partners, supporting their plans for development and growth.
- Developing our skills, our people (including volunteers) and our systems to maximise impact in support of Embrace's mission.

In 2023:

- We provided partners with infrastructure and strategic planning support.
- We invested in our programme managers, supporting them with mentoring training that will strengthen their work and interaction with local partners.
- We provided counselling support for staff impacted by the October 7 events and the Gaza war

How we kept our promise:

We are committed to fostering a culture of learning, development and working to sustain and strengthen Christian service in the Middle East by being an effective and innovative grant maker.

In 2023 our grants helped fund a range of programmes to support our partners' plans for development and growth, including: organisational reviews and the development of strategic plans, vital building work and the purchasing of equipment to improve services and increase capacity, and investing in specialist training.

HERE ARE A FEW EXAMPLES OF HOW WE INVESTED IN THE FUTURE IN 2023:

New paediatric unit for Harpur Hospital, Egypt

With generous financial help from a long standing supporter Embrace helped Harpur Memorial Hospital invest in a new purpose-built unit for their Paediatric Department. The shell of the building was already constructed but funds were needed for the internal building works, furnishings and equipment. The new building, which opened in the autumn of 2023, not only significantly increases the number of patients that can be seen, but it also means they can get all their treatment in the same place with better coordination of care.



Improving teaching facilities at Nazareth School of Nursing, Israel

Embrace funds helped Nazareth School of Nursing equip two new classrooms and upgrade screens, projectors and computers. This will mean students will benefit from improved facilities and diversified teaching methods.

2

NEW CLASSROOMS
EQUIPPED AT
NAZARETH SCHOOL
OF NURSING

“One of our goals is the improvement and diversification of teaching methods, which allows for teaching that will suit each student and improve achievements.”

Nazareth School of Nursing

Building long-term strategies with our partners

The Anglican Diocese of Jerusalem covers Israel, Palestine, Jordan, Syria and Lebanon and serves the communities there by providing vital education, healthcare, and social support. To maximise their impact, improve efficiency and increase their ability to quickly respond to emergency situations, the Diocese is undertaking a comprehensive review of its strategy, funded by Embrace. The resulting strategic plan, due for completion in 2024, will provide a roadmap for long-term growth and ensure the diocese can continue to provide high-quality and cost-effective services.

“We believe that the more we invest in developing strategic plans, the more the Diocese institutions become capable to respond efficiently to any emergency situation.”

Anglican Diocese of Jerusalem

Specialist training for partner staff in Egypt

Growing capacity and both the impact and cost-effectiveness of projects is key for many of our partners and a priority for Embrace. We supported £250,000 capacity-building initiatives in 2023, including one run by our partner Life Vision. Their comprehensive training programme included building professional skills such as people management and data analysis, as well as specialist training for field staff and volunteers on conducting visual impairment assessments and gathering photos and video material.

50

STAFF AND

21

VOLUNTEERS
ATTENDED TRAINING

“One of our main interventions is building the capacity of grassroot organisations ... This project has increased staff capacity to provide trainings for other teams.”

Life Vision



Left to right: Specialist training in Egypt run by Life Vision

PRIORITIES FOR 2024



Our plans for 2024 are based on Hope in Action: Strengthening Christian Service in the Middle East, our strategic plan 2021-25. The plan can be downloaded from our website:

embraceme.org/five-year-strategy

FAITH IN ACTION

- Support and strengthen essential health and social care services for marginalised communities.
- Support livelihood and income generation projects, providing for immediate needs and opportunity in the future.
- Support work which empowers people who are excluded or displaced (women, girls, disabled people, refugees), bringing inclusion, engagement, and equality.
- Focus our efforts on partner learning and development

RESPONDING IN TIMES OF CRISIS

- Support people in crisis through flexible and effective projects.
- Work with partners working in crisis situations to respond to changing needs.
- Support refugees and displaced people.
- Advocate for people in crisis, working closely with churches and our peers in the UK.

BROADEN AND DEEPEN

- Continue to develop our advocacy voice, building alliances with our peers and forging relationships with church leaders, in the UK and internationally.
- Speak out on issues of injustice, refugees, and the significant role of Christians in the Middle East.
- Provide our supporters and the church in the UK with resources and access to Middle East Christian voices, both to engage and educate.

INVESTING IN THE FUTURE

- Continue our support for projects working with Christian young people and the next generation of potential leaders.
- Invest in the Embrace team through training and personal development.

OVERVIEW

2023 was another challenging year for the charity finances, on a number of levels.

In the UK, the charity faced continuing economic pressures, post Covid, with high inflation, exacerbated by the continued impact of the war in Ukraine.

More significantly, the charity had to respond to two devastating developments in the Middle East in 2023. The year began with an appeal in response to the earthquake crisis in Syria and ended with our response to tragic and unprecedented events in Israel and Gaza. These appeals, combined with the generosity of our core donor base, generated income for the charity of £4,648k this year (2022: £3,811k), representing a 22% increase on the previous year.

As a result, the charity was able to maintain all planned grant spend, as well as emergency responses to the crises in Syria and Gaza. Grant spend in 2023 totalled £2,304k (2022: £2,326k). The charity ended the year with substantial reserves available to continue providing vital support to partners well into 2024, as well as making plans to respond to the aftermath of these crisis situations.

Despite high UK inflation throughout 2023, the charity was able to maintain good control of non-grant spend, which increased by just 6% to

£2,390k in 2023 (2022: £2,247k).

Together with the strong performance of our investment portfolio in the final quarter of 2023, the charity ended the year with an overall net surplus of £132k (2022: deficit of £(1,332k). This compares with a budgeted deficit of £(825)k.

This leaves total reserves at £7,063k (2022: £6,931k), with free reserves of £2,054k (2022: £1,974k). Free reserves continue to represent 10 months of non-grant spend (after designations), which is within the target range set out in our reserves policy, as revised in 2022.

INCOME

Total income for 2023 was £4,648k (2022: £3,811k) – an increase of £837k or 22% versus the previous year. As mentioned above, this reflects the impact of fundraising appeals for the 2 devastating crises that developed during the year both in Syria and Gaza. These appeals generated a total of £712k of income over the year.

Although legacy income was 5% behind the previous year there is a substantial legacy pipeline in place. Committed regular giving was 6% less than 2022.

Income from Embrace's trading operation was 10% ahead of the previous year, though pressure on product gross margins meant that the trading activities made a small loss overall by year-end.

EXPENDITURE

Total expenditure in 2023 was £4,694k (2022: £4,573k), which is £121k, or just 3%, more than 2022.

The cost of generating funds was 6% less than the previous year at £300k (2022: £331k), due to some reduction in staff and supporter engagement and related support costs.

However, in line with plan, the cost of charitable activities was maintained at £3,966k (2022: £3,843k), a 3% increase. This reflects the charity's aim to maintain (or increase) support to our partners where possible. Grants paid to partners were £2,304k (2022: £2,326k). A list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 45).

2023 support costs were in line with 2022 at £434k (2022: £434k).

BALANCE SHEET

The charity, including the trading subsidiary, continues to show a strong balance sheet. We ended 2023 with total funds of £7,063k (2022: £6,931k). General unrestricted free reserves amounted to £2,054k at the end of 2023, an increase of £80k on the 2022 year-end figure of £1,974k.

However, this increase is partly a result of the planned reduction in the level of designation to help ensure the future sustainability of the organisation (reflecting

Embrace the Middle East would like to acknowledge the generosity of the following charitable organisations during 2023:

- The Mosawi Foundation
- The Jerusalem Trust
- The Bernard Sunley Charitable Foundation
- The Hillier Trust
- The St Clare & St Francis Trust
- The World Day of Prayer
- The Paterson Logan Trust

the forecast requirements, including projected deficits, of our latest five-year financial model to 2030). Our reserves position is discussed further below. It is pleasing to note that the organisation is in a healthy financial position as we face the challenges of our next financial year.

RESERVES AND INVESTMENT POLICY

Trustees monitor the charity's reserves position regularly and formally review the reserves policy every two years. The last review took place in 2022-23, resulting in the policy which is summarised as follows:

'Mindful of their responsibility to spend the charity's funds in fulfilment of the charity's objects and in a timely manner, but also to build the charity's resilience to unforeseen and detrimental hazard or risk, the trustees of Embrace the Middle East have determined that for the foreseeable future the charity's free reserves (cash and investments less restricted and designated funds) should not exceed the equivalent of twelve months, or fall below the equivalent of six months, of budgeted non-grant expenditure. If the level of free reserves is likely to rise above this ceiling, or fall below this floor, the trustees will take action to restore the appropriate equilibrium between income and expenditure that this range of reserves is intended to secure. The Trustees will keep the charity's level of free reserves under regular and ongoing review.'

In line with this policy, the Trustees have also reviewed the

required level of funds that they believe should be designated for specific purposes. This is, and will continue to be, reviewed on a regular basis.

Designations have been agreed to cover the equivalent of twelve months of the charity's committed multi-annual core grants programme equating to £1,800k in 2023 (2022: £1,800k), plus an additional £1,900k (2022: £2,207k) to safeguard the ongoing sustainability of the organisation for the longer term. A further designation of £864k (2022: £885k) represents the value of fixed assets held by the charity at the year end (given that these are not readily available to be used to fund charity activities). Further detail is provided in Note 17 to the financial statements.

After taking these designations into account, the Trustees expect free reserves to fall within a banding of not more than £2,358k and no less than £1,179k. This banding represents between 6 and 12 months of budgeted non-grant expenditure, in line with current reserves policy. The audited figure for free reserves at the end of 2023 was £2,054k, approximately equal to ten months of budgeted non-grant expenditure. This is in line with 2022, falls within the Trustees target banding range, and is deemed appropriate to help ensure the continued financial resilience of the charity.

Restricted funds amounted to £445k at the end of 2023 (2022: £65k) and further information is detailed in Note 18 to the financial statements.

GOING CONCERN

The charity ended 2023 in a stronger financial position than at the beginning of the year. We predicted some recovery of income streams in early 2023, particularly given the generous response to our emergency appeal following the earthquake in Syria. However, we could not have foreseen the overwhelming level at which our donors would go on to give further support for our Israel / Gaza crisis appeal, following the devastating situation that has escalated so much this year.

In the first quarter of 2024, voluntary income levels have again been encouraging. In addition, we have a very healthy legacy pipeline, including one notification of a single very substantial legacy which will further assist our work as we progress through 2024 and beyond.

In addition, we are now in the final stages of completing on the sale of our office building in Amersham. The proceeds from sale of this property should exceed £2m. The Board will consider whether a portion of these funds should be designated for a specific purpose going forwards. Certainly, the income from the sale will further boost the charity's unrestricted reserves.

Whilst we will continue to be prudent in terms of expenditure going forwards, the Board has confidence that Embrace the Middle East remains, very much, a going concern.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE

LEGAL BASIS

Embrace the Middle East is a registered charity (no. 1076329), and a company limited by guarantee and not having share capital (no. 3706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006, 18 October 2011, 16 June 2015 and 9 October 2020.

OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of Embrace began in 1854 when what was then known as the Turkish Missions' Aid Society was founded. Our charitable objective today is set out in our Articles of Association:

Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.

Our main purpose is to work in partnership with Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon, Egypt, Syria and Iraq.

We raise funds in the UK to support this work, primarily through a large body of individual donors, but also through a number of generous

trusts. These funds are used to support our partners and their work through short-term and multi-annual grants. As part of our commitment to long-term partnership nonfinancial assistance may also be provided. This includes capacity building, advocacy for positive change, as well as facilitating encounters between UK Christians and our partners and their beneficiaries.

While the charity works exclusively through Christian-led agencies in the Middle East, the faith identity of beneficiaries is never an issue: we and our partners seek to support those in most need, regardless of faith.

The trustees confirm that in agreeing the objectives and planned activities of the charity in 2023, they have had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In September 2020, following consultation with the Charity Commission, the trustees voted to amend the charity's charitable object to better reflect the role that educating the public about the social outreach of Middle East Christians plays in the charity's overall mission. Also in September 2020, the trustees agreed a five-year strategy (Hope in Action: 2021-25). Underpinned by an agreed financial framework, this strategy will guide and support the aims, and ambition, of the charity through to 2025.

GOVERNANCE

The governing body of the company is the Board of Trustees, whose members are also Directors of the company. Trustees who served during 2022, and up to the date of this report, are listed under 'Who we are' on p.30.

The Board delegates some powers to two standing committees – Governance and Resources (largely concerned with the internal workings of the charity) and Programmes and Public Engagement (concerned with external matters) – and an ad hoc Officers and Chairs Committee. This committee comprises the officers of the charity (Chair, Vice Chair and Treasurer) and the Chairs of the two standing committees.

It meets, as required, to ensure effective coordination between Board committees and working groups, to set and keep under review the Chief Executive's objectives, performance and remuneration, and to manage Trustee recruitment, development and deployment.

Terms of reference for all Board committees, role descriptions for officers and the Chief Executive, and a detailed scheme of Board powers, both reserved and delegated, were agreed by the Board, prior to the implementation of the new committee structure in 2016 and are subject to periodic review.

In 2023 the Governance and Resources and Programmes and Public Engagement Committees

each met twice, and the Officers and Chairs Committee four times. The Board met four times during the year – in January, June, September and December.

TRUSTEE RECRUITMENT AND TRAINING

Two new trustees were recruited to the Board – Iain Osborne and Kristina Wells – in May 2024 and one trustee, Chris Woo, stood down at the end of his three-year term in March 2024. Trustees are recruited through an open and transparent process, including by public advertisement on charity job websites, and are selected on the basis that they have the professional skills and experience required for the charity to operate effectively. The charity strives to ensure that the Board is both gender-balanced and diverse, and includes trustees from a range of denominations. Trustees are elected for a three-year term which may be renewed, up to a maximum of nine years.

The Articles of Association of the charity requires all trustees to be practising Christians. The maximum number of trustees is set at 12, with provision for an additional two co-opted trustees, if required, to fill skills gaps.

New trustees receive an induction from the Chief Executive, covering their legal obligations under charity and company law, the procedures of the Board and its committees, the strategic plan and Trustees’

Annual Report, and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate or enhance their capacity to fulfil their role. Typically, training is focused on good governance, legal and financial compliance and safeguarding. Trustees are expected to make a familiarisation visit to one of the countries in which the charity operates to better understand the work of Embrace the Middle East and our partners. Longer serving trustees may make more than one visit.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

Trustees, working through the Board and its committees, are the ultimate decision makers for Embrace the Middle East. They entrust day-to-day management of the Charity to a senior leadership team, which operates within a framework, and a specified Scheme of Delegation, set by the trustees. The senior leadership team (known as the Leadership Group) is led by the Chief Executive and comprises the three Directors of Programmes and Advocacy, Fundraising and Communications and Shared Services, plus the Head of Human Resources and Culture. The Senior Finance Adviser attends as required. Members of the Leadership Group and other senior staff members may attend Board meetings, but do not vote.

PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the trustees, the Chief Executive, the Directors of Programmes and Advocacy, Fundraising and Communications, and Shared Services, the Head of Human Resources and Culture, and the Senior Finance Adviser.

The total employee benefits of the Leadership Group in 2023 were £394k (2022: £370k). Details can be found in note 7 to the accounts found on page 46. Remuneration and benefits for executive management are determined on the basis of periodic peer sector benchmarking. In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel, pay and benefits are determined by the Chief Executive, subject to an overall budget agreed by the trustees.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (continued)

SAFEGUARDING

In 2020 the charity undertook a fundamental review of its safeguarding policy and practice in a determined effort to maintain the highest possible standards, in line with best practice. Signature of, and adherence to, new codes of conduct by all staff, volunteers and third parties coming into contact with partners, or their beneficiaries, is mandatory. The charity has instituted a revised and updated safeguarding policy and framework for the reporting of concerns, or suspicions, of abuse, neglect or malpractice. A Safeguarding Committee comprising staff from all parts of the charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practice, and the adjudication of cases of concern referred to it.

The Chair of the Committee is the charity's designated Safeguarding Officer. The Committee meets regularly, or as required, and reports directly to the CEO and the trustees (at a minimum twice annually), or if circumstances dictate, direct to the Chair, or Vice Chair, of Trustees. The Vice Chair of Trustees is the Board's designated Safeguarding Officer. The charity's revised safeguarding policy and reporting mechanism has been professionally peer reviewed by Keeping Children Safe, of which the charity is an

associate member. As a charity, Embrace the Middle East aspires to the highest standards of safeguarding, in line with its ethos and values. Safeguarding policy and practice is a key element in our due diligence process with regard to partners and, where appropriate, an area where we offer capacity building support and advice through our safeguarding partner, Viva. The trustees are clear about their statutory responsibilities with respect to safeguarding and remain abreast of the Charity Commission's ongoing concerns in this area of governance.

A copy of the charity's safeguarding policy is available on the website embraceme.org/safeguarding.

RISK MANAGEMENT

The charity's Risk Management policy is reviewed annually. The Risk Register, and where appropriate particular risks, are reviewed each time the Board, or one of its standing committees meets. During 2023 risks associated with an acute cost of living crisis in the UK and feed-through impacts on the charity's fundraising and trading performance merited special attention. The Board describes its overall approach to risk as follows:

'In pursuit of its charitable purpose Embrace the Middle East is required to work with partners in inherently complex and pressured environments. We embrace risk as a condition of partnership, of our mission

to tackle poverty and injustice in the Middle East and of our ambition for growth in our impact. Working to transform the lives of vulnerable and marginalised people precludes an undue or exaggerated aversion to risk. In accepting risk as a necessary part of our work we undertake at all times to seek to mitigate and manage risk to our staff, our partners, their beneficiaries and the sustainability of the charity and its work. We will not shy away from reasonable risks that further the purpose of the charity and are consistent with our values.'

Consistent with this overall approach the charity's risk policy:

- Establishes a general approach to the management of risk, based on the identification, analysis, evaluation, and treatment of specific risks. The policy describes how risks will be analysed.
- Categorises risks as recommended by the Charity Commission: governance, operational, financial, environmental or external, and compliance (law or regulation).
- Sets out how the charity's risk register will be compiled and kept up-to-date.
- Sets out a detailed process for the monitoring and review of risks by the Board, its committees and the Leadership Group.

New risks, new variants of existing risks, and additional mitigation added to the register in 2022 included risks to income, staff welfare connected to remote working, heightened cyber threats and exceptionally challenging trading conditions.

STATEMENT OF FUNDRAISING PRACTICE

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Embrace the Middle East in 2023:

'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2023 there were no failures to comply with this

Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any cold telephone calls to the general public. We have not used SMS as part of our fundraising portfolio.'

In 2023 Embrace did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992. During the year we received 5 complaints about our fundraising practice (2022:2) in response to over 89,934 pieces of fundraising direct mail that were sent out. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices and are especially sensitive to the interests of older and

more vulnerable supporters or potential supporters. We act promptly on requests from supporters to change their contact preferences, and comply with all requests to cease contact received through the Fundraising Preference Service.

Embrace the Middle East maintains a team of specialist staff dedicated to maintaining excellent and respectful relationships with all of our supporters.



Left to right: Episcocare education support, Egypt. | Tahaddi healthcare, Lebanon. | Child Friendly Spaces staff training in Damascus (Credit: MERATH).

WHO WE ARE

TRUSTEES

John Mitchell OBE
(Chair of Trustees)

Dr Souraya Bechealany
(until March 2023)

Anne Clayton
(Vice Chair of Trustees)

Rev Josh Harris
(Chair of Governance and
Resources Committee from
September 2023)

Rev Dr James Hawkey
(Chair of Programmes and
Public Engagement Committee)

Katie Hodgkinson

Rev Dr Munther Isaac

Dr Kathryn Shah

Ben Morgan
(Chair of Governance and
Resources Committee until
September 2023)

Mary Oakes

Rev'd Iain Osborne
(from June 2024)

Madeleine Radford
(until March 2023)

Victoria Smith
(Treasurer)

Katharine von Schubert

Kristiina Wells
(from June 2024)

Chris Woo
(until March 2024)

PATRONS

**His Eminence Archbishop
Angaelos OBE**, Bishop of the
Coptic Orthodox Diocese of
London

Rt Rev Christopher Chessun,
Anglican Bishop of Southwark

Rev David Coffey OBE, former
President, Baptist World Alliance

Rt Rev Dr Michael Langrish,
former Anglican Bishop of
Exeter

**Very Rev Dr Andrew McLellan
CBE**, Convener, World Mission
Council of the Church of
Scotland

**Most Rev Timothy Radcliffe
OP**, former Master of the Order
of Preachers (*Dominicans*)

LEADERSHIP GROUP

Tim Livesey (*Chief Executive
Officer and Company Secretary*)

Jamie Eyre (*Director of
Programmes and Advocacy*)

Lucy Insua (*Head of Human
Resources and Culture*)

Sam Mackwell (*Director of
Shared Services*)

Ian Livett (*Director
of Fundraising and
Communications*)

REGISTERED OFFICE

Old Library Building
Queen Victoria Road
High Wycombe
HP11 1BG

AUDITORS

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

BANKERS

NatWest Bank plc
2nd Floor
Rapid House
40 Oxford Road
High Wycombe
HP11 2EE

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

INVESTMENT ADVISORS

**Investec Wealth and
Investments**
2 Gresham Street
London
EC2V 7QN

CCLA Fund Managers Limited
CCLA
One Angel Lane
London
EC4R 3AB

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also the directors of Embrace the Middle East for the purposes of company law) are responsible for preparing the annual report and financial statements of the charity in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the financial statements to give a true and fair view of the state of affairs of the charitable company including income and expenditure for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS102)
- 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.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of all corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 9 May 2024 and signed on its behalf by:

John Mitchell OBE,

Chair of Trustees

9 May 2024



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST

OPINION

We have audited the financial statements of Embrace the Middle East (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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. [including Section 6 'Provisions Available for Audits of Small Entities' of the FRC's Ethical Standard, in the circumstances set out in the Notes to the Consolidated Financial Statements on page 39.] We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST (continued)

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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 United Kingdom and Republic of Ireland (FRS 102)), the Charities Act 2011, and the Companies Act 2006, and other regulations including safeguarding, data protection, fundraising and employment law.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Shachi Blakemore
Senior Statutory Auditor

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL



Date: 13 June 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income:					
Donations and legacies	3	2,451	1,613	4,064	3,320
Charitable activities	3	34	-	34	48
Trading activities	2	374	-	374	318
Investments		96	-	96	99
Other income		80	-	80	26
Total Income		3,035	1,613	4,648	3,811
Expenditure:					
Cost of fundraising	4	300	-	300	331
Trading activities	2	428	-	428	399
Charitable activities	3	2,733	1,233	3,966	3,843
Total Expenditure		3,461	1,233	4,694	4,573
Net Income / Expenditure on operations		(426)	380	(46)	(762)
Net gains on investments	10	178	-	178	(570)
Net Income/(Expenditure) on operations after net gains / (losses) on investments		(248)	380	132	(1,332)
Net movement in funds		(248)	380	132	(1,332)
Reconciliation of funds:					
Total funds brought forward		6,866	65	6,931	8,263
Total fund carried forward		6,618	445	7,063	6,931

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

All income and expenditure derive from continuing activities.

The notes on pages 39 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2022)

For the year ended 31 December 2022 (incorporating an income and expenditure account)

		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 (*restated) £'000
	Note				
Income:					
Donations and legacies	3	2,244	1,076	3,320	3,778
Charitable activities	3	48	-	48	61
Trading activities	2	318	-	318	399
Investments		99	-	99	105
Other income		26	-	26	18
Total Income		2,735	1,076	3,811	4,361
Expenditure:					
Cost of fundraising	4	331	-	331	397
Trading activities	2	399	-	399	406
Charitable activities	3	2,831	1,012	3,843	3,902
Total Expenditure		3,561	1,012	4,573	4,705
Net Income / Expenditure on operations		(826)	64	(762)	(345)
Net gains on investments	10	(570)	-	(570)	299
Net Income/(Expenditure) on operations after net gains / (losses) on investments		(1,396)	64	(1,332)	(46)
Net movement in funds		(1,396)	64	(1,332)	(46)
Reconciliation of funds:					
Total funds brought forward		8,262	1	8,263	8,309
Total fund carried forward		6,866	65	6,931	8,263

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

All income and expenditure derive from continuing activities.

* 2021 comparatives have been restated to better reflect the income and expenditure of charitable activities on a comparable basis, year to year. The figures are also restated to fully eliminate inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Income / (Expenditure) is nil).

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 December 2023

	Note	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Fixed Assets					
Tangible assets	9	864	885	864	885
Investments	10	3,596	3,358	3,597	3,359
		4,460	4,243	4,461	4,244
Current assets:					
Stocks		53	77	-	-
Debtors: amounts falling due within 1 year	11	148	270	299	307
Cash at bank and in hand		2,720	2,672	2,515	2,585
		2,921	3,019	2,814	2,892
Creditors					
Amounts falling due within 1 year	12	(318)	(331)	(214)	(227)
Net current assets		2,603	2,688	2,600	2,665
Net assets		7,063	6,931	7,061	6,909
Funds					
Restricted funds	18	445	65	445	65
Designated funds	17	4,564	4,892	4,564	4,892
Reserves available for charitable purposes		2,053	1,952	2,052	1,952
Non charitable trading funds	2	1	22	-	-
Total funds	16	7,063	6,931	7,061	6,909

The financial statements were approved by the Board of Trustees on 9 May 2024 and were signed on its behalf by:

John Mitchell OBE
Chair of Trustees

The notes on pages 39 to 55 form part of these financial statements.



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Cash generated from operations	19	12	(995)
Net cash from operating activities		12	(995)
Cash flows from investing activities:			
Income from investments		96	99
Purchase of property, plant and equipment		-	(20)
Purchase of investments		(985)	(720)
Proceeds from the sale of investments		925	705
Net cash from investing activities		36	64
(Decrease) / Increase in cash and cash equivalents		48	(931)
Cash and cash equivalents at beginning of year	20	2,672	3,603
Cash and cash equivalents at end of year	20	2,721	2,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. ACCOUNT PRACTICES

Basis of preparation

Embrace the Middle East is a company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect to the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are set out on page 26.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom (FRS 102), and UK Generally Accepted Practice as it applies from 1 January 2015 and updated for Bulletin 1&2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the Charity, and its wholly owned subsidiary, Embrace the Middle East Trading Limited.

Funds accounting

The Charity's reserves are classified in the following three ways:

Restricted funds – funds that have been received by the Charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and

administering these funds are charged against the unrestricted, or free, reserves of the Charity and accordingly Gift Aid tax reclaimed on these funds is included in unrestricted reserves.

Designated funds – these are funds that trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned, or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

Unrestricted funds – funds, also termed free reserves, which are available for the trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Donations – Donations are included in the financial statements when the receipts have been deposited into the bank. Gift Aid tax reclaimable is recognized in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

Legacies – The amount shown for legacy income includes accruals - where the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved has been quantified.

Grants – Grants are recognized when paid out of the bank account, or when deposited into the bank. Grants agreed but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year-end are not accrued as expenditure.

Investment income – Investment income is recognized using the effective interest method. All expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to the category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

Expenditure

Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is categorized under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income and include employment costs of fundraising employees, along with the direct costs of publications and advertising..
- Investment management fees are the fees charged by the fund managers who manage the investment portfolio.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs allocation

Support costs are those that assist the work of the charity, but do not directly represent charitable activities, and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to costs of raising funds, and charitable expenditure in proportion to allocations of hours worked by employees on the above headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. The analysis of these costs is included in note 4.

Tangible fixed assets

Depreciation is provided at the following rates on assets costing £1k or over, in order to write off each asset over its estimated useful life:

UK freehold property – 1% per annum on a straight line basis

Fixtures and fittings – 10% per annum on a straight line basis

Motor vehicles – 25% on a straight line basis

Computer equipment – 25% per annum on a straight line basis

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Activities (SOFA).

Fixed asset investments

Investments are recognized initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognized in 'net gains/(losses) on investments' in the SOFA, if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all aspects of purchase, and other costs incurred in bringing stock to its present location and condition. Each item is valued on a weighted average cost basis, whereby the cost of goods purchased is divided by the number of units held. Provision is made for damaged, obsolete and slow-moving stock were appropriate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in expenditure.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in the Statement of Financial Activities. If the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest.

Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

Foreign currency

Foreign currency transactions are initially recognized by applying the foreign currency amount of the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

Short-term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognized as an expense in the period in which they are incurred.

The company recognizes an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary costs of the respective employee in relation to the period of absence.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

Accounting 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 following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognized in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets.

Bad debt provision

Bad debts are provided for specific debts when required, there is no estimation in use. There are no other key assumptions concerning the future and other key 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 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

2. COMMERCIAL TRADING ACTIVITIES OF TRADING SUBSIDIARY

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (company number 00901022). A summary of the Trading company's results for 2023 is shown below:

Summary profit and loss account

	2023 £'000	2022 £'000
Turnover	430	392
Cost of sales and administrative expenses	(451)	(415)
Tax		
Profit / (loss) for the year after tax	(21)	(23)

Summary Balance Sheet

	2023 £'000	2022 £'000
Current assets		
Stock	53	77
Debtors	7	14
Cash	205	87
	265	178
Creditors falling due within one year	262	155
Net current assets	3	23
Called up share capital	1	1
Capital redemption reserve	8	8
Profit and loss account	(7)	14
Shareholders' funds	2	23

3. CHARITABLE ACTIVITIES

The major activities of the charity are the provision of grants to Christian partners and raising awareness of their work in the UK.

		Total 2023 £'000	Total 2022 £'000
Income:			
Donations	Unrestricted funds	1,503	1,284
	Restricted funds	1,613	1,076
Legacies	Unrestricted funds	996	1,054
Other income		34	48
Total charitable income		4,146	3,461
Grants paid (note 5)		2,304	2,326
Charitable activities		1,743	1,615
Total charitable activity expense		4,047	3,941
Net surplus for the year		99	(480)
Transfers between activities		-	-
Surplus / (deficit) on charitable activities		99	(480)

Reconciliation to SOFA

	Total 2023 £'000	Total 2022 £'000
Total charitable income as above	4,146	3,462
less Charity inter-organisational income	(48)	(94)
Trading activities income	374	318
Investment income	96	99
Other income	80	26
Total income as SOFA	4,648	3,811
Total charitable activity expense as above	4,047	3,941
less Charity inter-organisational income	(81)	(98)
Cost of fundraising	300	331
Trading activities expenditure	428	399
Total expenditure as SOFA	4,694	4,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

4. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2023 £'000	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2022 £'000
Cost of generating funds	196	97	7	300	247	77	7	331
Charitable activities								
Information and education	429	124	21	574	328	142	16	486
Grants to partners	-	2,304	35	2,339	-	2,326	40	2,366
Other support to partners	680	-	268	948	630	7	263	900
Total charitable activities excl Governance	1,109	2,428	324	3,861	958	2,475	319	3,752
Governance	47	22	36	105	58	22	11	91
Total charitable activities	1,156	2,450	360	3,966	1,016	2,497	330	3,843
Trading costs	79	260	112	451	74	209	132	415
Inter-organisational charges	-	22	(45)	(23)	-	19	(35)	(16)
Trading costs	79	282	67	428	74	228	97	399
Total group costs	1,431	2,829	434	4,694	1,337	2,802	434	4,573

Staff costs have been allocated based on percentage of time spent on the various categories.

Direct costs at the level of cost centre and expenditure type have been allocated across categories based on purpose of activity.

Support costs have been allocated across the categories based on % attributed to each category of spend.

5. DETAILS OF GRANTS WE MADE TO OUR PARTNERS

	2023 £'000	2022 £'000
Egypt		
Anafora	27	29
BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services)	99	98
Deaf Unit	-	8
Diocese of Egypt	-	30
El Saray Evangelical Church	-	17
Episcocare	91	90
Fairhaven School	17	-
Harpur Memorial Hospital	85	28
Life Vision for Development	57	74
Refuge Egypt	59	55
Salaam Center	50	50
Think & Do	81	81
Others (under £5k)	-	2
Total of Egypt	566	562
Lebanon and Syria		
Al Kafaat	85	85
Beit El Nour	31	30
Howard Karagheusian Commemorative Corporation	88	87
Inter Church Network for Development & Relief	-	50
Johan Ludwig Schneller School	-	18
Joint Christian Committee	59	58
Learning Centre for the Deaf	41	72
Lebanese Society for Social Education and Development	99	140
Middle East Council of Churches	45	-
Pontifical Mission for Lebanon	30	30
Tahaddi	66	65
Zvartnotz Centre	28	-
Others (under £5k)	1	-
Total of Lebanon	573	635

	2023 £'000	2022 £'000
Palestine and Israel		
Al Ahli Arab Hospital	93	63
Anar for Empowerment and Psychological Support Charitable Association	28	-
Aviv Ministries	18	29
Bethlehem Arab Society for Rehabilitation	47	63
Caritas Jerusalem	58	74
East Jerusalem YMCA	120	140
Episcopal Diocese of Jerusalem	25	-
Four Homes of Mercy	50	58
International Christian Committee in Israel	30	30
Olive Tree Project (Joint Advocacy Initiative)	23	59
Musalaha	30	30
Nazareth School of Nursing	15	-
Near East Council of Churches	101	101
Palestinian Bible Society	39	39
Pontifical Mission of Palestine	112	57
Princess Basma Centre	54	57
Secretariat of Solidarity for Catholic Schools and Institutions	-	125
SIRA School	19	19
Society of St Yves	50	50
Total of Palestine and Israel	912	994
Iraq		
Ankawa Humanitarian Committee	32	-
CAPNI (Christian Aid Program Nohadra Iraq)	37	55
Chaldean Archdiocese of Erbil	-	30
Total of Iraq	69	85
Syria		
Lebanese Society for Educational and Social Development	91	50
Pontifical Mission for Lebanon	84	-
The Awareness Foundation	8	-
Total of Syria	183	50
Grand Total	2,304	2,326

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging:

	Year ended 2023 £'000	Year ended 2022 £'000
Auditors' remuneration	27	27
Depreciation - owned assets	19	25
Staff pension contributions	210	196
Services provided by the Charity's auditor during the year:		
Audit of the Charity and consolidated financial statements	22	20
Audit of the Trading subsidiary including provision of annual report and accounts	4	6
Corporation tax calculation for Charity & Trading subsidiary	1	1
	27	27

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any emoluments during the year.

Trustees' expenses

During the period the Charity reimbursed necessary travel expenses incurred by trustees (or paid travel expenses on their behalf). The total of these expenses was:

	2023 £'000	2022 £'000
Trustee travel expenses - for 8 trustees (2022:7)	3	5

The key management personnel of the charity are the trustees, and the Senior Leadership Team which at the end of 2023 comprised the Chief Executive, the Director of Programmes & Engagement, the Director of Shared Services, the Head of HR and Culture and the Director of Fundraising.

The total employee benefits of the Senior Leadership Team in 2023 were £394k (2022: £370k), including gross pay, employers national insurance contributions and employers pension contributions. Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking. In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee

8. GROUP STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	1,111	1,036
Social Security costs	110	105
Pension plan contributions	210	196
	1,431	1,337

The average monthly headcount of employees during the year was as follows:

	2023	2022
UK management staff	5	5
UK administrative staff	30	29
	35	34

Number of employees receiving total employee benefits (gross pay and company pension contributions), in the ranges:

	2023 £'000	2022 £'000
£60,000 - £70,000	3	1
£70,000 - £80,000	1	1

9. TANGIBLE FIXED ASSETS

Group	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2023	968	132	181	1,281
Additions	-	-	-	-
Disposals		(49)	(170)	(219)
At 31 December 2023	968	83	11	1,062
Depreciation				
At 1 January 2023	116	102	178	396
Charge for the year	10	7	2	19
Disposals	-	(47)	(170)	(217)
At 31 December 2023	126	62	10	198
Net Book Value				
At 31 December 2023	842	21	1	864
At 31 December 2022	852	30	3	885

Charity

Cost				
At 1 January 2023	968	132	181	1,281
Additions	-	(0)	0	0
Disposals	-	(49)	(170)	(219)
At 31 December 2023	968	83	11	1,062
Depreciation				
At 1 January 2023	116	102	178	396
Charge for the year	10	7	2	19
Disposals	-	(47)	(170)	(217)
At 31 December 2023	126	62	10	198
Net Book Value				
At 31 December 2023	842	21	2	864
At 31 December 2022	852	30	3	885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

10. FIXED ASSET INVESTMENTS

Group	Listed investments £'000	Unlisted investments £'000	Total £'000
Market value as at 31 December 2022	3,350	8	3,358
Additions	985	-	985
Disposals	(925)	-	(925)
Revaluations	178	-	178
Market value as at 31 December 2023	3,588	8	3,596
Historical cost of the investments were:			
31 December 2022	3,084	3	3,087
31 December 2023	3,249	3	3,252

Charity	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £'000
Market value as at 31 December 2022	3,350	8	1	3,359
Market value as at 31 December 2023	3,588	8	1	3,597

Listed investments were comprised of the following:

	2023 £'000	2022 £'000
UK equities	838	1,178
Overseas bonds	184	259
UK bonds	400	271
Property	283	300
North American equities	800	497
International equities	232	142
European equities	272	108
Far East and Australasian equities	136	119
Emerging economies	97	95
Other investments	346	381
Total	3,588	3,350

The following holdings were over 5% of the total market value of the portfolio in either 2022 or 2023

	Market Value at 31 December 2023 £'000	Market Value at 31 December 2022 £'000
JPMorgan ETFS	182	-
Vanguard S&P 500 ETF *	131	222

Of the unlisted investments, £8k was invested overseas. | * less than 5% in 2023

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	-	-	-	-
Amount owed by group undertaking	-	-	158	51
Other debtors	140	224	133	220
Prepayments	8	46	8	36
Total	148	270	299	307

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	101	143	36	77
Amount due to group undertaking	-	-	-	-
Social security and other taxes	44	33	44	33
Other creditors	37	34	1	3
Accruals	136	121	133	114
Total	318	331	214	227

13. ACCRUED GRANTS

	2023 £'000	2022 £'000
At 1 January 2023	71	212
New grants committed (note 5)	2,304	2,326
Grants paid in year	(2,296)	(2,467)
At 31 December 2023	79	71

14. PENSION COMMITMENT

The charity operates a defined contribution pension scheme for its UK employees.

The assets are held separately from those of the Charity in an independently administered fund.

The pension costs charged represents contributions to the fund payable by the charity and amounted to £210k, (period to 31 December 2022 £196k). These contributions include employee salary sacrifice contributions.

There were £nil contributions outstanding at 31 December 2023 (period to 31 December 2022 £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

15. OPERATING LEASE COMMITMENT

	Land & Buildings	
	At 31 December 2023 £'000	At 31 December 2022 £'000
At 31 December the charity had total future minimum lease payments in respect to office rental under non-cancellable operating leases as follows:		
Amounts payable:		
Within 1 year	83	-
Within 2-5 years	72	-

Operating lease charges totalling £7k (2022: £Nil) were expensed during the period.

16. 2023 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2023 total funds £'000
Fixed assets	-	864	-	864
Investments	-	3,596	-	3,596
Current assets	2,372	104	445	2,921
Current liabilities	(318)	-	-	(318)
Total Funds	2,054	4,564	445	7,063

2022	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2022 total funds £'000
Fixed assets	-	885	-	885
Investments	-	3,358	-	3,358
Current assets	2,305	649	65	3,019
Current liabilities	(331)	-	-	(331)
Total Funds	1,974	4,892	65	6,931

17. DESIGNATED FUNDS

2023	As at 1 January 2023 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2023 £'000
Fixed Assets ¹	885	-	(21)	864
Programme Fund ²	1,800	-	-	1,800
Sustainability Fund ³	2,207	-	(307)	1,900
	4,892	-	(328)	4,564

1. Fixed Assets - Trustees have resolved to designate funds to the value of £864k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund - Trustees have designated funds to cover 12 months of budgeted expenditure (2022: 12 months) subject to other grant conditions being met on committed multi-annual grants to partners.

3. Sustainability Fund - Trustees have designated funds to help ensure the ongoing sustainability of the charity over the coming years, as forecast to 2030.

2022	As at 1 January 2022 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2022 £'000
Fixed Assets ¹	885	-	-	885
Programme Fund ²	2,700	-	(900)	1,800
Helen Keller School Grants ³	846	1,361	-	2,207
	4,436	1,361	(900)	4,892

1. Fixed Assets - Trustees have resolved to designate funds to the value of £885k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund - Trustees have designated funds to cover 12 months of budgeted multi-annual grant expenditure (2022: 12 months) subject to other grant conditions being met on committed multi-annual grants to partners.

3. Sustainability Fund - Trustees have designated funds to ensure the ongoing sustainability of the charity to 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

18. 2023 RESTRICTED FUNDS

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

	Opening balance £'000	Income during 2023 £'000	Spending during 2023 £'000	Closing balance £'000
General funds ¹				
Community Development	1	-	-	1
Country specific	-	231	(231)	-
Education	-	227	(227)	-
Health	-	126	(126)	-
Humanitarian	-	771	(343)	428
Livelihoods	-	55	(55)	-
Other	-	2	-	2
Special needs and disability	-	79	(79)	-
Partners working within the following fields ²				
Education	3	5	(3)	5
Health	61	54	(108)	7
Humanitarian	-	1	(1)	-
Livelihoods	-	30	(28)	2
Special needs and disability	-	24	(24)	-
Women's education and empowerment	-	7	(7)	-
Youth	-	1	(1)	-
Total restricted funds	65	1,613	(1,233)	445

1. **General funds** are funds restricted either by field of work or by country. | 2. **Partner restricted funds** have been categorised by type of work.

2022 comparatives

	Opening balance £'000	Income during 2022 £'000	Spending during 2022 £'000	Closing balance £'000
General funds ¹				
Community Development	1	-	-	1
Country specific	-	322	(322)	-
Education	-	242	(242)	-
Health	-	162	(162)	-
Humanitarian	-	83	(83)	-
Livelihoods	-	62	(62)	-
Special needs and disability	-	32	(32)	-
Partners working within the following fields ²				
Education	-	3	-	3
Health	-	123	(62)	61
Humanitarian	-	1	(1)	-
Livelihoods	-	25	(25)	-
Special needs and disability	-	18	(18)	-
Youth	-	3	(3)	-
Total restricted funds	1	1,076	(1,012)	65

1. General funds are funds restricted either by field of work or by country. | **2. Partner restricted funds** have been categorised by type of work.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

19. RELATED PARTY DISCLOSURES

Embrace the Middle East is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation.

Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and website sales and also sold alternative gifts which are a form of donation.

	2023 £'000	2022 £'000
Donations received on behalf of the charity	61	45
Alternative gifts sold on behalf of the charity	142	159
Total	203	204

As at 31 December 2023 a net figure of £158k was owed by the Trading company to the Charity.

As at 31 December 2022 a net figure of £51k was owed by the Trading company to the Charity.

A total of £5k of donations were received from 7 Trustees during 2023.	5	2
--	---	---

20. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2023 £'000	2022 £'000
Net (expenditure) income (as per the statement of financial activities)	132	(1,332)
Adjustments for:		
Depreciation charge	19	25
Loss on disposal	2	-
Net gains on investments	(178)	570
Investment income receivable	(96)	(99)
(Increase) / Decrease in stock	24	(26)
(Increase) / Decrease in debtors	122	(47)
Increase / (Decrease) in creditors	(13)	(86)
Net cash used in operating activities	12	(995)

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at beginning of year
Cash and cash equivalents at end of year

2023 £'000	2022 £'000
2,672	3,603
2,720	2,672

22. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £1 by guarantee.

23. POST BALANCE SHEET EVENTS

The trustees began marketing the charity's property at 24 London Road West, Amersham, Buckinghamshire, HP7 0EZ in September 2023. The property sale is subject to offer and contract.

On 6 May 2024, the trustees approved the closure of Embrace the Middle East Trading Limited. Going forwards, trading activities will be continued from within the charity itself, with due regard for compliance with associated tax regulations and focus on primary purpose activities that align with the charity objectives.

Since the year end, the charity has been notified of a legacy due. The final amount and timing of receipt are unknown but this is estimated to be in excess of £1m. This amount has not been recognised in the financial statements.



We would like to thank every person and church that has supported our work in the past year. It is through your kind generosity that the achievements in this report have been possible.

Embrace the Middle East | Old Library Building | Queen Victoria Road | High Wycombe | HP11 1BG
01494 897950 | info@embraceme.org | embraceme.org | @FollowEmbrace   



Front cover image: Tahaddi Sewing Atelier, Lebanon.
Back cover image: The Embrace-supported Life Vision bell ball team, Egypt.

Annual Report designed by www.fisherdesign.co.uk

EMBRACE THE MIDDLE EAST

England & Wales - Charity number 1076329

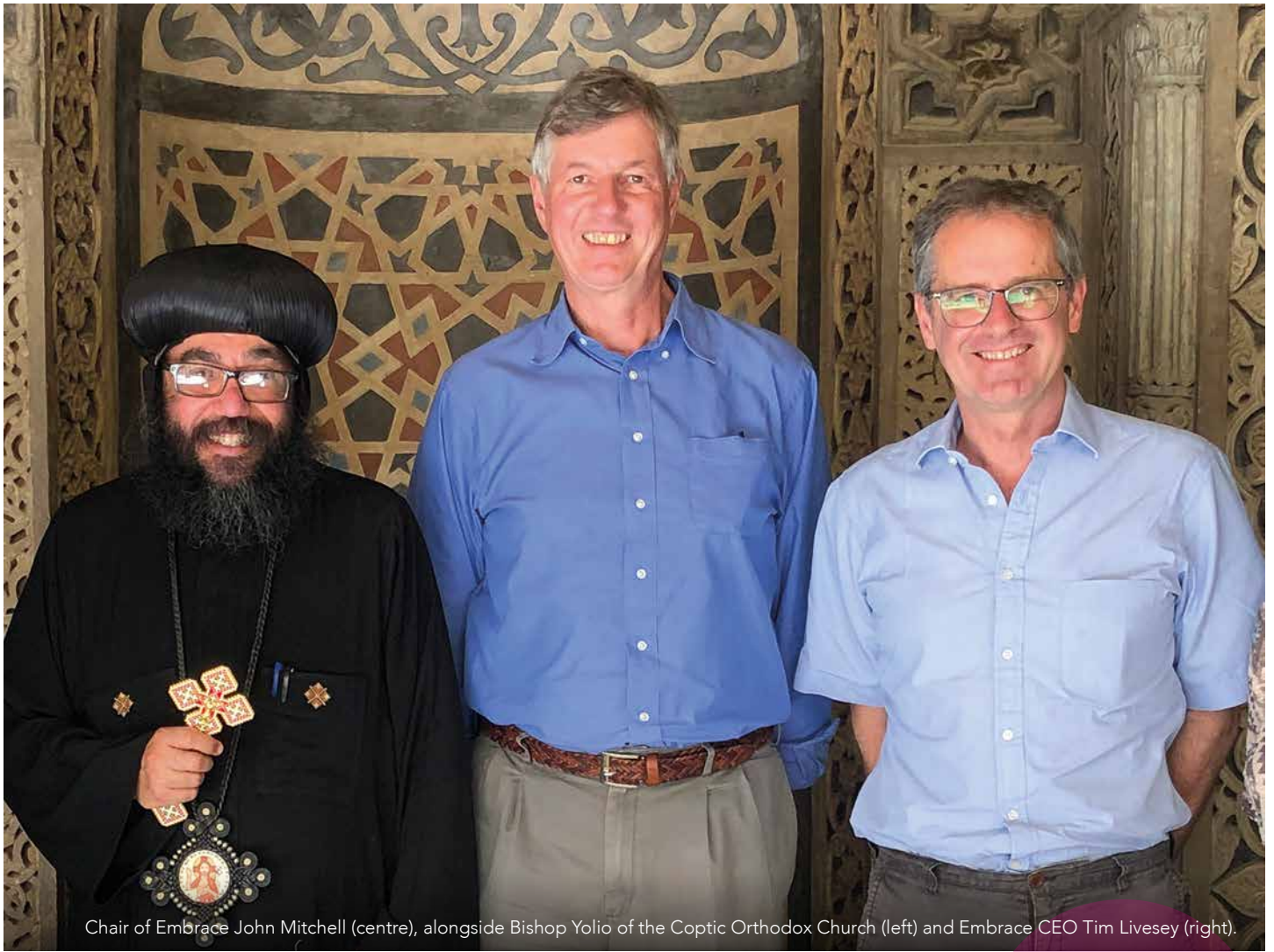
Accounts

A young girl with dark hair, wearing a blue school uniform, is smiling broadly while sitting at a desk and writing with a yellow pencil. In the background, other students are visible, and there are colorful decorations on the wall. A large purple circle with white dotted lines is overlaid on the bottom left of the image.

EMBRACE THE MIDDLE EAST
ANNUAL REPORT
& ACCOUNTS
2022



EMBRACE
the Middle East



Chair of Embrace John Mitchell (centre), alongside Bishop Yolio of the Coptic Orthodox Church (left) and Embrace CEO Tim Livesey (right).

A MESSAGE FROM THE CHAIR OF TRUSTEES

2022 was the year when we finally got to see partners again in person!

At Embrace we build relationship, capacity and understanding person to person and despite discovering clever ways to keep in touch digitally, after the two-year Covid induced moratorium on travel it was wonderful to visit and meet our partners and rediscover the benefits and joys of face to face contact.

I am delighted to be able to report that Embrace and our partners have continued to adapt admirably to the constraints imposed by the pandemic. It hasn't been easy, or comfortable, but we have managed to thrive through an unprecedented period when entire economies, including our own, were forced into

lockdown, many grinding almost to a halt. We are enormously grateful to all those who have supported us during this period.

However, just as we were emerging from the pandemic in February 2022 there was another unwelcome, and unforeseen, shock – the war in Ukraine. This was followed a year later in February 2023 by the devastating earthquake that destroyed so many towns and villages in Turkey and Northern Syria.

The war in Ukraine had immediate and damaging consequences across the Middle East region. Food prices rose dramatically, as did energy and fuel costs. Coupled with other factors, this now

means that 80% of Lebanon's population is living below the poverty line. An extraordinary statistic. Egypt's currency has devalued by 50% in the past 12 months leading to a painfully sharp increase in the cost of living.

In the face of these challenges you, our supporters, have been extraordinarily generous. In particular, you responded to our Syria earthquake Appeal with exceptional generosity enabling us to provide immediate support to partners on the ground delivering emergency relief directly to thousands who survived the earthquake, but who had lost everything including their homes. Thank you!

The economic impact of the war in Ukraine here in the UK had serious consequences for Embrace - 2022 proved to be our most challenging year for fundraising (and trading) in almost a decade. As we redouble our fundraising efforts, we hope we can count on your prayers and unfailing generosity to help us to support our Christian partners as they transform the lives and livelihoods of the most marginalised in the Middle East.

Working together, you, we, and these courageous and inspirational partners will continue to do everything in our collective power to lift people up and witness to the transforming and compassionate love of God for all His people, and especially those most in need.

In this report you can read how prayer, vision and hard work can change lives. Thank you for being such a key part of this inspiring story of *Hope in Action*. Next year we look forward to celebrating 170 years of Embrace's unique telling of this powerful story.



John Mitchell OBE, 8th June 2023
Chair of Trustees

The Trustees of Embrace the Middle East, who are also Directors of the Charity for the purpose of the Companies Act 2006, are pleased to present their Annual Report, and the charity's audited consolidated financial statements, for the year ending 31 December 2022.

TRUSTEES ANNUAL REPORT

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Embrace the Middle East Group: Embrace the Middle East

Registered charity number: 1076329. **A company limited by guarantee:** 3706037

Registered office: Embrace the Middle East, 24 London Road West, Amersham, Buckinghamshire, HP7 0EZ

We change the name of children and vulnerable adults whose stories are included in the report. Pictures are for illustrative purposes unless otherwise stated. All content is the copyright of Embrace the Middle East and our partners and may only be reproduced with permission.

WHO WE ARE & WHAT WE DO...



OUR VISION

To bring healing and hope to all who face marginalisation and injustice in the Middle East.

Our vision is rooted in Christ's invitation to care for those most in need. Where there is a need – for refuge, for health care, for education, for safeguarding, for economic empowerment, for justice and human rights – we want, with and through our partners, to respond.

OUR MISSION

To support the social witness of Middle East Christians as they work to transform lives.

We encourage all, regardless of faith, to join us in supporting and sustaining our partners, and the Middle Eastern churches, in their social witness and their particular and vital contribution to building cultures of inclusion, justice and peace in the suffering and war-torn Middle East. We build strong and lasting relationships with our partners, nurtured by mutual respect and a shared commitment to excellence.

OUR VALUES

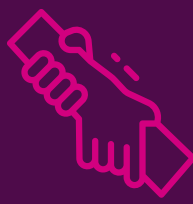
Respect, Compassion, Trust and Integrity.

We are guided by four core values, which are inspired and informed by our Christian faith, as well as a commitment to meet all professional and regulatory standards relevant to our work.



Respect

We respect the human dignity and value of every person and all peoples – no matter what their beliefs or background – as made in God's own image.



Trust

Just as we trust that God cares for us and sustains us in our work, we work with a generous and positive spirit, trusting that God desires to see all of humanity flourish.



Compassion

Our Christian faith teaches us to treat every person with compassion, especially anyone who suffers from social or economic marginalisation, or from having their basic human rights withheld or compromised.



Integrity

We see honesty and integrity as foundational to Embrace's way of working with partners, supporters and donors and have high expectations of all who work for, and with, the charity in any capacity.

THE CHARITY IN NUMBERS

The table below contains key financial data for the charity. These summary numbers are taken from the financial statements on pages 35 to 51, but for the purposes of clarity exclude the income and costs of our Trading subsidiary, and any gain/losses on the sale of investments.

Year ending 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 (*restated) £'000	2022 £'000
Donations*	5,094	4,875	2,874	2,869	2,849	2,359
Legacies	1,437	1,269	1,288	823	1,022	1,054
Investment income	56	60	107	96	105	99
Other	57	71	77	72	79	74
Total Income	6,643	6,275	4,346	3,860	4,055	3,586
Grants	2,732	2,683	3,040	2,467	2,424	2,326
UK staff costs	984	1,165	1,238	1,206	1,301	1,263
Other costs	926	784	945	555	676	683
Total resources expended	4,642	4,632	5,223	4,228	4,401	4,272
Net surplus/(deficit)	2,001	1,643	(877)	(368)	(346)	(686)
UK charity income less costs	2,001	1,643	(877)	(368)	(346)	(686)

Assets as at 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 (*Restated) £'000	2022 £'000
Investments	1,905	2,129	3,579	3,589	3,914	3,359
Cash at bank and in hand	4,741	6,198	4,416	4,005	3,494	2,585
Other net assets	950	761	575	618	756	965
Total funds	7,596	9,088	8,570	8,212	8,164	6,909

* The prior year figures for 2021 have been restated to fully eliminate inter-organisational transactions between the Charity and the Trading entity. The prior year figures for 2021 have also been restated to better reflect the income and expenditure of the charity on a comparable basis, year to year.

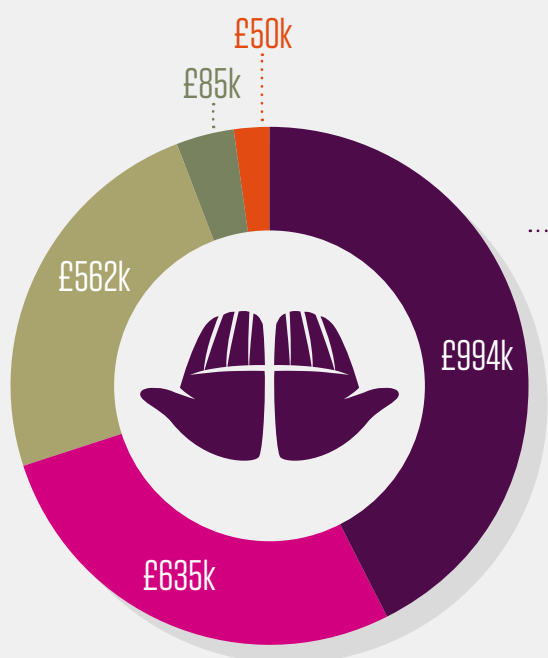
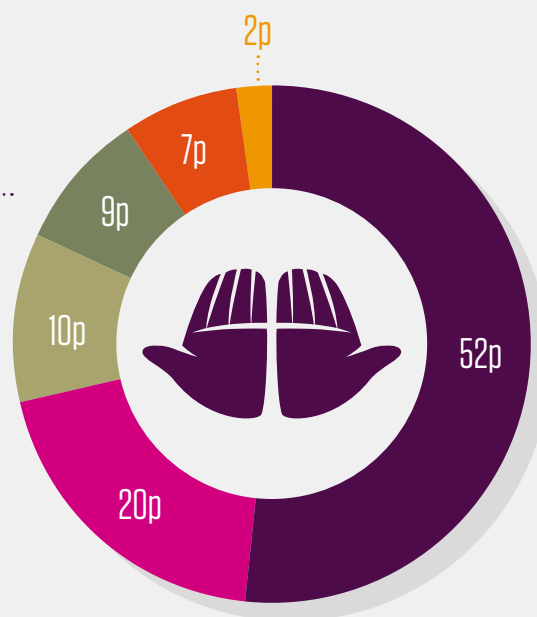
Further commentary on the 2022 results can be found in the 'Financial review' section on pages 24 - 25. In the pages that follow, we give details of what we and our partners achieved in 2022, compare our outcomes to the plan we set ourselves for the year, and set out our plans for 2023 and beyond.

THE CHARITY IN NUMBERS (continued)

Expenditure:

How each £1 donated is spent

- Grants to partners **52p per £1** (Overall exp. £2,366k)
- Other support to partners **20p** (£900k)
- Public Education and Engagement **10p** (£486k)
- Trading costs **9p** (£399k)
- Cost of generating funds **7p** (£331k)
- Governance **2p** (£91k)

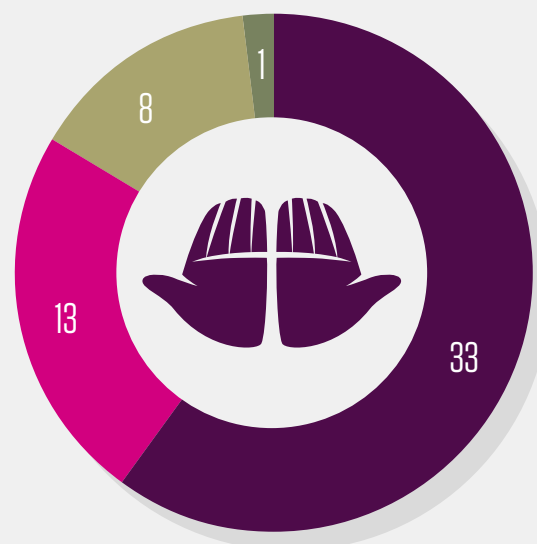


Grant: Spend by Country

- Palestine and Israel **£994k** (43%)
- Lebanon **£635k** (27%)
- Egypt **£562k** (24%)
- Iraq **£85k** (4%)
- Syria **£50k** (2%)

Types of Projects Supported

- Multi-annual **33 projects** (60%)
- Short-term **13 projects** (23.6%)
- Capacity building **8 projects** (14.5%)
- Olive tree **1 project** (1.9%)



OUR IMPACT

Although 2022 saw pandemic restrictions ease across the Middle East, it was another turbulent year. Rising tensions in Israel/Palestine led to a dramatic rise in killings on both sides - the highest for many years. In Gaza, after 15 years of blockade and embargo, conditions continued to deteriorate.

The dramatic rise in the cost of living in 2022 had a marked and detrimental impact on already marginalised and struggling communities across the Middle East. In Syria, humanitarian need was reported to be the highest since the war began in 2011. Lebanon and Egypt, countries particularly reliant on Russian and Ukrainian imports, were badly affected by the wheat crisis resulting from Russia's invasion of Ukraine.

This made 2022 another difficult and challenging year. Embrace-supported projects were a vital lifeline for many beneficiaries.

In 2022, we continued to support programmes in Egypt, Lebanon, Iraq, Israel/Palestine, and Syria, working to transform lives by:



TACKLING POVERTY & INJUSTICE

Working with communities at risk of marginalisation and exclusion.



RESPONDING TO CRISIS

Providing for practical needs and psychological support.



SPEAKING OUT

Raising awareness of injustice and amplifying the voices of our Christian partners.



INVESTING IN THE FUTURE

To ensure the continuation of Christian social witness in the region.

TACKLING POVERTY & INJUSTICE

Embrace supports Middle East Christians working to transform lives, empower the disempowered and restore the dignity of those living on the margins.

IN 2022 WE PROMISED TO:

- Support and strengthen essential health and social care services for marginalised communities
- Support livelihood and income generation projects, providing for immediate needs and opportunity in the future
- Support work which empowers people who are excluded or displaced, bringing inclusion, engagement, and equality

IN 2022 WE:

- Provided over £500,000 of support to health and social care services
- Supported 10 partners to support livelihood and income generation opportunities
- Empowered women and girls through 10 projects focused primarily on their needs, including health, education and social care
- Placed empowerment at the heart of our work, supporting 48 projects with a significant focus on inclusion, engagement and equality

HOW WE KEPT OUR PROMISE:

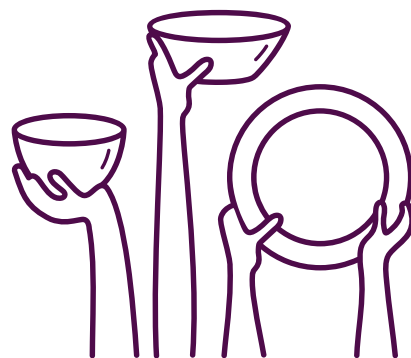
2022 saw the cost of living rise throughout the region, fuelled in part by instability resulting from the war in Ukraine.

Egypt and Lebanon were particularly affected by the wheat crisis (as they rely heavily on food imports from Russia and Ukraine) with significant spikes in food prices in 2022. The costs of fuel, medicine and education also rose throughout the year. For Lebanon and Syria this exacerbated the significant economic problems they already faced.

As economic conditions deteriorated, the projects we supported across the region were a vital lifeline, providing free healthcare, education, livelihoods support and specialist disability care for those on the margins.

June 2022 saw the 15th anniversary of the Gaza blockade. The impact of the blockade on Gaza's

population of 2 million has been devastating. We continued to support the small Christian community providing vital services to a struggling population – including hospitals, schools and social support.



BAAHIR'S STORY: SPECIALIST DISABILITY CARE IN EGYPT

Baahir was 12 when he began to lose his sight and his whole world was turned upside-down.

He quickly began to depend on others to help him with all aspects of his daily life. His plans and hopes for the future evaporated and he became very withdrawn and shy.

Baahir found help through Embrace partner Life Vision, which works with people living with visual impairments in Egypt. In 2022 their 'Passport to Success programme' helped 125 children, including Baahir.

Thanks to the programme, Baahir was able to learn the skills he needed to cope with daily tasks and recover his independence.

At 14, Baahir has already mastered the art of reading Braille and voice typing on a computer. He has discovered a passion for music and recently joined his church choir. Now Baahir's ambition is to go to university to study music.



Left to right: Tahaddi Health Centre, Lebanon | Think & Do Life School, Egypt | SIRA School, West Bank.

HERE ARE JUST A FEW HIGHLIGHTS OF THE

Supporting special educational needs in the West Bank

Embrace-supported SIRA schools in Jericho and Bethlehem in the West Bank provide specialist education, enabling children struggling in mainstream schools to get the support they need to thrive and continue their education. In 2022 the schools supported 191 children with a range of learning needs including dyslexia, dysgraphia, dyscalculia, and concentration difficulties. The schools work with each pupil individually, providing them with the skills and confidence to return to mainstream education – this year 29 students were able to return to mainstream schools.

SPECIAL EDUCATIONAL
SUPPORT FOR ALMOST
200
CHILDREN

“The school used teaching methods that encouraged me to love to study ...That was a huge change for me.”

Neisha, SIRA pupil

Free healthcare for families on the margins in Lebanon

Embrace continued to support the Tahaddi Health Centre, providing free primary health services to refugees and vulnerable Lebanese families living in Hay el Gharbeh, an informal settlement and one of the most economically marginalised neighbourhoods of Beirut. In 2022 the Centre provided 5,211 medical consultations, seeing over 2,400 patients. The Embrace Medical Aid Fund also helped 1,371 individuals cover the cost of further specialist treatment when needed, including hospitalisations, medical scans and physiotherapy – helping to “bridge the gap” which often excludes people from the care they need.

PRIMARY
HEALTHCARE FOR
2,400
PEOPLE

“If it was not for Tahaddi and their support, I believe my son would have died at home in my arms.”

Mother of a 4-year-old patient

Rebuilding livelihoods in Iraq

In many parts of Iraq, communities are still struggling to recover from the effects of years of conflict.

In Faysh-Khabur village in Northern Iraq, the demise of the farming industry meant high unemployment and also high food prices, as food had to be imported from Turkey. The Embrace-supported project run by CAPNI helped the community prepare 100 dunams (25 acres) of

fallow land for cultivation, install an irrigation system to bring water to a further 700 dunams of agricultural land and build three greenhouses for growing crops – bringing employment, training and economic benefits to over 120 families.



“I would like to thank CAPNI and their funders who are trying their best to provide job opportunities for young people and help the people of the village.”

25-year-old Serop

PROJECTS WE SUPPORTED IN 2022.

Educational opportunities for women in rural Egypt

The Life Schools, run by Embrace partner Think & Do, provide literacy, arithmetic and vocational classes for women in rural Egypt who missed out on education as children. These skills help with everyday tasks we take for granted, like reading the instructions on a medicine packet or checking the cost of household bills. Gaining these skills, as well as having the support network of the other women they meet at the Life Schools, helps give the women the confidence they need to become more active, independent members of their communities. In 2022 the Life Schools were attended by 180 women from three villages in Upper Egypt.

EDUCATION
AND VOCATIONAL
TRAINING FOR
180
WOMEN

“I can now
sell and buy in
the market, pay the
electricity bills and I
can read the receipts.”

Rana, Life School participant

Providing hospital treatment in Gaza

The extremely poor living conditions for people living on the margins in Gaza mean that while many suffer with health problems, few can afford treatment. Many cannot even afford the transport costs to reach a clinic or hospital. In 2022 Embrace funds allowed Al Ahli Hospital to provide free transportation, consultation, diagnosis and hospital treatment to 882 patients.

FREE HOSPITAL CARE
FOR OVER
880
GAZANS

“This Christian hospital
is a place of love and a
place of hope.”

Suhaila Tarazi, director of Al Ahli
Hospital



RESPONDING TO CRISIS

Ours is a vision of faith, hope and love in action. Where there is a need, we and our Christian partners respond.

IN 2022 WE PROMISED TO:

- Provide targeted grants to enable partners to keep services going and deliver essential support in emergency situations and crisis
- Support projects which enable people to re-establish their lives after a crisis

IN 2022 WE:

- Continued to provide support to partners through the multi-year funding of 44 projects and services
- Provided funding for essential health care services in complex situations where basic services are at capacity or lacking; in Aleppo, Beirut and across Gaza our partners delivered high quality primary care which otherwise would have been out of reach for many
- Supported communities, and the refugee populations they host in three rural locations, to pilot sustainable agriculture solutions

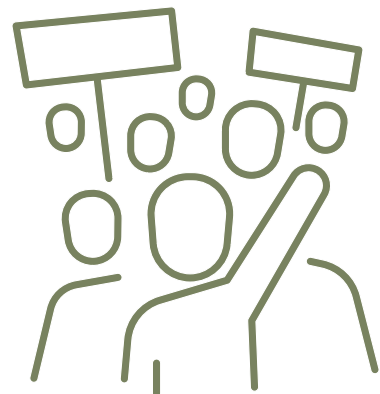
HOW WE KEPT OUR PROMISE:

2022 saw an outbreak of cholera in Syria and Lebanon, the first since 1993 - a result of deteriorating living conditions across both countries suffering devastating economic crises.

We supported our partners as they responded to the threat by running awareness campaigns and preparing medical responses. We continued to support humanitarian programmes across both countries, providing vital healthcare and emergency supplies.

Rising tensions in Israel/Palestine meant that 2022 was the bloodiest 12 months in many years, with more than 150 Palestinians killed by the Israeli military and 29 Israelis dying in attacks by Palestinians. We continued to support the YMCA's psychological first aid programme for people, including children, affected by the violence and funded projects working for a just peace in the region.

So much of our partners' work provides support for people in crisis. Through funding programmes for refugees, women and children at risk of violence, and people struggling with addiction, we provided respite, hope, and a chance to break the cycle of deprivation for many individuals and families.



FLEEING WAR: A REFUGEE'S STORY

In 2022, Embrace continued to fund projects supporting refugees in Egypt.

Embrace grants helped provide food, clothing and cash assistance to 1,276 refugees through our partner Refuge Egypt. The project also provided 4-month English or Arabic language courses to help refugees overcome the language barrier, and provided assistance to help them find employment. The majority of the people Refuge Egypt help are adults, but some are children, like 14-year-old Samir:

Samir fled from his home in Darfur, in Sudan, where a brutal conflict has been raging since

2003. He lost his childhood to war, and then lost his family - who he saw killed in front of him. Samir managed to escape and fled to Egypt, but with no family, no home, and his education unfinished, he had little hope for the future.

Samir found safety through Refuge Egypt. He is now living in a shared home with financial support so that he can restart his studies and build a future for himself.



Left to right: East Jerusalem YMCA | Salaam Centre, Egypt | Tahaddi Social Support Programme, Lebanon.

HERE ARE JUST SOME OF THE WAYS WE

Funding hospital care during Syria's economic crisis

FUNDING
FOR OVER
700
SURGICAL PROCEDURES

The continuing conflict and economic crisis in Syria meant that 2022 saw more people in need of humanitarian assistance than in any of the previous 11 years. Embrace funding

for the Pontifical Mission's healthcare program in Aleppo, gave 982 Syrians access to vital hospital care. Over 700 surgical procedures were paid for.

“I'm extremely grateful for this medical support; without it I would not be able to cover my hospital bills and carry on with my life.”

Faris, 18-year-old leukemia patient

Providing psychological First Aid in the West Bank

PSYCHOLOGICAL
FIRST AID FOR OVER
9,000
PEOPLE

2022 saw a significant rise in the number of Israeli settler attacks on Palestinians in the West Bank. Embrace continued to support the East Jerusalem YMCA psychosocial support programme which provides therapy, counselling and psychological first aid to those affected, including children still in school. In 2022 the project responded to 530 emergency incidents and gave psychological first aid to 8,496 people.

“You have helped me restore my hope...without your intervention, I would have been lost.”

14-year-old Rana, who received psychosocial counselling

Responding to the cholera outbreak

In August a cholera outbreak in Syria led to over 77,000 suspected cases and 100 deaths. By October the outbreak had crossed the border into Lebanon, leading to a further 6,000 cases and 23 recorded deaths. In response, our Lebanese partner Tahaddi launched an awareness campaign in the marginalised community where they work. The community was particularly susceptible to the spread of cholera due to cramped and poor living conditions, and a lack of running water. Via WhatsApp and 59 in-person education sessions, they gave guidance on cholera symptoms and advice on how to make water safe using chlorination. Tahaddi's medical team also made preparations to treat actual cases. Thanks to the swiftness and success of the awareness campaign, no cholera cases were reported in the community.

Tackling domestic violence in Egypt

SUPPORT FOR OVER
1,000
WOMEN FACING ABUSE

Many women in Egypt face gender-based violence and are often blamed if they speak out about their experience because of prejudice and pressures within the community. The Salaam Centre offers specialist support and works to raise awareness and reduce violence against women. In 2022, 360 women regularly attended their support groups, 200 married couples attended relationship crisis counselling and over 1,000 women accessed medical, legal and psychological services. Embrace also supported a pioneering women's shelter, run by partner Think & Do, which provides a safe haven for women who've escaped from abuse.

RESPONDED TO CRISIS IN 2022:

Distributing vital winter supplies in snow-hit Lebanon

Amid a spiralling economic crisis that pushed millions into poverty, Lebanon saw one of its coldest winters in the last 10 years.

In March 2022 Storm Greta hit, bringing snow and icy conditions to the country. Embrace partner MERATH distributed vital winter supplies to over 5,900 vulnerable families, including 6,000 blankets, 2,400 mattresses and 1,550 fuel vouchers.



"I hadn't known such a cold winter in a long time, it was very tough on us."

Lebanese citizen

SPEAKING OUT

Embrace works to inspire and encourage Christians in the UK to engage with their sisters and brothers in the Middle East, advocate on their behalf, stand in solidarity with them and support their social witness.

IN 2022 WE PROMISED TO:

- Share powerful blogs, social media posts, infographics and news bulletins that generate support for, and active engagement with, the challenges of our partners in the region.
- Increase the number of people accessing and engaging with our on-line advocacy.

IN 2022 WE:

- Ran two webinars one on Christian Zionism and another exploring narratives related to the conflict in Israel and Palestine.
- Published 38 blogs and context pieces mostly authored by partners – all intended to shed light on partners' work, the challenges they are confronting, and human stories that illustrate the impact they have.
- Continued to inform and encourage active supporter, and wider public, engagement with events on the ground, in Israel and Palestine especially – including a letter campaign in response to the threatened move of the UK embassy from Tel Aviv.
- Ran an Encounter Tour to the Holy Land and two olive tree planting and harvesting visits to the West Bank.
- Launched the 'My Middle East' podcast.

HOW WE KEPT OUR PROMISE:

In 2022 we developed new and innovative ways to give voice to the concerns and lived experiences of Christians in the Middle East and advocate on their behalf in political and church circles.

We used blogs and podcasts to give digital voice to partners, and to shine a light not only on their challenges, concerns and hopes, but also on the context in which they work. We want more people to understand and engage with the courageous and committed work of Christians serving their communities – especially the most marginalised – and building cultures of peace, reconciliation and hope.



SIMON'S STORY: MY OLIVE HARVEST EXPERIENCE

Simon took part in the Embrace olive picking trip, travelling to the West Bank to help Palestinian farmers with their olive harvest.

During the trip, participants also got to meet local Christians, visit places off the tourist trail and learn about the region. Simon told us:

One of the important things about coming to Palestine is finding out what's happening on the ground here and the stories of the people, but also then having a duty to go back and to share those stories with other people in the church, so that other people are aware of the plight facing Palestinians and to try to encourage other people to come and experience for themselves what life is like here in Palestine.



Left to right: Olive planting in the West Bank | My Middle East podcast | UK Embassy, Tel Aviv.

HERE ARE A FEW MORE HIGHLIGHTS OF OUR

Increasing our online advocacy

BLOG VIEWS
GREW BY
36%

In 2022 we maintained and built on the momentum we had created in lockdown in the digital space, with a consistent stream of high-quality content published on our website, Facebook, Twitter and Instagram and a weekly e-mail. Our 38 published blogs received over 15,000 views in 2022, up from 11,000 in 2021. Our blogs touched on all six of the countries where we work, and a range of key events, from the publication of a key resource document 'We Choose Abundant Life' authored by Middle East theologians, to explanatory pieces looking at the elections in Israel and Lebanon, and the economic impact of the war in Ukraine.

“Thank God for Embrace and its partners bringing a different perspective.”

Feedback for our blogs

Amplifying Middle Eastern voices through a new podcast

We published the first of a series of podcasts intended to open a window onto the Middle East through the personal reflections of partners and others. Six My Middle East podcasts were published in the first quarter of 2022. These were made available for download, or live listening on iTunes, Spotify and the Embrace website. Harvesting accurate data on the number of listeners is challenging because each platform records data differently, but we estimate the series was probably listened to by up to 2,000 individual listeners, with many listening to more than one, or all the podcasts. In September we began recording a second series of the podcast which were published in January and February 2023. A third series is being planned for later in 2023.

OVER
1,900
PODCAST WEBPAGE
VIEWS AND 500
DOWNLOADS

“I listened twice to this podcast...so good to hear first-hand descriptions and experiences.”

Comment from a listener

Webinars discussing key issues

8

WEBINARS
HOSTED

We joined forces with Churches for Middle East Peace (CMEP) to run two webinar series which attracted large audiences – more than 400 actively participating online, and over 1,500 subsequent

viewings of the course materials posted on the website. CMEP is an umbrella member organisation, representing around 30 member churches in the US with an interest in the Holy Land in particular, and Christians in the Middle East more generally. We began working with CMEP in 2021, lobbying the UN at the time of the last major Gaza bombardment. Our webinars series – each with 4 separate one-hour sessions - looked at Christian Zionism (series led by Colin Chapman) and the variety of Christian narratives and perspectives on the Holy Land.

“A really excellent course...thought-provoking and very well constructed.”

Feedback for our Christian Zionism webinar series

Responding to Britain's planned Embassy move

We continued our active participation in a range of advocacy forums, including the Palestine Platform, where we work with others to promote better policy responses (government and church) to events in the Middle East. We had a good response to our MP letter writing campaign to protest Liz Truss' threatened move of the UK embassy from Tel Aviv to Jerusalem, with 450 downloads of our letter template.

“Moving the British Embassy is not simply ill-conceived, it risks further inflaming an already volatile situation.”

Extract from letter to MPs

ADVOCACY WORK THIS YEAR:

Showing the realities of life in the region first hand

Post Covid we were again able to offer supporter visits to the region.

The Right Revd Rachel Treweek, Bishop of Gloucester, led a highly successful Encounter Tour to Israel and Palestine in February. A small group of volunteers planted olive trees in the West Bank, also in February, and a larger group of 15

volunteers travelled out in October to help farmers bring in their olive harvest. As churches emerged from Covid restrictions, the church engagement team were able to restart their programme of church visitations.



“We immersed ourselves in the stories of individuals and communities both in scripture and in the current day.”

Rt Rev Rachel Treweek, Bishop of Gloucester

3

TRIPS TO
THE REGION



INVESTING IN THE FUTURE

In line with our 5-year strategy, Hope in Action, we are committed to being an effective and innovative grant maker, fostering a culture of learning and development and working to sustain and strengthen Christian service in the Middle East.

IN 2022 WE PROMISED TO:

- Develop our systems and build on the lessons we learned about remote working, including investing to further improve our digital resilience, and introducing new channels for giving
- Focus our efforts on partner learning and development

IN 2022 WE:

- Diversified and enhanced our digital presence – growing our website visitor numbers by 18%
- We prioritised partner development with 14.5% of our grants supporting capacity-building projects

HOW WE KEPT OUR PROMISE:

Supporting partner development was a key priority this year and we helped fund a range of programmes to grow partner capacity including: purchasing equipment and software, and investing in specialist training, or strategic organisational, support.

In 2022 we also continued to grow our presence online, increasing visitor numbers to our website, and diversifying the ways supporters could engage in our work and support Christians in the Middle East – adding a new Weekly Devotions section to our website, running two webinars and offering Lent and Advent Reflections emails.



Left to right: Caritas Jerusalem's Mobile Medical Centre, Gaza | Webshop Product Maker | Refuge Egypt medical training programme.

HERE ARE A FEW EXAMPLES OF HOW WE INVESTED IN THE FUTURE IN 2022:

Investing in solar energy in Lebanon

In 2022 Embrace funded the installation of a solar system at the Learning Centre for the Deaf (LCD) in Lebanon.

Thirty-three solar panels were installed on the roof, along with storage batteries. These provided enough power to run the air conditioning and all other electricity needs – with some power left over to feed into the national grid. Lebanon's electricity

supply is costly and unreliable (with as little as 2 hours of state-supplied electricity a day). The new system provides cheap, reliable, green energy, and a more sustainable future for the centre.

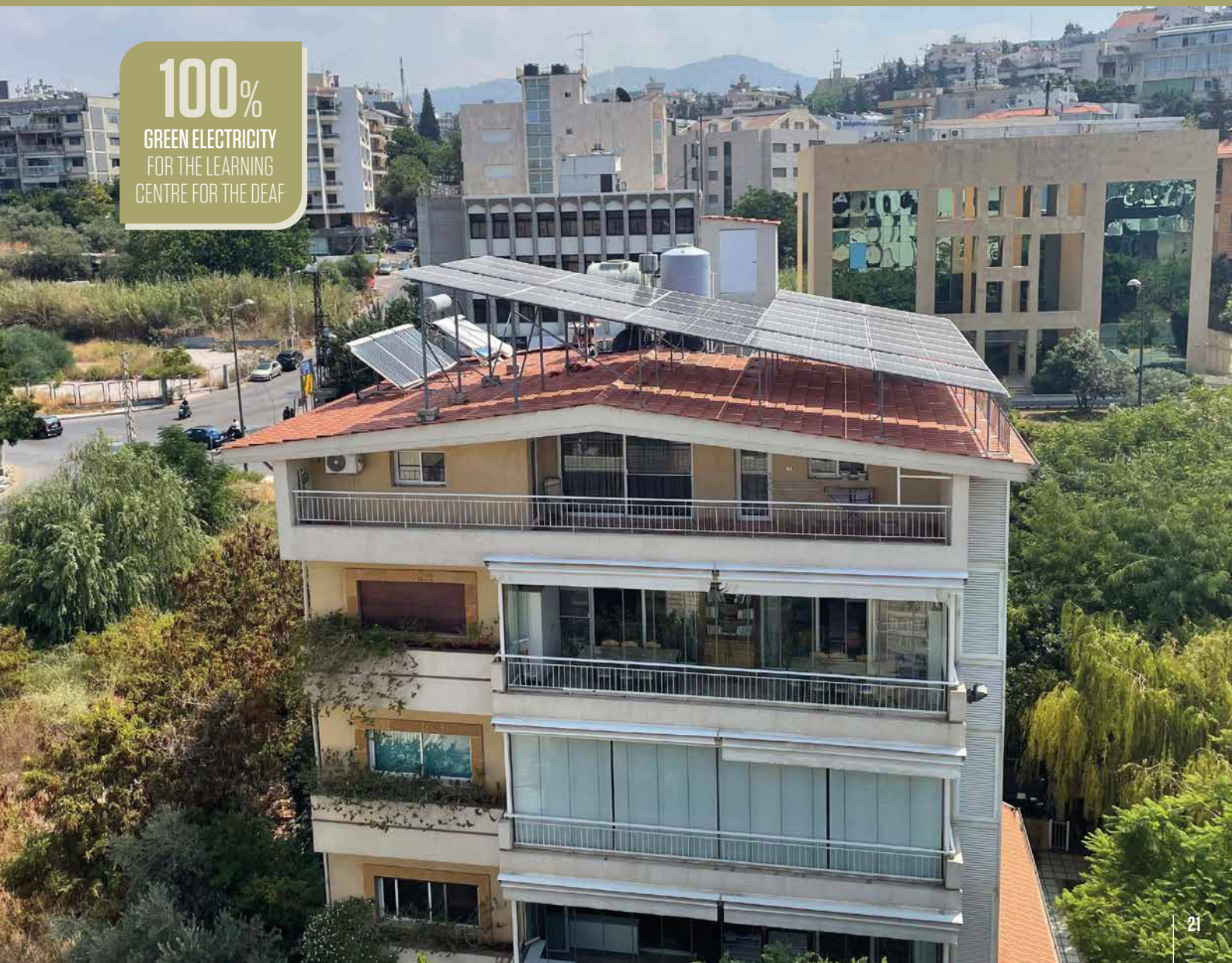


“We are just so blessed ... we now have continuous electricity.”

Dr Hussein Ismail, Learning Centre for the Deaf CEO

100%

**GREEN ELECTRICITY
FOR THE LEARNING
CENTRE FOR THE DEAF**



HERE ARE A FEW EXAMPLES OF HOW WE INVESTED IN THE FUTURE IN 2022:

Improving digital systems for partners in the Holy Land

6
NEW TABLET
COMPUTERS

Embrace invested in a new data management system for our partner Caritas Jerusalem and 6 new tablet computers.

This allowed them to centralise and streamline their processes. The more efficient and cost-effective system means medical teams in the field can easily access patient records and medicine supply stock levels, improving the medical service they give to patients in the West Bank and Gaza.

“This new system will greatly help the organisation and almost all its employees.”

Caritas Jerusalem

Providing specialist medical training for doctors in Egypt

ADVANCED MEDICAL
TRAINING FOR
8
DOCTORS

Embrace invests in specialist training and skills for many partners. In 2022 Embrace funding allowed five doctors from our partner Refuge Egypt were able to participate in a four-day practical medical training course on the use of ultrasound.

Much medical training in Egypt is done through theory, so a hands-on course with the opportunity to practise with patients, as well as receive training on the more advanced uses of ultrasound, was invaluable. The skills learnt will help with the more complex cases seen at Refuge Egypt's clinic, allowing for more detailed ultrasounds, better diagnoses and more effective treatment.

“I'm excited for the impact this training will have on making more complex diagnoses.”

Dr. Samuel, Refuge Egypt

Investing in our customers

In 2022 we launched a new, improved webshop and began increasing our range of products. We introduced a new selection of Alternative Gifts and launched our Meet the Maker blog. This allows our customers to learn more about the products we sell and the direct benefits their trade brings to communities in the Middle East. We also moved our fulfilment house to Mosaic Fulfilment Solutions so customers benefit from a faster delivery service and specialised customer care.

“It is heart-warming to think that, in a small way, you are helping to give encouragement to the craft people in towns like Nablus.”

Webshop customer feedback

Offering more online for supporters

18%
GROWTH IN
WEBSITE VISITS

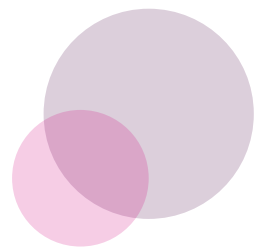
In 2022 we continued to build our digital presence. Innovations such as our new Weekly Devotions, and the Stories section helped grow the popularity of our website.

44,000 unique visitors came to our website in 2022 – an 18% rise on the previous year. We continued to diversify our supporter resources, running two online webinars and offering Lent and Advent Reflections via email. These proved popular, with more than 2,700 people signing up to receive the emails.

“Thank you for sharing these stories ... it informs our prayer and fills us with compassion for those suffering.”

Feedback for the website

PRIORITIES FOR 2023



Our plans for 2023 are based on Hope in Action: Strengthening Christian Service in the Middle East, our strategic plan 2021-25. The plan can be downloaded from our website: embraceme.org/five-year-strategy



TACKLING POVERTY & INJUSTICE

- Support and strengthen essential health and social care services for marginalised communities.
- Support livelihood and income generation projects, providing for immediate needs and opportunity for the future.
- Support work which empowers people who are excluded or displaced (women, girls, disabled people, refugees), bringing inclusion, engagement, and equality.



RESPONDING TO CRISIS

- Provide targeted grants that keep services running and deliver essential extra support in on-going crises and emergency situations.



SPEAKING OUT

- Speaking out and encouraging supporters to engage actively in support of justice and equal rights for all.
- Creating resources that inform and nourish church and individual engagement with the life and social witness of Christians in the region.



INVESTING IN THE FUTURE

- Provide targeted investment in our partners, supporting their plans for development and growth.
- Developing our skills, our people (including volunteers) and our systems to maximise impact in support of Embrace's mission.

OVERVIEW

2022 was a challenging year for the charity. Having weathered the storm of Covid, and lockdowns in 2020 and 2021, like all UK charities, we were hit by the global economic downturn following Russia's invasion of Ukraine in February. A number of unforeseen and adverse consequences resulted, including the rapid onset of a huge energy price rises, a cost-of-living squeeze, higher interest rates, and unavoidable increases in some of the charity's costs, including staff.

These adverse global and national trends fed through to Embrace's balance sheet, and income and expenditure figures. Our end of year results would have been significantly worse had management not succeeded in keeping non-grant expenditure to a minimum, and well below budget at £2,246k (2021: £2,281k), whilst maintaining our planned grant spend in support of partners at £2,326k (2021: £2,424k).

This reduction in planned non-grant expenditure helped reduce what would have otherwise been a deficit in excess of £1.5m, reflecting reduced income (£550k down compared with 2021), and £570k of net investment portfolio losses.

The higher than planned deficit, taken together with the significant (but we hope temporary) loss in the value of our investment portfolio in 2022 has reduced our free reserves significantly, from 19 months of non-grant spend (after designations) in 2021, to ten months in 2022. It is worth noting

however that this brings free reserves back within the target range as set out by our reserves policy, as revised in 2022.

We recruited a new Director of Fundraising towards the end of 2022, and two new team members in 2023, and have already seen a significant upturn in our fundraising performance in 2023, prior to publication of this report. If this can be maintained, markets revive and our investments regain lost value, we would expect to return to a more favourable financial position by the end of 2023 and into 2024.

INCOME

Total income for 2022 was £3,811k (2021: £4,361k) - a reduction of £550k or 13% versus the previous year. As mentioned above, this reflects the significant economic downturn in the UK, and the adverse impact this had on our fundraising activities. Underlying donations showed a 17% decline on the previous year. Whilst legacy income held up relatively well, this was also 3% down on the previous year. Income from Embrace's trading operation was also 20% below the previous year.

EXPENDITURE

Total expenditure in 2022 was £4,573k (2021: £4,705k), £132k or just 3% lower than 2021.

The cost of generating funds was 17% less than the previous year at £331k (2021: £397k), due to some reduction in staff costs, supporter engagement, and related support costs.

However, in line with plan, the cost of charitable activities was almost maintained at £3,843k (2021: £3,902k), being 2% behind the prior year. This reflects the charity's aim to maintain (or increase) support to our partners as circumstances allow. Grants paid to our partners were £2,326k (2021: £2,424k). A list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 44).

Support costs were roughly in line with 2022 at £435k (2021: £413k).

BALANCE SHEET

The charity, including the trading subsidiary, continues to show a strong balance sheet, despite the difficulties of this financial year. We ended 2022 with total funds of £6,931k (2021: £8,263k). General unrestricted free reserves amounted to £1,952k at the end of 2022, a reduction of £1,776k on the 2021 year-end figure of £3,728k.

However, this reduction is partly a result of an increased level of designation to help ensure the future sustainability of the organisation, (reflecting the forecast requirements, including projected deficits, of the remaining period of our five-year financial model to 2025). Our reserves position is discussed further below. It is pleasing to note that despite the reduction in free reserves, the organisation remains in a healthy financial position as we move into a new financial year.

RESERVES AND INVESTMENT POLICY

Trustees monitor the charity's reserves position regularly and

formally review the reserves policy every two years. A formal review took place during 2022-23, resulting in a revised policy which can be summarised as follows:

'Mindful of their responsibility to spend the charity's funds in fulfilment of the charity's objects and in a timely manner, but also to build the charity's resilience to unforeseen and detrimental hazard or risk, the trustees of Embrace the Middle East have determined that for the foreseeable future the charity's free reserves (cash and investments less restricted and designated funds) should not exceed the equivalent of twelve months, or fall below the equivalent of six months, of budgeted non-grant expenditure. If the level of free reserves is likely to rise above this ceiling, or fall below this floor, the trustees will take action to restore the appropriate equilibrium between income and expenditure that this range of reserves is intended to secure. The Trustees will keep the charity's level of free reserves under regular and ongoing review.'

In line with this policy, the Trustees have also reviewed the required level of funds that they believe should be designated for specific purposes. This is, and will continue to be, reviewed on a regular basis.

Designations have been agreed to cover the equivalent of twelve months of the charity's committed multi-annual core grants programme, equating to £1,800k in 2022 (2021: £2,700), plus an additional £2,207k (2021: £846k) to safeguard the ongoing sustainability of the organisation for the longer term.

The charity's free reserves, after designations, in 2022 should fall within the range £2,312k and £1,156k. This range represents between 6 and 12 months of budgeted non-grant expenditure, in line with the reserves policy as stated above. As noted above, the audited figure for free reserves was £1,952k at the end of 2022, approximately equal to ten months of budgeted non-grant expenditure. Whilst this reflects a reduction from 2021, the level of free reserves still falls within the Trustees target banding range and is deemed appropriate to help ensure the continued financial resilience of the charity.

Restricted funds amounted to £65k at the end of 2022 (2021: £1k) and further information is detailed in Note 17 to the financial statements.

GOING CONCERN

The charity ended 2022 in a weaker financial position than it began the year. This was foreseen as early as mid-2022 when we

published our 2021 Annual Report. We reported then as follows: current turbulence in the economy and global markets will have some negative impact on our investment portfolio. Also, we expect some impact on donations and expenditure due to higher inflation and rising costs.

In fact, the impact of the war in Ukraine, especially on the ability of our generous donors to give to the charity, compounded what was already expected to be a challenging year. Notwithstanding this, the signs are already very positive, and indicate at least a partial, if not full, recovery in our income streams. Voluntary income and legacy income in the first half of the year has been very encouraging. So too has support from Trusts and higher value donors. Year to date legacy income was higher than at the same period in 2022, indicating our legacy pipeline is healthy.

Whilst cognisant of the need to remain prudent in terms of expenditure – for example budgeting for a small (and hopefully temporary) reduction in grant in 2023 (down from £2,500k to £2,250k) the Board believes that income will recover sufficiently for them to conclude with confidence that Embrace the Middle East remains, very much, a going concern.

Embrace the Middle East would like to acknowledge the generosity of the following charitable organisations during 2022:

- The Mosawi Foundation
- The Jerusalem Trust
- The Bernard Sunley Charitable Foundation
- The Hillier Trust
- The St Clare & St Francis Trust
- The World Day of Prayer

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE

LEGAL BASIS

Embrace the Middle East is a registered charity (no. 1076329), and a company limited by guarantee and not having share capital (no. 3706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006, 18 October 2011, 16 June 2015 and 9 October 2020.

OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of Embrace began in 1854 when what was then known as the Turkish Missions' Aid Society was founded. Our charitable objective today is set out in our Articles of Association:

Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.

Our main purpose is to work in partnership with Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon, Egypt, Syria and Iraq.

We raise funds in the UK to support this work, primarily through a large body of individual donors, but also

through a number of generous trusts. These funds are used to support our partners and their work through short-term and multi-annual grants. As part of our commitment to long-term partnership nonfinancial assistance may also be provided. This includes capacity building, advocacy for positive change, as well as facilitating encounters between UK Christians and our partners and their beneficiaries.

While the charity works exclusively through Christian-led agencies in the Middle East, the faith identity of beneficiaries is never an issue: we and our partners seek to support those in most need, regardless of faith.

The trustees confirm that in agreeing the objectives and planned activities of the charity in 2022, they have had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In September 2020, following consultation with the Charity Commission, the trustees voted to amend the charity's charitable object to better reflect the role that educating the public about the social outreach of Middle East Christians plays in the charity's overall mission. Also in September 2020, the trustees agreed a five-year strategy (Hope in Action: 2021-25). Underpinned by an agreed financial framework, this strategy will guide and support the aims, and ambition, of the charity through to 2025.

GOVERNANCE

The governing body of the company is the Board of Trustees, whose members are also Directors of the company. Trustees who served during 2022, and up to the date of this report, are listed under 'Who we are' on page 30.

The Board delegates some powers to two standing committees – Governance and Resources (largely concerned with the internal workings of the charity) and Programmes and Public Engagement (concerned with external matters) – and an ad hoc Officers and Chairs Committee. This committee comprises the officers of the charity (Chair, Vice Chair and Treasurer) and the Chairs of the two standing committees.

It meets, as required, to ensure effective coordination between Board committees and working groups, to set and keep under review the Chief Executive's objectives, performance and remuneration, and to manage Trustee recruitment, development and deployment.

Terms of reference for all Board committees, role descriptions for officers and the Chief Executive, and a detailed scheme of Board powers, both reserved and delegated, were agreed by the Board, prior to the implementation of the new committee structure in 2016 and are subject to periodic review.

In 2022 the Governance and Resources and Programmes and

Public Engagement Committees each met twice, and the Officers and Chairs Committee four times. The Board met four times during the year – in March, June, September and December.

TRUSTEE RECRUITMENT AND TRAINING

One new trustee Josh Harris joined in the Board in September 2022, and two trustees stood down in March 2023 – Madeleine Radford and Dr Souraya Bechealany. Trustees are recruited through an open and transparent process, including by public advertisement on charity job websites, and are selected on the basis that they have the professional skills and experience required for the charity to operate effectively. The charity strives to ensure that the Board is both gender-balanced and diverse, and includes trustees from a range of denominations. Trustees are elected for a three-year term which may be renewed, up to a maximum of nine years.

The Articles of Association of the charity requires all trustees to be practising Christians. The maximum number of trustees is set at 12, with provision for an additional two co-opted trustees, if required, to fill skills gaps.

New trustees receive an induction from the Chief Executive, covering their legal obligations under charity and company law, the procedures of the Board and its committees,

the strategic plan and Trustees' Annual Report, and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate or enhance their capacity to fulfil their role. Typically, training is focused on good governance, legal and financial compliance and safeguarding. Trustees are expected to make a familiarisation visit to one of the countries in which the charity operates to better understand the work of Embrace the Middle East and our partners. Longer serving trustees may make more than one visit. In 2022 visits involving three trustees were made to Egypt and Iraq.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

Trustees, working through the Board and its committees, are the ultimate decision makers for Embrace the Middle East. They entrust day-to-day management of the Charity to a senior leadership team, which operates within a framework, and a specified Scheme of Delegation, set by the trustees. The senior leadership team (known as the Leadership Group) is led by the Chief Executive and comprises the three Directors of Programmes and Advocacy, Fundraising and Communications and Shared Services, plus the Head of Human Resources. The Senior Finance Adviser attends as required. Members of the Leadership Group and other

senior staff members may attend Board meetings, but do not vote.

PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the trustees, the Chief Executive, the Directors of Programmes and Advocacy, Fundraising and Communications, and Shared Services, the Heads of Human Resources and Trading and Senior Finance Adviser.

The total employee benefits of the Leadership Group in 2022 were £370k (2021: £341k). Details can be found in note 7 to the accounts found on page 45. Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking. In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel, pay and benefits are determined by the Chief Executive, subject to an overall budget agreed by the trustees.

In 2020 the charity undertook a fundamental review of its safeguarding policy and practice in a determined effort to maintain the highest possible standards, in line with best practice. Signature of, and adherence to, new codes of conduct by all staff, volunteers and third parties coming into contact with partners, or their beneficiaries, is mandatory. The charity has instituted a revised

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (continued)

and updated safeguarding policy and framework for the reporting of concerns, or suspicions, of abuse, neglect or malpractice. A Safeguarding Committee comprising staff from all parts of the charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practice, and the adjudication of cases of concern referred to it.

The Chair of the Committee is the charity's designated Safeguarding Officer. The Committee meets regularly, or as required, and reports directly to the CEO and the trustees (at a minimum twice annually), or if circumstances dictate, direct to the Chair, or Vice Chair, of Trustees. The Vice Chair of Trustees is the Board's designated Safeguarding Officer. The charity's revised safeguarding policy and reporting mechanism has been professionally peer reviewed by Keeping Children Safe, of which the charity is an associate member. As a charity, Embrace the Middle East aspires to the highest standards of safeguarding, in line with its ethos and values. Safeguarding policy and practice is a key element in our due diligence process with regard to partners and, where appropriate, an area where we offer capacity building support and advice through our safeguarding partner, Viva. The trustees are clear about their statutory responsibilities with

respect to safeguarding and remain abreast of the Charity Commission's ongoing concerns in this area of governance.

A copy of the charity's safeguarding policy is available on the website embraceme.org/safeguarding.

RISK MANAGEMENT

The charity's Risk Management policy is reviewed annually and the risk register as a whole, or where appropriate particular risks, are reviewed each time the Board, or one of its standing committees meets. During 2022 risks arising from the global economic downturn, post the invasion of Ukraine, and the chilling effect this had on the charity's fundraising and trading performance merited special attention. The Board describes its overall approach to risk as follows:

'In pursuit of its charitable purpose Embrace the Middle East is required to work with partners in inherently complex and pressured environments. We embrace risk as a condition of partnership, of our mission to tackle poverty and injustice in the Middle East and of our ambition for growth in our impact. Working to transform the lives of vulnerable and marginalised people precludes an undue or exaggerated aversion to risk. In accepting risk as a necessary part of our work we undertake at all times to seek to mitigate and manage risk to our staff, our

partners, their beneficiaries and the sustainability of the charity and its work. We will not shy away from reasonable risks that further the purpose of the charity and are consistent with our values.'

Consistent with this overall approach the charity's risk policy:

- Establishes a general approach to the management of risk, based on the identification, analysis, evaluation, and treatment of specific risks. The policy describes how risks will be analysed.
- Categorises risks as recommended by the Charity Commission: governance, operational, financial, environmental or external, and compliance (law or regulation).
- Sets out how the charity's risk register will be compiled and kept up-to-date.
- Sets out a detailed process for the monitoring and review of risks by the Board, its committees and the Leadership Group.

New risks, new variants of existing risks, and additional mitigation added to the register in 2022 included risks to income, staff welfare connected to remote working, heightened cyber threats and exceptionally challenging trading conditions.

STATEMENT OF FUNDRAISING PRACTICE

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Embrace the Middle East in 2022:

'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2022 there were no failures to comply with this Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any cold telephone calls to the general public. We have not used SMS as part of our fundraising portfolio.'

In 2022 Embrace did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992. During the

year we received 2 complaints about our fundraising practice (2021:4) in response to over 75,084 pieces of fundraising direct mail that were sent out. We are pleased by this reduction. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices and are especially sensitive to the interests of older and more vulnerable supporters or potential supporters. We act promptly on requests from supporters to change their contact preferences, and comply with all requests to cease contact received through the Fundraising Preference Service.

Embrace the Middle East maintains a team of specialist staff dedicated to maintaining excellent and respectful relationships with all of our supporters.



Left to right: Life Vision, Egypt | Tahaddi Sewing Atelier, Lebanon | Child Friendly Spaces, Syria.

WHO WE ARE

TRUSTEES

John Mitchell OBE

(Chair of Trustees)

Dr Souraya Bechealany

(until March 2023)

Anne Clayton

(Vice Chair of Trustees)

Rev Josh Harris

(since September 2022)

Rev Dr James Hawkey

*(Chair of Programmes and
Public Engagement Committee)*

Katie Hodgkinson

Rev Dr Munther Isaac

Dr Kathryn Shah

Ben Morgan

*(Chair of Governance and
Resources Committee)*

Mary Oakes

Madeleine Radford

(until March 2023)

Victoria Smith

(Treasurer)

Katharine von Schubert

Chris Woo

PATRONS

His Eminence Archbishop

Angaelos OBE, Bishop of the
Coptic Orthodox Diocese of
London

Rt Rev Christopher Chessun,

Anglican Bishop of Southwark

Rev David Coffey OBE, former
President, Baptist World Alliance

Rt Rev Dr Michael Langrish,

former Anglican Bishop of
Exeter

Very Rev Dr Andrew McLellan

CBE, Convener, World Mission
Council of the Church of
Scotland

Most Rev Timothy Radcliffe

OP, former Master of the Order
of Preachers *(Dominicans)*

LEADERSHIP GROUP

Tim Livesey *(Chief Executive
Officer and Company Secretary)*

Jamie Eyre *(Director of
Programmes and Advocacy)*

Faramade Rees *(Head of
Finance until September 2022)*

Lucy Insua *(Human Resources
Manager)*

Sam Mackwell *(Head of
Information Systems & Security
until November 2022 then
Director of Shared Services)*

Amy Parr *(Head of Trading until
April 2022)*

Ian Livett *(Director
of Fundraising and
Communications from
November 2022)*

REGISTERED OFFICE

24 London Road West
Amersham
Buckinghamshire
HP7 0EZ

AUDITORS

Azets Audit Services

Statutory Auditor
Greytown House
221-227 High Street
Orpington, Kent
BR6 0NZ

BANKERS

NatWest Bank plc

2nd Floor
Rapid House
40 Oxford Road
High Wycombe
HP11 2EE

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

INVESTMENT ADVISORS

**Investec Wealth and
Investments**

2 Gresham Street
London
EC2V 7QN

**Epworth Investments
Management Limited**

9 Bonhill Street
London
EC2A 4PE

**Investment Management
Limited**

Senator House
85 Queen Victoria Street
London
EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also the directors of Embrace the Middle East for the purposes of company law) are responsible for preparing the annual report and financial statements of the charity in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the financial statements to give a true and fair view of the state of affairs of the charitable company including income and expenditure for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS102)
- 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.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of all corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 8 June 2023 and signed on its behalf by:

John Mitchell OBE,
Chair of Trustees



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST

OPINION

We have audited the financial statements of Embrace the Middle East (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom

Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST (continued)

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the parent 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 groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and noncompliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements of the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST (continued)

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 noncompliance 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 noncompliance. The risk is also greater regarding error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

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

Michelle Wilkes FCA

For and on behalf of Azets Audit Services

Senior Statutory Auditor

Greytown house
221-227 High Street
Orpington
Kent
BR6 0NZ

Azets Audit Services Limited

12 July 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 (*restated) £'000
Income:					
Donations and legacies	3	2,244	1,076	3,320	3,778
Charitable activities	3	48	-	48	61
Trading activities	2	318	-	318	399
Investments		99	-	99	105
Other income		26	-	26	18
Total Income		2,735	1,076	3,811	4,361
Expenditure:					
Cost of fundraising	4	331	-	331	397
Trading activities	2	399	-	399	406
Charitable activities	3	2,831	1,012	3,843	3,902
Total Expenditure		3,561	1,012	4,573	4,705
Net Income / Expenditure on operations		(826)	64	(762)	(345)
Net gains on investments	10	(570)	-	(570)	299
Net Income/(Expenditure) on operations after net gains / (losses) on investments		(1,396)	64	(1,332)	(46)
Net movement in funds		(1,396)	64	(1,332)	(46)
Reconciliation of funds:					
Total funds brought forward		8,262	1	8,263	8,309
Total fund carried forward		6,866	65	6,931	8,263

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

All income and expenditure derive from continuing activities.

The notes on pages 39 to 51 form part of these financial statements.

* 2021 comparatives have been restated to better reflect the income and expenditure of charitable activities on a comparable basis, year to year. The figures are also restated to fully eliminate inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Income / (Expenditure) is nil).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2021

For the year ended 31 December 2021 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 (*restated) £'000	Total Funds 2020 £'000
Income:					
Donations and legacies	3	2,629	1,149	3,778	3,692
Charitable activities	3	61	-	61	55
Trading activities	2	399	-	399	383
Investments		105	-	105	96
Other income		18	-	18	17
Total Income		3,212	1,149	4,361	4,243
Expenditure:					
Cost of fundraising	4	397	-	397	636
Trading activities	2	406	-	406	329
Charitable activities	3	2,716	1,186	3,902	3,592
Total Expenditure		3,519	1,186	4,705	4,557
Net Income / Expenditure on operations		(308)	(37)	(345)	(314)
Net gains on investments	10	299	-	299	10
Net Income/(Expenditure) on operations after net gains / (losses) on investments		(9)	(37)	(46)	(304)
Net movement in funds		(9)	(37)	(46)	(304)
Reconciliation of funds:					
Total funds brought forward		8,271	38	8,309	8,613
Total fund carried forward		8,262	1	8,263	8,309

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

All income and expenditure derive from continuing activities.

* 2021 comparatives have been restated to better reflect the income and expenditure of charitable activities on a comparable basis, year to year. The figures are also restated to fully eliminate inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Income / (Expenditure) is nil).

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 December 2022

	Note	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Fixed Assets					
Tangible assets	9	885	890	885	890
Investments	10	3,358	3,913	3,359	3,914
		4,243	4,803	4,244	4,804
Current assets:					
Stocks		77	51	-	-
Debtors: amounts falling due within 1 year	11	270	223	307	221
Cash at bank and in hand		2,672	3,603	2,585	3,494
		3,019	3,877	2,892	3,715
Creditors					
Amounts falling due within 1 year	12	(331)	(417)	(227)	(355)
Net current assets		2,688	3,460	2,665	3,360
Net assets		6,931	8,263	6,909	8,164
Funds					
Restricted funds	17	65	1	65	-
Designated funds	16	4,892	4,436	4,892	4,436
Reserves available for charitable purposes		1,952	3,728	1,952	3,728
Non charitable trading funds	2	22	98	-	-
Total funds	15	6,931	8,263	6,909	8,164

The financial statements were approved by the Board of Trustees on 8 June 2023 and were signed on its behalf by:

John Mitchell OBE
Chair of Trustees



The notes on pages 39 to 51 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities:			
Cash generated from operations	19	(995)	(646)
Net cash from operating activities		(995)	(646)
Cash flows from investing activities:			
Income from investments		99	105
Sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(20)	(11)
Purchase of investments		(720)	(689)
Proceeds from the sale of investments		705	663
Net cash from investing activities		64	68
(Decrease) / Increase in cash and cash equivalents		(931)	(578)
Cash and cash equivalents at beginning of year	20	3,603	4,181
Cash and cash equivalents at end of year	20	2,672	3,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNT PRACTICES

Basis of preparation

Embrace the Middle East is a company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect to the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are set out on page 26.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom (FRS 102), and UK Generally Accepted Practice as it applies from 1 January 2015 and updated for Bulletin 1&2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the Charity, and its wholly owned subsidiary, Embrace the Middle East Trading Limited.

Funds accounting

The Charity's reserves are classified in the following three ways:

Restricted funds – funds that have been received by the Charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and administering these funds are charged against the

unrestricted, or free, reserves of the Charity and accordingly Gift Aid tax reclaimed on these funds is included in unrestricted reserves.

Designated funds – these are funds that trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned, or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

Unrestricted funds – funds, also termed free reserves, which are available for the trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Donations – Donations are included in the financial statements when the receipts have been deposited into the bank. Gift Aid tax reclaimable is recognized in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

Legacies – The amount shown for legacy income includes accruals - where the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved has been quantified.

Grants – Grants are recognized when paid out of the bank account, or when deposited into the bank. Grants agreed but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year-end are not accrued as expenditure.

Investment income – Investment income is recognized using the effective interest method. All expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to the category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

Expenditure

Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is categorized under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income and include employment costs of fundraising employees, along with the direct costs of publications and advertising..
- Investment management fees are the fees charged by the fund managers who manage the investment portfolio.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs allocation

Support costs are those that assist the work of the charity, but do not directly represent charitable activities, and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to costs of raising funds, and charitable expenditure in proportion to allocations of hours worked by employees on the above headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. The analysis of these costs is included in note 4.

Tangible fixed assets

Depreciation is provided at the following rates on assets costing £1k or over, in order to write off each asset over its estimated useful life:

UK freehold property – 1% per annum on a straight line basis

Fixtures and fittings – 10% per annum on a straight line basis

Motor vehicles – 25% on a straight line basis

Computer equipment – 25% per annum on a straight line basis

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Activities (SOFA).

Fixed asset investments

Investments are recognized initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognized in 'net gains/(losses) on investments' in the SOFA, if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all aspects of purchase, and other costs incurred in bringing stock to its present location and condition. Each item is valued on a weighted average cost basis, whereby the cost of goods purchased is divided by the number of units held. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in expenditure.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in the Statement of Financial Activities. If the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest.

Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

Foreign currency

Foreign currency transactions are initially recognized by applying the foreign currency amount of the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

Short-term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognized as an expense in the period in which they are incurred.

The company recognizes an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary costs of the respective employee in relation to the period of absence.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

Accounting 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 following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognized in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets.

Bad debt provision

Bad debts are provided for specific debts when required, there is no estimation in use. There are no other key assumptions concerning the future and other key 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 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

2. COMMERCIAL TRADING ACTIVITIES OF THE TRADING SUBSIDIARY

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (Company No. 00901022). A summary of the Trading company's results for 2022 are shown below:

Summary profit and loss account	2022 £'000	2021 (*restated) £'000
Turnover	392	469
Cost of sales and administrative expenses	(415)	(413)
Profit / (loss) for the year after tax	(23)	56

* The 2021 figures are restated to fully reflect all inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Profit / loss for the year after tax is nil)

Summary Balance Sheet	2022 £'000	2021 £'000
Current assets		
Stock	77	51
Debtors	14	8
Cash	87	109
	178	168
Creditors falling due within one year	155	69
Net current assets	23	99
Called up share capital	1	1
Capital redemption reserve	8	8
Profit and loss account	14	90
Shareholders' funds	23	99

3. CHARITABLE ACTIVITIES

The major activities of the charity are the provision of grants to our Christian partners in the Middle East and raising awareness of their work in the UK.

	Total 2022 £'000	Total 2021 (*restated) £'000
Income:		
Donations		
Unrestricted funds	1,284	1,724
Restricted funds	1,076	1,125
Legacies		
Unrestricted funds	1,054	998
Restricted funds	-	24
Other income	48	61
Total charitable income	3,461	3,932
Grants paid (note 5)	2,326	2,424
Charitable activities	1,615	1,581
Total charitable activity expense	3,941	4,004
Net surplus for the year	(480)	(72)
Transfers between activities	-	-
Surplus / (deficit) on charitable activities	(480)	(72)
Reconciliation to SOFA		
Total charitable income as above	3,462	3,932
less Charity inter-organisational income	(94)	(93)
Trading activities income	318	399
Investment income	99	105
Other income	26	18
Total income as SOFA	3,811	4,361

	Total 2022 £'000	Total 2021 (*restated) £'000
Total charitable activity expense as above	3,941	4,004
less Charity inter-organisational income	(98)	(102)
Cost of fundraising	331	397
Trading activities expenditure	399	406
Total expenditure as SOFA	4,573	4,705

* 2021 comparatives have been restated to better reflect the income and expenditure of charitable activities on a comparable basis, year to year. The 2021 figures are also restated to fully reflect all inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Income / (Expenditure) is nil).

4. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2022 £'000	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2021 £'000
Cost of generating funds	247	77	7	331	268	100	29	397
Charitable activities								
Information and education	328	142	16	486	367	112	31	510
Grants to partners	-	2,326	40	2,366	-	2,424	11	2,435
Other support to partners	630	7	263	900	608	6	264	878
Total charitable activities excl Governance	958	2,475	319	3,752	975	2,542	306	3,823
Governance	58	21	12	91	58	17	4	79
Total charitable activities	1,016	2,496	331	3,843	1,033	2,559	310	3,902
Trading costs	74	228	97	399	65	268	74	406
Total group costs	1,337	2,801	435	4,573	1,366	2,927	413	4,705

Support Costs	Total 2022 £'000	Total 2021 (*restated) £'000
Trading Support costs (incl audit)	97	74
Depreciation	25	22
Property and Equipment	71	39
Licences	51	23
Travel	50	9
Bank Charges	18	32
Insurance	18	14
Computer systems related costs	15	101
Other	79	95
Governance	11	4
Total income as SOFA	435	413

Staff costs have been allocated based on percentage of time spent on the various categories. Direct costs at the level of cost centre and expenditure type have been allocated across categories based on purpose of activity. Support costs have been allocated across the categories based on % attributed to each category of spend.

* 2021 comparatives have been restated to better reflect the split of expenditure on a comparable basis, year to year. The 2021 figures are also restated to fully eliminate inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Income / (Expenditure) is nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

5. DETAILS OF GRANTS WE PAID TO OUR PARTNERS

	2022 £'000	2021 £'000
Egypt		
Anafora	29	25
BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services)	98	107
CEOSS (Coptic Evangelical Organisation of Social Services)	-	71
Deaf Unit	8	-
Diocese of Egypt	30	-
El Saray Evangelical Church	17	-
Episcopcare	90	88
Fairhaven School	-	15
Harpur Memorial Hospital	28	41
Life Vision for Development	74	30
Refuge Egypt	55	60
Salaam Center	50	45
Shams El Birr	-	(7)
The Deaf School	-	10
Think & Do	81	110
Others (under £5k)	2	-
Total of Egypt	562	595
Lebanon		
Al Kafaat	85	80
Beit El Nour	30	28
Ecumenical Relief Services (formerly ICNDR)	-	37
Howard Karagheusian Commemorative Corporation	87	83
Inter Church Network for Development & Relief	50	-
Johan Ludwig Schneller School	18	10
Joint Christian Committee	58	57
Learning Centre for the Deaf	72	38
Lebanese Society for Social Education and Development	140	170
Pontifical Mission for Lebanon	30	43
Tahaddi	65	62
Zvartnotz Centre	-	-3
Total of Lebanon	635	605

	2022 £'000	2021 £'000
Palestine and Israel		
Al Ahli Arab Hospital	63	90
Aviv Ministries	29	21
Bethlehem Arab Society for Rehabilitation	63	44
Bursary Scheme (Secretariat of Solidarity)	-	125
Caritas Jerusalem	74	113
East Jerusalem YMCA	140	118
Four Homes of Mercy	58	58
Helen Keller School	-	136
International Christian Committee in Israel	30	33
Olive Tree Project (Joint Advocacy Initiative)	59	3
MECC Department of Service to Palestinian Refugees	-	12
Musalaha	30	27
Nazareth School of Nursing	-	15
Near East Council of Churches	101	95
Palestinian Bible Society	39	44
Pontifical Mission of Palestine	57	70
Princess Basma Centre	57	90
Secretariat of Solidarity for Catholic Schools and Institutions	125	-
SIRA School	19	18
Society of St Yves	50	50
St Luke's Hospital	-	22
Total of Palestine and Israel	994	1,184
Iraq		
CAPNI (Christian Aid Program Nohadra Iraq)	55	40
Chaldean Archdiocese of Erbil	30	-
Total of Iraq	85	40
Syria		
Lebanese Society for Educational and Social Development	50	-
Total of Syria	50	-
Grand Total	2,326	2,424

6. NET INCOMING/(OUTGOING) RESOURCES

	Year ended 2022 £'000	Year ended 2021 £'000
Net resources are stated after charging:		
Auditors' remuneration	27	22
Depreciation - owned assets	25	22
Staff pension contributions	196	197
Services provided by the Charity's auditor during the year:		
Audit of the Charity and consolidated financial statements	20	16
Audit of the Trading subsidiary including provision of annual report and accounts	6	5
Corporation tax calculation for Charity & Trading subsidiary	1	1
	27	22

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any emoluments during the year.

Trustees' expenses

During the period the Charity reimbursed necessary travel expenses incurred by trustees.

The total of these expenses was

	2022 £'000	2021 £'000
Trustee travel expenses	5	1

The key management personnel of the charity comprise the trustees, and the Senior Leadership Team which at the end of 2022 comprised the Chief Executive, the Director of Programmes & Engagement, the Director of Shared Services, Head of HR and the Director of Fundraising, (who joined the organisation in November 2022).

The total employee benefits of the Senior Leadership Team in 2022 were £370k (2021: £341k), including gross pay, employers national insurance contributions and employers pension contributions.

Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking.

In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel by the Chief Executive, subject to the overall budget agreed by trustees.

8. GROUP STAFF COSTS

	2022 £'000	2021 £'000
Wages and salaries	1,036	1,068
Social Security costs	105	101
Pension plan contributions	196	197
	1,337	1,366

The average monthly headcount of employees during the year was as follows:

	2022	2021
UK management staff	5	7
UK administrative staff	29	28
	34	35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

8. GROUP STAFF COSTS (continued)

Number of employees receiving total employee benefits (gross pay and company pension contributions), in the ranges:

	2022 £'000	2021 £'000
£70,000 - £80,000	1	1
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

9. TANGIBLE FIXED ASSETS

Group	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2022	968	122	181	1,271
Additions	-	17	3	20
Disposals	-	(7)	(3)	(10)
At 31 December 2022	968	132	181	1,281
Depreciation				
At 1 January 2022	107	102	172	381
Charge for the year	10	8	7	25
Disposals	-	(8)	(2)	(10)
At 31 December 2022	117	102	177	396
Net Book Value				
At 31 December 2022	851	30	4	885
At 31 December 2021	861	20	9	890

Charity

Cost				
At 1 January 2022	968	122	181	1,271
Additions	-	17	3	20
Disposals	-	(7)	(3)	(10)
At 31 December 2022	968	132	181	1,281
Depreciation				
At 1 January 2022	107	102	172	381
Charge for the year	10	8	7	25
Disposals	-	(8)	(2)	(10)
At 31 December 2022	117	102	177	396
Net Book Value				
At 31 December 2022	851	30	4	885
At 31 December 2021	861	20	9	890

10. FIXED ASSET INVESTMENTS

Group	Listed investments £'000	Unlisted investments £'000	Total £'000
Market value as at 31 December 2021	3,905	8	3,913
Additions	720		720
Disposals	(705)	-	(705)
Revaluations	(570)	-	(570)
Market value as at 31 December 2022	3,350	8	3,358
Historical cost of the investments were:			
31 December 2021	3,018	3	3,021
31 December 2022	3,084	3	3,087

Charity	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £'000
Market value as at 31 December 2021	3,905	8	1	3,914
Market value as at 31 December 2022	3,350	8	1	3,359

Listed investments were comprised of the following:

	2022 £'000	2021 £'000
UK equities	1,178	1,651
Overseas bonds	259	109
UK bonds	271	315
Property	300	332
North American equities	497	584
International equities	142	158
European equities	108	128
Far East and Australasian equities	119	205
Emerging economies	95	67
Other investments	381	356
Total	3,350	3,905

The following holdings were over 5% of the total market value of the portfolio.

	Market Value at 31 December 2022 £'000	Market Value at 31 December 2021 £'000
Vanguard S&P 500 ETF	222	315
Charities Property Fund *	164	178

Of the unlisted investments, £8k was invested overseas. | * less than 5% in 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	-	-	-	-
Amount owed by group undertaking	-	-	51	-
Other debtors	224	193	220	192
Prepayments	46	30	36	29
Total	270	223	307	221

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	143	92	77	58
Amount due to group undertaking	-	-	-	7
Social security and other taxes	33	31	33	32
Other creditors	34	35	3	6
Accruals	121	259	114	252
Total	331	417	227	355

13. ACCRUED GRANTS

	2022 £'000	2021 £'000
At 1 January 2022	212	231
New grants committed (note 5)	2,326	2,424
Grants paid in year	(2,467)	(2,443)
At 31 December 2022	71	212

14. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme for its UK employees. The assets are held separately from those of the Charity in an independently administered fund. The pension costs charged represents contributions to the fund payable by the charity and amounted to £196k, (period to 31 December 2021 £197k). These contributions include employee salary sacrifice contributions. There were £nil contributions outstanding at 31 December 2022 (period to 31 December 2021 £nil).

15. 2022 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2022	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2022 total funds £'000
Fixed assets	-	885	-	885
Investments	-	3,358	-	3,358
Current assets	2,305	649	65	3,019
Current liabilities	(331)	-	-	(331)
Total Funds	1,974	4,892	65	6,931

2021	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2021 total funds £'000
Fixed assets	-	890	-	890
Investments	3,913	-	-	3,913
Current assets	330	3,546	1	3,877
Current liabilities	(417)	-	-	(417)
Total Funds	3,826	4,436	1	8,263

16. DESIGNATED FUNDS

2022	As at 1 January 2022 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2022 £'000
Fixed Assets ¹	890	-	(5)	885
Programme Fund ²	2,700	-	(900)	1,800
Sustainability Fund ³	846	1,361	-	2,207
	4,436	1,361	(905)	4,892

1. Fixed Assets - Trustees have resolved to designate funds to the value of £885k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund - Trustees have designated funds to cover 12 months of budgeted multi-annual grant expenditure (2021: 18 months) subject to other grant conditions being met on committed multi-annual grants to partners.

3. Sustainability Fund - Trustees have designated funds to ensure the ongoing sustainability of the charity over the remaining period of the five year plan (to 2025).

2021	As at 1 January 2021 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2021 £'000
Fixed Assets ¹	901	-	(11)	890
Programme Fund ²	2,700	-	-	2,700
Helen Keller School Grants ³	136	-	(136)	-
Projected Deficits ⁴	1,602	-	(756)	846
	5,339	-	(903)	4,436

1. Fixed Assets - Trustees resolved to designate funds to the value of £901k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund - Trustees designated funds to cover 18 months of expenditure (subject to other grant conditions being met) on committed multi-annual grants to partners.

3. Helen Keller School Grants - Trustees designated funds to the value of £136k to reflect the current sterling value (at an exchange rate of 4.40 New Israeli Shekels to the £) of the charity's grant commitments to the Helen Keller School for 2021. These were agreed, subject to certain conditions being met, as part of the transfer of the school to the Franciscans in September 2016.

4. Projected Deficits - Trustees designated funds to cover projected operating deficits 2020-2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

17. 2022 RESTRICTED FUNDS

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

	Opening balance £'000	Income during 2022 £'000	Spending during 2022 £'000	Closing balance £'000
General funds ¹				
Community Development	1	-	-	1
Country specific	-	322	(322)	-
Education	-	242	(242)	-
Health	-	162	(162)	-
Humanitarian	-	83	(83)	-
Livelihoods	-	62	(62)	-
Other	-	-	-	-
Special needs and disability	-	32	(32)	-
Partners working within the following fields ²				
Education	-	3	-	3
Health	-	123	(62)	61
Humanitarian	-	1	(1)	-
Livelihoods	-	25	(25)	-
Special needs and disability	-	18	(18)	-
Youth	-	3	(3)	-
Total restricted funds	1	1,076	(1,012)	65

1. **General funds** are funds restricted either by field of work or by country. | 2. **Partner restricted funds** have been categorised by type of work.

2021 comparatives	Opening balance £'000	Income during 2020 £'000	Spending during 2020 £'000	Closing balance £'000
General funds ¹				
Education	-	181	181	-
Health	-	23	23	-
Community development	24	302	325	1
Refugees	5	14	19	-
Special needs and disability	-	89	89	-
Women's education and empowerment	-	-	-	-
Country specific funds	-	403	403	-
Partners working within the following fields ²				
Education	-	27	27	-
Health	9	10	19	-
Community development	-	36	36	-
Special needs and disability	-	31	31	-
Other restricted funds	-	33	33	-
Total restricted funds	38	1,149	1,186	1

1. **General funds** are funds restricted either by field of work or by country. | 2. **Partner restricted funds** have been categorised by type of work.

18. RELATED PARTY DISCLOSURES

Embrace the Middle East is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation.

Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and website sales and also sold alternative gifts which are a form of donation.

	2022 £'000	2021 £'000
Donations received on behalf of the charity	45	73
Alternative gifts sold on behalf of the charity	159	227
Total	204	300

As at 31 December 2022 a net figure of £51k was owed by the Trading company to the Charity.

As at 31 December 2021 a net figure of £7k was owed by the Charity to the Trading company.

A total of £2k of donations were received from Trustees during the year.	2
--	---

Due to the timing of a new volunteer initiative, Shop in a Box, which was introduced in the run up to Christmas, some trading stock held by volunteers and staff participating in the scheme, including the CEO, remained outstanding at the year-end

19. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2022 £'000	2021 £'000
Net (expenditure) income (as per the statement of financial activities)	(1,332)	(46)
Adjustments for:		
Depreciation charge	25	22
Net gains on investments	570	(299)
Investment income receivable	(99)	(105)
(Increase) / Decrease in stocks	(26)	(27)
(Increase) / Decrease in debtors	(47)	(113)
Increase / (Decrease) in creditors	(86)	(78)
Net cash used in operating activities	(995)	(646)

20. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash and cash equivalents at beginning of year	3,603	4,181
Cash and cash equivalents at end of year	2,672	3,603

21. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £1 by guarantee.

22. POST BALANCE SHEET EVENTS

There were no post balance sheet events.



EMBRACE
the Middle East

We would like to thank every person and church
that has supported our work in the past year.
It is through your kind generosity that the
achievements in this report have been possible.

Embrace the Middle East | 24 London Road West | Amersham | Bucks | HP7 0EZ
01494 897950 | info@embraceme.org | embraceme.org | @FollowEmbrace   



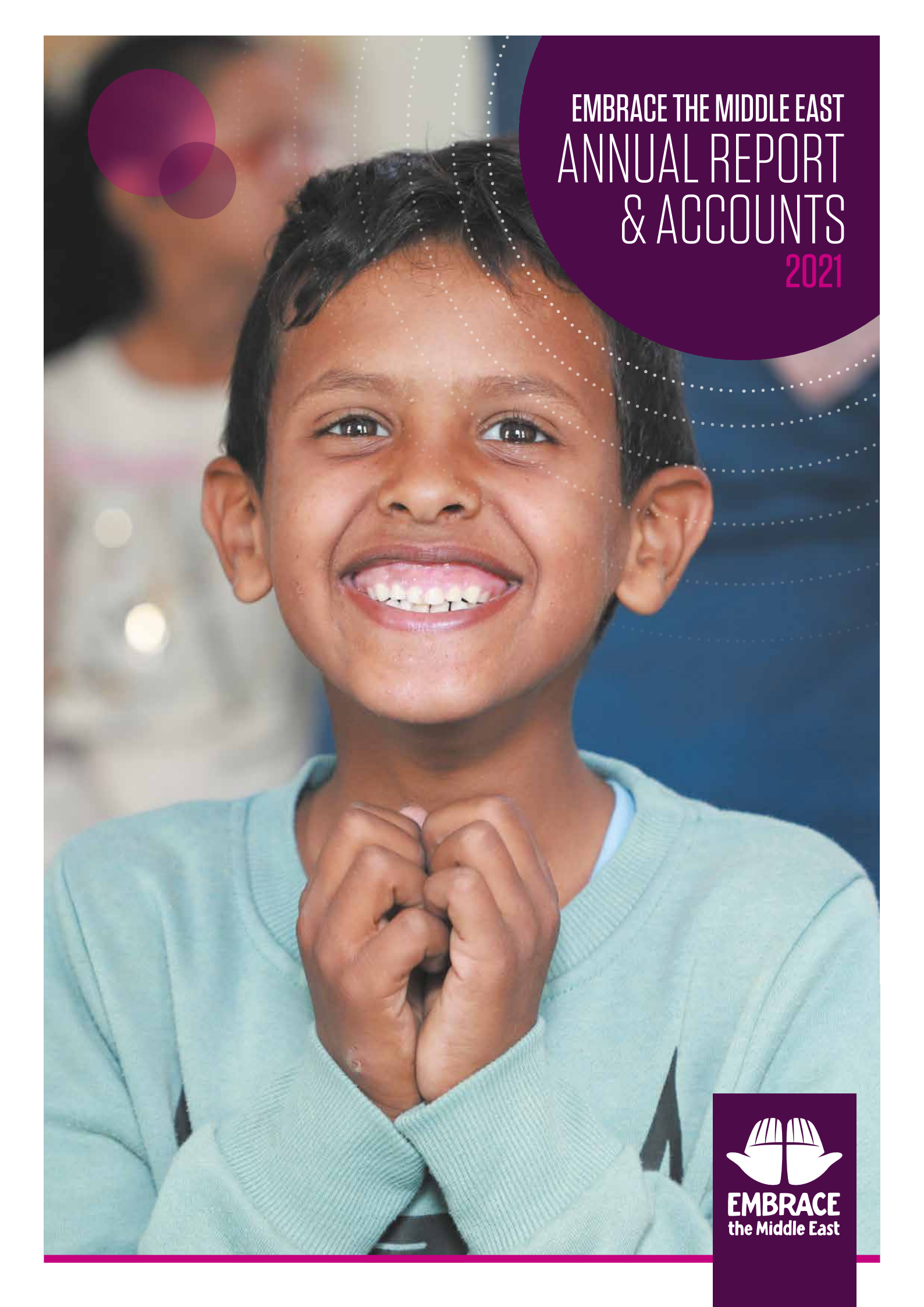
Registered with
**FUNDRAISING
REGULATOR**

Front cover image: Tahaddi Education Centre, Lebanon | **Back cover image:** Child Friendly Spaces, Syria
Annual Report designed by www.fisherdesign.co.uk

EMBRACE THE MIDDLE EAST

England & Wales - Charity number 1076329

Accounts



EMBRACE THE MIDDLE EAST ANNUAL REPORT & ACCOUNTS 2021



EMBRACE
the Middle East



Chair of Embrace John Mitchell (left), alongside former Chair of Embrace, Canon Anthony Ball

A MESSAGE FROM THE CHAIR OF TRUSTEES

As the new Chair of Embrace the Middle East Board of Trustees, I am delighted to commend to you our latest Annual Report. By any reckoning 2021 was an unusual year. That was true for Embrace and every other charity in the UK. It was also true for our partners in the Middle East.

I am powerfully struck by how well we, but also our partners, managed to navigate the challenges of 2021, not to mention 2020. You will see in this report why I feel confident in saying that. Through the herculean efforts of our partners, Embrace continued last year to have a life-changing impact on the lives of tens of thousands of children, families, aunts, uncles and entire communities. With the wonderfully generous assistance of our supporters and donors, we continued to raise the levels of income we

needed to fund our commitment to £2.5 million of grants annually. And we found new and creative ways to inform, engage and advocate on behalf of Christians across the Middle East and their social witness as well as the fragile, and often abused rights, of Palestinians in the Occupied Territories.

This was achieved by the hard work and faith-led commitment of our staff, volunteers and partners. The Trustees are proud of the charity's achievements and its continuous striving for

improvement, even in the most challenging circumstances, and of a shared and unyielding commitment to Embrace's long-term vision and mission. Embrace's work is fuelled not just by a worthy desire to help to change the world for the better. It is inspired by something even more potent: a vision of radical equality which we believe reflects God's vision for His creation, and the injunction to ensure that all whose dignity is impaired by exclusion or marginalisation have that dignity restored through re-inclusion in education and the health care system; by the provision of better, or any, housing especially for the displaced, of livelihood support for the dispossessed, and of much needed trauma counselling for those who have experienced violence, neglect or abuse.

In May of 2021 a war erupted, yet again, between Israel and Gaza. Hundreds of lives were lost, including scores of children, and massive damage to infrastructure was inflicted. Embrace's supporters responded with incredible generosity. Our appeal for Gaza raised over £250,000 - a repeat of the generous response to our appeal in the wake of the Beirut Port blast in 2020. Sadly, debilitating political instability and economic collapse continued to blight the lives of millions in Lebanon again last year.

In addition to thousands of individual donations, a number of particularly generous major donors and legators helped us to raise just under £3.5 million, in a year when fundraising was especially difficult for everyone. Embrace's Board of Trustees wishes to express our profound gratitude, shared by all Embrace's staff, for the generosity of all our benefactors without whom we could not make the difference we do with our Christian partners in the Middle East. This report shows what we were able to achieve with your help.

Thank you.

John Mitchell OBE,
Chair of Trustees

The Trustees of Embrace the Middle East, who are also Directors of the Charity for the purpose of the Companies Act 2006, are pleased to present their Annual Report, and the charity's audited consolidated financial statements, for the year ending 31 December 2021.

TRUSTEES ANNUAL REPORT

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Embrace the Middle East Group: Embrace the Middle East

Registered charity number: 1076329. **A company limited by guarantee:** 3706037

Registered office: Embrace the Middle East, 24 London Road West, Amersham, Buckinghamshire, HP7 0EZ

We change the name of children and vulnerable adults whose stories we have included in the report. Pictures are for illustrative purposes unless otherwise stated. All content is the copyright of Embrace the Middle East and our partners and may only be reproduced with permission.

WHO WE ARE & WHAT WE DO...

OUR VISION

To bring healing and hope to all who face marginalisation and injustice in the Middle East.

Our vision is rooted in Christ's invitation to care for those most in need. Where there is a need – for refuge, for health care, for education, for safeguarding, for economic empowerment, for justice and human rights – we want, with and through our partners, to respond.

OUR MISSION

To support the social witness of Middle East Christians as they work to transform lives.

We encourage all, regardless of faith, to join us in supporting and sustaining our partners, and the Middle Eastern churches, in their social witness and their particular and vital contribution to building cultures of inclusion, justice and peace in the suffering and war-torn Middle East. We build strong and lasting relationships with our partners, nurtured by mutual respect and a shared commitment to excellence.

OUR VALUES

Respect, Compassion, Trust and Integrity.

We are guided by four core values, which are inspired and informed by our Christian faith, as well as a commitment to meet all professional and regulatory standards relevant to our work.



RESPECT

We respect the human dignity and value of every person and all peoples – no matter what their beliefs or background – as made in God's own image.



TRUST

Just as we trust that God cares for us and sustains us in our work, we work with a generous and positive spirit, trusting that God desires to see all of humanity flourish.



COMPASSION

Our Christian faith teaches us to treat every person with compassion, especially anyone who suffers from social or economic marginalisation or from having their basic human rights withheld or compromised.



INTEGRITY

We see honesty and integrity as foundational to Embrace's way of working with partners, supporters and donors and have high expectations of all who work for, and with, the charity in any capacity.

WHAT WE DID IN 2021

Thanks to our generous
supporters, in 2021 we
were able to:



EGYPT

Give: £595,000

Support: 19 projects

Help: 33,532 people

Key areas of work:

- Women's empowerment
- Education
- Healthcare for mothers and young children
- Social inclusion of people living with disabilities



ISRAEL / PALESTINE

Give: £1,184,000

Support: 23 projects

Help: 65,599 people

Key areas of work:

- Primary healthcare
- Specialist disability services
- Education
- Reconciliation
- Human rights advocacy



IRAQ

Give: £40,000

Support: 2 projects

Help: 1,421 people

Key areas of work:

- Livelihoods support
- Healthcare
- Humanitarian assistance



LEBANON

Give: £525,000

Support: 14 projects

Help: 15,742 people

Key areas of work:

- Primary healthcare
- Education
- Livelihoods support
- Humanitarian assistance
- Specialist disability services
- Women's empowerment



SYRIA

Give: £80,000

Support: 2 projects

Help: 1,366 people

Key areas of work:

- Healthcare
- Wellbeing and psychological support

THE CHARITY IN NUMBERS

The table below contains key financial data for the charity. These summary numbers are taken from the financial statements on pages 35 to 51, but for the purposes of clarity exclude the income and costs of our Trading subsidiary and the gain/losses on sale of investments.

Year ending 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Donations*	5,094	4,875	2,874	2,869	2,757
Legacies	1,437	1,269	1,288	823	1,022
Investment income	56	60	107	96	105
Other	57	71	77	72	79
Total Income	6,643	6,275	4,346	3,860	3,963
Grants	2,732	2,683	3,040	2,467	2,424
UK staff costs	984	1,165	1,238	1,206	1,331
Other costs	926	784	945	555	609
Total resources expended	4,642	4,632	5,223	4,228	4,364
Net surplus/(deficit)	2,001	1,643	(877)	(368)	(401)
UK charity income less costs	2,001	1,643	(877)	(368)	(401)

Assets as at 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000
Investments	1,905	2,129	3,579	3,589	3,914
Cash at bank and in hand	4,741	6,198	4,416	4,005	3,494
Other net assets	950	761	575	618	756
Total funds	7,596	9,088	8,570	8,212	8,164

* Total donations for 2017 and 2018 include a single exceptional donation received between 2016-18 of £6.9m.

Further commentary on the 2021 results can be found in the 'Financial review' section on **pages 24 to 25**. In the pages that follow, we give details of what we and our partners achieved in 2021, compare our outcomes to the plan we set ourselves for the year, and set out our plans for 2022 and beyond.

OUR IMPACT

In 2021 we faced multiple challenges: the Covid-19 pandemic continued to have a significant impact; in Lebanon the economic crisis deepened; increased tension in Israel/Palestine led to an outbreak of hostilities in May; and in Syria the continued conflict and impact of sanctions led to deteriorating conditions for many.

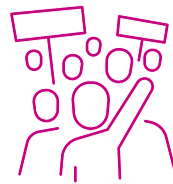
This made 2021 another difficult and challenging year across the Middle East meaning that, for many, Embrace-supported projects were vital.

In 2021, we continued to support programmes in Egypt, Lebanon, Iraq, Israel/Palestine, and Syria, working to transform lives by:



TACKLING POVERTY & INJUSTICE

Working with communities at risk of marginalization and exclusion.



RESPONDING TO CRISIS

Providing for practical needs and psychological support.



SPEAKING OUT

Raising awareness of injustice and amplifying the voices of our Christian partners.



INVESTING IN THE FUTURE

To ensure the continuation of Christian social witness in the region.

TACKLING POVERTY & INJUSTICE

Embrace supports Middle East Christians serving those in their communities whose lives are marred by social and economic marginalisation and exclusion.



In 2021 we promised to:

- Support and strengthen essential health and social care services for marginalised communities
- Support livelihood and income generation projects, providing for immediate needs and opportunity in the future
- Support work which empowers people who are excluded or displaced (women, girls, disabled people, refugees), bringing inclusion, engagement, and equality

In 2021 we:

- Supported 30 health & social care programmes
- Gave over £530,000 to livelihood projects
- Supported 43 projects serving excluded and displaced people

How we kept our promise:

THE pandemic continued to have a profound affect in the Middle East throughout 2021.

Covid-19 restrictions made access to healthcare and education increasingly difficult for many in the most vulnerable communities. We supported our partners as they adapted their projects to keep them running safely and reach those most in need.

The projects we supported were a vital lifeline, as economic turmoil meant many suffered the loss of

their livelihood or faced rapidly rising prices. While the increased pressure on families fuelled rising tensions in some communities.

For our partners, our funding became increasingly important as they responded to these rising needs and the growing unpredictability of other funding sources.

In the UK, we also increased our support for marginalised communities through our webshop, working with five new Middle Eastern suppliers, selling products produced by refugee women.



Left to right: Winter relief in Lebanon (Photo credit: MERATH); The Deaf Unit, Egypt; Maryamana Hospital, Iraq.



HEMEDE'S STORY:

THE GIFT OF COMMUNICATION

PART of the Anglican Church in Egypt, the Deaf Unit is a school and vocational training centre. In 2021, with Embrace support, the school provided quality education and training for 42 children and young adults who would otherwise struggle to access these things.

Hemede was 9 months old when doctors discovered he was deaf. Despite their best efforts – and two operations – Hemede's hearing could not be restored. Unwilling to accept her son's condition, Hemede's mother was initially reluctant to send him to the Deaf Unit, particularly as it was run by the church. But now she's so pleased that she was brave enough to. Now aged 6, Hemede is a happy, outgoing boy, confident in using sign-language to talk to his mother – particularly to tell her what food he would like!



I was afraid because the Deaf Unit is inside a church. It is sensitive for some Muslims to be inside churches. At the beginning I was feeling uncomfortable but now I feel that they are my second family.

Hemede's mother

HERE ARE JUST A FEW HIGHLIGHTS OF THE PROJECTS WE SUPPORTED IN 2021

WORKING FOR FREEDOM OF MOVEMENT FOR ALL IN THE WEST BANK

Restrictions on freedom of movement in the Occupied Territories can deny Palestinians access to rights, including healthcare, education, and work. In 2021 Embrace supported the Society of St Yves as it campaigned for equality, raised awareness of the issue and provided free legal aid to Palestinians. In 2021 St Yves gave legal advice, support and court representation in 480 cases and helped 160 individuals and their families successfully contest their restrictions.



LIFESAVING HOSPITAL TREATMENT IN IRAQ

In the villages of Northern Iraq, the unemployment rate is as high as 80%. People are forced to survive on hand-outs and few can afford medical treatment. In 2021 we supported the Chaldean Archdiocese of Erbil as they ensured free treatment at the Maryamana Hospital for those in urgent need. Our funds helped to pay for lab tests, operations and medication for 576 people.



“We need to foster, build and forge more similar partnerships like Embrace The Middle East... If there are more ETMEs, then there is hope.”

WINTER SUPPLIES TO SURVIVE FREEZING CONDITIONS IN LEBANON

As Lebanon's economic crisis deepened, we supported MERATH's winter relief project, which included providing blankets, stoves and fuel to families struggling to afford the basics. In response to the growing need, the project was enlarged and between 1 October 2020 and 30 April 2021 gave vital supplies to over 9,000 families – almost triple the original target. This included 8,000 blankets, 5,700 winter coats and 1,600 electric heaters, as well as almost 4,000 fuel vouchers.



IMPROVING CHILD HEALTH IN GAZA

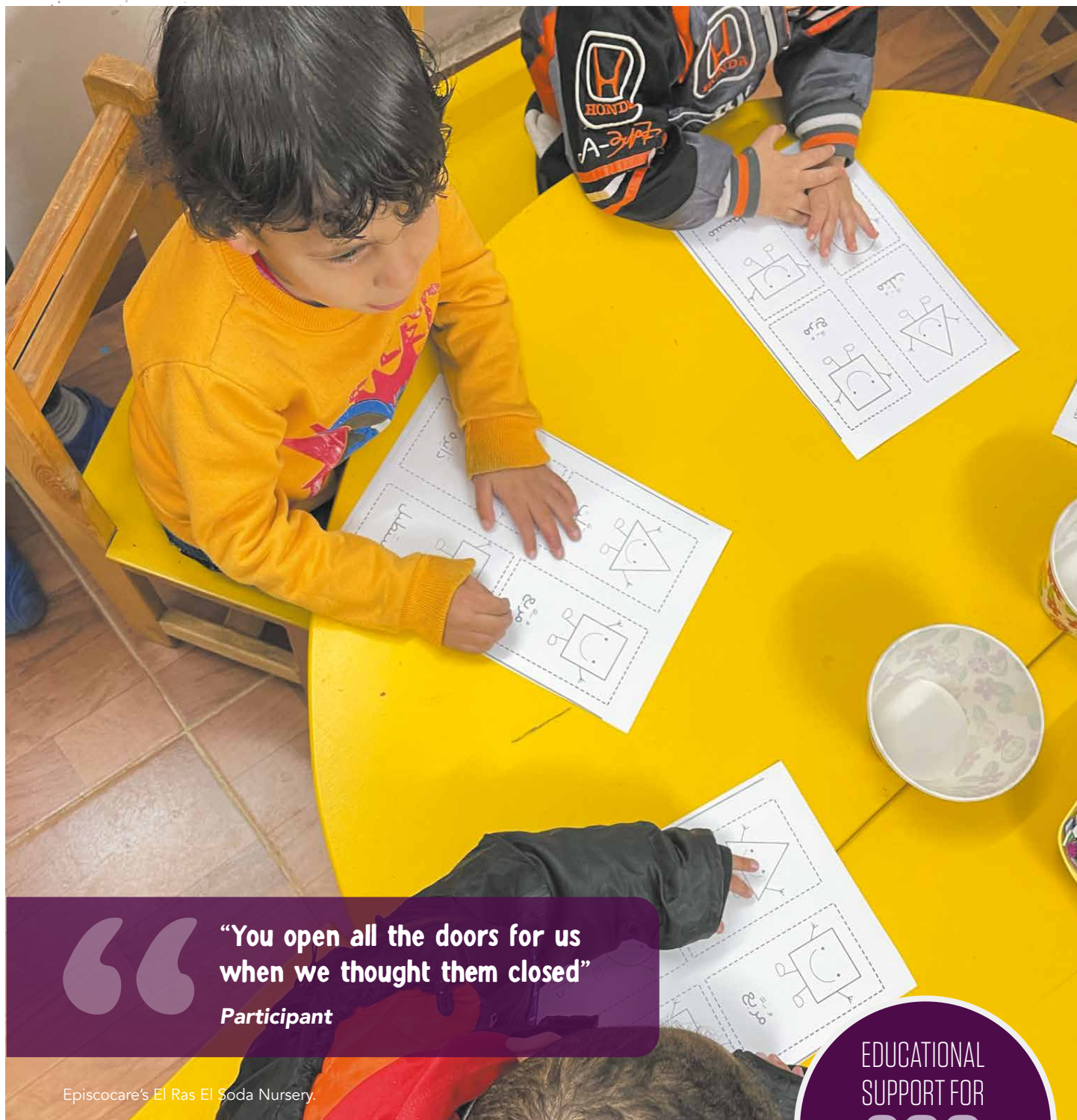
In Gaza, poor diet and living conditions mean many children suffer from malnutrition and anaemia. We've been tackling this by supporting the NECC's Well-Baby Clinic. In 2021 the clinic gave health checks to over 15,000 young children and babies. Almost 4,000 were found to be anaemic or malnourished and altogether 11,854 children needed some form of medication. Regular follow up checks were given to ensure each child's recovery and 75% of those suffering with anaemia recovered within three months.



“The well-baby service provided by NECC are the best in Gaza, thanks for NECC and Embrace the Middle East.”

Mother from Darraj





**“You open all the doors for us
when we thought them closed”**

Participant

Episcocare's El Ras El Soda Nursery.

EDUCATIONAL
SUPPORT FOR
200
CHILDREN

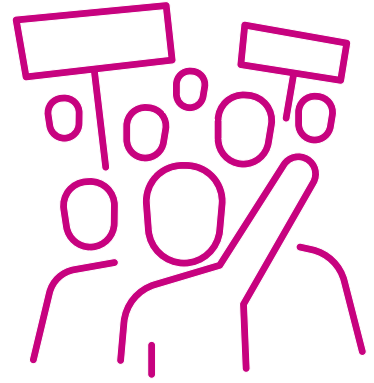
ENSURING EDUCATIONAL OPPORTUNITIES FOR ALL IN EGYPT

Many who live in the slum areas of Egypt's cities struggle to access good-quality education. In 2021 we supported Episcocare as they brought educational support to six communities. Over 200 children were helped with nursery or school fees and supplies, while weekly after school mentoring sessions were held to help those in danger of dropping out of school. Adult literacy classes were also run in all six communities, helping over 80 people learn to read.



RESPONDING TO CRISIS

Ours is a vision of faith, hope and love in action. It is rooted in and inspired by Christ's invitation to care for those most in need.



In 2021 we promised to:

- Provide targeted grants that enable partners to keep services going and deliver essential support in emergency situations and crisis
- Support projects which enable people to re-establish their lives after a crisis

In 2021 we:

- Supported 9 projects in Gaza, providing ongoing care and responding to the conflict
- Funded 10 projects supporting refugees
- Expanded support for mental health and wellbeing projects

How we kept our promise:

2021 was another year of unpredictability and unprecedented challenge.

In Lebanon we helped our partners enlarge their programmes to meet growing needs amid an economic crisis that the World Bank has labelled as one of the world's worst in 150 years. With inflation averaging at 145% in 2021, the projects we supported were vital to many suddenly struggling to afford the basics.

In Syria we funded emergency medical care and child-support services as civilians faced an equally severe economic crisis as well as the continual threat of conflict.

A rapid rise in tensions between Israel and Gaza tragically resulted in 11 days of fighting in May – the worst escalation of violence since the 2014 war. Rocket attacks from both sides killed 256 Palestinians and 13 Israelis, and hundreds more were injured. We responded with emergency funds to help Al Ahli hospital treat more patients and to support Caritas' emergency response programme. We also helped pay for repair work to Gaza YMCA's damaged building and fund basic supplies such as water for those most badly affected.



Left to right: English courses for refugees, Egypt (Photo credit: Refuge Egypt); Child Friendly Spaces, Syria. (Photo Credit: MERATH); Water distribution in Gaza. (Photo credit: Caritas Jerusalem)



KABIR'S STORY: LEARNING TO SMILE ONCE AGAIN

Therapeutic activities help children recover from their trauma. (Photo credit: Caritas Jerusalem)

In response to the Gaza conflict, our partner Caritas Jerusalem implemented a support programme to help children traumatised by their experience.

8-year-old Kabir lives in a Bedouin village close to the Gaza border. His home was badly damaged in the May 2021 conflict and many of his belongings were destroyed. The bombing traumatised young

Kabir and he became extremely withdrawn, avoiding social interaction, and his schoolwork deteriorated. In October he began attending the support programme. For the first few sessions he remained virtually silent but, little by little, thanks to the support of the team's psychologists, he began to interact again, both during the sessions and at home. His mother was overjoyed at the change she saw in him.



Thanks Caritas who helped my child overcome his sadness. His smile shines every time he attends the PSS sessions. I hope this project continues.

Kabir's mother

HERE ARE JUST SOME OF THE WAYS WE AND OUR PARTNERS RESPONDED TO THE EVENTS OF 2021

GIVING SHELTER IN EGYPT TO THOSE FORCED TO FLEE THEIR HOMES



In 2021 we helped our partner Refuge Egypt assist over 4,000 newly arrived refugees, giving out emergency food and clothing and helping with their medical needs, as well as providing longer-term assistance to help with qualifications and employment. Almost 800 people received vocational training and over 300 were helped into work, giving them a chance to support themselves and rebuild their lives.

HELP FOR
4,000
REFUGEES

FOOD, CLOTHING AND MEDICINE FOR THOSE STRUGGLING WITH ADDICTION IN ISRAEL

The pandemic restrictions meant many medical and support services were reduced, severely impacting those in personal crisis, battling alcohol and drug addiction. Our partner Aviv Ministry kept their centre open every single day in 2021, ensuring vital food, clothing and medicine could be given to those living on the streets in Tel Aviv. Medical aid was given in the centre while, to comply with Covid-19 restrictions, the soup kitchen and clothes distribution was moved outside.

OVER
26,000
HOT MEALS
DISTRIBUTED

“We hang up second-hand clothes on the fence of the park opposite Aviv Centre. People snap up the clothes very quickly, often putting them on right away.”

Aviv Centre volunteer

OFFERING A SAFE HAVEN FOR SYRIA'S CHILDREN

Syrian children are living with the physical and psychological scars of growing up amid civil war. In 2021 we helped over 800 children and young people by supporting three Child Friendly Spaces, in Damascus, Homs and Mardeh. The centres give children a safe place to play, with art and games as well as psychosocial activities to help heal their trauma, and support for their families.

PSYCHOLOGICAL
SUPPORT FOR
800
CHILDREN

“They have a safe space where they can forget their anxieties and just play like any other children.”

DELIVERING CLEAN DRINKING WATER IN BOMB-DAMAGED GAZA

The hostilities in May left 2,400 houses uninhabitable, a further 50,000 damaged, and severely affected Gaza's already fragile infrastructure. Villages in the North Governorates of the Gaza Strip were particularly badly affected, and many families did not have access to clean drinking water. Through our partner Caritas Jerusalem, we ensured the regular delivery of filtered water to vulnerable households, as well as providing tanks for safe water storage and distributing chlorine tablets, helping over 400 families.

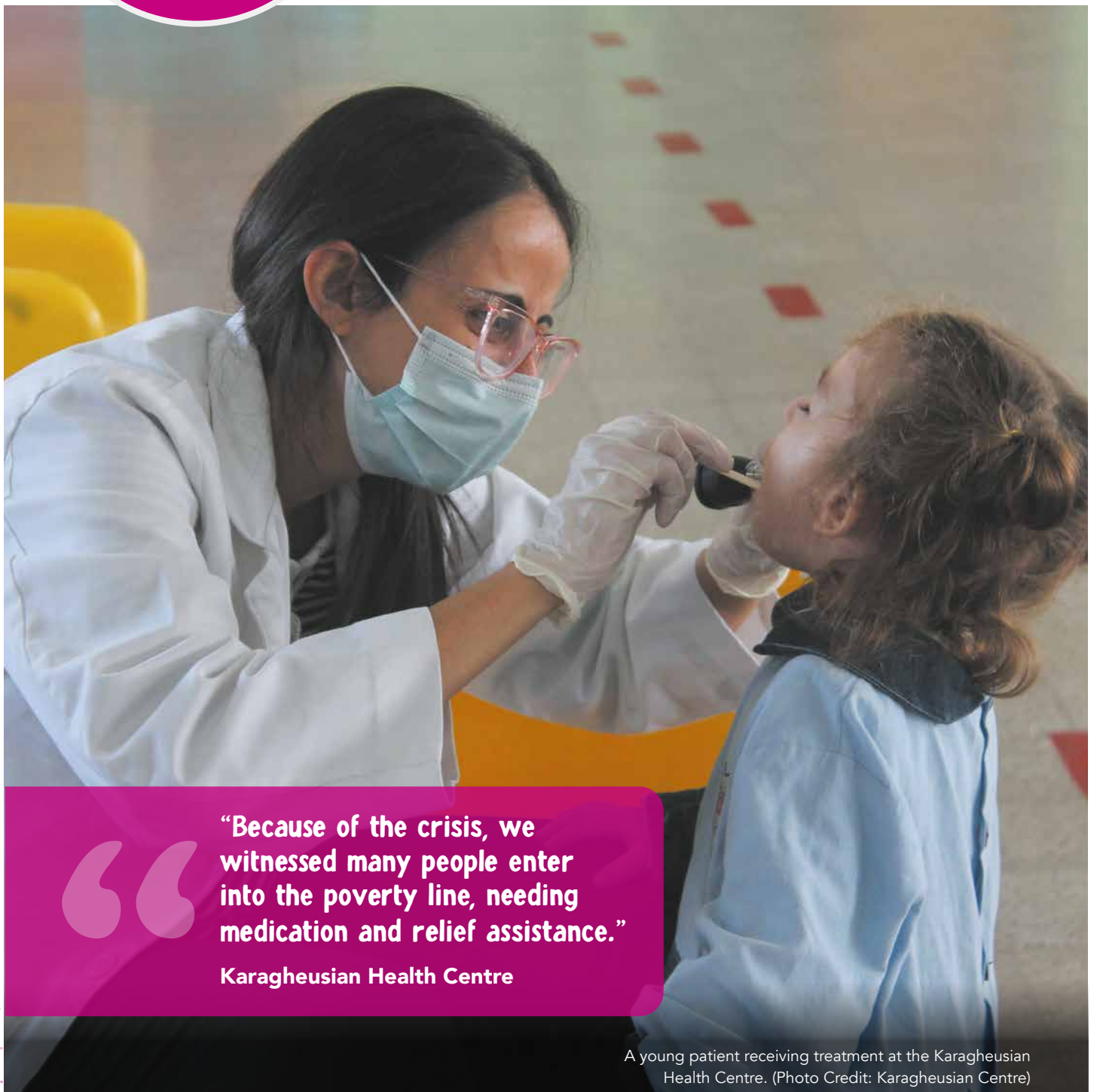


CLEAN WATER
FOR OVER
400
FAMILIES

PROVIDING VITAL MEDICAL CARE AMID LEBANON'S ECONOMIC CRISIS

MEDICAL SUPPORT
FOR NEARLY
3,000
PEOPLE

Lebanon's devastating economic crisis meant millions could no longer afford medical care. Our partner the Karagheusian Health Centre, which provides subsidised healthcare, saw patient numbers double from 5,000 to 10,000 a month. The Embrace Medical Programme gave assistance in medical, laboratory and hospital bills to 2,970 people.



“Because of the crisis, we witnessed many people enter into the poverty line, needing medication and relief assistance.”

Karagheusian Health Centre

A young patient receiving treatment at the Karagheusian Health Centre. (Photo Credit: Karagheusian Centre)

SPEAKING OUT

We work to inspire and encourage Christians in the UK to engage with their sisters and brothers in the Middle East, advocate on their behalf, stand in solidarity with them and support their social witness.



In 2021 we promised to:

- Share powerful blogs, social media posts, infographics and news bulletins that generate support for, and active engagement with, the challenges of our partners in the region
- Increase the number of people accessing and engaging with our on-line advocacy

In 2021:

- We published 32 blogs, 8 context pieces, and over 1,000 social media posts
- Our online advocacy had over 11,000 unique views while in print we reached over 18,000 people
- We developed a network of like-minded organisations in the UK and the US advocating for positive change in Israel, Palestine and Lebanon in particular

How we kept our promise:

IN 2021, we continued to find ways to advocate for and alongside our local partners, giving voice where we can to the lived experiences of Christians in the Middle East.

In particular we argued strongly – in public and in private, including with peers and on coalition platforms – in support of equal rights and an end to occupation and conflict in Israel and Palestine. We have begun to work on a third advocacy pillar, which flows directly from our partners' experience working with vulnerable people on the margins of society.



Left to right: The May 2021 Gaza conflict. (Photo credit: Caritas Jerusalem); Gillian Mosely's film Tinderbox; Agricultural workers in Lebanon.

SUMAYAH'S STORY:

WAITING FOR BAD NEWS

THE Embrace blog played a key role in our advocacy work throughout 2021. This extract, from a blog by Rami Khader, the Director of the East Jerusalem YMCA's Rehabilitation Programme, was one of 32 posts we published. It focussed on the psychological impact of home demolitions in the Occupied Palestinian Territories.

Every human needs a place that is theirs, where they can enjoy privacy, as well as feeling safe and protected. For many families in Palestine, these basic human needs become impossible after they receive a demolition order.

Sumayah is a 9-year-old-girl from Albustan, Silwan, Jerusalem. Her family received a demolition notice from the Israeli authorities and for the last five months she has been waiting for bad news. Every night she says she dreams about soldiers coming to take her stuff away. She lives with constant fear and feeling of isolation, she experiences anxiety, and she hasn't been able to communicate properly with her classmates or her family. Sumayah's mother told us that the demolition notice has transformed all their lives into a nightmare.

You can read the full blog at embraceme.org/blog/hope-under-the-rubble



A recently demolished house in Silwan, East Jerusalem

HERE ARE A FEW MORE HIGHLIGHTS OF OUR ADVOCACY WORK THIS YEAR:

ENSURING A UNITED RESPONSE TO THE LEBANESE CRISIS

Our advocacy network comprising Embrace, the Church of England and the Catholic Bishops in England and Wales, as well as a US umbrella group of churches, Churches for Middle East Peace (CMEP) convened an online briefing from Embrace partners for church leaderships in the UK and US, on the dire and deteriorating economic and political situation in Lebanon.



CALLING FOR AN END TO THE GAZA CONFLICT



Together with a network of church and civil society leaders convened by Embrace, we wrote to the UN Security Council during the outbreak of the deadly violence between Israel and Gaza which cost hundreds of lives in May 2021. We argued that the spiral of violence would continue until and unless the international community addressed root causes. Contacts with Security Council members continued throughout the year via the intermediary of the Irish Ambassador to the UN then occupying the role of President of the Council.



INCREASING UNDERSTANDING OF THE ISRAEL/PALESTINE CONFLICT

Israel, Palestine and Lebanon featured prominently in our advocacy in 2021. We were delighted to host over 200 participants at a viewing of the Tinderbox documentary tracing the history of the conflict between Israelis and Palestinians back to the late nineteenth and early twentieth centuries.

Embrace CEO Tim Livesey hosted the film's maker Gillian Mosely, and regional expert Harry Hagopian, in discussion of the issues raised by the film, and by participants in interactive debate.

Left: The aftermath of a missile strike in Gaza, May 2021. (Photo credit: Shutterstock)

LOBBYING ON BEHALF OF OUR PARTNERS

We held on-line briefings on regional issues for Westminster MPs and Members of the House of Lords during the year and worked in close collaboration with sister charities Christian Aid, Cafod, Amos Trust and Kairos Sabeel as well as ecumenical colleagues in the Methodist, Baptist and URC churches and the Church of Scotland. Embrace played a full and active part in the ongoing advocacy of the Palestine Platform, including meetings with FCO Minister James Cleverly. We believe that building a collective approach to advocacy with like-minded colleagues, and wherever possible speaking with one voice, is more powerful than speaking and working alone.





“What is required is not a temporary ceasefire, but a permanent and lasting solution that will guarantee equality and human rights for all.”

Extract from letter to the UN Security Council

Damage in Gaza following the violence in May 2021. (Photo credit: Caritas)



LETTER TO THE UN SECURITY COUNCIL

‘Every effort to secure an immediate ceasefire, including direct pressure from international governments and multilateral bodies, must be pursued. Every hour without a ceasefire leads to more suffering and civilian deaths...

Extreme violence will remain a constant threat until and unless the root causes of the conflict are properly addressed...



We urge the United Nations Security Council (UNSC), to act immediately to address the continuing underlying causes of injustice that will otherwise remain a constant threat to peace in the Holy Land: occupation, land dispossession, displacement, and the withholding of basic human rights we take for granted. What is required is not a temporary ceasefire, but a permanent and lasting solution that will guarantee equality and human rights for all.’

Extract from Embrace’s letter to the UN Security Council

INVESTING IN THE FUTURE

In line with our 5-year strategy, Hope in Action, we are committed to being an effective and innovative grant maker, fostering a culture of learning and development and working to sustain and strengthen Christian service in the Middle East.



In 2021 we promised to:

- Develop our systems and build on the lessons we learned about remote working, digital transformation and improved connectivity during the Covid-19 pandemic
- Focus our efforts on partner learning and development

In 2021:

- Over 200 registered for our online Embrace Day
- The new Embrace website attracted over 36,000 users
- We committed over £130,000 to support 9 capacity-building projects to help our partners increase and improve the support services they offer

How we kept our promise:

WITH Covid-19 restrictions still affecting many aspects of life in the UK, we were able to build on our innovations and learning of 2020 to continue to improve our ways of working, increasing our connectivity and efficiency.

We diversified and enhanced our digital presence and streamlined our systems to make it easier for supporters to contact us online.

We held Embrace Day online for the first time, enabling supporters to join in fellowship with us from the comfort of their own homes. A highlight was a live Q&A session with our partner LSESD/ MERATH from Lebanon. Over 200 registered - a record for Embrace Day - and the feedback from supporters was overwhelmingly positive.

Supporting partner development was also a key priority this year and we helped fund a range of programmes to improve partner capacity and training.



Left to right: The Jerusalem Princess Basma Centre's virtual Home Care Plan; Harpur Nursing School, Egypt (Photo credit: David Uttley, Compelling Story); Gender equality training in Egypt. (Photo credit: CEOSS)

INVESTING IN LIFE-SAVING MEDICAL TRAINING

In 2021 our funding allowed Nazareth School of Nursing to invest in new training equipment, including prosthetic training mannequins, and improve their online tuition. Student numbers have now almost doubled, from 45 to 80.

In Egypt we continued to fund Harpur Nursing School. In 2021 a cohort of 12 students graduated and a further 12 began the two-year course. The nursing school was set up in 2017 as many nurses in Egypt do not have formal medical training.

Picture (right):
Graduate of Harpur Nursing School.

Picture (below):
Training at Harpur Nursing School.

Photo credit:
David Uttley, Compelling Story



TRAINING FOR
24
NURSES

HERE ARE JUST SOME
OF THE WAYS WE
INVESTED IN THE
FUTURE IN 2021



LAUNCHING THE NEW EMBRACE WEBSITE

We know how important our website is. It acts as a 'shop window', allowing us to show our valuable supporters all the ways in which their support makes an impact. So, in January 2021, Embrace launched its brand-new website, with a clean, modern look and a focus on a smooth user experience. The new website features an updated blog, information about the context of the Middle East and a virtual prayer room. In its first year the site had 137,235 page views and 36,141 users.

OVER
137,000
WEBPAGE VIEWS



INCREASING TECHNOLOGY FOR BETTER DISABILITY CARE IN THE WEST BANK

Israeli checkpoints and restrictions mean that travelling to access disability care is difficult for many families in the West Bank. In 2021 we helped our partner The Jerusalem Princess Basma Centre increase their capacity for online assessments and follow up sessions. Our funds allowed them to buy a new server, software and five laptops as well as pay for training for both staff and the patients' families. The centre can now offer a mix of in-person treatment and virtual 'Home Care Plan', tailored to the needs of each child.

"It is a joy for him to see the therapists in between admissions."

Mother of Baashir, patient at JPBC

150
FAMILIES

HELPED THROUGH THE
HOME CARE PLAN

BETTER SPORTS FACILITIES FOR THE CHILDREN OF GAZA

Sports, health and social activities are vital for all but safe places to play are few in Gaza. This is why, in 2021, we helped fund the refurbishment of Gaza YMCA's football pitch. The natural grass pitch, which had required constant irrigation (something impossible with Gaza's limited water supply), was replaced with an artificial one and new fencing and seating was constructed. 250 footballers from across the Gaza Strip are now enjoying the new pitch, and it can also be used by the YMCA for activities promoting physical and psychological wellbeing.

"The renovated pitch will serve as a place for events which will allow Gazans to escape the stress of daily life and come together as a community."

Gaza YMCA



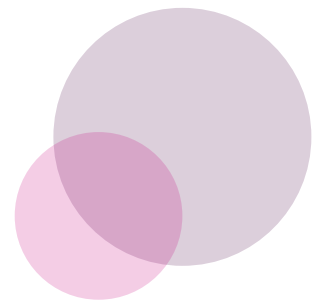
INVESTING IN COMMUNITY TRAINING IN EGYPT

In 2021 we helped our partner CEOSS invest in skills training and guidance materials as part of their Gender Equality Programme. Our funds allowed them to produce a new manual on gender issues in development work, which will be used throughout the organisation. In addition, they provided training to the board members of 10 local community-based organisations, to enable them to take an inclusive and gender-sensitive approach to activities. They also ran training for 72 community volunteers, giving in-depth knowledge of women's rights along with skills in communication and facilitating, so they can run counselling and awareness sessions for women.

SKILLS TRAINING
FOR OVER
100
PEOPLE



PRIORITIES FOR 2022



Our plans for 2022 are based on **Hope in Action: Strengthening Christian Service in the Middle East**, our strategic plan 2021-25. The plan can be downloaded from our website: embraceme.org/five-year-strategy



TACKLING POVERTY & INJUSTICE

- Support and strengthen essential health and social care services for marginalised communities
- Support livelihood and income generation projects, providing for immediate needs and opportunity in the future
- Support work which empowers people who are excluded or displaced (women, girls, disabled people, refugees), bringing inclusion, engagement, and equality
- Focus our efforts on partner learning and development



RESPONDING TO CRISIS

- Provide targeted grants that enable partners to keep services going and deliver essential support in emergency situations and crisis
- Support projects which enable people to re-establish their lives after a crisis



SPEAKING OUT

- Share powerful blogs, social media posts, infographics and news bulletins that generate support for, and active engagement with, the challenges of our partners in the region
- Increase the number of people accessing and engaging actively with our on-line advocacy



INVESTING IN THE FUTURE

- Develop our systems and build on the lessons we learned about remote working, including investing to further improve our digital resilience, and introducing new channels for giving

FINANCIAL REVIEW OF 2021

Unless otherwise stated, figures in this section are expressed in £k (thousands) consistent with the charity's financial statements which follow.

OVERVIEW

Due to the wonderful generosity of our supporters, and with a lot of excellent work by the whole Embrace team, the charity was able to deliver exceptional financial results in 2021. General donations were £178k higher than budget. In addition, reduced costs meant our deficit for the year was significantly lower than budget. This was a tremendous outcome, demonstrating the charity's resilience and ability to adjust to new challenges.

The Trading Company also delivered strong results in 2021. Turnover was £469k (2020: £383k) with a net profit of £56k. There was also £194k of Alternative Gift sales on behalf of charity during 2021.

Our investments portfolio, managed by Investec, performed well in 2021 adding £105k to turnover.

INCOME

Total income received in 2021 was £4.43m (2020: £4.24m), with underlying donations to the charity holding up. Legacy income was £199k higher than 2020, indicative of some easing in the probate system delays

caused by Covid-19. Donation income (donations to the charity excluding legacy income) totalled £2,757k in 2021, £112k lower than the 2020 figure of £2,869k. This is still an excellent result considering the ongoing impacts of the Covid-19 pandemic in 2021.

Donation income benefited from the exceptionally generous response to a summer appeal for Lebanon, which coincided with the anniversary of the explosion in Beirut.

EXPENDITURE

Total expenditure during 2021 amounted to £4.78m (2020: £4.56m) slightly higher than 2020, but this includes the cost of implementing a new customer relationship and accounting software. Grants paid to our partners totalled £2.42m, £80k under the budget of £2.5m. A list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 44).

The cost of direct fundraising and other overheads was £0.586m, slightly lower than 2020: £0.613. The charity's total expenditure excluding grants but including non-grant charitable expenditure in 2021

was £1,941k (2020: £1,761k) with the increase due in part to increased additional staff support available to partners in 2021 compared to 2020. Overhead costs especially on premises is lower due to an increase in homeworking.

BALANCE SHEET

The charity, including the trading subsidiary, continues to show a strong balance sheet. It ended 2021 with total funds of £8,263k, (2020: £8,309k). General unrestricted free reserves amounted to £3,728k at the end of 2021, an increase of £893k on the 2020 year-end figure of £2,835k. This increase in general unrestricted free reserves is a result of a significantly lower designation for future deficits, reflecting the latest financial model underlying the remaining period of the five year plan 2021-2025.

EMBRACE THE MIDDLE EAST WOULD LIKE TO ACKNOWLEDGE THE GENEROSITY OF THE FOLLOWING CHARITABLE ORGANISATIONS DURING 2021:

- The Mosawi Foundation
- The Bernard Sunley Charitable Foundation
- The Hillier Trust
- The St Clare & St Francis Trust
- The World Day of Prayer

RESERVES AND INVESTMENT POLICY

Trustees keep the charity's reserves policy under regular review. During 2020 the Board agreed to move from free-reserves based on a quotient of budgeted income, to one calculated as a quotient of non-grant expenditure.

The reserves policy is summarised as follows: 'Mindful of their responsibility to spend the charity's funds in fulfilment of the charity's objects and in a timely manner, but also to build the charity's resilience to unforeseen and detrimental hazard or risk, the trustees of Embrace the Middle East have determined that for the foreseeable future the charity's free reserves (cash and investments less restricted and designated funds) should not exceed the equivalent of fifteen months, or fall below nine months of non-grant expenditure. If the level of free reserves is likely to rise above this ceiling, or fall below the floor, the trustees will take action to restore the appropriate operational equilibrium between income and expenditure that this range of reserves is intended to secure.'

In line with the policy, the trustees have agreed designations to cover funds for eighteen months of our committed multi-annual core grants programme in 2022-23 (£2,700k), projected deficits from 2022 to 2025 (£846k) and our fixed assets (£890k).

Our grant commitment to the Helen Keller School ended in 2021 with a final payment of £136k. At the end of 2021 the audited figure for free reserves was £3,728k (2020: £2,835k), approximately equal to nineteen months of budgeted non-grant expenditure which exceeds the charity's revised reserves ceiling of 15 months. The increase is mainly due to an unplanned reduction in the projected deficit designation due to much lower than expected expenditure in both 2020 and 2021 as a result of Covid-19 restrictions. The charity's projected deficits (up to 2025) reduced from £1.6m in Dec 2020 to £846k in Dec 2021. The rise in the level of free reserves is temporary. Trustees anticipate it falling back below the policy ceiling in 2022.

2021 IMPACT OF COVID-19

In response to the initial lockdown in March 2020 the charity closed the Amersham office and required all staff to work from home. During 2021 the organisation continued to implement a flexible and remote working policy. Staff have mostly continued to work at home only going to the office for team meetings, to open post and prepare cheques and cash for banking.

Throughout 2021 we maintained our normal rhythm of communications and appeals.

GOING CONCERN

The charity ended 2021 in a strong position financially. With most Covid-19 restrictions being lifted the outlook for 2022 is positive. However, the current turbulence in the economy and global markets will have some negative impact on our investment portfolio. Also we expect some impact on donations and expenditure due to higher inflation and rising costs.

Notwithstanding this more cautious forecast both charity donations and trading subsidiary income and sales were performing well in 2022 up to the point of writing. Year to date legacy income was higher than at the same period in 2021 indicating our legacy pipeline is healthy.

Taken together with our healthy reserves position the Board therefore has every reason to feel confident that Embrace the Middle East is a going concern.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE

LEGAL BASIS

Embrace the Middle East is a registered charity (no. 1076329), and a company limited by guarantee and not having share capital (no. 3706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006, 18 October 2011, 16 June 2015 and 9 October 2020.

OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of Embrace began in 1854 when what was then known as the Turkish Missions' Aid Society was founded. Our charitable objective today is set out in our Articles of Association:

Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.

Our main purpose is to work in partnership with Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon, Egypt, Syria and Iraq.

We raise funds in the UK to support this work, primarily through a large body of individual donors, but also through a number of generous

trusts. These funds are used to support our partners and their work through short-term and multi-annual grants. As part of our commitment to long-term partnership non-financial assistance may also be provided. This includes capacity building, advocacy for positive change, as well as facilitating encounters between UK Christians and our partners and their beneficiaries.

While the charity works exclusively through Christian-led agencies in the Middle East, the faith identity of beneficiaries is never an issue: we and our partners seek to support those in most need, regardless of faith.

The trustees confirm that in agreeing the objectives and planned activities of the charity in 2021, they have had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In September 2020, following consultation with the Charity Commission, the trustees voted to amend the charity's charitable object to better reflect the role that educating the public about the social outreach of Middle East Christians plays in the charity's overall mission. Also in September 2020, the trustees agreed a five-year strategy (Hope in Action: 2021-25). Underpinned by an agreed financial framework, this strategy will guide and support the aims, and ambition, of the charity through to 2025.

GOVERNANCE

The governing body of the company is the Board of Trustees, whose members are also Directors of the company. Trustees who served during 2021, and up to the date of this report, are listed under 'Who we are' on p.30.

The Board delegated powers to two standing committees – Governance and Resources (largely concerned with the internal workings of the charity) and Programmes and Public Engagement (concerned with external matters) – and an ad hoc Officers and Chairs Committee. This committee comprises the officers of the charity (Chair, Vice Chair and Treasurer) and the Chairs of the two standing committees.

It meets, as required, to ensure effective coordination between Board committees and working groups, to set and keep under review the Chief Executive's objectives, performance and remuneration, and to manage Trustee recruitment, development and deployment.

Terms of reference for all Board committees, role descriptions for officers and the Chief Executive, and a detailed scheme of Board powers, both reserved and delegated, were agreed by the Board, prior to the implementation of the new committee structure in 2016, and are subject to periodic review.

In 2021 the Governance and Resources and Programmes and Public Engagement Committees each met twice, and the Officers and Chairs Committee four times.

The Board met four times during the year – in March, June, September and December.

TRUSTEE RECRUITMENT AND TRAINING

Five new trustees formally began their term of office in 2021, including two co-opted regional trustees. Trustees are generally recruited through an open and transparent process, including by public advertisement on charity job websites, and are selected on the basis that they have the professional skills and experience required for the charity to operate effectively. The charity strives to ensure that the Board is both gender-balanced and diverse, and includes trustees from a range of denominations. Trustees are elected for a three-year term which may be renewed, up to a maximum of nine years.

The Articles of Association of the charity requires all trustees to be practising Christians. The maximum number of trustees is set at 12, with provision for an additional two co-opted trustees, if required, to fill skills gaps - as in the case of the newly appointed regional trustees.

New trustees receive an induction from the Chief Executive, covering their legal obligations under charity and company law, the procedures of the Board and its committees, the strategic plan and Trustees' Annual Report, and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate or enhance their capacity to fulfil their role. Typically, training is focused on good governance, legal and financial compliance and safeguarding. Trustees are expected to make a familiarisation visit to one of the countries in which the charity operates to better understand

the work of Embrace the Middle East and our partners. Longer serving trustees may make more than one visit. In 2021 no trustees were able to travel because of lockdown restrictions.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

Trustees, working through the Board and its committees, are the ultimate decision makers for Embrace the Middle East. They entrust day-to-day management of the Charity to a senior leadership team, which operates within a framework, and a specified Scheme of Delegation, set by the trustees. The senior leadership team (known as the Leadership Group) is led by the Chief Executive and comprises a Director of Programmes and Engagement, and Heads of Finance, Human Resources, Trading and Information Systems and Security. Members of the Leadership Group and other senior staff members may attend Board meetings, but do not vote.



Left to right: Nutrition classes at the Salaam Centre, Egypt; Psychological support for children in Gaza. (Photo credit: Caritas Jerusalem); Fairhaven School, Egypt

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (CONTINUED)

PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the trustees, the Chief Executive, the Director of Programmes and Engagement, and the Heads of Information Systems and Security, Finance, HR and Trading.

The total employee benefits of the Leadership Group in 2021 were £341k (2020: £378k). Details can be found in note 7 to the accounts found on page 45. Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking. In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel, pay and benefits are determined by the Chief Executive, subject to an overall budget agreed by the trustees.

In 2020 the charity undertook a fundamental review of its safeguarding policy and practice in a determined effort to maintain the highest possible standards, in line with best practice. Signature of, and adherence to, new codes of conduct by all staff, volunteers and third parties coming into contact with partners, or their beneficiaries, is mandatory. The charity has instituted a revised and updated safeguarding policy and framework for the reporting of concerns, or suspicions, of abuse, neglect or malpractice. A Safeguarding Committee comprising staff

from all parts of the charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practice, and the adjudication of cases of concern referred to it.

The Chair of the Committee is the charity's designated Safeguarding Officer. The Committee meets regularly, or as required, and reports directly to the CEO and the trustees (at a minimum twice annually), or if circumstances dictate, direct to the Chair, or Vice Chair, of Trustees. The Vice Chair of Trustees is the Board's designated Safeguarding Officer. The charity's revised safeguarding policy and reporting mechanism has been professionally peer reviewed by Keeping Children Safe, of which the charity is an associate member. As a charity, Embrace the Middle East aspires to the highest standards of safeguarding, in line with its ethos and values. Safeguarding policy and practice is a key element in our due diligence process with regard to partners and, where appropriate, an area where we offer capacity building support and advice through our safeguarding partner, Viva. The trustees are clear about their statutory responsibilities with respect to safeguarding and remain abreast of the Charity Commission's ongoing concerns in this area of governance. A copy of the charity's safeguarding policy is available on the website embraceme.org/safeguarding.

RISK MANAGEMENT

The charity's Risk Management policy is reviewed annually and the risk register as a whole, or where appropriate particular risks, are reviewed each time the Board, or one of its standing committees meets. During 2021 risks arising from the Covid-19 pandemic merited special attention. The Board describes its overall approach to risk as follows:

'In pursuit of its charitable purpose Embrace the Middle East is required to work with partners in inherently complex and pressured environments. We embrace risk as a condition of partnership, of our mission to tackle poverty and injustice in the Middle East and of our ambition for growth in our impact. Working to transform the lives of vulnerable and marginalised people precludes an undue or exaggerated aversion to risk. In accepting risk as a necessary part of our work we undertake at all times to seek to mitigate and manage risk to our staff, our partners, their beneficiaries and the sustainability of the charity and its work. We will not shy away from reasonable risks that further the purpose of the charity and are consistent with our values.'



Left to right: Syrian refugee in Lebanon. (Photo credit: MERATH); Makeshift shelter for a bombed-out family in Gaza. (Photo credit: Caritas Jerusalem); Students training at Harpur Nursing School. (Photo credit: David Uttley, Compelling Story)

Consistent with this overall approach the charity's risk policy:

- Establishes a general approach to the management of risk, based on the identification, analysis, evaluation, and treatment of specific risks. The policy describes how risks will be analysed.
- Categorises risks as recommended by the Charity Commission: governance, operational, financial, environmental or external, and compliance (law or regulation).
- Sets out how the charity's risk register will be compiled and kept up-to-date.
- Sets out a detailed process for the monitoring and review of risks by the Board, its committees and the Leadership Group.

New risks, new variants of existing risks, and additional mitigation added to the register

in 2021 included risks to income, staff welfare, data and financial controls related to the Covid-19 pandemic and the introduction of a new CRM and financial accounting system, as well as the risk to the charity's trading operations.

STATEMENT OF FUNDRAISING PRACTICE

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Embrace the Middle East in 2021:

'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2021 there were no failures to comply with this Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any cold telephone calls to the general public. We have not used SMS as part of our fundraising portfolio.'

In 2021 Embrace did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992. During the year we received 4 complaints about our fundraising practice (2020: 8) in response to over 203,654 pieces of fundraising direct mail that were sent out. We are pleased by this reduction. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices and are especially sensitive to the interests of older and more vulnerable supporters or potential supporters. We act promptly on requests from supporters to change their contact preferences, and comply with all requests to cease contact received through the Fundraising Preference Service.

Embrace the Middle East maintains a team of specialist staff dedicated to maintaining excellent and respectful relationships with all of our supporters.

WHO WE ARE

TRUSTEES

Canon Anthony Ball

(Chair of Trustees until the end of September 2021)

Dr Souraya Bechealany

(co-opted March 2021)

Anne Clayton *(Vice Chair of Trustees)*

Madeleine Radford

Rev Dr James Hawkey

(Chair of Programmes and Public Engagement Committee from September 2021)

Katie Hodgkinson

Rev Dr Munther Isaac

(co-opted from March 2021)

Dr Kathryn Shah

John Mitchell OBE

(Chair of Programmes and Public Engagement Committee until September 2021, then Chair of Trustees)

Ben Morgan

(Chair of Governance and Resources Committee)

Mary Oakes

Victoria Smith *(Treasurer)*

Katharine von Schubert

Chris Woo

PATRONS

His Eminence Archbishop

Angaelos OBE, Bishop of the Coptic Orthodox Diocese of London

Rt Rev Christopher Chessun,

Anglican Bishop of Southwark

Rev David Coffey OBE, former President, Baptist World Alliance

Rt Rev Dr Michael Langrish,

former Anglican Bishop of Exeter

Very Rev Dr Andrew McLellan

CBE, Convener, World Mission Council of the Church of Scotland

Most Rev Timothy Radcliffe

OP, former Master of the Order of Preachers *(Dominicans)*

LEADERSHIP GROUP

Tim Livesey *(Chief Executive Officer and Company Secretary)*

Jamie Eyre *(Director of Programmes and Engagement)*

Jim Buckley *(Head of Finance until April 2021)*

Faramade Rees *(Head of Finance from April 2021)*

Lucy Insua *(Human Resources Manager)*

Sam Mackwell *(Head of Information Systems & Security)*

Amy Parr *(Head of Trading)*

REGISTERED OFFICE

24 London Road West
Amersham
Buckinghamshire
HP7 0EZ

AUDITORS

Azets Audit Services

Statutory Auditor
Greytown House
221-227 High Street
Orpington, Kent
BR6 0NZ

BANKERS

NatWest Bank plc

2nd Floor
Rapid House
40 Oxford Road
High Wycombe
HP11 2EE

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

INVESTMENT ADVISORS

Investec Wealth and Investments

2 Gresham Street
London
EC2V 7QN

Epworth Investments Management Limited

9 Bonhill Street
London
EC2A 4PE

Investment Management Limited

Senator House
85 Queen Victoria Street
London
EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also the directors of Embrace the Middle East for the purposes of company law) are responsible for preparing the annual report and financial statements of the charity in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the financial statements to give a true and fair view of the state of affairs of the charitable company including income and expenditure for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS102).
- 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.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable

accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of all corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 30 June 2022 and signed on its behalf by:

John Mitchell OBE,
Chair of Trustees



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST

OPINION

We have audited the financial statements of Embrace the Middle East (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST (CONTINUED)

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the parent 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 groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to

the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements of the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 noncompliance 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure

and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

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

Michelle Wilkes FCA

For and on behalf of Azets Audit Services

Senior Statutory Auditor *Azets Audit Services Limited*
Greytown house
221-227 High Street
Orpington
Kent
BR6 0NZ

22 July 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income:					
Donations and legacies	3	2,630	1,149	3,779	3,692
Charitable activities	3	61	-	61	55
Trading activities	2	469	-	469	383
Investments		105	-	105	96
Other income		18	-	18	17
Total Income		3,283	1,149	4,432	4,243
Expenditure:					
Cost of fundraising	4	586	-	586	613
Trading activities	2	413	-	413	329
Investment management		24	-	24	23
Charitable activities	3	2,568	1,186	3,754	3,592
Total Expenditure	4	3,591	1,186	4,777	4,557
Net gains on investments	10	299	-	299	10
Net Income / Expenditure on operations		(9)	(37)	(46)	(304)
Net movement in funds		(9)	(37)	(46)	(304)
Reconciliation of funds:					
Total funds brought forward		8,271	38	8,309	8,613
Total fund carried forward		8,262	1	8,263	8,309

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

All income and expenditure derive from continuing activities.

The notes on pages 39 to 51 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2020

For the year ended 31 December 2020 (incorporating an income and expenditure account)

2020 SOFA for comparative purposes	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000
Income:				
Donations and legacies	3	2,259	1,433	3,692
Charitable activities	3	55	-	55
Trading activities	2	383	-	383
Investments		96	-	96
Other income		17	-	17
Total Income		2,810	1,433	4,243
Expenditure:				
Cost of fundraising	4	613	-	613
Trading activities	2	329	-	329
Investment management		23	-	23
Charitable activities	3	2,079	1,513	3,592
Total Expenditure	4	3,044	1,513	4,557
Net gains (losses) on investments	10	10	-	10
Net Income / Expenditure on operations		(224)	(80)	(304)
Net movement in funds		(224)	(80)	(304)
Reconciliation of funds:				
Total funds brought forward		8,495	118	8,613
Total fund carried forward		8,271	38	8,309

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

All income and expenditure derive from continuing activities.

The notes on pages 39 to 51 form part of these financial statements.

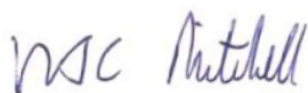
CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 December 2021

	Note	2021 Group £'000	2020 Group £'000	2021 Charity £'000	2020 Charity £'000
Fixed Assets					
Tangible assets	9	890	901	890	901
Investments	10	3,913	3,588	3,914	3,589
		4,803	4,489	4,804	4,490
Current assets:					
Stocks		51	24	-	-
Debtors: amounts falling due within 1 year	11	223	110	221	108
Cash at bank and in hand		3,603	4,181	3,494	4,005
		3,877	4,315	3,715	4,113
Creditors					
Amounts falling due within 1 year	12	(417)	(495)	(355)	(391)
Net current assets		3,460	3,820	3,360	3,722
Net assets		8,263	8,309	8,164	8,212
Funds					
Restricted funds	17	1	38	-	38
Designated funds	16	4,436	5,339	4,436	5,339
Reserves available for charitable purposes		3,728	2,835	3,728	2,835
Non charitable trading funds	2	98	97	-	-
Total funds	15	8,263	8,309	8,164	8,212

The financial statements were approved by the Board of Trustees on 30 June 2022 and were signed on its behalf by:

John Mitchell OBE
Chair of Trustees



The notes on pages 39 to 51 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities:			
Cash generated from operations	19	(646)	(427)
Net cash from operating activities		(646)	(427)
Cash flows from investing activities:			
Income from investments		105	96
Sale of property, plant and equipment		-	29
Purchase of property, plant and equipment		(11)	(5)
Purchase of investments		(689)	(721)
Proceeds from the sale of investments		663	721
Net cash from investing activities		68	120
(Decrease) / Increase in cash and cash equivalents		(578)	(307)
Cash and cash equivalents at beginning of year	20	4,181	4,488
Cash and cash equivalents at end of year	20	3,603	4,181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. ACCOUNT PRACTICES

Basis of preparation

Embrace the Middle East is a company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect to the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are set out on page 26.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom (FRS 102), and UK Generally Accepted Practice as it applies from 1 January 2015 and updated for Bulletin 1&2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the Charity and its wholly owned subsidiary, Embrace the Middle East Trading Limited.

Funds accounting

The Charity's reserves are classified in the following three ways:

Restricted funds – funds that have been received by the Charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and administering these funds are charged against the

unrestricted, or free, reserves of the Charity and accordingly Gift Aid tax reclaimed on these funds is included in unrestricted reserves.

Designated funds – these are funds that trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

Unrestricted funds – funds, also termed free reserves, which are available for the trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations – Donations are brought into the financial statements when the receipts have been deposited into the bank. Gift Aid tax reclaimable is recognized in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

Legacies – The amount shown for legacy income includes accruals where the Charity is advised by the personal representative of an estate that payment will be made and the amount involved has been quantified.

Grants – Grants are recognized when paid out of the bank account or when deposited into the bank. Grants agreed to be made but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year-end are not accrued as expenditure.

Investment income – Investment income is recognized using the effective interest method.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorized under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income and include employment costs of fundraising employees along with the direct costs of publications and advertising.
- Investment management fees are the fees charged by the fund managers who manage the investment portfolio.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to costs of raising funds and expenditure of charitable in proportion to allocations of hours worked by employees on the above headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 4.

Tangible fixed assets

Depreciation is provided at the following rates on assets costing £1k or over, in order to write off each asset over its estimated useful life:

UK freehold property – 1% per annum on a straight line basis

Fixtures and fittings – 10% per annum on a straight line basis

Motor vehicles – 25% on a straight line basis

Computer equipment – 25% per annum on a straight line basis

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Activities (SOFA).

Fixed asset investments

Investments are recognized initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognized in 'net gains/(losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all aspects of purchase and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out basis. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in expenditure.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in the Statement of Financial Activities. If the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

Foreign currency

Foreign currency transactions are initially recognized by applying to the foreign currency amount of the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

Short-term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognized as an expense in the period in which they are incurred.

The company recognizes an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary costs of the respective employee in relation to the period of absence.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

Accounting 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 following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognized in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets.

Bad debt provision

Bad debts are provided for specific debts when required, there is no estimation in use. There are no other key assumptions concerning the future and other key 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 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

2. COMMERCIAL TRADING ACTIVITIES OF THE TRADING SUBSIDIARY

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (company number 00901022).

A summary of the Trading company's results for 2021 is shown below:

SUMMARY PROFIT AND LOSS ACCOUNT	2021 £'000	2020 £'000
Turnover	469	383
Cost of sales and administrative expenses	(413)	(329)
Tax	-	-
Profit / (loss) for the year after tax	56	54

SUMMARY BALANCE SHEET	2021 £'000	2020 £'000
Current assets		
Stock	51	24
Debtors	8	52
Cash	109	176
	168	252
Creditors falling due within one year	69	154
Net current assets	99	98
Called up share capital	1	1
Capital redemption reserve	8	8
Profit and loss account	90	89
Shareholders' funds	99	98

3. CHARITABLE ACTIVITIES

The major activities of the charity are the provision of grants to our Christian partners in the Middle East and raising awareness of their work.

	Total 2021 £'000	Total 2020 £'000
Income:		
Donations		
Unrestricted funds	1,632	1,461
Restricted funds	1,125	1,408
Legacies		
Unrestricted funds	998	798
Restricted funds	24	25
Other income	61	55
Total charitable income	3,840	3,747
Grants paid (note 5)	2,424	2,467
Charitable activities	1,330	1,125
Total charitable activity expense	3,754	3,592
Net surplus for the year	86	155
Transfers between activities	-	-
Surplus / (deficit) on charitable activities	86	155

3. CHARITABLE ACTIVITIES (CONTINUED)

	Total 2021 £'000	Total 2020 £'000
Reconciliation to SOFA		
Total charitable income as above	3,840	3,747
Trading activities income	469	383
Investment income	105	96
Other income	18	17
Total income as SOFA	4,432	4,243

	Total 2021 £'000	Total 2020 £'000
Total charitable activity expense as above	3,754	3,592
Cost of fundraising	586	613
Trading activities expenditure	413	329
Investment management expenses	24	23
Total expenditure as SOFA	4,777	4,557

4. ANALYSIS OF EXPENDITURE

	Direct staff costs £'000	Direct costs £'000	Support costs £'000	Total 2021 £'000	Total 2020 £'000
Cost of generating funds	268	214	104	586	613
Charitable activities					
Information and education	244	100	71	415	396
Grants to partners	-	2,424	498	2,922	2,942
Other support to partners	296	50	71	417	254
Total charitable activities	540	2,574	640	3,754	3,592
Total costs of the charity	808	2,788	744	4,340	4,205
Trading company	-	-	-	413	329
Investment management	-	24	-	24	23
Total group costs	808	2,812	744	4,777	4,557

Staff costs have been allocated based on percentage of time spent on the various activities. Direct costs at the level of cost centre and expenditure type have been allocated across activities based on the purpose of the activity.

The £744k (2020:£683k) of support costs, which includes Governance costs of £75k (2020:£75k), have been allocated across the activities based on relative amount of direct costs.

Support costs excluding governance for 2021 amounts to £669k of which £500k (2020:£469k) is staff costs.

The £213k (2020:£139k) balance of support costs covers administrative and running costs such as insurance, IT systems maintenance costs, pension administration, training and recruitment.

Governance costs of £75k comprise £58k (2020:£51k) of staff costs, £17k of charity audit costs, and £4k of trustees meeting and travel expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

5. DETAILS OF GRANTS WE PAID TO OUR PARTNERS

	2021 £'000	2020 £'000		2021 £'000	2020 £'000
Egypt			Palestine and Israel		
Anafora	25	21	Al Ahli Arab Hospital	90	60
BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services)	107	86	Aviv Ministries	21	21
CEOSS (Coptic Evangelical Organisation of Social Services)	71	100	Bethlehem Arab Society for Rehabilitation	44	45
Episcopcare	88	94	Bursary Scheme (Secretariat of Solidarity)	125	125
Fairhaven School	15	32	Caritas Jerusalem	113	111
Harpur Memorial Hospital	41	18	East Jerusalem YMCA	118	118
Life Vision for Development	30	-	Four Homes of Mercy	58	58
Refuge Egypt	60	61	Helen Keller School	136	153
Salaam Center	45	62	International Christian Committee in Israel	33	25
Shams El Birr	-7	-	Olive Tree Project (Joint Advocacy Initiative)	3	33
The Deaf School	10	20	MECC Department of Service to Palestinian Refugees	12	3
Think & Do	110	100	Musalaha	27	22
Total of Egypt	595	594	Nazareth School of Nursing	15	17
Lebanon and Syria			Near East Council of Churches	95	95
Al Kafaàt	80	166	Palestinian Bible Society	44	54
Beit El Nour	28	48	Pontifical Mission of Palestine	70	35
DI	-	24	Princess Basma Centre	90	50
Habitat for Humanity	-	-	SIRA School	18	17
Ecumenical Relief Services (formerly ICNDR)	37	40	Society of St Yves	50	50
Howard Karagheusian Commemorative Corporation	83	20	St Luke's Hospital	22	17
Johan Ludwig Schneller School	10	14	Talitha Kumi	-	-
Joint Christian Committee	57	55	Total of Palestine and Israel	1,184	1,109
Learning Centre for the Deaf	38	40	Iraq		
Lebanese Society for Social Education and Development	170	180	CAPNI (Christian Aid Program Nohadra Iraq)	40	86
Pontifical Mission for Lebanon	43	31	Chaldean Archdiocese of Erbil	-	30
Tahaddi	62	-	Total of Iraq	40	116
The Awareness Foundation	-	-	Multi-country		
Zvartnotz Centre	-3	20	Viva Network	-	10
Total of Lebanon and Syria	605	638	Total of Multi-country	-	10
			Grand Total	2,424	2,467

6. NET INCOMING/(OUTGOING) RESOURCES

	Year ended 2021 £'000	Year ended 2020 £'000
Net resources are stated after charging:		
Auditors' remuneration	22	22
Depreciation - owned assets	22	32
Staff pension contributions	197	171
Services provided by the Charity's auditor during the year:		
Audit of the Charity and consolidated financial statements	17	15
Audit of the Trading subsidiary including provision of annual report and accounts	5	5
Corporation tax calculation for Charity & Trading subsidiary	2	2
	22	22

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any emoluments during the year.

Trustees' expenses

During the period the Charity reimbursed necessary travel expenses incurred by trustees.

The total of these expenses was

	2021 £'000	2020 £'000
Trustee travel expenses	1	3

The key management personnel of the charity comprise the trustees, and the Senior Leadership Team which at the end of 2021 comprised the Chief Executive, the Director of Programmes & Engagement and the Heads of Information Systems Data & Security, Finance & HR.

The total employee benefits of the Senior Leadership Team in 2021 were £341k (2020: £378k). During the year our Head of Finance left the organisation, and a new appointment was made in April 2021.

Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking.

In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel by the Chief Executive, subject to the overall budget agreed by trustees.

8. GROUP STAFF COSTS

	2021 £'000	2020 £'000
Wages and salaries	1,068	1,000
Social Security costs	101	93
Pension plan contributions	197	171
	1,366	1,264

The average monthly headcount of employees during the year was as follows:

	2021	2020
UK management staff	7	6
UK administrative staff	28	29
	35	35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

8. GROUP STAFF COSTS (CONTINUED)

Number of employees receiving total employee benefits (gross pay and company pension contributions), in the ranges:

	2021 £'000	2020 £'000
£60,000 - £70,000		
£70,000 - £80,000	1	1
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1

9. TANGIBLE FIXED ASSETS

Group	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2021	968	119	181	1,268
Additions	-	11	-	11
Disposals	-	8	-	8
At 31 December 2021	968	122	181	1,271
Depreciation				
At 1 January 2020	97	106	164	367
Charge for the year	10	4	8	22
Disposals	-	8	-	8
At 31 December 2021	107	102	172	381
Net Book Value				
At 31 December 2021	861	20	9	890
At 31 December 2020	871	13	17	901

Charity	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2021	968	119	181	1,268
Additions	-	11	-	11
Disposals	-	8	-	8
At 31 December 2021	968	122	181	1,271
Depreciation				
At 1 January 2021	97	106	164	367
Charge for the year	10	4	8	22
Disposals	-	8	-	8
At 31 December 2021	107	102	172	381
Net Book Value				
At 31 December 2021	861	20	9	890
At 31 December 2020	871	13	17	901

10. FIXED ASSET INVESTMENTS

Group	Listed investments £'000	Unlisted investments £'000	Total £'000
Market value as at 31 December 2020	3,580	8	3,588
Additions	689	-	689
Disposals	(663)	-	(663)
Revaluations	299	-	299
Market value as at 31 December 2021	3,905	8	3,913
Historical cost of the investments were:			
31 December 2020	2,881	3	2,884
31 December 2021	3,018	3	3,021

Charity	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £'000
Market value as at 31 December 2020	3,580	8	1	3,589
Market value as at 31 December 2021	3,905	8	1	3,914

Listed investments were comprised of the following:

	2021 £'000	2020 £'000
UK equities	1,651	1,404
Overseas bonds	109	-
UK bonds	315	515
Property	332	333
North American equities	584	538
Infrastructure	-	278
International equities	158	228
European equities	128	-
Far East and Australasian equities	205	144
Emerging economies	67	36
Other investments	356	104
Total	3,905	3,580

The following holdings were over 5% of the total market value of the portfolio.

	Market Value at 31 December 2021 £'000	Market Value at 31 December 2020 £'000
Charities Property Fund	178	199
Baillie Gifford & Co American	127	265
Polar Capital Funds Global Technology	158	210
Vanguard S&P 500 ETF	315	-

Of the unlisted investments, £8k was invested overseas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	-	25	-	-
Other debtors	193	48	192	74
Prepayments	30	37	29	34
Total	223	110	221	108

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	92	106	58	25
Amount due to group undertaking	-	-	7	24
Social security and other taxes	31	71	32	32
Other creditors	35	23	6	22
Accruals	259	295	252	288
Total	417	495	355	391

13. ACCRUED GRANTS

	2021 £'000	2020 £'000
At 1 January 2021	231	419
New grants committed (note 5)	2,424	2,467
Grants paid in year	(2,443)	(2,655)
At 31 December 2021	212	231

14. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme for its UK employees. The assets are held separately from those of the Charity in an independently administered fund. The pension costs charged represents contributions to the fund payable by the charity and amounted to £191k (period to 31 December 2020 £166k). These contributions include employee salary sacrifice contributions. There were no contributions outstanding at 31 December 2021 (period to 31 December 2020 £2k).

15. 2021 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2021	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2021 total funds £'000
Fixed assets	-	890	-	890
Investments	3,913	-	-	3,913
Current assets	330	3,546	1	3,877
Current liabilities	(417)	-	-	(417)
Total Funds	3,826	4,436	1	8,263

15. 2021 ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

2020 Comparatives	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2020 total funds £'000
Fixed assets	-	901	-	901
Investments	3,414	174	-	3,588
Current assets	13	4,264	38	4,315
Current liabilities	(495)	-	-	(495)
Total Funds	2,932	5,339	38	8,309

16. DESIGNATED FUNDS

2021	As at 1 January 2021 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2021 £'000
Fixed Assets ¹	901	-	(11)	890
Programme Fund ²	2,700	-	-	2,700
Helen Keller School Grants ³	136	-	(136)	-
Projected Deficits ⁴	1,602	-	(756)	846
	5,339	-	(903)	4,436

1. **Fixed Assets** - Trustees have resolved to designate funds to the value of £890k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.
2. **Programme Fund** - Trustees have designated funds to cover 18 months of expenditure (subject to other grant conditions being met) on committed multi-annual grants to partners.
3. **Helen Keller School Grants** - The final payment due under this grant was paid in 2021.
4. **Projected Deficits** - Trustees have designated funds to cover projected operating deficits 2020-2025.

2020 comparatives	As at 1 January 2020 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2020 £'000
Fixed Assets ¹	949	-	(48)	901
Programme Fund ²	2,551	149	-	2,700
Helen Keller School Grants ³	273	-	(137)	136
Projected Deficits ⁴	3,302	-	(1,700)	1,602
	7,075	149	(1,885)	5,339

1. **Fixed Assets** - Trustees have resolved to designate funds to the value of £901k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.
2. **Programme Fund** - Trustees have designated funds to cover 18 months of expenditure (subject to other grant conditions being met) on committed multi-annual grants to partners.
3. **Helen Keller School Grants** - Trustees have designated funds to the value of £136k to reflect the current sterling value (at an exchange rate of 4.40 New Israeli Shekels to the £) of the charity's grant commitments to the Helen Keller School for 2021. These were agreed, subject to certain conditions being met, as part of the transfer of the school to the Franciscans in September 2016.
4. **Projected Deficits** - Trustees have designated funds to cover projected operating deficits 2020-2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

17. 2021 RESTRICTED FUNDS

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

	Opening balance £'000	Income during 2021 £'000	Spending during 2021 £'000	Closing balance £'000
General funds ¹				
Education	-	181	181	-
Health	-	23	23	-
Community development	24	302	325	1
Refugees	5	14	19	-
Special needs and disability	-	89	89	-
Women's education and empowerment	-	-	-	-
Country specific funds	-	403	403	-
Partners working within the following fields ²				
Education	-	27	27	-
Health	9	10	19	-
Community development	-	36	36	-
Special needs and disability	-	31	31	-
Other restricted funds	-	33	33	-
Total restricted funds	38	1,149	1,186	1

1. General funds are funds restricted either by field of work or by country. | 2. Partner restricted funds have been categorised by type of work.

2020 comparatives

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

	Opening balance £'000	Income during 2020 £'000	Spending during 2020 £'000	Closing balance £'000
General funds ¹				
Education	-	241	241	-
Health	-	45	45	-
Community development	116	370	462	24
Refugees	-	21	16	5
Special needs and disability	-	26	26	-
Women's education and empowerment	-	-	-	-
Country specific funds	-	504	504	-
Partners working within the following fields ²				
Education	2	66	68	-
Health	-	20	11	9
Community development	-	26	26	-
Special needs and disability	-	53	53	-
Other restricted funds	-	61	61	-
Total restricted funds	118	1,433	1,513	38

1. General funds are funds restricted either by field of work or by country. | 2. Partner restricted funds have been categorised by type of work.

18. RELATED PARTY DISCLOSURES

Embrace the Middle East is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation.

Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and website sales and also sold alternative gifts which are a form of donation.

	2021 £'000	2020 £'000
Donations received on behalf of the charity	73	72
Alternative gifts sold on behalf of the charity	227	239
Total	300	311

As at 31 December 2021 a net figure of £7k was owed by the Charity to the Trading company.

As at 31 December 2020 a net figure of £3k was owed by the Trading company to the Charity.

19. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2021 £'000	2020 £'000
Net Deficit for year	(46)	(304)
Income from investments	(105)	(96)
Net (gains)/losses on investments	(299)	(10)
(Profit)/loss on disposal of fixed assets	-	(8)
Depreciation and impairment of tangible fixed assets	22	(32)
(Increase)/decrease in stocks	(28)	8
Decrease/(increase) in debtors	(113)	70
(Decrease)/increase in creditors	(77)	(119)
Net cash flow from operating activities	(646)	(427)

20. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

Year ended 31 December 2021	31 December 2021 £'000	01 January 2021 £'000
Cash and cash equivalents	3,603	4,181

Year ended 31 December 2020	31 December 2020 £'000	01 January 2020 £'000
Cash and cash equivalents	4,181	4,488

21. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £1 by guarantee.

22. POST BALANCE SHEET EVENTS

There were no post balance sheet events.



EMBRACE
the Middle East

We would like to thank every person and church
that has supported our work in the past year.
It is through your kind generosity that the
achievements in this report have been possible.

Embrace the Middle East | 24 London Road West | Amersham | Bucks | HP7 0EZ
01494 897950 | info@embraceme.org | embraceme.org | @FollowEmbrace   



Registered with
**FUNDRAISING
REGULATOR**

Front cover image: One of the participants at a psychological support session in Gaza. (Photo credit: Caritas Jerusalem)

Back cover image: Café in Old City of Hebron, West Bank | Annual Report designed by www.fisherdesign.co.uk

EMBRACE THE MIDDLE EAST

England & Wales - Charity number 1076329

Accounts

EMBRACE THE MIDDLE EAST ANNUAL REPORT & ACCOUNTS 2020



EMBRACE
the Middle East



A MESSAGE FROM THE CHAIR OF TRUSTEES

This is the last annual report and accounts that I have the privilege to introduce as Chair of Embrace the Middle East's Board of Trustees. Over the next few months I will be handing over to my successor, John Mitchell, who currently chairs our Programmes and Public Engagement Committee.

After the most extraordinary year in living memory (which, for me, includes growing up in a civil war), I write this introduction with mixed feelings. Ultimately, great pride eclipses the sadness that, after nine years, my time as a trustee is nearly up. Pride not only in what Embrace is, and does, year in and year out, but also a particular satisfaction in what we have accomplished this past year.

It was, of course, the year that will be remembered for the onset of the global Covid-19 pandemic. Around the world charities, indeed organisations of every kind, have been tried and tested to the limit. Each of our partners, and every person whose lives they work so hard to transform, has faced unprecedented challenges – and not just from Covid-19, with its lethal impact across the Middle East. They faced the effects of soaring prices, plummeting currency values and political instability in Lebanon and Syria, even before the catastrophic explosion in the port of Beirut on 4 August killed over 200 people and left 300,000 people homeless. They faced the ongoing struggles of tens of thousands of displaced people in Iraq

returning to destroyed homes and trying to re-establish livelihoods and a community life. They faced grave tensions in Palestine and Israel which erupted into another destructive conflict earlier this year and, in 2020, included the serious and, at times, imminent threat of the unilateral annexation of swathes of the Occupied Palestinian Territories – precipitated, in part, by the ill-fated, and ill-judged, Trump Peace Plan. They have faced heart-breaking circumstances and shown remarkable resilience through it all.

In a period of such unprecedented challenge Embrace the Middle East has also shown itself to be resilient, flexible and creative – aided by the generous support of our donors and benefactors, whose response to the Beirut explosion was particularly moving. From a financial point of view the charity exceeded expectations, allowing us to begin 2021, the first year of a new five-year period, in a strong and stable position. Embrace staff have shown tremendous spirit, fortitude, adaptability and commitment to the mission, vision and values of the charity. The Board is proud of the impact that their efforts, and those of our

partners, has enabled in a time of unexpected tribulation. Responding to feedback, we have given more detail on those impacts in the middle section of this report (Our impact in 2020), showing how the promises we made going into 2020 were met.

This report brings to a close the period covered by our 2016-2020 five-year strategy Faith in Action. I am pleased to report that we achieved all five headline objectives for the charity, and the majority of subsidiary objectives. Grants were increased by 50% by 2019, before returning to the more sustainable level of £2.5m, in 2020. We began work in Iraq in 2019 for the first time. Our advocacy and communications capacity and effectiveness has developed dramatically. Our trading operation has been transformed; and the charity's organisational resilience has improved exponentially, as last year's performance clearly shows. Our very ambitious target of 33% growth income has not yet been met, but carries over into the coming period. Hope in Action, our strategy for 2021-2025, was published in January 2021.

As I move on from the role of Chair I do so confident that Embrace the Middle East will continue to build on its 167-year history, developing and growing, particularly in the impact it has in the region. It has been an inexpressibly profound privilege to lead this organisation for five years. I wish my trustee colleagues, the staff and our many volunteers all the very best for the future, and record my heart-felt thanks to each of them, and to all of Embrace's loyal and generous supporters who make possible our work, and that of our amazing Middle East Christian partners.

Canon Anthony Ball
Chair of Trustees

The Trustees of Embrace the Middle East, who are also Directors of the Charity for the purpose of the Companies Act 2006, are pleased to present their Annual Report, and the charity's audited consolidated financial statements, for the year ending 31 December 2020.

Trustees Annual Report

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Embrace the Middle East Group: Embrace the Middle East

Registered charity number: 1076329. **A company limited by guarantee:** 3706037

Registered office: Embrace the Middle East, 24 London Road West, Amersham, Buckinghamshire, HP7 0EZ

We change the name of children and vulnerable adults whose stories we have included in the report. Pictures are for illustrative purposes unless otherwise stated. All content is the copyright of Embrace the Middle East and our partners and may only be reproduced with permission.

WHO WE ARE & WHAT WE DO

OUR VISION

To bring healing and hope to all who face marginalisation and injustice in the Middle East.

Our vision is rooted in Christ's invitation to care for those most in need. Where there is a need – for refuge, for health care, for education, for safeguarding, for economic empowerment, for justice and human rights – we want, with and through our partners, to respond.

OUR MISSION

To support the social witness of Middle East Christians as they work to transform lives.

We encourage all, regardless of faith, to join us in supporting and sustaining our partners, and the Middle Eastern churches, in their social witness and their particular and vital contribution to building cultures of inclusion, justice and peace in the suffering and war-torn Middle East. We build strong and lasting relationships with our partners, nurtured by mutual respect and a shared commitment to excellence.

OUR VALUES

Respect, Compassion, Trust and Integrity.

We are guided by four core values, which are inspired and informed by our Christian faith, as well as a commitment to meet all professional and regulatory standards relevant to our work.

RESPECT

We respect the human dignity and value of every person and all peoples – no matter what their beliefs or background – as made in God's own image.



TRUST

Just as we trust that God cares for us and sustains us in our work, we work with a generous and positive spirit, trusting that God desires to see all of humanity flourish.



COMPASSION

Our Christian faith teaches us to treat every person with compassion, especially anyone who suffers from social or economic marginalisation or from having their basic human rights withheld or compromised.



INTEGRITY

We see honesty and integrity as foundational to Embrace's way of working with partners, supporters and donors and have high expectations of all who work for, and with, the charity in any capacity.



Egypt

Give: £594,000

Support: 18 projects

Help: 26,460 people

KEY AREAS OF WORK:

- Women's empowerment
- Education
- Healthcare for mothers and young children
- Social inclusion of people living with disabilities

Lebanon

Give: £534,000

Support: 14 projects

Help: 9,998 people

KEY AREAS OF WORK:

- Primary healthcare
- Education
- Livelihoods support
- Humanitarian assistance
- Specialist disability services
- Women's empowerment

WHAT WE DID IN 2020

Thanks to our generous supporters, in 2020 we were able to:

Israel/Palestine

Give: £1,109,000

Support: 22 projects

Help: 59,419 people

KEY AREAS OF WORK:

- Primary healthcare
- Specialist disability services
- Education
- Reconciliation
- Human rights advocacy

Syria

Give: £104,000

Support: 3 projects

Help: 1,755 people

KEY AREAS OF WORK:

- Healthcare
- Livelihoods support
- Reconciliation

Iraq

Give: £116,000

Support: 4 projects

Help: 249 people

KEY AREAS OF WORK:

- Livelihoods support
- Healthcare
- Humanitarian assistance

THE CHARITY IN NUMBERS

The table below contains key financial data for the Charity. These summary numbers are taken from the financial statements on pages 43 to 59, but for the purposes of clarity exclude the income and costs of our Trading subsidiary and the gain/losses on sale of investments.

Year ending 31 December	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000
Donations	4,629	5,094	4,875	2,874	2,869
Legacies	792	1,437	1,269	1,288	823
Investment income	59	56	60	107	96
Local Helen Keller Income	449	-	-	-	-
Other	62	57	71	77	72
Total Income	5,991	6,643	6,275	4,346	3,860
Grants	2,026	2,732	2,683	3,040	2,467
Helen Keller support	861	-	-	-	-
UK staff costs	828	984	1,165	1,238	1,206
Other costs	838	926	784	945	555
Total resources expended	4,553	4,642	4,632	5,223	4,228
Net surplus/(deficit)	1,438	2,001	1,643	(877)	(368)
Helen Keller costs less local income	(412)	-	-	-	-
UK charity income less costs	1,850	2,001	1,643	(877)	(368)

Assets as at 31 December	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000
Investments	1,673	1,905	2,129	3,579	3,589
Cash at bank and in hand	3,136	4,741	6,198	4,416	4,005
Other net assets	633	950	761	575	618
Total funds	5,442	7,596	9,088	8,570	8,212

* Total donation figures for 2016-2018 include a single exceptional donation of £6.9m over the three years.

Further commentary on the 2020 results can be found in the 'Financial review' section on pages 32 to 33. In the pages that follow, we give details of what we and our partners achieved in 2020, compare our outcomes to the plan we set ourselves for the year, and set out our plans for 2021 and beyond.



In 2020 we faced multiple challenges: the Covid-19 pandemic, the Beirut explosion and a worsening economic crisis in Lebanon, continuing conflict in Syria, increased tensions and the threat of annexation in both Gaza and the West Bank, in the wake of the Trump Plan.

This made 2020 a particularly difficult and challenging year across the Middle East meaning that, for many, Embrace supported projects became even more vital.

In 2020 we continued to support programmes in Egypt, Lebanon, Iraq, Israel/Palestine, and Syria, working to transform lives by:



TACKLING POVERTY & INJUSTICE

Tackling poverty & injustice - working with communities at risk of marginalization and exclusion



RESPONDING TO CRISIS

Responding to crisis - providing for practical needs and psychological support



SPEAKING OUT

Speaking out against injustice and amplifying the voices of our Christian partners



INVESTING IN THE FUTURE

Investing in the future to ensure the continuation of Christian social witness in the region

TACKLING POVERTY & INJUSTICE



(Credit: Tahaddi)

Together with our Christian partners, we work to transform lives, empowering the disempowered, restoring dignity where it has been undermined, and witnessing fearlessly to the call 'to act justly, love mercy and walk humbly with your God' (Micah 6:8).

IN 2020 WE PROMISED TO:

SUPPORT ESSENTIAL HEALTH AND SOCIAL SERVICES FOR VULNERABLE AND MARGINALISED COMMUNITIES

SUPPORT PROJECTS WHICH EMPOWER AND ENGAGE PEOPLE WHO ARE EXCLUDED, INCLUDING WOMEN, GIRLS, AND PEOPLE LIVING WITH DISABILITIES

SUPPORT PROJECTS WHICH ENABLE PEOPLE TO DEVELOP THEIR SKILLS AND IMPROVE THEIR INCOME

HOW WE KEPT OUR PROMISE

The unparalleled events of the global Covid-19 pandemic amplified many of the problems faced by marginalised communities in the Middle East. Rising unemployment and economic uncertainty were seen across the region in 2020 – in Iraq unemployment was at 13.7%; the GDP of the Occupied Palestinian

Territories fell by 11%; Lebanon's currency lost nearly 80% of its value.

The projects we support were more vital than ever. Throughout the year our partners worked hard to adapt their programmes to ensure they kept running, despite the Covid-19 pandemic.



(Credit: Tahaddi)

IN
2020
WE...

Funded community healthcare and specialist treatment programmes

- We helped our partners to provide free primary healthcare and hospital treatment to over 36,000 people from under-privileged communities.
- We supported 11 educational programmes to improve community health.
- We provided specialist treatment and support through 14 different projects to over 3,200 people living with disabilities.



IN
2020
WE...

Improved access to education

- We supported nine projects bringing free schooling to communities where the expense of education is prohibitive.
- We continued to fund projects for those living with disabilities and threatened with exclusion, supporting seven programmes giving over 1,400 people a chance to learn.



IN
2020
WE...

Supported vocational projects and invested in community development

- We provided over £50,000 to fund small-loans projects in Syria, Egypt and Iraq, helping over 100 fledgling businesses bring vital services and employment to vulnerable communities.
- We supported 12 projects across Egypt, Lebanon, Israel/Palestine and Iraq providing training to over 1,000 people in practical skills such as IT, hairdressing and nursing.



HOW WE KEPT OUR PROMISE

HERE ARE JUST A FEW HIGHLIGHTS OF THE
PROJECTS WE SUPPORTED THROUGHOUT 2020.



Providing free health care in Lebanon

Despite the increasingly acute economic situation, the impact of the Beirut port explosion, and the ongoing Covid-19 crisis, our partner Tahaddi continued to provide essential health services to families living in Hay el Gharbeh, one of the most economically marginalised neighbourhoods of Beirut.

The Tahaddi Health Centre clinic remained open for urgent cases, and a telephone consultation service was set

up so that services could also be delivered remotely.

In 2020 the centre provided over 8,000 free consultations, helping over 2,000 individuals. Embrace provided 1,038 separate interventions, subsidising medical examinations, hospitalisation and drug treatment.

The centre distributed emergency relief to over 600 families per month to alleviate food insecurity.



'Before being supported through Embrace and Tahaddi, my family was truly struggling for basic survival. We fell behind with our rent and food was often scarce. Now, I can get nutritious food and feed my family.'

27-year-old Fatima

8,000
FREE MEDICAL
CONSULTATIONS

Giving women in rural Egypt a second chance at education

Many women in rural Egypt missed out on school as children. This not only limits their employment options, but means everyday tasks like reading the instructions on a medicine packet, or checking the cost of household bills, are difficult. In 2020 we continued to fund Think & Do's Life Schools in three villages in Upper Egypt. The Life Schools have proved popular and transformative, not only of women's lives, but also of their children's learning and their family's economic prospects.

Women are taught to read, write and count, and given the opportunity to master a skill such as sewing or hairdressing. Despite the pandemic, the Life School project continued this year – with smaller class sizes and additional safety measures in place – and were attended by 180 women.



LITERACY AND NUMERACY CLASSES FOR 180 WOMEN

**'I learnt a lot of things
because of this project,
including reading and
writing and sewing.'**

38-year-old Sabah



**'With these difficult
situations, closure, blockades
and lack of work we
cannot afford the basic
requirements. I do thank the
NECC and their supporters
for providing us with
excellent services and
proper treatment.'**

23-year-old expectant
mother, Nasrin

**TREATMENT &
ADVICE FOR OVER
11,000 WOMEN**

Reducing infant mortality rates in Gaza

Poor living conditions, environmental pollution and low nutrition mean that one in four expectant mothers in Gaza develops complications during pregnancy. The prevalence of congenital abnormalities and premature birth is high. Covid-19 dramatically increased the risks to maternal and child health.

We continued to support the Near East Council of Churches pre-conception and antenatal care programme, improving the health of expectant mothers and reducing the risks of complications during pregnancy and birth. The project provided more than 11,000 women with medical treatment and specialist advice.

Supporting special educational needs in the Occupied Palestinian Territories

In the West Bank, the SIRA School supports children with special educational needs. 2020 was particularly challenging as the school had to close for part of the year. Staff adapted to teaching online using private Facebook and WhatsApp groups, ensuring that students could continue their education. 26% of pupils

graduated from the school and returned to mainstream education – 4% higher than the target.



26%

OF PUPILS RETURN TO
MAINSTREAM EDUCATION

'Talib's experience at SIRA School was one of the best things that happened to him. We made the best choice when we enrolled him in it.'

Talib's mother

Investing in Iraq's entrepreneurs

Since the end of ISIS control, many citizens have been trying to return to their homes in northern Iraq and rebuild their lives. With houses destroyed, property stolen, livelihoods lost and public services and infrastructure devastated, they face an uphill battle.

Through our partners Christian Aid Program

Nohadra-Iraq (CAPNI), we have helped returnee Iraqis set up vital new businesses in the region, providing an income for themselves and helping to rebuild the economy and increase job opportunities in the area.

In 2020 Embrace funds supported 33 businesses with loans and grants, helping to establish new enterprises including a small dairy business, a shoe shop and a handcrafted wedding accessory outlet. Despite the pandemic, and with our support, CAPNI was able to run vocational training classes, teaching skills such as window construction and fitting, hairdressing and baking.



'I wanted to open a small business to support myself and contribute to my community. I would like to send my utmost gratitude to the Embrace the Middle East program that supported my simple business.'

Mina

33

LOANS & GRANTS FOR
NEW BUSINESSES

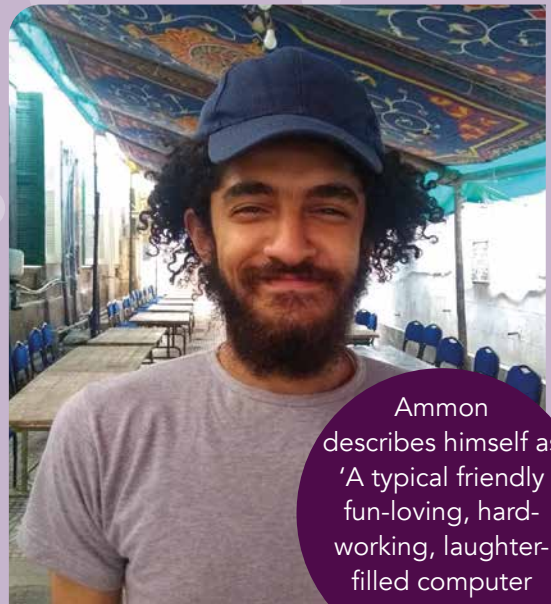
HOW WE KEPT
OUR PROMISE

Ammon's story:

'A one-of-a-kind education experience'

Youth unemployment in Egypt is high, even among university graduates. Education does not always provide young people with the skills they need to find work, and the challenge of job-hunting has been exacerbated by Covid-19.

The Arkan Culture Centre, run by our partner Episcocare, offers a unique opportunity for young Muslims and Christians to gain specialist skills, through courses such as art and multimedia, and to take part in creative cultural events together. 21-year-old Ammon began studying at the centre about a year ago and now attends sessions three times a week.



Ammon describes himself as 'A typical friendly fun-loving, hard-working, laughter-filled computer nerd'.

'I love learning new things about technology, especially media-creation related, as I'm an amateur singer/rapper and I hope to produce my own soundtracks.

I was invited into the first Loco fun day in Arkan Cultural Centre by a friend of mine who is a staff member. That was how I met Arkan as a place, and as a group of people. I decided to volunteer all my free time to this idea and the longer I stayed, the more I found out about these projects.

I got involved mainly because I saw it as a very good deed and, as it was accepting volunteers, I thought, why not? Then, when I learned about the courses, I of course found my dream-come-true of not only learning about my favourite topic, but it was a one-of-a-kind educational experience in Egypt. These subjects aren't taught in schools or colleges around here, and even the private sectors that do offer these courses are very low in quality and very expensive.

Needless to say, I learned quite a bit about computers that I couldn't have learned in a dozen school years. I'm not finished yet as I haven't reached the "working with what I've learned" stage yet.

I feel that my mind has been opened not only to a new culture, but to countless new possibilities that I didn't know existed within the pieces of technology I looked at and used daily all along.'

RESPONDING TO CRISIS



Where there is a need, together with our partners, we aim to respond, offering shelter to the homeless, a refuge for those escaping violence or persecution, and hope for the traumatised.

IN 2020 WE PROMISED TO:

SUPPORT PROJECTS WHICH EMPOWER AND ENGAGE PEOPLE DISPLACED FROM THEIR HOMES

SUPPORT TARGETED EMERGENCY RESPONSE FOR PEOPLE IN CRISIS



(Credit: Aviv Mistry)



(Credit: MERATH)

HOW WE KEPT OUR PROMISE

2020 was a year of unprecedented challenge, with all our partners working to respond to the Covid-19 crisis. There were almost 1½ million Covid-19 cases and over 25,000 deaths in the region in 2020, with many more going unreported. The economic consequences of national lockdowns pushed many into food poverty. In Syria an estimated 60% of the population now face food insecurity.

In Lebanon, our partners joined the massive relief effort required following the

catastrophic explosion at the port in Beirut on 4 August which killed over 200 people, injured 7,000 and left an estimated 300,000 people homeless. Official estimates put the cost of the damage at US\$15 billion.

Across the region, our partners worked hard to respond to increased tensions in Gaza and the West Bank in the wake of the Trump Plan, the heightened threat of annexation, the consequences of continuing conflict in Syria and the ongoing refugee crisis in Lebanon.

IN
2020
WE...

Provided emergency support

- Giving over £125,000 to respond to the Covid-19 pandemic - helping our partners to supply hygiene kits, food and fuel vouchers and help children to access education from home.
- Providing £70,000 in emergency support for those most affected by the Beirut explosion and funding repair work, including £20,000 for the damaged Karagheusian health centre (with particular thanks to the Mosawi Foundation's generous support).



(Credit: MERATH)

IN
2020
WE...

Helped those affected by conflict

- Giving immediate assistance such as food and clothes for those forced to flee their homes, funding three projects in Lebanon, Egypt and Iraq supporting newly arrived refugees.
- Supporting essential services for refugee communities including health assistance and education.



(Credit: MERATH)

IN
2020
WE...

Supported those in personal crisis

- Helping those suffering the effects of trauma to start to come to terms with their experience, funding eight programmes providing vital mental health first aid.
- Offering shelter and support for people (especially women) fleeing domestic abuse or battling with addiction.



(Credit: Ryan Roderick Beiler)

HOW WE KEPT OUR PROMISE

HERE ARE JUST SOME OF THE WAYS WE AND OUR
PARTNERS RESPONDED TO THE EVENTS OF 2020.



Keeping disability services running during lockdown

We continued to support the Jerusalem Princess Basma Centre, which provides advanced rehabilitative therapy to children in the West Bank living with disabilities. To ensure that government enforced lockdowns did not halt their services, the Centre developed a Virtual Care Model, giving the children in care individually tailored online sessions with therapists, nurses and social workers. Self-contained

accommodation was created at the Centre so that those who needed face-to-face treatment could stay safely. These adaptations allowed 348 children to receive advanced rehabilitative treatment in 2020, including Farah, born with Downs Syndrome. She quickly adapted to 'rehabilitation over a distance' and took her first steps on camera during one of her online therapy sessions, much to the delight of her parents and therapists.



348 CHILDREN

WITH DISABILITIES RECEIVED
REHABILITATION THERAPY

**'Reaching the children
virtually in their home
settings is such a great
opportunity for us to learn
more about them ... and
make better assessments and
evaluations.'**

Dr Waddah Malhees,
Medical Director JPBC



Providing PPE to slow the pandemic

With the outbreak of the pandemic, many of our partners worked to tackle the immediate problems of providing essential supplies such as food parcels and hygiene kits to those most in need.

In Lebanon, our partners at Middle East Revive and Thrive (MERATH) went one step further, using Embrace funds to set up three innovative

sewing projects making fabric facemasks. The women who participated in the project learnt valuable sewing skills and were paid for their work. The project produced over 26,500 washable and re-usable masks which were distributed to families who could not afford to buy their own. It also provided a vital source of income for women at a time when employment opportunities were scarce.



'The money earned from the sewing project helped me pay off all my debt.'

Haya

26,500
FACEMASKS PRODUCED
AND DISTRIBUTED



Tackling domestic violence and drug abuse in Egypt

1,210
PEOPLE
ATTENDED ADDICTION
RECOVERY

950
SURVIVORS
OF DOMESTIC VIOLENCE
SUPPORTED

Throughout the pandemic, Embrace helped the sisters of the St Mary's Daughters Convent, through their Salaam Centre, to continue serving the Zabbaleen community on the edge of Cairo. Many in the community could not afford personal protective equipment. The sisters distributed face masks, gloves and hand sanitizer to help slow the spread of the virus.

They adapted so as to be able safely to continue offering much-needed community services, including

addiction recovery workshops and support groups (attended by 1,210 people), a child health clinic (that treated over 500 children) and health awareness sessions (attended by 550 women). Instances of domestic violence are particularly high in the community and the sisters offer medical, psychological and legal services for women. In 2020 over 950 women attended their support groups, counselling and workshops on gender-based violence and community safety.

Psychological First Aid for families of the West Bank

Local communities in the Salfit region of the West Bank are at high risk of human rights violations and in need of child protection support. In 2020 inhabitants of the region experienced repeated attacks by settlers, and interventions by the Israeli Defence Force, including the forced detention of children. Our partners at East Jerusalem YMCA work

to provide comprehensive interventions to help victims cope with their psychological trauma.

By adapting their procedures to include additional safety measures, using online counselling wherever possible, the team were able to continue this vital work. Over the year they responded to 256 emergency

incidents, which directly affected 1,268 people, including 470 children. They provided 728 people with Psychological First Aid in 134 separate interventions. The majority (65%) of incidents related to settlers' attacks, with home demolition and lands confiscations also a significant cause of incidents.

256

EMERGENCY INCIDENTS
RESPONDED TO



'The YMCA Program made me feel psychologically and morally supported, and that there are people who care for us.'
Psychological First Aid recipient



HOW WE KEPT OUR PROMISE

Responding to the Beirut blast



We support 11 partners in Beirut. All were involved in the emergency response which followed the explosion at Beirut port on 4 August 2020.

Since the blast, our partner MERATH has repaired over 90 homes, mending doors and windows, and replacing damaged appliances and furniture. They have distributed essential supplies, including 2,500 mattresses, 4,500 blankets and almost 2,000 heaters – not to mention over 7,800 ready meals and 2,200 food vouchers.

'They replaced my broken windows, fixed my kitchen and bathroom, and insulated the roof that was badly leaking since the explosion.

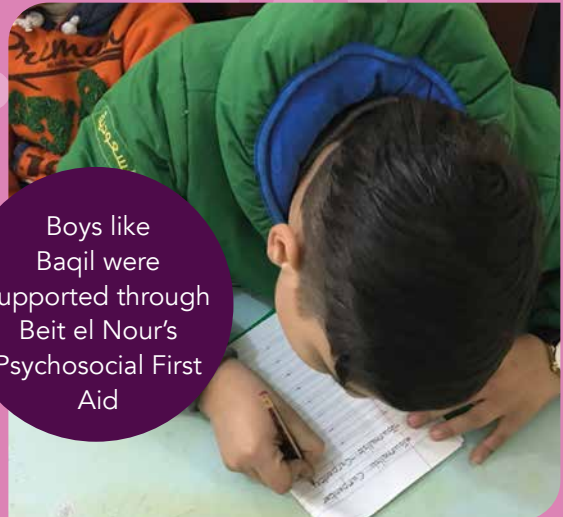
I could never have afforded to repair them myself.'

Liliane, Beirut inhabitant



**90 HOMES
REPAIRED**

Baqil's story: Finding support after trauma



Boys like Baqil were supported through Beit el Nour's Psychosocial First Aid

For many in Beirut, particularly children, recovering from the psychological trauma of the blast will be difficult. Using Embrace funds, our partner Beit El Nour ran a Psychological First Aid programme, helping over 300 children begin to come to terms with what happened. One of those who attended the course was 11-year-old Baqil.

'I learned how to manage stress more efficiently in a healthy way and to do the right activities that help me to relax. I learned a relaxation technique, "the flower and candle exercise". I practised it four times at home and it helped me feel more relaxed. I taught my nephews about it.

I feel happier and less scared, and I have more self-confidence. I became less scared of Corona, less nervous because of the explosion and met new friends.'

SPEAKING OUT



(Credit: JCC)

We aim to encourage and facilitate fellow Christians, and all who have a heart for the continued presence and social witness of Christians in the Middle East, to engage with Embrace's partners, with their work, and with the challenges faced by every community and nation in the region.

IN 2020 WE PROMISED TO:

BUILD STRONGER, DEEPER, WORKING RELATIONSHIPS WITH OUR LOCAL CHRISTIAN PARTNERS; THROUGH CONSULTATIONS, VISITS AND VIRTUAL MEETINGS

DEEPEN THE ENGAGEMENT OF CHURCHES WITH MIDDLE EAST CHRISTIANS

AMPLIFY THE VOICE OF PARTNERS WITH KEY DECISION MAKERS AND INFLUENCERS

HOW WE KEPT OUR PROMISE

We began the year with two clear advocacy priorities – advocating for Christians in the Middle East, and speaking in support of our partners in Israel and Palestine, their work, and the rights of all living in the Holy Land. Our particular focus was to speak out for those affected by the conflict – including children detained by Israel's security forces for alleged offences, and those with disability living in the West Bank and struggling to

access diagnostic and rehabilitation services on the other side of the separation barrier in East Jerusalem.

In early March we were in Jerusalem and the West Bank, consulting partners about our developing 2021-25 strategy, when the whole of the West Bank and Gaza went into immediate lockdown. From then on 2020 was a year of advocating whilst observing social distance.

IN
2020
WE...

Worked to amplify our partners' voices

- We lobbied MPs in both Westminster and the Scottish Parliament on behalf of our partners, including hosting a parliamentary webinar with Embrace Lebanese partners.
- We called for action on key issues, including equal access to Covid-19 vaccination, the threat of annexation of parts of the West Bank, and the Lebanon crisis.
- We worked closely with church leaders across denominations to encourage a united response to these issues.



IN
2020
WE...

We provided new platforms to deepen engagement with Middle East Christians

- We launched our new blog, bringing partners' voices to a wider audience.
- We introduced new ways for our supporters to engage with the complexities of the region, holding the Annual Lecture online for the first time, and meeting with churches virtually.
- Our volunteers continued to share partners' stories with their church networks and we held a volunteer's workshop in September, in which partners from Lebanon and Iraq participated.



IN
2020
WE...

Strengthened relationships with our partners

- We completed a comprehensive consultation with partners about current ways of working and our developing 2021-25 strategy.
- To overcome lockdown travel restrictions, we invested in new digital connectivity so that partners can now join us 'virtually' from anywhere in the world.



HOW WE KEPT OUR PROMISE

HERE ARE JUST A FEW HIGHLIGHTS
FROM OUR ADVOCACY WORK THIS YEAR.



Calling for action to oppose annexation in the West Bank

Of ongoing concern throughout the year was the threat that Israel would annex a part, or even all, of the West Bank, using the pretext supplied by the misjudged, and ill-fated, Trump Peace Plan. In solidarity with our partners, and church leaders in the Middle East, Embrace took a clear and resolute stand: annexation was morally and legally wrong and would bring to an end any hope of a peaceful solution to the conflict. We engaged with FCDO

Minister James Cleverly and parliamentarians, urging them strongly, and successfully, to oppose annexation.

Meanwhile Palestinian homes continue to be demolished in Area C to make way for new Israeli settlements. We continued to bring this, and the impact of Covid-19 on an unprotected population with poor access to inadequate health care in Gaza and the West Bank, to public attention.



'A just and peaceful solution to the conflict can be achieved if both parties have the will and strong, ethical leadership to pursue it, combined with unbiased international support.'

Sister Bridget Tighe,
General Director of
our partners Caritas
Jerusalem

'Thank you - very informative and enjoyable lecture. On line format worked extremely well. I hope that it can be used in the future.'

Annual Lecture attendee

OVER 900
ATTENDEES OF THE
EMBRACE ANNUAL
LECTURE

Reaching new audiences with the Embrace Annual Lecture

2020 was a year of advocating through social media channels and Zoom, rather than face-to-face meetings. In many ways we found our voice anew, as well as new ways of doing things. Our Annual Lecture was held online for the first time, attracting a record number of attendees.

Over 900 people logged on to listen to writer and broadcaster John McCarthy discussing the experiences of the Arab Israelis living in Israel with Elizabeth Oldfield, Director of Theos. The success of the lecture has led to plans for more online events in the future.



Spreading the word through our new blog

In March 2020 we updated and refreshed the Embrace blog with the aim of sharing partners' experiences, amplifying their voice, and bringing news of the lived experience of the marginalised in the Middle East to new audiences in the UK. The blog has featured a wide range of voices, from eyewitness accounts

of the Beirut blast and personal stories of coping with disability in the time of Covid-19, to a Christmas message of hope from Theophilos III, Patriarch of Jerusalem. It has given us a new way to connect with existing, and a new generation of, supporters. Since its launch, blog post views have risen by 350%.

**BEYOND
THE NEWS**
ما بعد الأخبار

BLOG AUDIENCE ROSE BY

350%

'We are living at a time when the Christian community of the Holy Land is facing unprecedented challenges.'

Extract from blog post by Theophilos III, Patriarch of Jerusalem



Highlighting the Lebanese crisis

2020 was an especially difficult year for Lebanon. Already wracked by political and economic instability and struggling with the pandemic; out of nowhere came the catastrophic explosion in the port in Beirut in August. All our partners were affected – many homes and offices were badly damaged. Working with them in the immediate aftermath, and at surprising speed, we were able to share with supporters powerful stories of the devastation. The response was overwhelming and much-needed help with reconstruction followed.

We engaged with key decision makers and influencers (both publicly and privately) in Westminster and in the Scottish Parliament. We led a virtual webinar for a group of parliamentarians, hosted by Alyn Smith MP, bringing Lebanese partners into the 'room' to share their experiences, and the important message that Middle East Christians are agents of change, not merely passive victims of persecution, as so often portrayed.



'As time goes on, the consequences of this explosion will be even more serious than the immediate casualties and property damage.'

Sylvia Haddad, Director of our partner JCC

15 MPs
MET WITH OUR
LEBANESE PARTNERS

HOW WE KEPT
OUR PROMISE

Hakim's story:

10 years a refugee



In 2020 our funds helped to provide Hakim and his family with hygiene kits to protect against the virus, distributed by our partners at MERATH.

During 2020 we continued to raise awareness of the Middle East refugee crisis, and the multiple challenges faced by those displaced from their homes. Sadly, Hakim's experience is just one of many:

'I am from Aleppo in Syria and I have seven children. I have not been to Syria since 2010. Now we are living as refugees. Our country is war-torn and destroyed. Living here [in Lebanon], even before the economic crisis, was difficult. I struggle to secure the rent and to buy

food and water. My children are affected by our situation. They know we cannot afford the things that the other children have.

I used to miss Syria, but now everything is destroyed. I have nothing to miss anymore. I have nothing to go back to. I want to go

abroad, outside the Middle East, because I know that this country can no longer handle us refugees. I know that the refugee crisis has worsened the economic crisis, and the other way around. I feel like at this point, after 10 years, I am an unwelcomed guest.'

INVESTING IN THE FUTURE



We are committed to sustaining and developing local Christian social witness in the Middle East. Walking alongside our partners, we strive to deliver excellence, build resilience and learn together.

IN 2020 WE PROMISED TO:

INVEST IN PARTNER CAPACITY; THROUGH GRANTS, MENTORING AND EXTERNAL SUPPORT

DEVELOP OUR DIGITAL PRESENCE AND PROVIDE MORE OPPORTUNITIES FOR OUR SUPPORTERS TO CONNECT WITH EMBRACE AND THE WORK OF OUR PARTNERS

DEVELOP AND DIVERSIFY OUR VOLUNTARY INCOME

LAUNCH A NEW FIVE-YEAR STRATEGY, TO GUIDE THE CHARITY 2021-5

INVEST IN STAFF LEARNING AND DEVELOPMENT

DEVELOP OUR SYSTEMS; WITH A FOCUS ON EFFICIENCY AND DIGITAL TRANSFORMATION



HOW WE KEPT OUR PROMISE

The impact of Covid-19 meant that 2020 was a time of adaptation and innovation, particularly in terms of technological change. Many of these changes were already part of our long-term goals, but we were able to accelerate them to overcome the challenges of lockdown.



IN
2020
WE...

Invested funds to help our partners increase capacity

- We supported and facilitated training for over 280 of our partners' staff and volunteers.
- We provided over £45,000 for building and renovation works to improve partners' facilities.
- We enabled seven of our partners to invest in new equipment and resources.

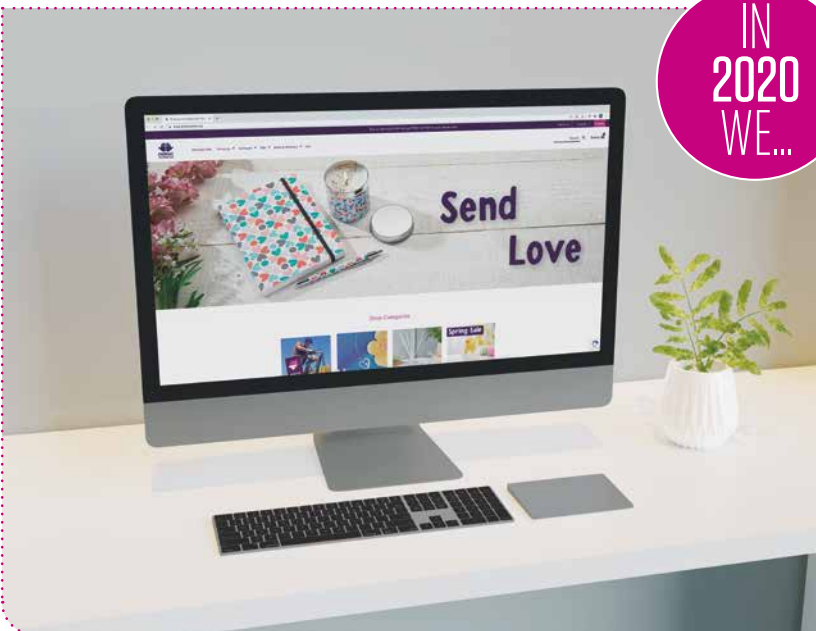


(Credit: VIVA)

IN
2020
WE...

Introduced new systems and accelerated our digital transformation

- We improved our digital presence with a new webshop platform and increased digital resources.
- We increased operational efficiency by improving our communications and data management.



IN
2020
WE...

Launched a new five-year-strategy in which:

- We committed to growing our annual income to £5 million by 2025.
- We set out a pathway to increase the impact we can have in improving lives in the Middle East.



(Credit: Refuge Egypt)

HOW WE KEPT OUR PROMISE

HERE ARE JUST SOME OF THE WAYS WE AND OUR
PARTNERS RESPONDED TO THE EVENTS OF 2020.



Training in child protection

We are always working to help our partners improve the services they provide and increase the number of people they are able to help. In 2020 we facilitated training for 39 of our partners, in five different countries, enabling the introduction of VIVA's mentoring programme designed to increase the safety of children forced to remain at home during lockdown.

Launched by the safeguarding charity VIVA in June 2020, the new phone-based mentoring programme makes homes safer for children by giving

parents and children skills such as stress management, and conflict resolution, techniques. In addition to tackling the increased threat of domestic violence resulting from lockdowns, the programme helped partners to access some of the most economically vulnerable families, most of whom lack internet access and would otherwise be unreachable.

Following six online training sessions, 126 mentors have increased their own skills, and supported almost 400 families.

TRAINING FOR
126
MENTORS

'We would like to show our gratitude for the Mentoring Programme ... this project greatly contributed to learning about how to manage emergency crises.'

Our partners at CAPNI

Improvements for customers and supporters

In August 2020, we moved our webshop onto a new platform, Shopify. Embrace customers can now benefit from features such as gift messaging and discount codes, as well as being able to download our digital resources directly from the webshop. There's been an enthusiastic response with over 8,500 orders placed - this includes 800 olive trees purchased for our Olive Tree Project. These will be planted in the West Bank in 2021, replacing some of those destroyed by the Israel/Palestine conflict and helping



800 OLIVE TREES,
SPONSORED THROUGH OUR
NEW WEBSHOP

'My church small group bought some trees and it's a joy to feel that we have helped make a practical difference.'

Matt

Palestinians keep a claim on their land and livelihood.

We introduced a new phone system so that supporters

who need to talk to us are more quickly routed to the right place – even with all staff working remotely from home.



Diversifying our Church resources

In 2020 we improved our range of church resources, making them more adaptable for modern church audiences. Our Advent and Christmas resources were available online for the first time and

included an interactive Advent calendar, a specially written song, nativity play, comic book and sermon resources for use either for individual reflection, or as part of a service or Advent group.

INTERACTIVE ONLINE RESOURCES FOR THE FIRST TIME

'I just thought that after a week of the Advent series I should thank everyone who has worked to put it all together. I am really enjoying it and finding it so useful.'

Email from a supporter

Launching a new five-year strategy

At the end of 2020 we launched 'Hope in Action', our new five-year strategy, which outlines the ways we will help strengthen and sustain Christian service in the Middle East in the coming years. The challenging circumstances that Covid-19 will leave in its wake, and the ongoing complex realities of the Middle East, mean the next few years will not be easy. Nevertheless, we have ambitious plans. In the coming five years, we aim to grow our annual income by 25%, from £4 million to £5 million, so that we can help fund more life-changing projects. We will become more efficient and effective in the way we and our partners' work, including digitally, so we and they can increase the impact our supporters' donations have in transforming lives.

You can find the plan in full here: <https://embraceme.org/five-year-strategy>



WE AIM TO GROW OUR ANNUAL REVENUE BY

25% BY 2025

'Our strategy is the fruit of deep reflection and open consultation, especially with our regional partners.'

Canon Anthony Ball,
Embrace the Middle East
Chair of Trustees

HOW WE KEPT OUR PROMISE



Building a better future

As well as investing in training, we have helped our partners improve their facilities. In 2020 Embrace funds enabled the Palestinian Bible Society to renovate their Zacchaeus House Centre in Jericho, creating a more spacious and practical space for their youth outreach and training programmes.

We provided funds to allow Episcocare to purchase educational aids, furniture and games for six nurseries supporting the children of 200 families in marginalised communities in upper Egypt.

NEW EQUIPMENT FOR 6 NURSERIES IN UPPER EGYPT

'We are immensely proud of the renovation process that was completed with the generous support from Embrace. This is a dream come true, and it will have a long-term impact.'

Our partners at the
Palestinian Bible Society

PRIORITIES FOR 2021

Our plans for 2021 are based on **Hope in Action: Strengthening Christian Service in the Middle East**, our strategic plan 2021-25. The plan can be downloaded from our website: embraceme.org/five-year-strategy

TACKLING POVERTY & INJUSTICE

- Support and strengthen essential health and social care services for marginalised communities
- Support livelihood and income generation projects, providing for immediate needs and opportunity in the future
- Support work which empowers people who are excluded or displaced (women, girls, disabled people, refugees), bringing inclusion, engagement, and equality
- Focus our efforts on partner learning and development



RESPONDING TO CRISIS

- Provide targeted grants that enable partners to keep services going and deliver essential support in emergency situations and crisis
- Support projects which enable people to re-establish their lives after a crisis



SPEAKING OUT

- Share powerful blogs, social media posts, infographics and news bulletins that generate support for, and active engagement with, the challenges of our partners in the region
- Increase the number of people accessing and engaging with our on-line advocacy



INVESTING IN THE FUTURE

- Develop our systems and build on the lessons we have learned about remote working, digital transformation and improved connectivity during the Covid-19 pandemic



FINANCIAL REVIEW OF 2020

Unless otherwise stated, figures in this section are expressed in k (thousands) consistent with the Charity's financial statements which follow.

OVERVIEW

Due to the wonderful generosity of our supporters, and with a lot of excellent work by the whole Embrace team, the charity was able to deliver exceptional financial results in 2020 in spite of Covid-19. Amazingly, donations were in-line with budget. Together with significantly reduced costs this meant our deficit for the year was significantly better than budget. This was a tremendous outcome which demonstrated the resilience of the charity and its ability to adjust to new challenges.

The Trading Company also delivered strong results in 2020 with profit significantly ahead of budget. This was achieved despite significantly lower carol sheet sales and fulfilment house disruption, both caused by Covid-19.

The pandemic impacted investments in the early part of 2020 resulting initially in a significant fall in the value of our investments portfolio managed by Investec. However, by the end of the year the portfolio's value had fully recovered.

INCOME

Total income received in 2020 was £4.24m (2019: £4.75m),

with underlying donations to the Charity flat, year on year, and legacy income £0.5m lower due to probate delays caused by Covid-19.

Donation income (donations to the Charity excluding legacy income) totalled £2,869k in 2020, just £5k lower than the 2019 figure of £2,874k. This was an excellent result considering the Covid-19 pandemic and reflected strong performance on income from appeals, magazines and trusts.

Donation income benefited from the generous response to a summer appeal for Lebanon, which coincided with the explosion in Beirut.

Legacy income in 2020 was lower than received in recent years due to lockdown, the closure of solicitors' offices, and the consequent and ongoing delays to property sales and the completion of probate.

Trading turnover fell by 5% in 2020, mainly due to the lower sales of carol sheets, which was a direct result of Covid-19. Underlying sales excluding carol sheet was 6% higher than 2019, which is an excellent result driven by an improved catalogue and product range, digital marketing and a new web-shop.

EXPENDITURE

Total expenditure during 2020 amounted to £4.56m (2019: £5.61m) which was almost £1m lower than 2019. Grants paid to our partners were reduced by £0.5m to £2.5m, in line with budget. A list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 52).

The cost of direct fundraising and other overheads was also £0.5m lower than 2019, with some of this reduction due to Covid-19 (cancelled events for example), but a significant proportion arising from a drive to save money in uncertain times.

Charity expenditure (excluding grants) in 2020 was £1,761k (2019: £2,183k) with the decrease mainly due to lower direct fundraising costs and other reductions in overheads.

BALANCE SHEET

The Charity, including the trading subsidiary, continues to have a strong balance sheet. It ended 2020 with total funds of £8,309k, £304k lower than 2019 (£8,613k), reflected in a deficit significantly lower than budget – £368k. General unrestricted reserves, those available for use in accordance with our charitable objects, amounted to £2,835k

EMBRACE THE MIDDLE EAST WOULD LIKE TO ACKNOWLEDGE THE GENEROSITY OF THE FOLLOWING CHARITABLE ORGANISATIONS DURING 2020:

- The Mosawi Foundation
- The Bernard Sunley Charitable Foundation
- The Jerusalem Trust

- The Hillier Trust
- The St Clare & St Francis Trust
- The World Day of Prayer

at the end of 2020, an increase of £1,458k on the 2019 year-end figure of £1,377k. This increase in general unrestricted reserves is a result of a significantly lower designation for future deficits, reflecting the latest financial model underlying the next five-year plan 2021 to 2025.

RESERVES AND INVESTMENT POLICY

Trustees keep the Charity's reserves policy under regular review. In 2017 the Board undertook a major review of the policy, which resulted in a revised reserves policy being agreed by the Board in December 2017. During 2020 the Board agreed to move from free-reserves based on a quotient of budgeted income, to one calculated as a quotient of non-grant expenditure.

The reserves policy is summarised as follows: 'Mindful of their responsibility to spend the Charity's funds in fulfilment of the Charity's objects and in a timely manner, but also to build the Charity's resilience to unforeseen and detrimental hazard or risk, the trustees of Embrace the Middle East have determined that for the foreseeable future the Charity's free reserves (cash and investments less restricted and designated funds) should not exceed the equivalent of fifteen months, or fall below nine months of non-grant expenditure. If the level of free reserves is likely to rise above this ceiling, or fall below the floor, the trustees will take action to restore the appropriate

operational equilibrium between income and expenditure that this range of reserves is intended to secure.'

In line with the policy, the trustees have agreed designations to cover funds for our committed multi-annual core grants programme in 2021-22 (£2,700k), our grant commitment to the Helen Keller School in 2021 (£136k), projected deficits from 2021 to 2025 (£1,602k) and our fixed assets (£901k). At the end of 2020 the audited figure for free reserves was £2,834k, approximately equal to fifteen months of budgeted non-grant expenditure and consistent therefore with the charity's revised reserves policy.

COVID-19

In response to the initial lockdown the Charity closed the Amersham office and required all staff to work from home. Staff have continued to work at home, up to the point of reporting, only going to the office to open post and prepare cheques and cash for banking. Staff have been able to work from home without any significant issue.

Throughout 2020 we maintained our normal rhythm of communications and appeals. An excellent response to our summer appeal for Lebanon helped us achieve overall donations for the year in-line with budget.

Our trading subsidiary suffered a drop in sales volume during

the Easter 2020 season, as a result of our fulfilment house closing for a few weeks in response to the initial lockdown. After adapting to government guidelines, the fulfilment house remained open for the rest of the year, enabling the trading subsidiary to deliver excellent sales and strong profits.

Our investment portfolio, managed by Investec, saw a initial and significant decline in value with the arrival of the pandemic, but by the end of the year had fully recovered its value.

During 2020 we provided over £125,000 in emergency funds to our partners specifically in response to the Covid-19 pandemic, and partners worked hard to adapt longer term programmes to ensure they kept running.

GOING CONCERN

Despite Covid-19 the charity ended 2020 in a strong position financially. The outlook for 2021 is more positive with the successful roll out of the vaccine and with the UK on track to lift lockdown by the summer.

Both charity donations and trading subsidiary sales were performing well in 2021 up to the point of writing. Year to date legacy income is below expectations but our pipeline is still looking healthy.

The Board therefore has every reason to feel confident that Embrace the Middle East is a going concern.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE

LEGAL BASIS

Embrace the Middle East is a registered charity (no. 1076329), and a company limited by guarantee and not having share capital (no. 3706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006, 18 October 2011, 16 June 2015 and 9 October 2020.

OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of Embrace began in 1854 when what was then known as the Turkish Missions' Aid Society was founded. Our charitable objective today is set out in our Articles of Association, revised in October 2020:

Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.

Our primary purpose is to work in partnership with Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon, Egypt, Syria and Iraq.

We raise funds in the UK to support this work, primarily through a large body of individual donors, but also through a number of generous trusts. These funds are used to support our partners and their work through short-term

and multi-annual grants. As part of our commitment to long-term partnership non-financial assistance may also be provided. This includes capacity building, advocacy for positive change, as well as facilitating encounters between UK Christians and our partners and their beneficiaries.

While the Charity works exclusively through Christian-led agencies in the Middle East, the faith identity of beneficiaries is never an issue: we and our partners seek to support those in most need, regardless of faith.

The trustees confirm that in agreeing the objectives and planned activities of the Charity in 2020, they have had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In September 2020, following consultation with the Charity Commission, the trustees voted to amend the charity's charitable object to better reflect the role that educating the public about the social outreach of Middle East Christians plays in the charity's overall mission. Also in September 2020, the trustees agreed a new five-year strategy (*Hope in Action: 2021-25*). Underpinned by an agreed financial framework, this strategy will guide and support the aims, and ambition, of the charity in the coming five-year period.

GOVERNANCE

The governing body of the company is the Board of Trustees, whose members are also Directors of the company.

Trustees who served during 2020, and up to the date of this report, are listed under 'Who we are' on p38.

In June 2017 the Board delegated powers to two standing committees – Governance and Resources (largely concerned with the internal workings of the Charity) and Programmes and Public Engagement (concerned with external matters) – and an ad hoc Officers and Chairs Committee. This committee comprises the officers of the Charity (Chair, Vice Chair and Treasurer) and the Chairs of the two standing committees.

It meets, as required, to ensure effective coordination between Board Committees and working groups, to set and keep under review the Chief Executive's objectives, performance and remuneration, and to manage Trustee recruitment, development and deployment.

Terms of reference for all Board Committees, role descriptions for officers and the Chief Executive, and a detailed scheme of Board powers, both reserved and delegated, were agreed by the Board, prior to the implementation of the new committee structure in 2016, and are subject to periodic review.

In 2020 the Governance and Resources and Programmes and Public Engagement Committees each met twice, and the Officers and Chairs Committee four times.

The Board met four times during the year – in April, July, September and December.



Inspired by the compassionate ministry of Christ, we support local Christians as they seek to improve the lives of vulnerable and disadvantaged people. (Credit: Ryan Roderick)

TRUSTEE RECRUITMENT AND TRAINING

We were pleased to recruit, by open and transparent process, four new Board members in 2020 to replace four trustees who either stood down, or came to the end of their term, during the year. The Board co-opted two regional trustees in March and June 2021 respectively. Trustees are generally recruited through an open and transparent process, including by public advertisement on charity job websites, and are selected on the basis that they have the professional skills and experience required for the Charity to operate effectively. The Charity strives to ensure that the Board is both gender-balanced, and diverse, and includes trustees from a range

of denominations. Trustees are elected for a three-year term that may be renewed, up to a maximum of nine years.

The Articles of Association of the Charity requires all trustees to be practising Christians. The maximum number of trustees is set at 12, with provision for an additional two co-opted trustees, if required, to fill skills gaps, as in the case of the newly appointed regional trustees.

New trustees receive an induction from the Chief Executive, covering their legal obligations under charity and company law, the procedures of the Board and its committees, the strategic plan and Trustees' Annual Report, and the recent financial performance of the Charity. Trustees

are encouraged to attend appropriate external training events where these will facilitate or enhance their capacity to fulfil their role. Typically, training is focused on good governance, legal and financial compliance and safeguarding.

Trustees are expected to make a familiarisation visit to one of the countries in which the Charity operates in order to better understand the work of Embrace the Middle East and our partners. Longer serving trustees will make more than one visit. In February and March 2020 four trustees travelled to the region to assist in partner consultations. Since March 2020 no staff or trustees have been able to travel because of lockdown restrictions.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (CONTINUED)

MANAGEMENT AND ORGANISATIONAL STRUCTURE

Trustees, working through the Board and its committees, are the ultimate decision makers for Embrace the Middle East. They entrust day-to-day management of the Charity to a senior leadership team, which operates within a framework, and a specified Scheme of Delegation, set by the trustees. The senior leadership team (known as the Leadership Group) is led by the Chief Executive and comprises a Director of Programmes and Engagement, and Heads of Finance, Human Resources, Trading and Information Systems and Security. Members of the Leadership Group and other senior staff members may attend Board meetings, but do not vote.

PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the trustees, the Chief Executive, the Director of Programmes and Engagement, the Director of Fundraising and Marketing (until February 2020), and the Heads of Public Engagement (until August 2020), Information Systems and Security, Finance, HR and Trading.

The total employee benefits of the Leadership Group in 2020 were £378k (2019: £400k). The reduction is mainly due to a decision not to replace the Director of Fundraising and Marketing who left in February 2020 (with his responsibilities being assumed by the then Director of Programmes and

Partnership); and a similar decision made not to replace the Head of Engagement after her departure in August 2020. Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking. In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel, pay and benefits are determined by the Chief Executive, subject to an overall budget agreed by the trustees.

In 2020 the Charity undertook a fundamental review of its safeguarding policy and practice in a determined effort to maintain the highest possible standards, in line with best practice. Signature of, and adherence to, new codes of conduct by all staff, volunteers and third parties coming into contact with partners, or their beneficiaries, is mandatory. The charity has instituted a revised and updated safeguarding policy and framework for the reporting of concerns, or suspicions, of abuse, neglect or malpractice. A Safeguarding Committee comprising staff from all parts of the Charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practice, and the adjudication of cases of concern referred to it.

The Chair of the Committee is the Charity's designated Safeguarding Officer. The Committee meets regularly,

or as required, and reports directly to the CEO and the trustees (at a minimum twice annually), or if circumstances dictate, direct to the Chair, or Vice Chair, of Trustees. The Vice Chair of Trustees is the Board's designated Safeguarding Officer. The Charity's revised safeguarding policy and reporting mechanism has been professionally peer reviewed by Keeping Children Safe, of which the Charity is an associate member. As a charity, Embrace the Middle East aspires to the highest standards of safeguarding, in line with its ethos and values. Safeguarding policy and practice is a key element in our due diligence process with regard to partners and, where appropriate, an area where we offer capacity building support and advice through our safeguarding partner, Viva. The trustees are clear about their statutory responsibilities with respect to safeguarding, and remain abreast of the Charity Commission's ongoing concerns in this area of governance.

A copy of the Charity's safeguarding policy is available on the website embraceme.org/safeguarding.

RISK MANAGEMENT

In 2016 with the help of an external consultant, the trustees reviewed their approach to risk and agreed a comprehensive new risk management policy. The application of this policy is reviewed annually and the risk register as a whole, or where appropriate particular risks, are reviewed each time the Board, or one of its standing

committees meets. During 2020 risks arising from the Covid-19 pandemic merited special attention and were monitored particularly closely by the OCC Committee.

In September 2017 the Board agreed a statement of its overall approach to risk as follows:

'In pursuit of its charitable purpose Embrace the Middle East is required to work with partners in inherently complex and pressured environments. We embrace risk as a condition of partnership, of our mission to tackle poverty and injustice in the Middle East and of our ambition for growth in our impact. Working to transform the lives of vulnerable and marginalised people precludes an undue or exaggerated aversion to risk. In accepting risk as a necessary part of our work we undertake at all times to seek to mitigate and manage risk to our staff, our partners, their beneficiaries and the sustainability of the Charity and its work. We will not shy away from reasonable risks that further the purpose of the Charity and are consistent with our values.'

Consistent with this overall approach the Charity's risk policy:

- Establishes a general approach to the management of risk, based on the identification, analysis, evaluation, and treatment of specific risks. The policy describes how risks will be analysed.

- Categorises risks as recommended by the Charity Commission: governance, operational, financial, environmental or external, and compliance (law or regulation).
- Sets out how the Charity's risk register will be compiled and kept up-to-date.
- Sets out a detailed process for the monitoring and review of risks by the Board, its committees and the Leadership Group.

New risks, new variants of existing risks, and additional mitigation added to the register in 2020 included risks to income, business continuity, staff welfare, data and financial controls related to the Covid-19 pandemic and the requirement to move the entire charity to a remote working regime, as well as the risk to the charity's trading operations. The trustees are pleased to report that despite the nature, intensity and suddenness of the onset of Covid-19 risks in March 2020 the charity's risk management systems, operations and practice proved highly resilient. A number of useful lessons were learned which led to systems improvements, particularly to processes for digital payments, integrated data management and remote working practice.

STATEMENT OF FUNDRAISING PRACTICE

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Embrace

the Middle East in 2020:

'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2020 there were no failures to comply with this Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any cold telephone calls to the general public. We have not used SMS as part of our fundraising portfolio.'

In 2020 Embrace did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992. During the year we received 8 complaints about our fundraising practice (2019: 31) in response to over 173,186 pieces of fundraising direct mail that were sent out. We are pleased by this reduction. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices and are especially sensitive to the interests of older and more vulnerable supporters or potential supporters. We act promptly on requests from supporters to change their contact preferences, and comply with all requests to cease contact received through the Fundraising Preference Service.

Embrace the Middle East maintains a team of specialist staff dedicated to maintaining excellent and respectful relationships with all of our supporters (renamed, in late 2020, the Supporter Experience Team).

WHO WE ARE

TRUSTEES

Tanas Alqassis (until July 2020 when he stood down)

Canon Anthony Ball (Chair of Trustees)

Dr Souraya Bechealany (co-opted March 2021)

Anne Clayton (Vice Chair of Trustees)

Madeleine Davies

Rev Dr James Hawkey (from April 2020)

Katie Hodgkinson (from September 2020)

Rev Dr Munther Isaac (from June 2021)

Dr Kathryn Kraft

John Mitchell OBE (Chair of Programmes and Public Engagement Committee from April 2020)

Ben Morgan (Chair of Governance and Resources Committee from April 2020)

John Neate (also Chair of Programmes and Public Engagement Committee until April 2020 when his term as a Trustee ended)

Mary Oakes

Victoria Smith (Treasurer)

Katharine von Schubert (from September 2020)

Mariam Tadros (until June 2020 when she stood down)

Gareth Williams (Chair of Governance and Resources Committee until April 2020 when his term as a Trustee ended)

Chris Woo (from September 2020)

PATRONS

His Eminence Archbishop Angaelos OBE, Bishop of the Coptic Orthodox Diocese of London

Rt Rev Christopher Chessun, Anglican Bishop of Southwark

Rev David Coffey OBE, former President, Baptist World Alliance

Rt Rev Dr Michael Langrish, former Anglican Bishop of Exeter

Very Rev Dr Andrew McLellan CBE, Convener, World Mission Council of the Church of Scotland

Most Rev Timothy Radcliffe OP, former Master of the Order of Preachers (Dominicans)

LEADERSHIP GROUP

Tim Livesey (Chief Executive Officer and Company Secretary)

Jamie Eyre (Director of Programmes and Engagement)

Nigel Varndell (Director of Fundraising and Marketing until February 2020; not replaced)

Jim Buckley (Head of Finance until April 2021)

Faramade Rees (Head of Finance from April 2021)

Lucy Insua (Human Resources Manager)

Sam Mackwell (Head of Information Systems & Security)

Amy Parr (Head of Trading)

Emma Brown (Head of Public Engagement until August 2020)

REGISTERED OFFICE

24 London Road West
Amersham
Buckinghamshire
HP7 0EZ

AUDITORS

Azets Audit Services*
Statutory Auditor
Greytown House
221-227 High Street
Orpington, Kent
BR6 0NZ

* Name changed from Wilkins Kennedy Audit Services September 2020

BANKERS

NatWest Bank plc
2nd Floor
Rapid House
40 Oxford Road
High Wycombe
HP11 2EE

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

INVESTMENT ADVISORS

Investec Wealth and Investments
2 Gresham Street
London
EC2V 7QN

Epworth Investments Management Limited
9 Bonhill Street
London
EC2A 4PE

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also the directors of Embrace the Middle East for the purposes of company law) are responsible for preparing the annual and strategic reports and the financial statements of the Charity in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS102)
- 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.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

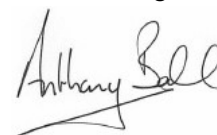
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 30 June 2021 and signed on its behalf by:



Canon Anthony Ball
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST

OPINION

We have audited the financial statements of Embrace the Middle East (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees (who are also the directors of the parent 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 groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with 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.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

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

Azets Audit Services Limited

Michelle Wilkes FCA

For and on behalf of Azets Audit Services

Senior Statutory Auditor

Greytown house
221-227 High Street
Orpington
Kent
BR6 0NZ

4 August 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income:					
Donations and legacies	3	2,259	1,433	3,692	4,162
Charitable activities	3	55	-	55	51
Trading activities	2	383	-	383	405
Investments		96	-	96	107
Other income		17	-	17	26
Total Income		2,810	1,433	4,243	4,751
Expenditure:					
Cost of fundraising	4	613	-	613	1,394
Trading activities	2	329	-	329	391
Investment management		23	-	23	22
Charitable activities	3	2,079	1,513	3,592	3,807
Total Expenditure	4	3,044	1,513	4,557	5,614
Net gains (losses) on investments	10	10		10	359
Net Income / Expenditure on operations		(224)	(80)	(304)	(504)
Net movement in funds		(224)	(80)	(304)	(504)
Reconciliation of funds:					
Total funds brought forward		8,495	118	8,613	9,117
Total fund carried forward		8,271	38	8,309	8,613

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

All income and expenditure derive from continuing activities.

The notes on pages 47 to 59 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2019

For the year ended 31 December 2019 (incorporating an income and expenditure account)

2019 SOFA for comparative purposes	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2019 £'000
Income:				
Donations and legacies	3	2,862	1,300	4,162
Charitable activities	3	51	-	51
Trading activities	2	405	-	405
Investments		107	-	107
Other income		26	-	26
Total Income		3,451	1,300	4,751
Expenditure:				
Cost of fundraising	4	1,394	-	1,394
Trading activities	2	391	-	391
Investment management		22	-	22
Charitable activities	3	2,517	1,290	3,807
Total Expenditure	4	4,324	1,290	5,614
Net gains (losses) on investments	10	359		359
Net Income / Expenditure on operations		(514)	10	(504)
Net movement in funds		(514)	10	(504)
Reconciliation of funds:				
Total funds brought forward		9,009	108	9,117
Total fund carried forward		8,495	118	8,613

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

All income and expenditure derive from continuing activities.

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 December 2020

	Note	2020 Group £'000	2019 Group £'000	2020 Charity £'000	2019 Charity £'000
Fixed Assets					
Tangible assets	9	901	949	901	949
Investments	10	3,588	3,578	3,589	3,579
		4,489	4,527	4,490	4,528
Current assets:					
Stocks		24	32	-	-
Debtors: amounts falling due within 1 year	11	110	180	108	174
Cash at bank and in hand		4,181	4,488	4,005	4,416
		4,315	4,700	4,113	4,590
Creditors					
Amounts falling due within 1 year	12	(495)	(614)	(391)	(548)
Net current assets		3,820	4,086	3,721	4,042
Net assets		8,309	8,613	8,212	8,570
Funds					
Restricted funds	17	38	118	38	118
Designated funds	16	5,339	7,075	5,339	7,075
Reserves available for charitable purposes		2,835	1,377	2,835	1,377
Non charitable trading funds	2	97	43	-	-
Total funds	15	8,309	8,613	8,212	8,570

The financial statements were approved by the Board of Trustees on 30 June 2021 and were signed on its behalf by:



Canon Anthony Ball
Chair of Trustees

The notes on pages 47 to 59 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Cash generated from operations	19	(427)	(810)
Net cash from operating activities		(427)	(810)
Cash flows from investing activities:			
Income from investments		96	107
Sale of property, plant and equipment		29	-
Purchase of property, plant and equipment		(5)	(10)
Purchase of investments		(721)	(1,251)
Proceeds from the sale of investments		721	160
Net cash from investing activities		120	(994)
(Decrease) / Increase in cash and cash equivalents		(307)	(1,804)
Cash and cash equivalents at beginning of year	20	4,488	6,292
Cash and cash equivalents at end of year	20	4,181	4,488

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNT PRACTICES

Basis of preparation

Embrace the Middle East is a company limited by guarantee in the United Kingdom. In the event of the charitable company being wound up, the liability in respect to the guarantee is limited to £1 per member of the charitable company. The address of the registered office is given in the charity information on page 20 of these financial statements. The nature of the charitable company's operations and principal activities are set out on page 38.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015 and updated for Bulletin 1&2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the Charity and its wholly owned subsidiary, Embrace the Middle East Trading Limited.

Funds accounting

The Charity's reserves are classified in the following three ways:

Restricted funds – funds that have been received by the Charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and administering these funds are charged against the unrestricted, or free, reserves of the Charity and

accordingly Gift Aid tax reclaimed on these funds is included in unrestricted reserves.

Designated funds – these are funds that trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

Unrestricted funds – funds, also termed free reserves, which are available for the trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations – Donations are brought into the financial statements when the receipts have been deposited into the bank. Gift Aid tax reclaimable is recognized in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

Legacies – The amount shown for legacy income includes accruals where the Charity is advised by the personal representative of an estate that payment will be made and the amount involved has been quantified.

Grants – Grants are recognized when paid out of the bank account or when deposited into the bank. Grants agreed to be made but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year-end are not accrued as expenditure.

Investment income – Investment income is recognized using the effective interest methods.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorized under the following headings:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

- Costs of raising funds are those costs incurred in attracting voluntary income and include employment costs of fundraising employees along with the direct costs of publications and advertising.
- Investment management fees are the fees charged by the fund managers who manage the investment portfolio
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to costs of raising funds and expenditure of charitable in proportion to allocations of hours worked by employees on the above headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 4.

Tangible fixed assets

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life:

UK freehold property – 1% per annum on a straight line basis

Fixtures and fittings – 10% per annum on a straight line basis

Motor vehicles – 25% on a straight line basis

Computer equipment – 25% per annum on a straight line basis

Some assets that had been depreciated at rates in place before the current policy are included at a net book value which is less than the value which would have been applied under the current policy. Those assets have not been depreciated.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Activities (SOFA).

Fixed asset investments

Investments are recognized initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognized in 'net gains/(losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all aspects of purchase and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out basis. Provision is made for damaged, obsolete and slow-moving stock were appropriate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in expenditure.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognized in the Statement of Financial Activities. If the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

Foreign currency

Foreign currency transactions are initially recognized by applying to the foreign currency amount of the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

Short-term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognized as an expense in the period in which they are incurred.

The company recognizes an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary costs of the respective employee in relation to the period of absence.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

Accounting 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 following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognized in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets, See note 9 for the carrying amount of the tangible fixed assets.

Bad debt provision

Bad debts are provided for specific debts when required, there is no estimation in use.

There are no other key assumptions concerning the future and other key 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 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. COMMERCIAL TRADING ACTIVITIES OF THE TRADING SUBSIDIARY

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (company number 00901022).

A summary of the Trading company's results for 2020 is shown below:

SUMMARY PROFIT AND LOSS ACCOUNT	2020 £'000	2019 £'000
Turnover	383	405
Cost of sales and administrative expenses	(329)	(388)
Tax	-	(3)
Profit / (loss) for the year after tax	54	14

SUMMARY BALANCE SHEET	2020 £'000	2019 £'000
Current assets		
Stock	24	32
Debtors	52	28
Cash	176	72
	252	132
Creditors falling due within one year	154	88
Net current assets	98	44
Called up share capital	1	1
Capital redemption reserve	8	8
Profit and loss account	89	35
Shareholders' funds	98	44

3. CHARITABLE ACTIVITIES

The major activities of the charity are the provision of grants to our Christian partners in the Middle East and raising awareness of their work.

	Total 2020 £'000	Total 2019 £'000
Income:		
Donations		
Unrestricted funds	1,461	1,656
Restricted funds	1,408	1,218
Legacies		
Unrestricted funds	798	1,206
Restricted funds	25	82
Other income	55	51
Total charitable income	3,747	4,213
Grants paid	2,467	3,040
Charitable activities	1,125	767
Total charitable activity expense	3,592	3,807
Net surplus / (deficit) for the year	155	406
Transfers between activities	-	-
Surplus / (deficit) on charitable activities	155	406

3. CHARITABLE ACTIVITIES (CONTINUED)

	Total 2020 £'000	Total 2019 £'000
Reconciliation to SOFA		
Total charitable income as above	3,747	4,213
Trading activities income	383	405
Investment income	96	107
Other income	17	26
Total income as SOFA	4,243	4,751
	Total 2020 £'000	Total 2019 £'000
Total charitable activity expense as above	3,592	3,807
Cost of fundraising	613	1,394
Trading activities expenditure	329	391
Investment management expenses	23	22
Total expenditure as SOFA	4,557	5,614

4. ANALYSIS OF EXPENDITURE

	Direct staff costs £'000	Direct costs £'000	Support costs £'000	Total 2020 £'000	Total 2019 £'000
Cost of generating funds	274	236	103	613	1,394
Charitable activities					
Information and education	227	105	64	396	229
Grants to partners		2,467	475	2,942	3,040
Other support to partners	185	28	41	254	538
Total charitable activities	412	2,600	580	3,592	3,807
Total costs of the charity	686	2,836	683	4,205	5,201
Trading company	58	271	-	329	391
Investment management	-	23	-	23	22
Total group costs	744	3,130	683	4,557	5,614

The charity refreshed its approach to the allocation of costs for 2020. This was partly due to the change made to the charity objects, which clarified that raising awareness of local Christians and their work in the Middle East was a charitable purpose, but also reflecting work undertaken on the charity's strategy. Staff costs have been allocated based on percentage of time spent on the various categories. Direct costs at the level of cost centre and expenditure type have been allocated across categories based on purpose of activity.

The £683k (2019:£715k) of support costs, which includes Governance costs of £75k (2019:£144k), have been allocated across the categories based on relative amount of direct costs.

Support costs excluding governance for 2020 amounts to £608k of which £469k (2019:£383k) is staff costs.

The £139k balance of support costs includes depreciation £32k, systems/support and maintenance costs £25k, insurance £16k, bank charges £13k, office repairs and maintenance £10k, energy £9k, equipment purchases maintenance

and rental £10k, group life cover £8k, consultancy £6k, pension fund administration costs £5k, telephones £6k, rates £4k, training £5k, office supplies £4k, recruitment £4k, postage £3k, professional fees £3k, water and waste fees £2k, health and safety £1k, subscriptions £1k and other costs £9k with these offset by management recharge to trading of £37k.

Governance costs of £75k comprise £51k (2019:£62k) of staff costs, £17k of charity audit costs, £4k for production of trustees annual report and £3k for trustees' travel.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

5. DETAILS OF GRANTS WE PAID TO OUR PARTNERS

	2020 £'000	2019 £'000		2020 £'000	2019 £'000
Egypt			Palestine and Israel		
Anafora	21	51	Al Ahli Arab Hospital	60	70
BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services)	86	87	Arab Evangelical School	-	2
CEOSS (Coptic Evangelical Organisation of Social Services)	100	78	Aviv Ministries	21	25
Christian Medical Fellowship	-	11	Bethany Girls School	-	8
Episcopcare	94	98	Bethlehem Arab Society for Rehabilitation	45	45
Fairhaven School	32	15	Bursary Scheme (Secretariat of Solidarity)	125	125
Harpur Memorial Hospital	18	18	Caritas Jerusalem	111	78
Refuge Egypt	61	70	East Jerusalem YMCA	118	111
Salaam Center	62	45	Four Homes of Mercy	58	63
Shams El Birr	-	15	Gaza YMCA	-	14
The Deaf School	20	23	Helen Keller School	153	244
Think & Do	100	100	International Christian Committee in Israel	25	23
Total of Egypt	594	611	Olive Tree Project (Joint Advocacy Initiative)	33	32
			MECC Department of Service to Palestinian Refugees	3	13
Lebanon			Musalaha	22	22
Al Kafaàt	166	135	Nazareth School of Nursing	17	18
Beit El Nour	48	26	Near East Council of Churches	95	126
DI	24	25	Palestinian Bible Society	54	54
Habitat for Humanity	-	91	Pontifical Mission of Palestine	35	161
Ecumenical Relief Services (formerly ICNDR)	40	58	Princess Basma Centre	50	50
Howard Karagheusian Commemorative Corporation	20	163	SIRA School	17	12
Johan Ludwig Schneller School	14	14	Society of St Yves	50	17
Joint Christian Committee	55	55	St Luke's Hospital	17	25
Learning Centre for the Deaf	40	36	Talitha Kumi	-	6
Lebanese Society for Social Education and Development	180	183	Total of Palestine and Israel	1,109	1,344
Pontifical Mission for Lebanon	31	52			
Tahaddi	-	133	Iraq		
The Awareness Foundation	-	25	CAPNI (Christian Aid Program Nohadra Iraq)	86	77
Zvartnotz Centre	20	12	Chaldean Archdiocese of Erbil	30	-
Total of Lebanon and Syria	638	1,008	Total of Iraq	116	77
			Multi-country		
			Viva Network	10	-
			Total of Multi-country	10	-
			Grand Total	2,467	3,040

6. NET INCOMING/(OUTGOING) RESOURCES

	Year ended 2020 £'000	Year ended 2019 £'000
Net resources are stated after charging:		
Auditors' remuneration	22	23
Depreciation - owned assets	32	36
Staff pension contributions	171	164
Services provided by the Charity's auditor during the year:		
Audit of the Charity and consolidated financial statements	15	16
Audit of the Trading subsidiary including provision of annual report and accounts	5	5
Corporation tax calculation for Charity & Trading subsidiary	2	2
	22	23

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any emoluments during the year.

Trustees' expenses

During the period the Charity reimbursed necessary travel expenses incurred by trustees.

The total of these expenses was

	2020 £'000	2019 £'000
Trustee travel expenses	3	6

The key management personnel of the charity comprise the trustees, and the Leadership Group which at the end of 2020 comprised the Chief Executive, the Director of Programmes and Engagement and the Heads of Information Systems & Security, Finance, Trading & HR.

The total employee benefits of the Leadership Group in 2020 were £378k (2019:£400k). During the year both our Director of Fundraising

& Marketing and our Head of Engagement left the organisation. Our Director of Programmes & Partnerships took on the challenge of re-assessing our fundraising and marketing capabilities and approach and with Board approval set about building a re-invigorated Engagement team. This work started at the end of 2020 and is expected to be complete by the end of the first half of 2021.

Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking.

In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel by the Chief Executive, subject to the overall budget agreed by trustees.

8. GROUP STAFF COSTS

	2020 £'000	2019 £'000
Wages and salaries	1,000	1,032
Social Security costs	93	93
Pension plan contributions	171	164
	1,264	1,290

The average monthly headcount of employees during the year was as follows:

	2020	2019
UK management staff	6	6
UK administrative staff	29	31
	35	37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

8. GROUP STAFF COSTS (CONTINUED)

Number of employees receiving total employee benefits (gross pay and company pension contributions), in the ranges:

	2020 £'000	2019 £'000
£60,000 - £70,000	-	1
£70,000 - £80,000	1	1
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1

* 2019 restated from 5

9. TANGIBLE FIXED ASSETS

Group	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Motor vehicles £'000	Totals £'000
Cost					
At 1 January 2020	968	119	176	35	1,298
Additions	-	-	5	-	5
Disposals	-	-	-	35	35
At 31 December 2020	968	119	181	-	1,268
Depreciation					
At 1 January 2020	87	98	155	9	349
Charge for the year	10	8	9	5	32
Disposals	-	-	-	14	14
At 31 December 2020	97	106	164	-	367
Net Book Value					
At 31 December 2020	871	13	17	-	901
At 31 December 2019	881	21	21	26	949

Charity	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Motor vehicles £'000	Totals £'000
Cost					
At 1 January 2020	968	118	176	35	1,297
Additions	-	-	5	-	5
Disposals	-	-	-	35	35
At 31 December 2020	968	118	181	-	1,267
Depreciation					
At 1 January 2020	87	97	155	9	348
Charge for the year	10	8	9	5	32
Disposals	-	-	-	14	14
At 31 December 2020	97	105	164	-	366
Net Book Value					
At 31 December 2020	871	13	17	-	901
At 31 December 2019	881	21	21	26	949

10. FIXED ASSET INVESTMENTS

Group	Listed investments £'000	Unlisted investments £'000	Total £'000
Market value as at 31 December 2019	3,572	6	3,578
Additions	719	2	721
Disposals	(721)	-	(721)
Revaluations	10	-	10
Market value as at 31 December 2020	3,580	8	3,588
Historical cost of the investments were:			
31 December 2019	2,989	2	2,991
31 December 2020	2,881	3	2,884

Charity	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £'000
Market value as at 31 December 2019	3,572	6	1	3,579
Market value as at 31 December 2020	3,580	8	1	3,589

Listed investments were comprised of the following:

	2020 £'000	2019 £'000
UK equities	1,404	1,819
UK bonds	515	520
Property	333	346
North American equities	538	277
Infrastructure	278	244
International equities	228	46
European equities	-	79
Far East and Australasian equities	144	109
Emerging economies	36	32
Other investments	104	100
Total	3,580	3,572

The following holdings were over 5% of the total market value of the portfolio.

	Market Value at 31 December 2020 £'000	Market Value at 31 December 2019 £'000
Charities Property Fund	199	204
Baillie Gifford & Co American	265	-
Polar Capital Funds Global Technology	210	-

Of the unlisted investments, £8k was invested overseas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	25	25	-	-
Amount owed by group undertaking	-	-	-	12
Other debtors	48	114	74	124
Prepayments	37	41	34	38
Total	110	180	108	174

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	106	78	25	45
Amount due to group undertaking	-	-	24	-
Social security and other taxes	71	46	32	28
Other creditors	23	8	22	5
Accruals	295	482	288	470
Total	495	614	391	548

13. ACCRUED GRANTS

	2020 £'000
At 1 January 2020	419
New grants committed (note 5)	2,467
Grants paid in year	(2,655)
At 31 December 2020	231

14. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme for its UK employees. The assets are held separately from those of the Charity in an independently administered fund.

The pension costs charged represents contributions to the fund payable by the charity and amounted to £166k (period to 31 December 2019 £161k). These contributions include employee salary sacrifice contributions. There were £2k of contributions outstanding at 31 December 2020 (period to 31 December 2019 £3k).

15. 2020 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2020 total funds £'000
Fixed assets	-	901	-	901
Investments	3,414	174	-	3,588
Current assets	13	4,264	38	4,315
Current liabilities	(495)	-	-	(495)
Total Income	2,932	5,339	38	8,309

15. 2020 ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

2019 Comparatives	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2019 total funds £'000
Fixed assets	-	949	-	949
Investments	2,034	1,544	-	3,578
Current assets	-	4,582	118	4,700
Current liabilities	(614)	-	-	(614)
Total Income	1,420	7,075	118	8,613

16. DESIGNATED FUNDS

2020	As at 1 January 2020 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2020 £'000
Fixed Assets ¹	949	-	(48)	901
Programme Fund ²	2,551	149	-	2,700
Helen Keller School Grants ³	273	-	(137)	136
Projected Deficits ⁴	3,302	-	(1,700)	1,602
	7,075	149	(1,885)	5,339

- Fixed Assets** - Trustees have resolved to designate funds to the value of £901k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.
- Programme Fund** - Trustees have designated funds to cover 18 months of expenditure (subject to other grant conditions being met) on committed multi-annual grants to partners.
- Helen Keller School Grants** - Trustees have designated funds to the value of £136k to reflect the current sterling value (at an exchange rate of 4.40 New Israeli Shekels to the £) of the charity's grant commitments to the Helen Keller School for 2021. These were agreed, subject to certain conditions being met, as part of the transfer of the school to the Franciscans in September 2016.
- Projected Deficits** - Trustees have designated funds to cover projected operating deficits 2021-2025.

2019 comparatives	As at 1 January 2019 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2019 £'000
Fixed Assets ¹	975	-	(26)	949
Programme Fund ²	2,850	-	(299)	2,551
Helen Keller School Grants ³	489	-	(216)	273
Projected Deficits ⁴	2,863	439	-	3,302
	7,177	439	(541)	7,075

- Fixed Assets** - Trustees have resolved to designate funds to the value of £949k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.
- Programme Fund** - Trustees have designated funds to cover 18 months of expenditure (subject to other grant conditions being met) on committed multi-annual grants to partners.
- Helen Keller School Grants** - Trustees have designated funds to the value of £273k to reflect the current sterling value (at an exchange rate of 4.58 New Israeli Shekels to the £) of the charity's grant commitments to the Helen Keller School for the two years 2020 to 2021. These were agreed, subject to certain conditions being met, as part of the transfer of the school to the Franciscans in September 2016.
- Projected Deficits** - Trustees have designated funds to cover projected operating deficits 2020-2025. Current projections for potential income growth and a small annual increase in grant spend over the period would allow the Trustees to maintain the charity's reserves within the target of one to six months of budgeted income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

17. 2020 RESTRICTED FUNDS

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

	Opening balance £'000	Income during 2020 £'000	Spending during 2020 £'000	Closing balance £'000
General funds ¹				
Education	-	241	241	-
Health	-	45	45	-
Community development	116	370	462	24
Refugees	-	21	16	5
Special needs and disability	-	26	26	-
Women's education and empowerment	-	-	-	-
Country specific funds	-	504	504	-
Partners working within the following fields ²				
Education	2	66	68	-
Health	-	20	11	9
Community development	-	26	26	-
Special needs and disability	-	53	53	-
Other restricted funds	-	61	61	-
Total restricted funds	118	1,433	1,513	38

1. General funds are funds restricted either by field of work or by country. | 2. Partner restricted funds have been categorised by type of work.

2019 comparatives

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

	Opening balance £'000	Income during 2019 £'000	Spending during 2019 £'000	Closing balance £'000
2019 comparatives				
General funds ¹				
Education	-	949	-	949
Health	-	294	294	-
Community development	100	104	104	-
Refugees	-	307	291	116
Special needs and disability	-	41	41	-
Special needs and disability	-	35	35	-
Women's education and empowerment	-	1	1	-
Country specific funds	-	329	329	-
Partners working within the following fields ²				
Education	8	72	78	2
Health	-	15	15	-
Community development	-	15	15	-
Special needs and disability	-	55	55	-
Other restricted funds	-	32	32	-
Total restricted funds	108	1,300	1,290	118

1. General funds are funds restricted either by field of work or by country. | 2. Partner restricted funds have been categorised by type of work.

18. RELATED PARTY DISCLOSURES

Embrace the Middle East is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation.

Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and website sales and also sold alternative gifts which are a form of donation.

	2020 £'000	2019 £'000
Donations received on behalf of the charity	72	58
Alternative gifts sold on behalf of the charity	239	238
Total	311	296

As at 31 December 2020 a net figure of £3k was owed by the Trading company to the Charity.

At the end of 2019 a sum of £22k was owed by the Trading company to the Charity.

19. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2020 £'000	2019 £'000
Surplus on ordinary activities	(304)	(504)
Income from investments	(96)	(107)
Write off of assets	-	-
Net (gains) / losses on investments	(10)	(359)
(Profit) / loss on disposal of fixed assets	(8)	-
Depreciation charges	32	36
Decrease / (increase) in stock	8	(3)
Decrease / (increase) in trade and other debtors	70	(94)
Increase / (decrease) in trade and other creditors	(119)	221
	(427)	(810)

20. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

Year ended 31 December 2020	31 December 2020 £'000	01 January 2020 £'000
Cash and cash equivalents	4,181	4,488
Year ended 31 December 2019	31 December 2019 £'000	01 January 2019 £'000
Cash and cash equivalents	4,488	6,292

21. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £1 by guarantee.

22. POST BALANCE SHEET EVENTS

There were no post balance sheet events.



EMBRACE
the Middle East

**We would like to thank every person and church that has supported our work in the past year.
It is through your kind generosity that the achievements in this report have been possible.**

Embrace the Middle East

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Registered charity number: 1076329. A company limited by guarantee: 3706037



Registered with
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Front cover image: A Syrian family now living in a refugee camp. (Credit: MERATH)

Back cover image: Sunset over Jerusalem. (Credit: Simon Stanley)