



2020

ANNUAL REPORT

BACKING BOLD SOCIAL ENTERPRISE LEADERS CREATING LASTING HOPE DIGNITY AND OPPORTUNITY FOR WOMEN, YOUTH AND CHILDREN IN THE ARAB WORLD

1 NO
POVERTY



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



Contents

5	Thank You
6	Transforming Crisis into Opportunity
8	2020 Impact
10	Alfanar's Response
12	Women
16	Children
20	Youth
24	Refugees
28	Emergency Lebanon
32	Jordan
33	Impact Investment
34	Outreach
36	2020 Performance
37	2021 Target
38	Venture Philanthropy Portfolio
41	2020 Financial Review
42	Reference and Administrative Details
43	Objects of the Charity
44	Structure, Governance and Management
53	Partners & Supporters
54	Independent Auditor's Report
58	SOFA
59	Balance Sheet
60	Statement of Cash Flows
61	Notes



THANK YOU

2020 was unprecedented, complicated and incredibly difficult for everyone across the globe. We pray that you, your families and those around you are safe and healthy and hopefully enjoying a brighter 2021.

Alfanar and the social enterprises we support faced obstacles unlike any in our 17-year history. From a declining economic outlook across the Arab world to the COVID-19 pandemic, and the August 4th Beirut Port Explosion, Alfanar's social enterprises have been pillars of resilience and strength in the communities they serve.

Thanks to hundreds of supporters who reaffirmed their belief in our mission this year, Alfanar stood by its social enterprises to ensure that they received the funding and management support required to react rapidly to meet the critical and changing needs on the ground.

In response to COVID-19 and economic hardship in our countries of operation, we launched our Survive & Thrive Campaign in partnership with our sister charity Alfanar, Inc., US. This enabled our incredible community of donors to provide direct support to our frontline social entrepreneurs working tirelessly to meet the urgent needs of vulnerable children, youth and women across Egypt, Lebanon and refugee communities during the crisis. We directed over £400k to enable our social enterprises to adapt their models to quickly meet growing need.

Alfanar's Survive & Thrive funding made an enormous difference in vulnerable communities where physical distancing was nearly impossible to achieve, and not working because of lockdown translated into hunger. It allowed social enterprises like Educate Me, Tabshoura by LAL, The Nawras Preschool, MMKN, and SE Factory to deliver learning support and training virtually to thousands of children and youth locked out of formal education.

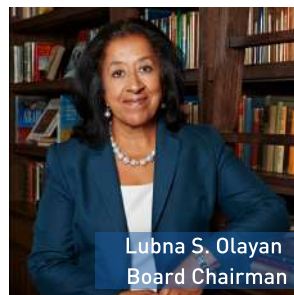
It also helped us provide immediate relief in the form of food boxes to families suffering from wage loss.

When the August 4th Port of Beirut Explosion killed more than 200 people and injured thousands, including some of our own social entrepreneurs, we launched the Emergency Lebanon Appeal to provide urgent funding and support to ailing communities through our social enterprises, providing food relief and reconstruction in areas most impacted by the blast.

Thanks to your incredible support we are able to direct over £250k to social enterprises providing emergency relief, including the Lebanese Food Bank, Souk el Tayeb, ShareQ, Soufra, and BEDCO by March NGO, with a further £520k secured for 2021. We also provided counselling and management support to our social enterprises impacted by the blast.

We thank the generous donors who backed our work this year. Despite the onslaught of crisis and difficulty, you enabled us to double down on our mission and to stand strong with our social enterprises, to help them reforecast and shift their budgets, to pivot their impact models and to continue showing up for the vulnerable communities they educate, employ and empower.

As we look towards 2021, Alfanar will look for and seize opportunities to scale some of our most effective, innovative and resilient social enterprises in order to create dignity for a growing number of vulnerable women, youth and children across the Arab world.



Lubna S. Olayan
Board Chairman



Myrna Atalla
Executive Director

Transforming Crisis into Opportunity

The Impact of 2020 on Alfano's Social Enterprises

In under a year, COVID-19 has taken to new levels the hardship and inequity we work so hard to counter. 1.7 million jobs in the Arab world will be lost due to COVID-19, and an additional 8.3 million people will fall below the poverty line.

Alfano helped deliver the funding, training, management support and access to networks that our social enterprises needed to adapt, innovate, and survive the crisis in order to continue creating sustainable impact.



With COVID-19 closing schools across the region, we worked with our social enterprises to ensure that children, parents and educators could access the learning resources needed to ensure continuity of education throughout the crisis.

We backed innovative education social enterprises, such as Tabshoura by LAL in Lebanon, to digitise curricula and bring online learning to underprivileged children across the country.

In Egypt, we helped Wataneya Society to shift its training for social workers and orphanage care workers online, enabling them to continue their social impact work throughout lockdown.

Women and widows are among the most vulnerable, not only tending to children at home but worrying about how to provide food for them as work dried up.

With revenues falling and jobs threatened, Alfano worked to support employment-focused social enterprises like Inaash, which employs women refugees as embroiderers, to pivot and adjust their financial models in response.

By supporting Inaash and Shatila Studio to develop and implement an online sales strategy, as well as producing 2,000 face masks, Alfano's flexible support helped ensure that hundreds of refugee women were able to continue working.

“

Alfano was one of the first organisations that believed in us. Whatever we achieved, it was because of Alfano.

”

Omar Itani
FabricAID Founder

“Alfanar has been an incredible partner for the Lebanese Food bank.”

Walid Maalouf
Lebanese Food Bank
Board Member



The August 4th explosion at the Port of Beirut caused untold devastation across the city, and represents another major set-back to a country already reeling from a major economic crisis.

With loved ones lost, livelihoods destroyed, and the country facing even greater hardship, our growing community of donors and partners rallied to support our frontline social enterprises working tirelessly to deliver emergency relief to affected communities on the ground.

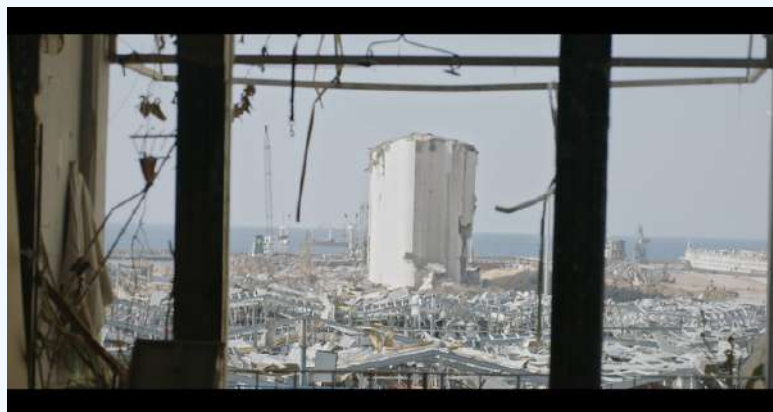
Alfanar has provided additional funding and support to social entrepreneurs across Lebanon who have risen to the challenge of rebuilding their city and responding to growing needs across the country.

In Lebanon, COVID-19 compounded a desperate ongoing financial crisis. Poverty levels increased from 33% to 50% of the population in a matter of months and food insecurity grew dramatically.

As prices soared and lockdowns began, Alfanar supported frontline social enterprise The Lebanese Food Bank with targeted funding and management support to grow their support to vulnerable families from 500 to 50,000 food boxes per month.

"Our focus has shifted from saving food from landfill to food relief, which means that our food boxes programme is now running on a national scale. We have been pushed by COVID to scale much faster than we anticipated," says Walid Maalouf, a Lebanese Food Bank Board member.

"The money from Alfanar is very important, but the conversations we have had around building our capabilities as a team, to controlling and monitoring our impact, have been vital."



“Alfanar has been with us every step of the way.”

Zeina Saab
SE Factory CEO

Thanks to your support, we increased our impact by 65% in 2020.

Despite the difficulty and uncertainty of this year, Alfamar's commitment to helping ambitious social entrepreneurs access the funding, management support, training, network and data analytics they need to grow has not waned.

- Thanks to the support of over 600 donors across the globe, we supported 17 portfolio social enterprises with £1.3 million in venture philanthropy grants, training, mentorship, and data analysis.
- We gave 9,000+ hours of management support, training and mentorship to social enterprises in Egypt, Lebanon, Jordan and refugee communities, and developed monitoring and evaluation apps for seven social enterprises, helping them to better analyse their performance and make evidence-based decisions.
- Our venture philanthropy support enabled our portfolio of social enterprises to self-generate over £2.1 million in revenue in 2020, achieving an average cost recovery rate across the portfolio of 54%.
- Over the span of Alfamar's venture philanthropy support, our social enterprises are able to grow their impact by 37% and self-generate 38% more revenue (CAGR).
- We added two new investments to our venture philanthropy portfolio (Lebanese Food Bank, Takafoo) and are preparing for two exits.

41k+

Lives Impacted
in 2020

£2.1M

Self-Generated
Revenue by
Investees in 2020

54%

Average Investee
Cost Recovery
in 2020

9,000+

Hours of
Management
Support in 2020

7

Impact Dashboards
Developed for
Investees in 2020

70

Social Enterprises
Given Management
Support in 2020

Note: This is the second edition of Alfamar's 2020 Impact Report. All figures represent data as of March 2021. Some figures vary from those reported in the first version published in December 2020, which were based on projections as of November 2020 and data that has since been cleaned and validated for accuracy.



Alfanar's Response: Venture Philanthropy in Action

Alfanar is the first venture philanthropy organisation focused on the Arab region. We catalyse long-term sustainable social impact for women, youth and children by providing growth-stage social enterprises with funding, high-engagement management support, training, access to networks and digital impact evaluation.

A social enterprise is an organisation working to create social or environmental change for vulnerable communities by applying market-based solutions that ensure the entity's long-term sustainability and engagement.

This year, as lockdowns began, revenues dropped and communities suffered due to economic crisis, we galvanised our community of philanthropists to provide the key support our social entrepreneurs needed to continue improving lives throughout this moment of crisis:



TAILORED FUNDING

Focused, systematic funding helps each social enterprise measurably sustain and grow its impact on vulnerable women, youth and children.



MANAGEMENT SUPPORT

Whilst funding is crucial, it is not sufficient on its own for growth. This is why we amplify the impact of every £1 we give in grants with a further £0.47 in high-engagement technical support, training, mentorship and access to networks. Our goal is to help transform high-potential, market-based solutions into sustainable, scalable social enterprises that can effectively respond to the needs of the poor and vulnerable.



PERFORMANCE EVALUATION

Using customised business intelligence tools, we support social enterprises to better monitor and analyse their progress against social impact and financial sustainability targets. This approach reduces the cost of reporting whilst ensuring that management decisions are driven by evidence.



2020 SUSTAINABLE IMPACT

Women's Empowerment

Economic participation among women in the Arab region is among the lowest in the world. In times of crisis, particularly this past year, women are most affected and bear the burden of supporting their families.

Women in the region make up 62% of the informal labour force, often working in sectors offering little job security, health insurance or employment rights. Over 39% of young Arab women are currently unemployed - a figure that is likely to increase as the impact of the COVID-19 public health crisis worsens and inequity deepens.

Alfanar tackles the social and economic barriers that women face by backing high-potential social enterprises creating safe, dignified work for women and improving education for girls. Out of 17 social enterprises, 82% are led by women entrepreneurs.

From helping widows in Upper Egypt establish their own microenterprises to employing refugee women as skilled embroiderers, our venture philanthropy support works to tackle the systemic challenges that too often deny women the opportunity to fulfil their potential.

We are grateful to the numerous individual donors who have backed our social enterprises economically empowering women. Special thanks to Scale Partners SODIC and the Global Fund for Widows for their multi-year backing, and to CCC and the British Council for their support this year.

Women's Empowerment: Institutional Partners



6,124

Women Employed or
Running Micro-
Enterprises in 2020

35%

Increase to Income for
Women Microloan
Recipients and
Farmers in 2020*

3,533

Female Breadwinners
Running Businesses
through Microloans

*Note: Women's average income in the portfolio grew by 25% for 2020.



**“Joining the
Alfanar family
was one of the
best things that
ever happened
to Life Vision.”**

Mona Wissa
Life Vision CEO





IMPACT STORY: MANAR AHMAD

TOGETHER FOR YOU (TFY) TRAINEE - CAIRO, EGYPT

Manar Ahmad is a participant on the TFY training programme, which gives young women from low-income communities in Cairo the skills and qualifications they need to become professional caregivers to the elderly.

Manar came to TFY after she lost her business and her confidence. She felt lost in life and her health had declined.

After seeing an advertisement online for TFY's training programme, she decided to apply. She signed up reticently, uncertain whether the organisation could really help her develop new skills and give her a new career.

Over the 40-day training course with TFY, she not only gained the practical skills she needed to care for elderly patients, but she regained her confidence and hope.

Today, she not only provides for herself and her son, but has been at the frontlines serving vulnerable elderly patients throughout the pandemic. Aside from the financial independence regular work has provided, Manar feels prouder than ever because she is serving elderly patients who really depend on her.



Children's Education

The COVID-19 pandemic has disrupted education for over 100 million children in the Arab region.

In addition to pre-existing weaknesses in children's education, COVID-19 has locked millions of children, especially those from poor and disadvantaged communities, including refugees, out of meaningful learning.

Alfanar supports social enterprises bringing quality education tools and solutions to vulnerable children in Egypt, Lebanon, Jordan and refugee communities. Over the course of 2020, we worked closely with our education social enterprises to digitise curricula and to provide continued learning support to children and parents.

Two of our investees digitised curricula to bring learning online throughout the crisis (Tabshoura, Educate Me), while four (Educate Me, Wataneya, MMKN, Tabshoura) have signed agreements to become government-certified educators.

We are grateful to the numerous individual donors who have backed Alfanar's investments in social enterprises improving education delivery in the Arab region, as well as Scale Partner SODIC.

Children's Education: Institutional Partner



10,474

Children Given
Access to Quality
Education in 2020

351

Schools
Supported
in 2020

1,976

Teaching Staff
Trained
in 2020



“Alfanar helped us to conquer our fears, and to move out of our comfort zone.”

Yasmine El Hagry
Wataneya Society,
Deputy Executive Director

IMPACT STORY: SOUHAILA

TABSHOURA TEACHER - LEBANON

Souhaila Nassar is a chemistry teacher for middle- and high-school level students in Lebanon.

When Souhaila first heard about Tabshoura, she was delighted to find out that a free and accessible, interactive learning resource existed to support teachers. She was particularly interested in its ability to help her create her own digital content.

Prior to COVID-19, Souhaila was already using the Tabshoura platform regularly because she often struggled to teach those of her students who did not have laptops at school. Tabshoura's offline feature helped her to develop a strategy that successfully engaged these students. She would ask students to explore a topic at home using the digital platform, which she then explained in further detail the next day in class.

With schools closing due to COVID-19, in early 2020 Tabshoura soon became an increasingly significant part of Souhaila's teaching. In spite of the lockdown, Tabshoura gave her the ability to provide her students with engaging, interactive lessons remotely. She received such positive feedback from her students and her colleagues that they wanted to learn more about Tabshoura.

"I have had a great experience with the Tabshoura platform for middle school," she says. "Learning is contextual and this is what distinguishes the Tabshoura platform; it is aligned with the Lebanese curriculum and Lebanese culture."





Youth Employment

At least 30% of youth across the Arab region are out of work or education. The unemployment rate amongst young women is estimated to be 42%.

The need to create meaningful, sustainable jobs for youth in the region has never been more pressing. Young people represent a source of huge potential, yet the region's youth lack many of the skills required to secure work in an increasingly digital world.

In 2020, we worked closely with our social enterprises -- SE Factory and B.O.T. -- to support a growing number of disadvantaged youth, virtually during lockdown, to access coding, software development and other full-time or outsourced and remote digital employment opportunities. In 2020, Alfanar's social enterprises facilitated employment for youth with 31 companies located across eight different countries.

Whether employing underprivileged youth as digital freelancers (B.O.T) or training them and connecting them to employers to become full-stack web developers (SE Factory), Alfanar's Youth Employment Portfolio is helping create a new generation of skilled digital workers.

We thank the numerous individual donors who have backed Alfanar's investments in social enterprises creating sustainable employment opportunities for youth, as well as institutional partners Bank of America and LIFE.

Youth Employment: Institutional Partners

Bank of America
Merrill Lynch

life

290

Youth Given
Vocational Training
in 2020

244

Youth
Employed
in 2020

\$1,028

Average Monthly
Salary for
Youth Employed



“Alfanar are advocates for our mission. They are with us as partners and passionate about our cause.”

Marianne Bitar Karam
B.O.T CEO



IMPACT STORY: RAED GHANEM

SE FACTORY GRADUATE - LEBANON

Raed Ghanem completed his studies at a technical college in 2017 in his home town in Hasbaya, Lebanon. The lack of job opportunities in his village and his family's precarious financial situation kept Raed out of work for two years. Despite the lack of jobs, each day Raed would borrow his brother's laptop and search for new opportunities and training programmes online. He didn't know exactly what he wanted to do, but he knew that he wanted to continue learning, and that he wanted to work. He just didn't know where to start.

In 2019, a friend introduced Raed to SE Factory, a youth coding training and employment programme launched by The Nawaya Network. Raed signed up with the dream of starting his own programming company in his village. When the training ended, SE Factory offered Raed a position through which he could refine his programming skills and gain practical experience in the field. He jumped at the opportunity.

Raed went on to complete SE Factory's Foundations of Computer Science course and the intensive Full Stack Web Development Bootcamp with high scores, becoming one of their top students. Soon after graduating, he was hired as the lead web developer at a company in Beirut. SE Factory's training gave Raed the skills and confidence he needed to excel in his new role.

Raed recently enrolled in university to continue his studies alongside work, giving him control over his future and even greater prospects.

"SE Factory really changed me 180 degrees," he says. "I went from being someone who would open a borrowed laptop every day in search of something with no direction, to someone who is a successful lead developer at a company."

Raed is one of 150 youth who have been able to go through SE Factory's full-stack web development programme thanks to Alfano's venture philanthropy funding and support.



Refugee Empowerment

Refugee children are five times more likely to be out of school than their non-refugee peers, and fewer refugee girls will go to school than their male counterparts.

Even before the pandemic, host countries in the region lacked the resources and infrastructure to accommodate large influxes of refugees, placing huge strain on public services and often leading to high unemployment and dropout rates among refugees.

For many refugees COVID-19 has made a desperate situation worse, with 84% reporting a loss of livelihoods and income during the pandemic. With a majority of refugees dependent on day wages, lockdown quickly led to hunger and hardship for many families.

In 2020, Alfano's remarkable community of donors continued to back social enterprises working to educate and create dignified employment for refugees, including WPA/Soufra, Inaash, MMKN, SE Factory, NaTakallam, and Shatila Studio. It also banded together to deliver two months of desperately needed food boxes to 500 vulnerable refugee families who had lost work.

Additionally, Alfano backed a special project with social enterprises Inaash and Shatila Studio to create work for refugees embroidering facemasks, half of which could be sold and half of which would be distributed in camps for free.

We thank the numerous individual donors who have backed Alfano's investments in social enterprises educating and employing refugees, as well as institutional partners the Abdulla Al Ghurair Education Foundation and Square Zero.

Refugee Empowerment: Institutional Partners



451

Refugees
Employed
in 2020

956

Refugee Children
with Access to
Quality Education

10

Number of
Refugee
Camps



“
Alfanar has been a great support, on both a technical and financial level.
”

Mohammad Hassan,
Inaash General Manager



IMPACT STORY: FATIMA

SHATILA STUDIO EMPLOYEE

Fatima first came to Shatila Studio in 2014 as a Syrian refugee fleeing war. When she arrived in Lebanon with her family, she quickly realised that she would have to support her husband in providing for the family because of the difficult work conditions for Syrian refugees.

After receiving training that built upon her existing skills in embroidery and knitting, Fatima started working with Shatila Studio. Her exquisite needlework talent made her handmade items stand out. Fatima acknowledges that the work is demanding, particularly when balancing chores at home, but the feeling of being able to contribute to the family income and fulfill her children's needs makes it all worthwhile.



"I came to Shatila Studio because I needed a job," she says. "I did not have to work back in Syria, but then war took over, we had to leave Homs and we came to Lebanon. Conditions here are hard. I quickly realized that I have to support my husband in providing for our family."

When the COVID-19 pandemic hit, coupled with a deteriorating economic situation in Lebanon, demand for handmade products dropped -- as did work. With Alfano's support, Shatila Studio sent Fatima and her family food boxes to help feed her family.

In the future, Fatima hopes to be resettled along with her family somewhere where she can open her own atelier and provide a better life for her four children.





Responding to Crisis: Beirut Blast

The August 4th Beirut Port explosion was one of the largest non-nuclear blasts in history. In a matter of seconds, it stole the lives of over 200 people, left thousands injured, and destroyed the homes and livelihoods of hundreds of thousands more.

The longer-term effects of the explosion are myriad. Property destruction costs are estimated at \$3 billion. Widespread psychosocial trauma among children is reported, and damage and destruction to at least 163 schools around the blast site will constrain education for 85,000 affected learners for a long time to come.

At Alfamar, we banded with our social enterprises to provide direct support to those impacted by the blast, and also to alleviate hunger for thousands of impacted families through our food sector social enterprises -- Lebanese Food Bank, ShareQ, Soufra, and Souk el Tayeb -- delivering a mixture of dry food boxes, Lebanese 'mouneh' products, hot meals, and longer-lasting vacuum-packed meals. Beyond their focus on hunger alleviation, our food social enterprises have created 42 steady kitchen and distribution jobs.

£590k+

Emergency
Funding Raised

38,851

Hot Meals
Provided

1,770

Food Boxes
Distributed

30

Damaged Buildings
Renovated

35

Youth Employed
as Construction
Workers

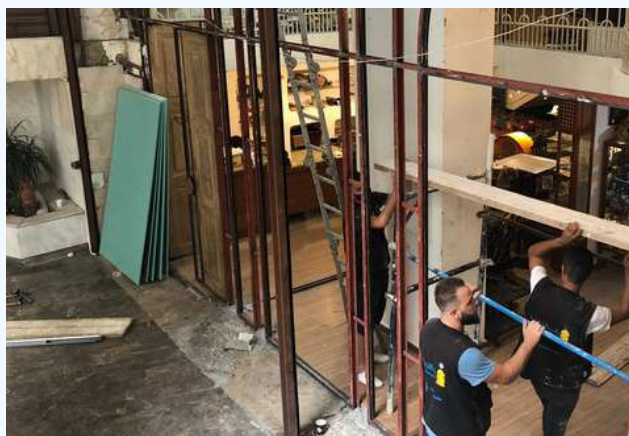
10

Social Enterprises
Receiving Additional
Management Support

**The figures above represent results to date, but deployment will continue into 2021 to reach full targets*

“Being supported by Alfamar in the reconstruction was extremely important to us.”

Roula Haidar
L'artisan du Liban
General Manager



Alfamar also began working with social enterprise BEDCO by March NGO, which trains disadvantaged youth from Tripoli and the Beirut suburbs to pursue professions in the construction sector.

With BEDCO, Alfamar is not only repairing and enabling over 100 damaged small businesses and social enterprises in Mar Mikhael, Gemmayze and Karantina to re-open, but we are creating meaningful work for 80 disadvantaged youth and suppliers from Tripoli. We are incredibly grateful to ecosystem partners on the ground, including Stand for Women, the UN Global Compact Network, ACTED and many others, for their invaluable support in identifying businesses in need of repair, especially those that are women-led.

We have been absolutely overwhelmed by the generosity of over 300 individual donors to Alfamar's Emergency Lebanon Appeal, as well as corporate and institutional partners Impact Lebanon, PepsiCo, Bank of America Foundation, Genesis Charitable Trust, and Connolly England, who have helped us raise over £770,000 in emergency funding to support relief efforts through social enterprise.

Emergency Lebanon: Institutional Partners





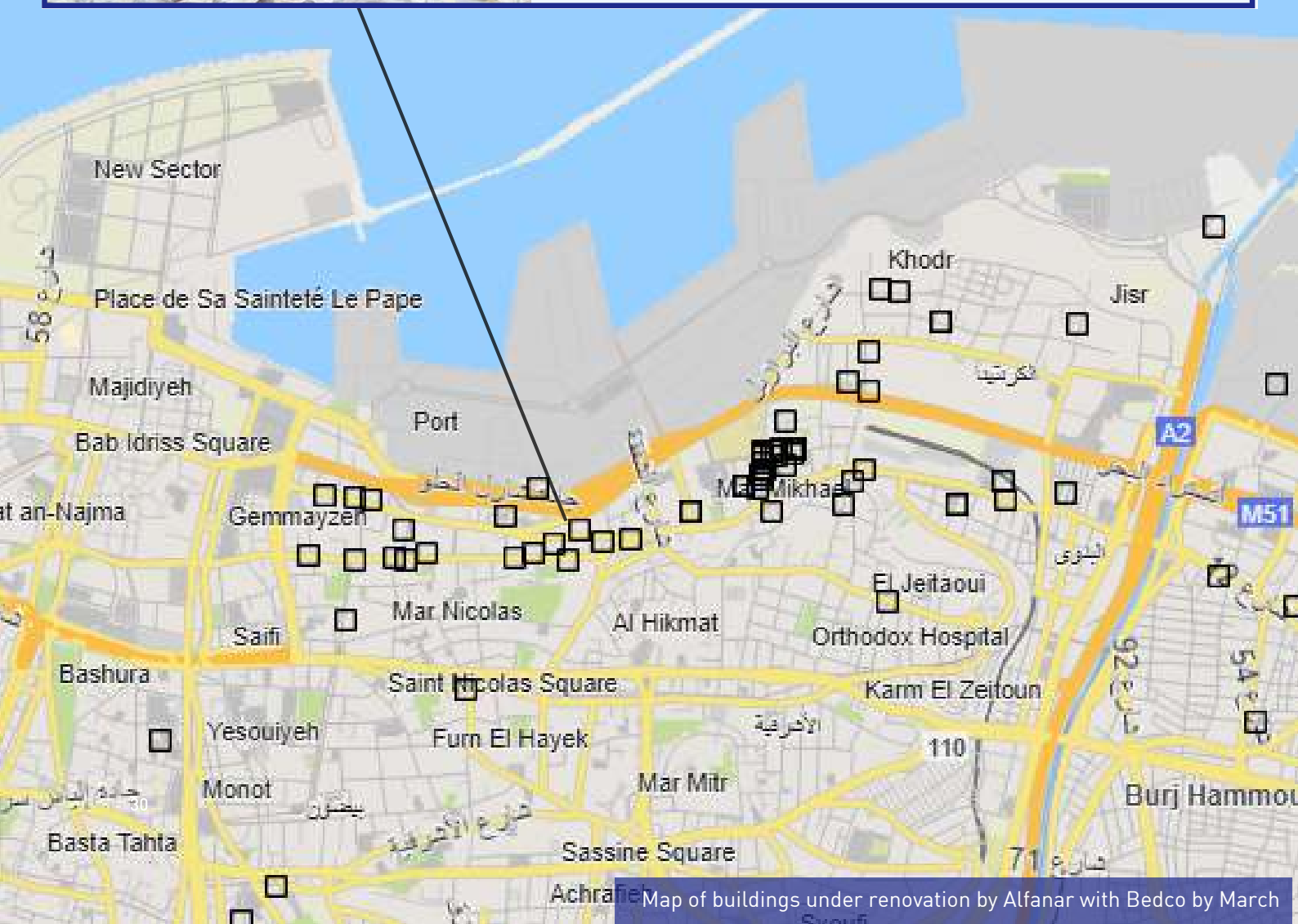
Back to Business after the Blast: L'artisan du Liban Show Room Refurbishment by BEDCO

Social enterprise L'artisan du Liban's showroom in Gemmayze is located in the immediate impact zone of the explosion, and was heavily damaged.

Alfanar's rapidly deployed emergency funding and support meant that L'artisan du Liban's showroom was repaired within 33 days of the explosion. Their showroom is once again open for business. L'artisan du Liban creates work for more than 1,000 artisans across the country.

L'artisan du Liban is the first of 100 such organisations whose premises will be refurbished thanks to Alfanar's Emergency Lebanon Appeal funds and support.

[Click here to read an interview with L'artisan du Liban's General Manager Roula Haidar](#)





Beyond the Blast: Social Enterprise Support Fund

After barely surviving the multiple crises that they have faced this year, social entrepreneurs impacted by the August 4th explosion now find themselves in a precarious strategic and financial position.

Alfanar has responded by developing a focused crisis management programme to support six social enterprises affected by the blast, ensuring that they can get back on their feet, sustain and scale their impact over the long term. The six social enterprises selected are: FabricAID, Souk el Tayeb, L'Artisan du Liban, Vanina, Live Love Recycle and Marsa.

We are grateful to be partnering with Oxfam for this initiative, with funding from Global Affairs Canada, the Humanitarian Coalition and Impact Lebanon.



Global Affairs
Canada

Affaires mondiales
Canada

Training Jordan's Social Enterprises

In 2019, we began supporting the growth and sustainability of Jordan's social enterprises by delivering training to social enterprises working to educate, employ and empower in East Amman, Ajloun and Tafileh.

In partnership with Plan International, Ruwwad and EURICSE, Alfamar is providing training, management support and impact analysis to accelerate the growth of 60 social enterprises, like Robotna (see below), as part of an EU-funded initiative.

This training focuses on social enterprises operating in three of Jordan's most impoverished districts, with the ultimate objective of empowering some of the country's most marginalised groups through job creation, social innovation and impact.



Training Jordanian Girls in STEM & Robotics

Robotna is a social enterprise that empowers young girls in Jordan to learn robotics.

Like many educational businesses that rely on in person training, Robotna had difficulty in switching their programmes online while maintaining high impact during COVID-19.

Alfamar supported them to overcome this challenge by helping them to measure their social impact and develop a long-term, strategic impact model.

Robotna is one of 60 Jordanian social enterprises that will receive Alfamar's training and management support between 2019-2021.

“**Alfamar helped us to measure our societal impact by developing a long-term, strategic impact model.**”

Jaser Al-Harasis
Founder, Robotna



Impact Investment

Preparing to Accompany Social Enterprises One Step Further

As the first venture philanthropy organisation in the Arab world, Alfamar has devised a unique approach to supporting the sustainable growth of bold social entrepreneurs creating lasting hope, dignity and opportunity for vulnerable women, youth and children across the Arab world. Over the past 17 years, we have iterated and formalised a rational effective social investment approach that aims to a) fill the funding gap for growth-stage social enterprises across the Arab region with meaningful long-term patient grants and zero-interest repayable grants, b) respond to their particular needs with tailored training and high-engagement management support and c) strengthen their response systems with real-time data analytics.

As Alfamar exits a growing number of impact investment-ready social enterprises, we have identified a growing need for social enterprises to be accompanied one step further with tailored financing, further management support and impact monitoring. In 2020, we continued working on evolving a regional impact investment strategy with the support of an impact fund advisor in Lebanon and part of our Lebanon Country Director's time.

This work has been supported by The Asfari Foundation, the IFC and another private foundation.



Outreach

Sadly, 2020 prevented us from gathering in person. Due to social distancing measures, we were forced to cancel our 15th Anniversary Dinner in London, where we celebrate the achievements of our social enterprises and raise the funds needed to take their work further.

In keeping with our focus on pivoting to transform crisis into opportunity, on 25th June 2020, we held a virtual gathering - Turning Crisis into Opportunity: Social Entrepreneurs Responding to COVID-19 & Economic Crisis.

CNN's Chief International Correspondent Clarissa Ward facilitated a fireside chat with three of Alfano's social entrepreneurs -- Marianne Bitar Karam of B.O.T., Yasmine El Hagry of Wataneya Society, Mohammad Hassan of Inaash -- and explored how Alfano's venture philanthropy support helped them innovate, adapt, and withstand the impact of COVID-19 and economic crisis.

Enormous thanks to the over 200 guests who joined us and contributed to the discussion.

[The event recording is available to watch online.](#)





2020 Performance

1

TURN CRISIS INTO IMPACT

In early 2020, we met targets to add two pilot investments in Egypt and Lebanon, Takafoo and The Lebanese Food Bank, respectively. However, once COVID-19 lockdowns began in March 2020 across all of Alfanar's operating environments, we pivoted our focus quickly to provide much needed management support to our 17 social enterprises as they adjusted their budgets and plans to withstand mounting pressures and to respond to growing need on the ground. We employed prudent flexibility in our grant and training support, delivering over 9,000 hours of management support with special emphasis on crisis management, risk mitigation, and digitisation to enable them to continue delivering on their missions. In addition, we launched our COVID-19 Survive & Thrive campaign, which included support for our social enterprises as well as emergency response efforts to support families who had lost work with our social enterprises because of lockdowns. In response to the August 4th Beirut explosion, we launched an Emergency Lebanon Appeal to raise additional funds aimed at a) backing social enterprises to provide food relief and reconstruction services to those impacted by the blast and b) to provide psychosocial support, additional funding and management support to social enterprises impacted by the blast. Despite the numerous challenges faced in 2020, we increased our grant funding by 41%, disbursing over £1 million in grant funding to social enterprises providing education, employment and economic empowerment to vulnerable communities. We increased our impact in 2020 by 65%, reaching over 41,000 vulnerable women, youth and children through our social enterprises. Amidst responding to multiple crises, Alfanar did not lose sight of its mission to help social enterprises increase their resilience and financial sustainability. In 2020, our portfolio recovered 55% of cost on average through self-generated revenue.

2

BOLSTER SOCIAL ENTERPRISES REGIONALLY

Beyond Alfanar's direct venture philanthropy support, we aim to bolster the growth of social enterprises more broadly across the Arab region. In 2020, with support from The Asfari Foundation, we began developing a new section of our website dedicated to sharing tools, animated learner videos of our ASSET curriculum and other relevant resources in English and Arabic. Completion of the learner videos was delayed to 2021 because of the need to manage the impact of COVID-19 on Alfanar and its social enterprises. In Amman, Ajloun and Tafleeh, Jordan, we delivered two rounds of ASSET training to 60 aspiring social enterprises working to economically empower women and employ youth. Due to COVID-19 lockdowns, we adapted and ran a majority of our training and mentoring sessions in Jordan virtually. In Egypt, two of our social enterprises -- the Future Eve Foundation and Takafoo -- successfully grew their work from Upper Egypt to Alexandria, marking first steps towards further impact growth. Finally, with restricted funding for pre-start-up costs, we advanced work on an affiliated impact investment vehicle to extend the financing lifecycle available to social enterprises across the region.

3

BROADEN ENGAGEMENT

Due to ongoing lockdowns we postponed our 15th anniversary dinner in London, originally planned for June 2020, and redoubled our outreach efforts towards online fundraising, digital outreach and virtual gatherings. In 2020, Alfanar successfully partnered twice with its affiliate Alfanar, Inc., US to run the COVID-19 Survive & Thrive Campaign and the Emergency Lebanon Appeal. These campaigns, coupled with enhanced and more regular digital communication, drove a growth in Alfanar's newsletter signups and social media followers. Our June 25th virtual gathering, featuring three of Alfanar's social enterprises in conversation with CNN Chief International Correspondent Clarissa Ward, successfully engaged our community digitally and was well attended by over 200 supporters. Over the course of the year, a growth in media mentions about Alfanar's work and the participation of Alfanar senior management team members in virtual webinars and public speaking engagements helped grow Alfanar's community of supporters and followers even further.

4

GROW SUPPORT

In May 2020, we appointed a part-time Development Director to develop and oversee the implementation of a fundraising and outreach plan that helps us achieve the impact and growth goals approved in the 2019-2022 strategy while managing the significant changes to our fundraising, outreach and engagement channels introduced by the pandemic. Two targeted fundraising campaigns enabled us to grow income by 63% in 2020, to double our donor base from 2019 and to improve donor retention. Additionally, we secured a growing number of institutional partnerships as part of an effort to broaden and diversify support for our venture philanthropy work. The success of our campaigns and the growth in support from trusts and foundations resulted in 70% of 2020 income being restricted compared to 41% in 2019.

5

STRENGTHEN OPERATIONS

In response to COVID-19, Alfanar actively managed its cost base in the face of income uncertainty in the early part of the year. We furloughed selected UK staff members and conducted regular reforecasts to ensure responsiveness and agility in our support to social enterprises throughout the year. The Board approved a new staff handbook in Q1 2020, and we completed internal staff training around new policies in mid-2020. Following a data breach at our CRM host, which was promptly reported to our donors, the ICO and the Charity Commission, we engaged a GDPR consultant to help us renew our Data Protection policies. We also began assessing a new virtual server, CRM and grant management options. The growth in special projects funded through restricted partnerships allowed Alfanar to appoint two consultants to support with training and programme delivery.

2021 Targets

1 SUSTAIN THE JOURNEY TO EDUCATE, EMPLOY & EMPOWER

In 2021, Alfano aims to grow its venture philanthropy support to social enterprises working to educate, employ and empower vulnerable children, youth and women across Egypt, Lebanon and refugee communities, helping them to continue responding to the impact of the pandemic, especially on education and employment, while remaining mission-driven and focused. We aim to exit at least one social enterprise in Egypt and Lebanon, respectively. In Egypt, in partnership with GFA and the Swiss Agency for Development and Cooperation, Alfano will begin supporting up to eight social enterprises working to empower refugees and migrant communities across Egypt with funding, ASSET training, business planning and high-engagement management support. In 2021, we aim to complete our Emergency Lebanon food relief and reconstruction work as well as our grants and training to social enterprises impacted by the Beirut blast. Our efforts, in Lebanon, will nonetheless continue supporting social enterprises to withstand the deepening economic crisis and its effects on the vulnerable communities they serve.

2 SCALE & STRENGTHEN SOCIAL ENTERPRISES

In 2021, we will make available a new section of our website aimed at strengthening aspiring social enterprises with open-source tools, resources and learner videos in English and Arabic. In 2021, we will complete a two-year programme conducted in consortium with PLAN International, Ruwwad and Euricse supporting the growth of social enterprises in Jordan with a focus on women's economic empowerment and youth employment. As part of the consortium, we will be producing a lessons learnt report informing our future plans for Jordan and beyond. In 2021, we will work with many of our more mature investments on taking the first steps towards regional impact growth. We will develop business plans for the Amal Microloan Project for Widows' Empowerment with the Future Eve Foundation and Takafoo that inform growth across Egypt and potentially to other markets in the region. We will support at least two of our Lebanon Portfolio social enterprises -- FabricAID and B.O.T -- to begin impact expansion efforts to Jordan. Finally, we aim to complete pre-start up work on an affiliated impact investment vehicle.

3 BUILD ALFANAR'S COMMUNITY OF SUPPORTERS & FOLLOWERS

Alfano will continue engaging and building its community of supporters through at least three more virtual gatherings in 2021 that aim to educate and inspire the community about how Alfano's support to social enterprises has helped them overcome multiple crises. Our virtual event on April 8th, 2021 moderated by Egyptian adventurer and social entrepreneur Omar Samra brought together over 100 supporters to engage with our social entrepreneurs. In 2021, we will work with our affiliate Alfano, Inc., US again to run a Spring campaign during Ramadan and an end-of-year fundraising campaign that showcase case studies underscoring stories of impact made possible through Alfano's work. Alfano will offer more internships in 2021 to build awareness of our venture philanthropy work with next generation ambassadors. As part of this effort, Alfano will launch the first round of its new Luminary Summer Internship programme for high school students in 2021. Additionally, Alfano will begin working to add up to three new Trustees over the next 12-18 months.

4 BUILD PRIDE & COMMITMENT AMONG SUPPORTERS

In 2021, Alfano will increase the frequency and improve the quality of communication and engagement with our community of supporters in an effort to grow their understanding of, engagement in and pride about Alfano's work. In parallel to the two fundraising and outreach campaigns we will run during Ramadan and the end of the year, Alfano will launch a series of Philanthropy Circles to engage its longtime supporters more regularly through curated reporting and smaller gatherings. Finally, we will continue cultivating and diversifying the number of corporates, trusts and foundations we partner with to grow the impact of Alfano's work. Our aim is to grow our support by an additional 30% in 2021 through these combined efforts.

5 REFRESH STRATEGY & FOCUS ON STRUCTURAL GROWTH

Alfano will engage in a strategy and charitable objects review process with the aim of approving a revised 2022-2025 plan by year end. We will also conduct a reorganisation of team resources with the aim of identifying missing roles needed or reframing roles and responsibilities within the team. Alfano aims to automate and join up key systems, including grant, donor and financial management, to ensure there is efficiency and effectiveness across these critical functions. Building on 2020's income and impact growth, Alfano will dedicate time and resources in 2021 to building up our systems and processes to ensure continued growth moving forward.

EGYPT PORTFOLIO

EDUCATION



Brighter Tomorrow for Child Protection

Caring for Disadvantaged Children with Autism

Total Grant Since 2018: £44,134

Social Impact: 788 children with autism received 14,334 therapy sessions

Cost Recovery: 65%



Educate Me

Delivering High-Quality Education and Training a New Generation of Educators

Total Grant Since 2014: £471,569

Social Impact: 6,100 educators trained and 841 children educated

Cost Recovery: 97%



Wataneva

Improving Standards of Care and Learning in Egyptian Orphanages

Total Grant 2018: £15,013

Social Impact: 80 children in five orphanages with improved education and care

Cost Recovery: 20%

WOMEN'S EMPOWERMENT



Future Eve Foundation

Offering Hope to the Widows of Upper Egypt through Microcredit

Total Grant since 2012: £1,038,455

Social Impact: 16,321 widows and female breadwinners set up micro-enterprises

Cost Recovery: 90%



Life Vision for Development

Helping Women Farmers in Upper Egypt to Improve Yields

Total Grant: £177,145

Social Impact: 1,566 female farmers trained

Cost Recovery: 8%



Together For You

Training Low-Income Women to Become Caregivers to the Elderly

Total Grant 2016: £65,635

Social Impact: 543 women trained and 406 employed as caregivers

Cost Recovery: 93%



Takafoo

Improving Working Conditions and Incomes for Young Female Farmers



Total Grant since 2020: £19,071

Social Impact: 1,167 women in safe, dignified employment



Cost Recovery: 60%

LEBANON PORTFOLIO



EDUCATION

	<p>Tabshoura by LAL Providing a Digital Curriculum to Support the Education of Underprivileged Students</p> <p>Total Grant since 2020: £22,717 Social Impact: 6,091 children accessing online education Cost Recovery: 10%</p>
	<p>MMKN Enabling Vulnerable Youth to Pass the Brevet Exam</p> <p>Total Grant since 2015: £287,375 Social Impact: 10,264 students receiving support across 89 schools in Lebanon Cost Recovery: 35%</p>

EMPLOYMENT

	<p>B.O.T Bridging the Gap Between Trained Youth and Employers</p> <p>Total Grant Since 2019: £58,634 Social Impact: 177 disadvantaged youth placed in freelance employment Cost Recovery: 78%</p>
	<p>SE Factory Training and Employing Youth in Coding</p> <p>Total Grant Since 2018: £332,742 Social Impact: 164 Youth Trained and 74 Employed as Coders Cost Recovery: 47%</p>

EMERGENCY/ENVIRONMENT

	<p>FabricAID Providing Access to Quality Second-Hand Clothing for Vulnerable Communities</p> <p>Total Grant Since 2018: £138,065 Social Impact: 32,058 low-income people given access to quality clothing Cost Recovery: 40%</p>
	<p>Lebanese Food Bank Alleviating Hunger and Reducing Food Waste</p> <p>Total Grant: £98,115 Social Impact: 1,770 food boxes distributed Cost Recovery: N/A</p>

REFUGEE PORTFOLIO

EDUCATION & EMPOWERMENT



WPA/Soufra

Refugee Food Truck and Catering Business, Microloans and Preschool

Total Grant Since 2013: £478,601

Social Impact: 166 women employed and 181 children educated

Cost Recovery: 25%

EMPLOYMENT



Inaash

Employing Women Refugees in Embroidery

Total Grant Since 2015: £200,567

Social Impact: 443 refugee women employed as embroiderers

Cost Recovery: 57%



Natakallam

Online Arabic Learning Platform Employing Refugees

Total Grant Since 2016: £77,821

Social Impact: 81 refugees employed

Cost Recovery: 121%



Shatila Studio

Employing Women Refugees in Textile Production

Total Grant Since 2019: £24,988

Social Impact: 100 female refugees employed as artisans

Cost Recovery: 28%

2020 Financial Review

Income raised in the year ended 31 December 2020 was £2,190K (2019: £1,341K), an overall increase of 63% from the prior year.

Generous support from our Board, with unrestricted donations of £231k (2019: £186K), coupled with unrestricted grants, including funds from Alfamar, Inc., US of £102k (2019: £349K), and Bank of America £53k covered all of the Charity’s fundraising and support costs in 2020, enabling additional donations raised from individuals and through a series of events and campaigns held throughout the year to be directed towards Alfamar’s grants and management support to social enterprise investees.

The Trustees appreciate the invaluable support from other individuals. This increased dramatically in the year due to fundraising campaigns and amounted to £611k (2019: £270k) in the year, of which £119k (2019: £201k) is unrestricted.

Alfamar received significant support from institutional donors, notably from the Al Ghurair Foundation for Education (£131k), Impact Lebanon (101k), Oxfam (£50k) & LIFE (£38k).

We also received support for our Impact Fund development from IFC (£38k) and other institutions.

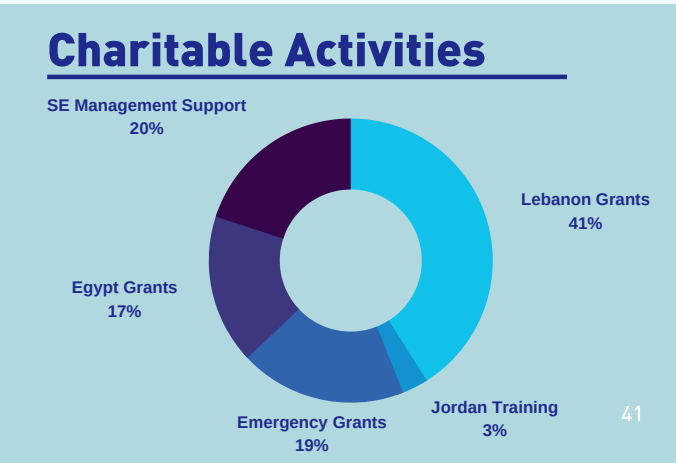
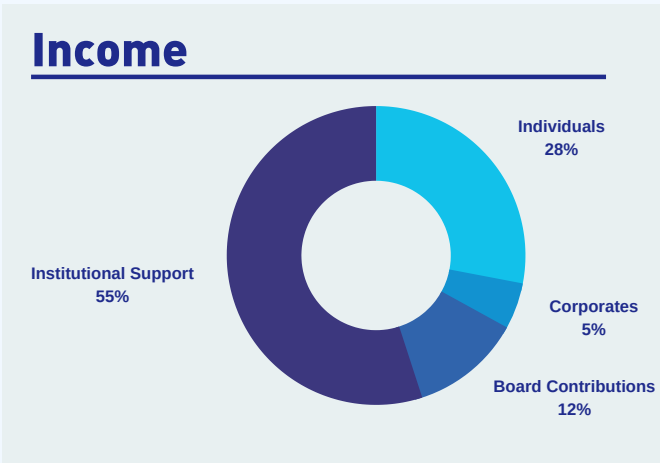
Corporate donors, notably SODIC, gave Alfamar £90K.

In 2020, resources expended amounted to £1,825k (2019: £1,477k), an increase of 23%. Of this amount, direct grants to social enterprises rose by 41% to £1,055K (2019: £747K).

Staff costs in 2020 amounted to £364K (2019: £334K). Of this sum, £142k or 39% (2019: £141K), was expended on staff dedicated to the provision of training or management support to social enterprises.

In addition to this support expenditure, the cost of consultants providing management support to social enterprises in 2020 was £121k (2019: £129k).

The total cost of raising funds was £280k (2019: £257k), representing 13% of total income (2019: 19%).



Reference and Administrative Details

Alfanar is a registered charity (No. 1105048) and a company limited by guarantee (No. 5141908) with no share capital. The Memorandum and Articles of Association provide that the liability of each member is limited to £1 in the event of the Charity being wound up.

Alfanar's Memorandum and Articles of Association were most recently updated on 21 August 2017. In line with the strategy refresh process, Alfanar intends on reviewing its charitable objects in 2021. To further the objects of the Charity, the Trustees established a trading subsidiary 'Beacon Social Capital', which was incorporated on 27 December 2018 (No. 11741458). This company has yet to commence trading.

Alfanar's head office in London employed six staff members as of December 2020, with a further employee based in Jordan. Alfanar operates a branch in Egypt registered with the Ministry of Social Solidarity and International Cooperation (No. 67/2015, expired 25 May 2020). In March 2021, following the publication of updated NGO legislation, Alfanar submitted a request to renew its registration. We have received confirmation from the Egyptian Ministry of Social Solidarity that we are able to continue operating in Egypt while our renewal is processed. Alfanar in Egypt is led by a Country Director and supported by a Finance Manager and a Portfolio Manager.

Alfanar in Lebanon (No. 907) is an independent affiliate of the UK registered charity. For the duration of 2020, all income and expenditure relating to Alfanar's work in Lebanon were undertaken by Alfanar in the UK. Alfanar in Lebanon is in the process of reviewing its Articles of Association ahead of signing an affiliate agreement. It established bank accounts in Lebanon in 2021. In 2020, Alfanar in Lebanon was led by a Country Director and supported by a Portfolio Manager. It also had two short-term consultants supporting projects related to Emergency Lebanon response efforts.

Alfanar in Libya (No. 1651) is an affiliate of the UK registered Charity. Due to security issues, Alfanar activity in Libya is currently suspended.

Alfanar, Inc., US is an independent affiliate 501(c)(3) not-for-profit entity (EIN-75-31970321) that actively supports Alfanar's mission through grants and is striving to increase public support. Its transactions are not included in these financial statements. It reports independently to the US Internal Revenue Service and the states of Massachusetts and New York. Alfanar seconds around 10% of the time of its Executive Director, Finance Manager and Development Officer to support Alfanar, Inc., US with outreach, Board reporting and annual filings.

Objects of the Charity

Alfanar's Memorandum of Association states that the public benefit objects for which it is established are:

1. The advancement of education and learning for the public benefit and to educate men, women and young people of all ages from a broad range of geographical, ethnic, social and economic backgrounds in the Arab World (this includes all member countries of the Arab League), to enable them to realise their full potential as individuals, within their communities and within society as a whole.

2. To develop the capacity and skills of the members of socially and economically disadvantaged communities in countries in the Arab World (including all member countries of the Arab League) in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

In line with its venture philanthropy mission, Alfanar aims to support the growth of sustainable social enterprises delivering quality education, meaningful employment and lasting economic empowerment opportunities to vulnerable children, youth and women across the Arab world. We provide grants and zero-interest repayable grants, management support, training, mentorship and performance evaluation to social enterprises that pass our due diligence and approval processes.

Our support package aims to grow the impact and financial sustainability of the social enterprises we back. Alfanar in the UK, with the support of Alfanar, Inc., US, raises and disburses funds to support our work in Egypt, Lebanon and Jordan.

Structure, Governance and Management

Alfanar's Board of Trustees is responsible for the overall governance of the Charity, makes decisions on the strategic direction and policies of Alfanar and delegates day to day management and implementation of these decisions to the Executive Director.

All policies are approved by the Trustees to comply with UK legal requirements and good business practice. The Board of Trustees is authorised to appoint new Trustees or to fill vacancies arising through resignation or death. The Trustees are members and directors for Companies Act purposes. They serve three year terms and may be re-elected five times, or exceptionally, six times. In 2020 a new Trustee, Maysa Jalbout, was added to the Board.

Cynthia J. Oakes also serves as a Director of Alfanar Inc. US. Julia Middleton was re-elected in September 2020. Lubna S. Olayan was re-elected as Chair of the Board in December 2020.

Trustee Induction

Shortly after appointment, new Trustees have an induction meeting with the Executive Director to review and better understand Alfanar's business plan and targets, the way it selects and manages social enterprises, and other operations. They are also given the Charity Commission guidance, "The Essential Trustee".

Board Meetings

The Board endeavours to hold at least one Board meeting in either Egypt or Lebanon every other year to ensure that Trustees witness Alfanar's venture philanthropy process and social enterprises first-hand. Due to travel restrictions, Board visits are currently on hold.

The Board meets quarterly and has conducted virtual meetings since 2020. There are three sub-committees reporting to the Board each with specific terms of reference and functions delegated by the Board (updated in 2019), which also meet four times a year. In 2020, the Board removed the Fundraising Committee in an effort to spread fundraising responsibilities among all Board members. It also established an Impact Fund Taskforce to oversee the development of an independent, but affiliated impact fund.

Investment Committee

The Investment Committee reviews requests for venture philanthropy grant and management support from social enterprises presented by the Investment Director and Country Directors. Suitable social enterprises are scrutinized and endorsed by the committee before review for approval by the Board.

Finance Committee

The Finance Committee scrutinizes Alfano's business plans, budgets and management accounts and ensures proper financial procedures and controls are in place and operating. The committee also reviews broader operations matters, the risk register, internal policy developments and the relationship among affiliates. It also oversees the audit process and reviews and endorses the statutory accounts ahead of Board review and approval.

Nominations Committee

The Nominations Committee helps the Board identify the appropriate mix of skills and capabilities it requires for effective leadership and oversight. Its primary function is to assess and cultivate prospective board members. Alfano aims to add up to three new Trustees in the coming 12-18 months.

Impact Fund Taskforce

The Impact Fund Taskforce helps oversee progress on Alfano's efforts to extend the financing lifecycle for social enterprises and social purpose companies, explore impact investments and potentially establish an independent, but affiliated impact fund. It meets with the team working on the impact fund and reports on progress at Board meetings.

Key Management Personnel

Alfano's Board delegates authority for the operational delivery of the strategy to the Executive Director and the senior management team.

The Charity's senior management team regularly updates the Board on venture philanthropy industry developments, Alfano's progress against impact and sustainability targets, and how the Charity is managing risks. This ensures that Alfano's venture philanthropy approach remains in line with best practice.

The Board of Trustees and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

In May 2020, Alfano appointed a dedicated Development Director, with the primary aim of developing and implementing a growth-oriented fundraising and communication strategy.

Staff Pay

The pay of the senior staff is reviewed annually in conjunction with their performance targets. In view of the nature of the charity, the directors endeavour to benchmark against pay levels in other charities of a similar size. The remuneration benchmark is the midpoint of the range paid for similar roles. The Trustees last approved revised salary scales for the UK in 2019.

Board of Trustees

Lubna S. Olayan (Chair)

Samir Assaf

Amjad Bseisu

Charlotte Boyle

Sherif Foda

Dr. Laila Iskander

Maysa Jalbout (appointed 30 June 2020)

Julia Middleton

Cynthia J. Oakes

Lady Plumbly (resigned 30 June 2021)

Finance Committee

Charlotte Boyle (Chair - Trustee)

Samir Assaf (Trustee)

Siham Bortcosh

Robert Cartwright (appointed Feb 2021)

Dr. Laila Iskander (Trustee)

Laura Stojcevic

Impact Fund Task Force

Samir Assaf (Chair - Trustee)

Amjad Bseisu (Trustee)

Lubna S. Olayan (Trustee)

Investment Committee

Julia Middleton (Chair - Trustee)

Matthew Courey

Mark Huang

Dr. Barbara Ibrahim

Dr. Laila Iskander (Trustee)

Maysa Jalbout (Trustee)

Alfred Kettaneh

Cynthia J. Oakes (Trustee)

Lady Plumbly (resigned 30 June 2021)

Nominations Committee

Lubna S. Olayan (Chair - Trustee)

Samir Assaf (Trustee)

Charlotte Boyle (Trustee)

Amjad Bseisu (Trustee)

Human Resources

In 2020, the Charity approved a revised delegation of authority, to ensure that roles are properly authorised according to level of responsibility and to maintain effective decision-making and segregation of responsibilities.

Following the full policy review undertaken throughout 2018 and early 2019, a revised policy handbook was approved by the Board in Q1 2020. Training for all staff on the new handbook was completed in Q3 2020.

Vanessa Zuabi was appointed as Development Director in June 2020. Suha Abdul Rahim was appointed as Senior Investment Officer for Jordan in September 2020. Haifa Najjar was appointed as Portfolio Manager in Lebanon in November 2020. Nadine Khalife was appointed as Portfolio Manager in Egypt in April 2021. Selena Chavez began a one-year internship with Alfano under the Tier 5 scheme in March 2021.

Alfano accessed a small amount of support from the UK government Coronavirus Job Retention Scheme (CJRS) after furloughing a select number of staff members. In line with pandemic guidelines and since mid-March 2020, UK, Egypt and Lebanon staff members have worked remotely, returning to the office as and when national guidelines permitted and conducting most training and management support sessions virtually with social enterprises. Alfano in the UK reduced its office space requirements in 2020 and moved files to a donated storage space.

The multiple pressures of the past year and the protracted separation of team members brought on by lockdowns and physical distancing measures underscored the need to create more virtual spaces and opportunities for both the London team and the global team to connect beyond specific tasks and deliverables. In October 2020, we organised a virtual team retreat and explored topics of stress management and virtual communication tips, among other issues as a way of regrouping and reconnecting the team. We began holding optional, daily virtual catch-ups and regular monthly team meetings to encourage better communication across the team. We began a reassessment of our organisational chart in early 2021 and are in the process of identifying roles and responsibilities in need of filling to both ensure effective achievement of goals and objectives as well as team cohesion, satisfaction and mental health.

Fundraising Statement

The remarkable generosity of our supporters and donors in 2020 enabled us to achieve our most impactful year to date. We are grateful for the individual, corporate and institutional donors who either pledged or renewed their support to Alfano in 2020 and we thank all those who have contributed to Alfano's mission with a donation of money, time or expertise over the past year.

A significant portion of our fundraising efforts are carried out by our senior management team across the UK, Egypt and Lebanon, led by our Executive Director and overseen by our Development Director appointed in June 2020. The team successfully launched two online/offline fundraising campaigns, identified and applied for new institutional partnerships and worked to strengthen key relationships with individual, corporate and institutional partners. In 2020, these efforts were supported primarily by our UK-based Development Officer and Senior Communications Coordinator with further input from Egypt and Lebanon team members, especially in relation to country-specific donors and leads. Alfano benefited from the support of several interns to update social media channels. The significant growth in the number of donors in 2020 increased the fundraising reporting and communications workload significantly compared to previous years.

In March 2020, we cancelled our 15th anniversary dinner, originally scheduled for June 2020. We organised one virtual gathering on June 25th, 2020, featuring three of Alfano's social enterprises (Wataneya, B.O.T. and Inaash) in conversation with CNN Chief International Correspondent Clarissa Ward.

The event was organised to thank donors for their support of the Survive & Thrive Campaign and to begin engaging our community directly and digitally with our work. The event was attended by over 200 supporters. Over the course of the year, a growth in media mentions about Alfano's work and the participation of Alfano senior management team members in virtual webinars and public speaking engagements helped grow Alfano's community of supporters and followers even further.

These collective efforts led to a 27% increase in the number of donors giving to Alfano, and a 63% increase in income. Overall donor retention in 2020 was at 27% and reflects changes to our outreach and fundraising channels and the cancellation of our annual fundraising dinner, which has been a consistent fundraising and outreach tool for the charity since 2011.

The Trustees have taken note of the Charity Commission guidance on fundraising as described in the Charity Commission publications, CC20 and CC15d. Alfano does not use professional fundraisers, nor does it employ or condone the use of cold calls or high-pressure marketing campaigns. Alfano fundraises through virtual events, email communication, social media outreach and by pitching to institutional donors, companies, foundations, and individuals who are introduced to Alfano through its Board of Trustees and wider network. Complaints about Alfano's fundraising activity are directed to the Executive Director and the Development Director of Alfano. We have not received any fundraising complaints to date.

Safeguarding

Alfanar endeavours to protect from harm those who work for and with us, as well as those our social enterprises serve.

As part of our three to six month due diligence process with prospective social enterprises, we check for the existence and active use of safeguarding policies and practices. In 2020, we finalised a new ASSET training module on safeguarding to ensure that social enterprises both within our portfolio and more broadly are effectively trained and supported to establish the systems required to reliably provide safe and effective care to those they serve.

In 2020, the Board approved revised safeguarding policies as part of our internal staff handbook, which all staff were trained on during the year. New joiners receive training on the staff handbook, including safeguarding, as part of induction.

Risk Management

Alfanar's Board of Trustees has overall responsibility for ensuring Alfanar has an appropriate system of controls, financial and otherwise. It is responsible for keeping proper accounting records, which explain the transactions, disclose the financial position and comply with the Companies Act 2006 and UK GAAP. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps to detect and prevent fraud and other irregularities. It also has responsibility for identifying and managing the risks faced by the organisation.

Alfanar has a risk register that identifies the major risks to the Charity. This register is regularly updated, and processes put in place to mitigate risks. It is reviewed by the Trustees bi-annually.

Given significant health and other risks introduced by the COVID-19 pandemic, office shutdowns and broader lockdowns as well as the Beirut explosion of August 4th, the Board and the senior management team assessed and responded to emerging risks more frequently over the course of 2020, also extending proactive support and training to all investee social enterprises to ensure their budgets and operating plans could withstand the various impacts of the pandemic.

Beyond the health concerns introduced by the pandemic, which were effectively managed throughout the organisation, the following were identified as the principal risks facing the Charity in 2020/2021:

- Given the uncertainty of income streams and the significant changes to fundraising and outreach channels, a reduction in our fundraising capabilities and/or dependence on the Board to cover costs were risks we monitored very closely over the course of the year through frequent reforecasts, outreach strategy pivots and regular communication. We appointed a part-time Development Director to further support the organisation with diversifying streams of income and ensuring fundraising meets impact targets. Although successfully managed in 2020, these remain risks we are monitoring in 2021 and which our fundraising plans for the year respond to.

- As a small and growing team, key staff leaving is a risk we monitor and manage closely. We held a virtual team retreat in October 2020, began holding optional, daily virtual catch-ups and regular monthly team meetings to encourage better communication. We also began a reassessment of our organisational structure in early 2021 with the aim of identifying key roles and responsibilities in need of filling.
- The risk of our work being stopped, particularly in Egypt, Lebanon or Jordan due to registration issues, lockdowns, violence, economic collapse or force majeure events is one we monitor and manage closely with the expert leadership of our country directors and representatives on the ground. Alfano employs experienced development professionals who bring years of development experience and acumen to their jobs, and a deep understanding of the political and socioeconomic context on the ground, which enables them to monitor and mitigate arising risks more effectively.
- The growth in the number of institutional partners and contracts in need of review in 2020 introduced a new risk around fully understanding the impact of contractual obligations entered. Supported by the Finance Committee, which added retired lawyer Robert Cartwright as a member in February 2021, the senior management team is developing a risk assessment template to guide contract reviews and is in the process of developing a policy to assess the impact of indemnities, which have become a more frequent feature in contracts and grant agreements.

Mitigation strategies are clarified and approved by the Board for all 24 risks identified in Alfano's risk register.

In August 2020, we were made aware of a data security incident in which Blackbaud, our CRM provider and a world leader in the provision of specialty software services to the charitable sector, discovered and stopped a ransomware attack. Alfano was one of many Blackbaud clients whose data was unfortunately affected by this data security incident. We were assured that the risk to our supporters was very low as no encrypted data, including credit card information or bank details, was affected. We informed all of our donors and supporters on August 20th and also filed a Serious Incident Report with the Charity Commission and a personal data breach report with the Information Commissioners' Office (ICO), both of which confirmed that they were satisfied with our organisation's actions, that we acted in line with the requirements of Article 28 of the GDPR and that no further action would be required from us.

Following the incident, we engaged an independent, third party specialist to conduct an audit of our data protection policies and processes and to support us in updating and training our staff on revised policies. This will be completed in 2021. Additionally, we began researching alternative CRM, grant management and virtual server providers and taking further actions to assess and bolster the security of our website and systems.

Reserves Policy

The Board policy is to hold free reserves which represent the next six months projected expenditure budget after deducting expenditure funded by currently held restricted reserves, confidently expected and guaranteed income. As at 31 December 2020 this target was £422k.

At 31 December 2020 reserves held totalled £839k (2019: £473k), of which £608k represented restricted funds (2019: £260k) and £231k represented unrestricted funds (2019: 213k). Designated funds as at 31st December 2020 were £4k (2019: £3k), leaving free reserves at £227K (2019: £210K).

This is £185k (2019: £170k) below the reserves target. The Board will closely monitor expenditure during the early part of 2021 and are also confident that the organisation's fundraising strategy approved by the Board will bolster our income targets and see free reserves back to target levels by the end of 2021.

Statement of Trustees Responsibilities

The Trustees who are also directors of Alfano for the purposes of company law are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and standard United Kingdom accounting practice (UK GAAP).

Company law requires trustees to prepare financial statements that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of those resources, including income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Board of Trustees are required to:

- Selected suitable accounting policies and applied them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with company law. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Each of the Trustees has confirmed that, so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware, and that they have taken all the steps that they individually ought to have taken as a Trustee in order to make themselves aware of any relevant audit information, and to establish that the Charity's auditor is aware of that information.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006

Approval

This report was approved by the Trustees on 20 of July 2021 and is signed on their behalf.

TRUSTEE  7/20/2021
Julia Middleton

Partners & Supporters

Despite the numerous challenges everyone has faced this year, we have been overwhelmed by the incredible outpouring of support received from individual and institutional donors across the globe.

INDIVIDUAL DONORS

We thank the many individual donors who have backed Alfano's venture philanthropy mission in 2020. This includes 254 individuals who supported our Survive & Thrive Campaign, 325 who gave to our Emergency Lebanon Appeal in the wake of the August 4th blast, as well as 60 general supporters.

INSTITUTIONAL PARTNERS



Independent Auditor's Report to the Members of Alfano

For the Year Ending 31 December 2020

Opinion

We have audited the financial statements of Alfano ('the company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

Independent Auditor's Report to the Members of Alfamar

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

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

We have nothing to report in this regard.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Alfamar

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 51, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit.

Independent Auditor's Report to the Members of Alfano

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 error, 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 purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

Independent Auditor's Report to the Members of Alfamar

- 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.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith
LLP, Statutory Auditor

Date: 21 July 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

ALFANAR (Company limited by guarantee no. 05141908)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2020

Current Year	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME					
Donations	2	357,083	530,471	887,554	461,778
Other trading activities	3	3,310	-	3,310	5,644
Income from charitable activities	4	283,299	1,016,156	1,299,455	869,778
Other income: gain on foreign exchange		-	-	-	4,009
TOTAL INCOME		643,692	1,546,627	2,190,319	1,341,209
EXPENDITURE					
Expenditure on raising funds		279,809	-	279,809	256,594
Expenditure on charitable activities		346,213	1,198,531	1,544,744	1,220,492
TOTAL EXPENDITURE	5	626,022	1,198,531	1,824,553	1,477,086
Net income/(expenditure)		17,670	348,096	365,766	(135,877)
NET MOVEMENT IN FUNDS		17,670	348,096	365,766	(135,877)
TOTAL FUNDS BROUGHT FORWARD		212,980	259,827	472,807	608,684
TOTAL FUNDS CARRIED FORWARD		230,650	607,923	838,573	472,807

Prior Year	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME					
Donations	2	392,788	68,990	461,778	899,242
Other trading activities	3	5,644	-	5,644	12,832
Income from charitable activities	4	391,395	478,383	869,778	565,600
Other income: gain on foreign exchange		4,009	-	4,009	-
TOTAL INCOME		793,836	547,373	1,341,209	1,477,674
EXPENDITURE					
Expenditure on raising funds		256,594	-	256,594	332,097
Expenditure on charitable activities		710,692	509,800	1,220,492	915,793
TOTAL EXPENDITURE	5	967,286	509,800	1,477,086	1,247,890
Net (expenditure) / income		(173,450)	37,573	(135,877)	229,784
NET MOVEMENT IN FUNDS		(173,450)	37,573	(135,877)	229,784
TOTAL FUNDS BROUGHT FORWARD		386,430	222,254	608,684	378,900
TOTAL FUNDS CARRIED FORWARD		212,980	259,827	472,807	608,684

All of the Charity's operations are continuing.



The annexed notes form part of these financial statements

ALFANAR (Company limited by guarantee no. 05141908)

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	10		3,680		3,321
Investment Assets	11		1		1
			<u>3,681</u>		<u>3,322</u>
CURRENT ASSETS					
Programme related investments	12	63,582		-	
Debtors	13	96,697		13,843	
Cash at bank and in hand		<u>860,717</u>		<u>558,888</u>	
		1,020,996		572,731	
Creditors: amounts falling due within one year	14	(186,104)		(103,246)	
NET CURRENT ASSETS			<u>834,892</u>		<u>469,485</u>
NET ASSETS			<u><u>838,573</u></u>		<u><u>472,807</u></u>
FUNDS					
Restricted funds	16		607,923		259,827
Unrestricted funds					
Designated funds	17	3,680		3,321	
General fund	18	<u>226,970</u>		<u>209,659</u>	
			<u>230,650</u>		<u>212,980</u>
			<u><u>838,573</u></u>		<u><u>472,807</u></u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved, and authorised for issue, by the trustees on 20 July 2021 and signed on their behalf by:-

DocuSigned by:

Julia Middleton

7/20/2021

E467695675794DA...

Trustee

Julia Middleton

The annexed notes form part of these financial statements

ALFANAR (Company limited by guarantee no. 05141908)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash provided by operating activities					
Net movement in funds		365,766		(135,877)	
Add back depreciation charge		1,252		1,119	
(Increase)/ Decrease in programme related investments	-	63,582		-	
(Increase)/ Decrease in debtors	-	82,854		102,632	
(Decrease)/ Increase in creditors		82,858		(26,266)	
Net cash (used in)					
operating activities			303,440		(58,393)
Cash flows from investing activities					
Purchase of tangible fixed assets	-	1,611		-	
Net cash (used in) / investing activities			- 1,611		-
Increase/(Decrease) in cash and cash equivalents in the year			301,829		(58,393)
Cash and cash equivalents at the beginning of the year					
Cash in hand		558,888		617,281	
			558,888		617,281
Total cash and cash equivalents at the end of the year	14		860,717		558,888

The annexed notes form part of these financial statements

ALFANAR (Company limited by guarantee no. 05141908)

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

1. Accounting policies

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore has also prepared the financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) and the Charities Act 2011.

Going Concern

The charity has given due consideration for the effects of the Covid-19 outbreak, which occurred during the year and the effects of which continued into 2021. The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. In particular the Trustees have considered the effect of Covid-19 on: the charity's ability to raise income - restrictions on travel and assembly meant that the annual dinner had to be postponed in 2020 and in 2021, and the possible level of additional support required by our Investees. The new Development Director appointed in 2020 has made good progress, building our fundraising strategy for 2021 and beyond. The Trustees have revised the original business plan and cash flow for 2021 and 2022: refocusing our fundraising activities on-line and developing a new strategy for growing long term support from individual supporters, adjusting investee budgets and making overhead savings, particularly in travel and office expenditure. This revised plan indicates that Alfanar will continue to be able to meet its financial commitments through the year and for a period of at least one year from the date of approval of the financial statements. The charity will be able to move free reserves to the Trustees' target level by the end of 2021. Accordingly, Trustees continue to adopt a going concern basis in preparing the financial statements.

Presentational currency

The presentational currency used is British pound sterling, and balances are rounded to the nearest £1.

Company status

Alfanar is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, there are no 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.

Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions agreed with donors which have been raised by the Charity for particular purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gift aid recoverable is recognised at the date the related donation is received. Donated services are included in income and expenditure at the value of the gift to the Charity.

Expenditure

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is charged in line with the expense to which it relates. Expenditure is allocated to a particular activity where the cost relates directly to that activity. Support, overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of the staff costs directly attributed to each activity.

Grant investments

The first payment on grant investments is reflected in the accounts at the point at which they are approved by the Board and communicated to the investee. Subsequent tranches are dependent on performance assessments by Alfanar and are reflected at the time of approval by the Board.

Some grant agreements are negotiated with a clause stating that a proportion will be repaid if a target level of income is generated by the project. As it is uncertain that these repayments will be made, such zero interest repayable grants are accounted for in the first instance in the same way as other grant investments. If these grants are repaid the sums are treated as income and transferred to General Funds. In the instance when there is a strong likelihood of repayment, the grant is treated as a Programme Related Investment and held on the balance sheet in the fund used to disburse the payment to the investee.

Foreign currencies

Transactions in foreign currencies during the year are recorded at the average rate ruling at the time of the transaction. Monetary assets and liabilities at the year end denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities. The accounts also include unrealised losses in exchange rates movements in currencies held at the year end.

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Assets under this value are capitalised when appropriate.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their estimated useful lives as follows:

Office equipment	- 25% of net book value
------------------	-------------------------

Branch accounting

The Charity has an overseas branch in Egypt and a non-activated affiliate in Lebanon. These financial statements include the branch's transactions during the year, and its assets and liabilities at the year end (after adjusting for transactions and balances between the branch and the UK office). All the costs of operating in Lebanon are borne directly by the Charity.

Programme related investments

Programme Related Investments that are in the form of concessionary loans and zero interest repayable grants are accounted for at the outstanding amount of the investment less any provision for unrecoverable amounts. Any impairment is charged to the Statement of financial activities classified as expenditure on charitable activities.

ALFANAR (Company limited by guarantee no. 05141908)

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

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. With the exception of prepayments all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

2. DONATIONS**Current Year**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Boards	230,637	38,790	269,427
Other individuals	119,021	491,681	610,702
Donated services	7,425	-	7,425
	357,083	530,471	887,554

Prior Year

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Boards	185,781	-	185,781
Other individuals	108,654	57,990	166,644
Annual dinner and events	92,087	11,000	103,087
Donated services	6,266	-	6,266
	392,788	68,990	461,778

Campaign Support: Increases in income from the Board and other individuals were driven by two campaigns Alfanar ran over the course of 2020, namely the Survive & Thrive Emergency COVID-19 Campaign, generating £331,707 and the Emergency Lebanon Appeal, which generated £224,787 in donations from individuals.

Gift Aid In 2020 £31,793 (2019 : £15,050) of Gift Aid was receivable. This has been accounted along with the donations that attracted the claim. £ 11,500 (2019: £11,500) was included within Board income and £ 20,293 (2019: £ nil) was included within Campaigns/other individuals and £ nil (2019 : £3,550) was included within the Annual dinner and events income. In 2020 £5 of interest receivable from HMRC on Gift Aid claims has been included under Other individuals.

3. OTHER TRADING ACTIVITIES**Current Year**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Social Enterprise Management Support	3,310	-	3,310	5,644
	3,310	-	3,310	5,644

Prior Year

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Social Enterprise Management Support	5,644	-	5,644	12,832
	5,644	-	5,644	12,832

ALFANAR (Company limited by guarantee no. 05141908)

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

4. INCOME FROM CHARITABLE ACTIVITIES

Current Year

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Alfanar, Inc., US	102,407	105,884	208,291
Al Ghurair Foundation for Education (AGFE)	-	130,801	130,801
Bank of America	52,803	72,869	125,672
British Council (DICE)	-	6,593	6,593
CCC	3,016	12,731	15,747
Drosos Foundation	38,063	-	38,063
Genesis Foundation	3,777	37,616	41,393
Global Fund for Widows	-	99,889	99,889
International Finance Corporation (IFC)	-	37,594	37,594
IFC for Impact Fund	-	37,594	37,594
Impact Lebanon	-	101,124	101,124
LIFE Generation Fund	-	38,034	38,034
Oxfam	-	49,921	49,921
PepsiCo	7,761	69,844	77,605
Plan: Jordan Mubaderoon project	-	35,161	35,161
SODIC	14,937	74,686	89,623
Other Trusts and Foundations	55,052	105,815	160,867
UK Covid Job Retention Scheme	5,483	-	5,483
	<u>283,299</u>	<u>1,016,156</u>	<u>1,299,455</u>

Prior Year

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Alfanar, Inc., US	348,577	22,359	370,936
Al Ghurair Foundation for Education (AGFE)	-	140,597	140,597
Asfari Foundation	-	75,000	75,000
British Council (DICE)	-	15,591	15,591
CAF America Donor Fund	1,841	22,703	24,544
CCC	3,016	14,416	14,416
Life Generation Fund	-	38,644	38,644
Plan: Jordan Mubaderoon Project	-	51,949	51,949
SODIC	9,199	92,624	101,823
Other Trusts and Foundations	19,940	4,500	24,440
Refund of repayable grant: ShareQ	11,838	-	11,838
	<u>394,411</u>	<u>478,383</u>	<u>869,778</u>

Income in 2020 from IFC of £37,594, £14,233 from The Asfari Foundation and £77,990 from another foundation supported our pre-start-up work on impact investment.

Income under **Other Trusts and Foundations** was received from 5 (2019: 3) organisations who wish to be anonymous in published financial statements.

Campaign Support: Income from Genesis Foundation, Impact Lebanon, Oxfam and PepsiCo, and the restricted funds from Bank of America, were raised in response to our Emergency Lebanon Appeal.

In 2020 we received grants from the UK government totalling £5,483 through the Covid Job Retention Scheme.

ALFANAR (Company limited by guarantee no. 05141908)

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

Current Year	Direct Staff costs	Other Direct costs	Support costs	Total 2020
	£	£	£	£
Costs of raising funds	121,405	63,744	94,660	279,809
Charitable activities	141,947	1,292,122	110,675	1,544,744
	263,352	1,355,866	205,335	1,824,553

Support costs are detailed in Note 7 and are allocated on the basis of direct staff costs.

Prior Year	Direct Staff costs	Other Direct costs	Support costs	Total 2019
	£	£	£	£
Costs of raising funds	103,448	75,051	78,095	256,594
Charitable activities	141,129	972,822	106,541	1,220,492
	244,577	1,047,873	184,636	1,477,086

Support costs are detailed in Note 7 and are allocated on the basis of direct staff costs.

6. NET MOVEMENT IN FUNDS

	2020	2019
	£	£
This is stated after charging:		
Auditors' remuneration for audit (excluding VAT)	10,745	10,635
Auditors' remuneration for other services	1,955	2,567
Under/(over) audit accrual in prior year	-	2,126
Depreciation	1,252	1,119
Operating lease rentals: equipment	2,257	2,257
Operating lease rentals: property	19,378	32,403

7. SUPPORT COSTS

	2020	2019
	£	£
Governance: audit fee (including unrecoverable VAT)	15,240	12,762
Staff costs	101,013	89,325
Staff development	1,684	8,621
Accounting, payroll and compliance	391	375
Rent Overseas office space	8,033	5,486
Rent UK Office space	12,913	26,917
Legal and professional fees	5,138	2,084
Bank charges	7,371	5,088
Insurance	1,118	1,128
Realised loss on foreign exchange	17,928	-
* Unrealised loss on foreign exchange	23,885	14,913
Depreciation	1,252	1,119
Other	9,369	16,818
	205,335	184,636

* Losses on foreign exchange are matched by a reduction in other areas of expenditure as income in currency is normally disbursed in that currency.

ALFANAR (Company limited by guarantee no. 05141908)

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Grants Awarded - Egypt Portfolio		
Brighter Tomorrow for Child Protection (BTCP)	28,682	4,434
Educate Me	104,321	95,611
*Future Eve Foundation	63,714	161,070
iStem	-	(8,770)
Life Vision	35,806	13,448
Takafoo	13,483	-
Together For You	3,348	9,924
Wataneya Society for the Development of Orphanages	7,727	-
	257,081	275,717
Grants Awarded - Lebanon Portfolio		
Ana Aqra	7,717	38,951
Bridge.Outsource.Transform (B.O.T.)	44,726	13,908
FabricAid	81,438	41,603
Lebanese Alternative Learning (Tabshoura)	22,716	-
Lebanese Food Bank	8,094	-
MMKN	7,440	25,805
SE Factory	78,616	72,768
ShareQ	5,985	56,643
Shatila Studio	-	14,330
Grants Awarded - Refugee Portfolio		
Inaash	36,999	52,822
MMKN- Refugee programme	87,479	45,231
NaTakallam	18,797	-
SE Factory- Refugee programme	89,858	61,777
WPA/Soufra/Nawras Preschool	55,082	47,189
	544,947	471,027
Grants Awarded - Emergency Lebanon Response		
Inaash - Facemasks	7,858	-
Lebanese Food Bank Food boxes	90,021	-
March NGO Bedco - Reconstruction	72,590	-
ShareQ- Vacuum-Sealed meals	40,480	-
Soufra - Hot meals	23,927	-
Souk El Tayeb- Hot meals	7,638	-
Shatila Studio- Facemasks and Tablets	10,658	-
	253,172	-
Total Grants Awarded	1,055,200	746,744
#ASSET and AIM	5,342	5,206
Miscellaneous direct costs	25,859	33,505
Impact fund pre-start up	84,571	58,488
-Programme services	121,151	128,879
	1,292,122	972,822

* **Future Eve Foundation:** In 2020 the total amount awarded to Future Eve Foundation was £127,296. This included a sum of £63,582 (2019: nil) repayable over three years at zero rate of interest. This repayable element is now shown on the balance sheet under Programme related investments.

ASSET (Alfanar Sustainable Social Enterprise Training) and **AIM** (Alfanar Impact Management) are two critical components of the support Alfanar provides to social enterprises beyond its grant funding.

- **Programme services:** the cost of consultants providing management support to Social Enterprises in Lebanon and Jordan.

8a INVESTMENT SPEND

Investment spend is the total of direct staff expenditure and other direct costs of charitable activities.

	2020 £	2019 £
Direct costs of charitable activities	1,292,122	972,822
Direct staff costs on charitable activities	141,947	141,129
Investment spend	1,434,069	1,113,951

ALFANAR (Company limited by guarantee no. 05141908)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
9. STAFF COSTS

	2020	2019
	£	£
Gross salaries	282,515	258,150
Social security costs	25,571	25,583
Employer pension contributions	3,511	2,145
Salaries of overseas staff	51,205	46,470
Other overseas staff costs	1,563	1,554
	364,365	333,902

A total of 9 individual staff members were employed by the Charity in the year (2019 : 9).

Number of employees whose salaries were in the following bands:	2020	2019
£80,000-£89,999	1	1

Aggregate employer's contributions to pension schemes for these staff	£1,314	£1,188
---	--------	--------

The key management personnel of the Charity comprise the Trustees, the Executive Director and the senior management team. The total employee benefits of the key management personnel of the Charity were £198,753 (2019 : £202,868).

The Trustees received no remuneration nor the reimbursement of expenses in either year.

10. TANGIBLE FIXED ASSETS

	Office Equipment £
Cost	
At 1 January 2020	10,508
Additions in the year	1,611
At 31 December 2020	12,119
Depreciation	
At 1 January 2020	7,187
Charge for the year	1,252
At 31 December 2020	8,439
Net book value	
At 31 December 2020	3,680
At 31 December 2019	3,321

11. INVESTMENTS IN SUBSIDIARIES

Alfanar's investment at the balance sheet date in the wholly-owned share capital of the following unlisted companies is as follows:

	2020	2019
	£	£
Current assets	1	1
Total net assets	1	1
Called up share capital		
Beacon Social Capital Limited (Dormant, incorporated 28 December 2018)	1	1
	1	1

12. PROGRAMME RELATED INVESTMENTS

	2020	2019
	£	£
Repayable Grants due within one year	21,194	-
Repayable Grants due after more than one year	42,388	-
	63,582	-

This relates to the repayable grant included in our agreement with Future Eve Foundation. It is repayable over three years in equal instalments

ALFANAR (Company limited by guarantee no. 05141908)

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

13. DEBTORS	2020	2019
Due within one year	£	£
Grant debtors	91,018	-
Gift Aid receivable	-	7,500
Prepayments	5,679	6,343
	96,697	13,843

14. CREDITORS	2020	2019
Due within one year	£	£
Trade creditors	11,172	19,697
Taxation	7,633	8,152
Grants payable to investees	135,091	28,617
Defined contribution pension scheme payments	2,969	1,384
Other accruals	29,239	45,396
	186,104	103,246

15. ANALYSIS OF CHANGES IN NET DEBT

	At start of year	Cashflows	Acquisition/ disposal of subsidiaries	New finance leases	Other non- cash changes	At end of year
	£	£	£	£	£	£
Cash	558,888	301,829	-	-	-	860,717
Cash equivalents	-	-	-	-	-	-
Overdraft facility	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total	558,888	301,829	-	-	-	860,717

ALFANAR (Company limited by guarantee no. 05141908)

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

16. RESTRICTED FUNDS

Current Year	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Egypt					
Egypt Fund	8,325	-	-		8,325
British Council (DICE)	6,196	6,593	12,789		-
Education in Egypt					
Educate Me	-	104,388	104,321		67
BTCP	-	43,514	28,682		14,832
Women and Youth Employment in Egypt					
Future Eve Foundation	573	127,564	63,714		64,423
Life Vision	968	44,312	35,806		9,474
Takafoo	-	13,970	13,483		487
Together For You	7,076	-	3,348		3,728
Lebanon					
Education in Lebanon					
MMKN	-	6,000	7,440		(1,440)
Tabshoura	-	13,523	5,224		8,299
Women and Youth Employment in Lebanon					
BOT	-	26,323	24,335		1,988
SE Factory	14,264	95,689	78,616		31,337
Emergency/Environment Lebanon					
Shatila Studio - Tablets for SE's		2,647	2,647		-
FabricAid	20,525	20,795	41,320		-
Lebanese Food Bank	-	30,056	8,094		21,962
Refugees in Lebanon					
Inaash	-	18,797	18,797		-
NaTakallam	-	18,797	18,663		134
Shatila Studio	25,421	-	7,883		17,538
WPA Nawras Pre-School	14,910	40,172	55,082		-
Al Ghurair Foundation(AGFE) SE Factory	9,706	60,164	89,858		(19,988)
Al Ghurair Foundation(AGFE) MMKN	17,738	64,295	87,648		(5,615)
Al Ghurair Foundation(AGFE) PTA	-	6,342	24,717		(18,375)
Emergency Response					
Survive and Thrive Restricted General					
Inaash - Facemasks		8,683	8,683		-
Shatila Studio - Facemasks		8,011	8,011		-
Lebanese Food Bank - Food Boxes		38,095	38,095		-
Emergency Lebanon Campaign					
Emergency Lebanon Restricted General		178,263	-		178,263
Impact Lebanon		101,124	6,768		94,356
Lebanese Food Bank		51,926	51,926		-
Souk El Tayeb- Hot meals		7,638	7,638		-
Soufra - Hot meals		26,431	23,927		2,504
ShareQ- Vacuum-Sealed meals		40,480	40,480		-
Pepsico/March NGO -Bedco for reconstruction		85,486	72,590		12,896
Oxfam		49,921	2,478		47,443
Jordan					
PLAN- Mubaderoon project	18,779	35,161	63,032		(9,092)
UK					
Accelerate Study Missions	24,346	-	-		24,346
Impact Fund	-	115,584	84,010		31,574
Alfanar Capacity Building		55,883	25,883		30,000
Alfanar Development	91,000	-	32,543		58,457
TOTAL RESTRICTED FUNDS	259,827	1,546,627	1,198,531	-	607,923

ALFANAR (Company limited by guarantee no. 05141908)

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

Prior Year	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Egypt					
Egypt Fund	8,325	-	-		8,325
British Council (DICE)	-	15,591	9,395		6,196
Education in Egypt					
Educate Me	-	76,918	76,918		-
Nafham.com	4,268	-	-	(4,268)	-
BTCP	740	-	740		-
Women and Youth Employment in Egypt					
Future Eve Foundation	79,756	15,706	99,157	4,268	573
Life Vision	-	14,416	13,448		968
Together For You	3,000	14,000	9,924		7,076
Lebanon					
Lebanon Fund	11,084	-	-	(11,084)	-
Education in Lebanon					
MMKN	-	3,000	3,000		-
Women and Youth Employment in Lebanon					
ShareQ	20,000	-	20,000		-
SE Factory	-	61,347	47,083		14,264
FabricAid	-	20,525	-		20,525
Refugees in Lebanon					
WPA Nawras Pre-School	32,754	31,662	49,506		14,910
Shatila Studio	-	28,667	14,330	11,084	25,421
Al Ghurair Foundation(AGFE)	-	140,597	113,153		27,444
Jordan					
PLAN- Mubaderoon project	-	51,949	33,170		18,779
UK					
Accelerate Study Missions	7,327	14,019	-	3,000	24,346
Alfanar Development	55,000	58,976	19,976	(3,000)	91,000
TOTAL RESTRICTED FUNDS	222,254	547,373	509,800	-	259,827

Transfers. Transfers between funds in the current year have been described within the following notes on each relevant fund.

ALFANAR (Company limited by guarantee no. 05141908)

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

Egypt fund holds income specifically restricted to investment activities in Egypt. Allocation to specific projects is at the discretion of the Board. No allocations were made in 2019 or 2020 but allocations will be made in 2021.

DICE funding from British Council supported our collaboration with Egypt social enterprise Yadawee, a fair trade certified promoter of local Egyptian handicrafts. This programme ended in March 2020.

Educate Me runs an innovative community education programme which emphasises character development and self-actualisation alongside the traditional curriculum in 150 public schools across six governorates in Egypt. It also conducts teacher training to a wider group of nearly 5,000 educators. In 2020, Educate Me shifted its teacher training online and continued to achieve impact despite lockdown. This social investment is generously supported by SODIC and funds raised during the Survive and Thrive campaign.

Brighter Tomorrow for Child Protection (BTCP) supports the social and educational reintegration of children with disabilities particularly those with autism, based out of Alexandria. It is funded in 2020 from funds raised through the Survive and Thrive campaign.

Future Eve Foundation (FEF) is an active investment and continues to be generously supported by the Global Fund for Widows (GFW), Taher Ghargour and another individual. A growing portfolio of housing improvement loans launched by FEF is being supported by SODIC. GFW continues to provide technical assistance to this investment.

Life Vision economically empowers smallhold female farmers through Farmer Field Schools and literacy classes. In 2020 this investment was generously supported by CCC, another Foundation and a generous individual donor to the Survive and Thrive campaign.

Takafoo works in the Minya region training and helping women secure reliable, safe farm work. This investment in 2020 was supported by funds raised in our Survive and Thrive campaign.

Together For You (TFY) is an investment providing vocational training to low-income women in Cairo to become elderly caregivers and then acting like an agency, securing job placements for them. Disbursements have been covered by restricted funds from a number of generous individual donors. In 2020, Alfanar completed and exited its investment in TFY. We are in discussion with the donor on how to use the surplus funds on this project.

Lebanon Fund holds funds received from an individual donor specifically for refugee education and empowerment investments in Lebanon. The donor allocated these funds to the support of Shatila Studio in 2019 and 2020.

MMKN helps at-risk students in Lebanese public schools prepare for and pass the national Brevet (9th grade) exam, which is required for entry into high school, vocational schools and university. Historically an exam children in the Lebanese public school system are likely to fail, MMKN's tutoring curriculum helps students reach pass rates in the 90%. In 2020, this investment was partly covered by an individual supporter and AGFE. There is a small deficit at the year end due to a timing difference. It is being carried forward as we will receive funds to cover this deficit in the first quarter of 2021.

Tabshoura (Lebanese Alternative Learning) provides a free, accessible and interactive online learning platform to support teachers and students with the Lebanese curriculum. Tabshoura proved essential to 10,000 students across Lebanon during COVID-19 lockdowns. This investment in 2020 was supported by our Survive and Thrive campaign.

BOT (Bridge.Outsource.Transform.) enables hundreds of disadvantaged, marginalised youth in Lebanon, opportunities to work in the digital freelance market. This investment in 2020 was supported by our Survive and Thrive campaign as well as the Lebanese International Finance Executives (LIFE).

SE Factory is an intensive, 3-month full-stack web development training programme and job placement initiative launched by the Nawaya Network, helping underprivileged youth to develop the skills and mindset needed to land coding jobs in the region's tech sector. In 2018 its pilot investment was funded by Alfanar's general funds. In 2019 the programme was approved for long-term investment and is supported by Life Generation USA, Inc.(LIFE) and CAF America. Funds in 2020 were received from Bank of America.

ShareQ runs a 'learn-and-earn' vocational training program across Lebanon for disadvantaged Lebanese women and youth. Once graduated from the training programme, ShareQ places its trainees in employment, largely in the food and beverage sector. Alfanar exited its venture philanthropy investment from ShareQ in 2020, but worked with this social enterprise as part of the Emergency Lebanon Appeal, delivering hot meals to thousands of families impacted by the blast.

Shatila Studio - Tablets for SE's. In the year 2020 we received a specific donation to support our Lebanese Investees in accessing IT equipment such as Tablets. In total thirteen media pad tablets were distributed to 5 social enterprises including Shatila Studio, BOT, Tabshoura and Inaash. The tablets were sourced through our investee Shatila Studio.

FabricAid is a social enterprise that collects, repairs, and resells quality, affordable second-hand clothing at its thrift and vintage stores to tens of thousands of vulnerable community members across Lebanon. In 2020, this investment was supported by Vovos Better World, The Asfari Foundation and our Survive and Thrive campaign.

Lebanese Food Bank This pilot investment works in Lebanon to reduce food waste and alleviate hunger. This pilot investment received support from our Survive and Thrive campaign.

Inaash creates dignified employment for nearly 400 female Palestinian refugees through embroidery and high-quality textile production. This investment in 2020 was partially funded by the IFC and Survive the Thrive campaign funds for an emergency facemask project.

NaTakallam creates steady, dignified employment for Syrian refugees and vulnerable host community members as Arabic practice partners, teachers and translators for Arabic learners and institutions worldwide using online communication technology. In 2020, our investment was partly supported by the IFC.

Shatila Studio provides dignified employment to Syrian refugees inside the Shatila refugee camp in Beirut by employing them as artisans in needlework, embroidery and textile production. This investment is supported by an individual supporter.

WPA Nawras Pre-School is the culmination of a multi-year investment with the Women's Program Association (WPA) in Burj al Barajneh that led to the creation of the Soufra catering unit and foodtruck, microloans to women in the camp and the establishment of the Nawras preschool providing early childhood education to around 100 children. In 2020, Alfanar concluded its venture philanthropy investment in WPA thanks to the support of generous individuals. Separately, as part of our Emergency Lebanon Appeal, we worked through Soufra to provide hot meals to hundreds of families impacted by the Beirut blast.

Al Ghurair Foundation for Education (AGFE) is focussed on providing support to refugees. It is helping to fund our work amongst refugees through MMKN and SE Factory. It provides for Grants to be made and covers part of our technical assistance staff costs (PTA) relating to these investees. This two year project commenced in August 2019. The negative balances reflect Alfanar pre-financing of disbursements to the investees and payments to the investment officer. These negative balances are covered in the funding received in 2021.

Emergency Response Funds. During 2020, Alfanar ran the Survive and Thrive campaign in response to the COVID-19 pandemic and the Emergency Lebanon Appeal in response to the 4 August 2020 Beirut port explosion. Emergency projects supported by these campaigns included facemask projects, foodboxes and hot meals to vulnerable families. In partnership with a local social enterprise, March NGO, we are managing a reconstruction project supporting small businesses, social enterprises and three schools damaged by the blast. This reconstruction work is expected to be completed by June 2021. Alfanar worked with Inaash, Shatila Studio, the Lebanese Food Bank, Souk el Tayeb's Community Kitchen, ShareQ and Soufra to respond to emergency needs. The Lebanese Food Bank received support from both campaigns as well as joining our portfolio as a pilot investment. Funds from Impact Lebanon and Oxfam are for projects that run until April 2021 providing support to enable resilience in these difficult circumstances. They will cover programme services costs and grants to suitable identified social enterprises in the first half of 2021. The total carried forward in this area is £335,462. All of this will be disbursed by autumn 2021.

ALFANAR (Company limited by guarantee no. 05141908)

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

PLAN-Mubaderoon Project is an EU-funded project that enabled Alfanar to train and build the capacities of 60 growth-stage social enterprises focused on women's empowerment across East Amman, Ajloun and Tafleeh in Jordan. This project is expected to terminate in 2021. The negative balance is due to delays in disbursements from Plan International to cover programme costs. This was covered by a disbursement received in March 2021.

Accelerate Study Missions expose our social entrepreneurs to best-in-class social enterprises in the developing South achieving scale and sustainability in their respective sectors. They were postponed in 2020 due to COVID-19. They are generously supported by a generous individual and the Asfari Foundation.

Impact Fund, represents pre-start-up ecosystem, pipeline and investment strategy analysis aimed at supporting the eventual launch of an impact investment vehicle to extend the financing life cycle for investor-ready social enterprises across the Arab region. This investment received support from the IFC and a private foundation.

Alfanar Capacity Building Fund. Made possible by the generous donation of an individual supporter who restricted their donation to support Alfanar's growth.

Alfanar Development Fund. Alfanar received a generous three-year grant in 2019 from The Asfari Foundation to support the growth and strengthening of Alfanar's staff and model. It includes funding for the development and digitisation of ASSET modules, hiring fundraising and other support and investing in staff development. Delays in 2020 arose as we pivoted our focus to respond to the pandemic and the Beirut blast; this development programme will resume in 2021.

The agreed budget for 2019 included £3,000 specifically to enable an additional Alfanar staff member to attend an Accelerate Study Mission. This sum was transferred between the funds in 2019.

17. DESIGNATED FUNDS

Current year	Brought Forward	Income	Expenditure	Transfer New Assets	Carried Forward
	£	£	£		£
Tangible Fixed Assets	3,321	-	(1,252)	1,611	3,680
TOTAL DESIGNATED FUNDS	3,321	-	(1,252)	1,611	3,680

The Fixed Asset Fund represents the net book value of tangible fixed assets in use and therefore not available to meet future expenditure.

Prior Year	Brought Forward	Income	Expenditure	Carried Forward
	£	£	£	£
Tangible Fixed Assets	4,440	-	(1,119)	3,321
TOTAL DESIGNATED FUNDS	4,440	-	(1,119)	3,321

18. MOVEMENT OF FUNDS IN THE YEAR

Current year	Brought Forward 1 January 2020	Income	Expenditure	Transfers	Carried Forward 31 December 2020
	£	£	£	£	£
Designated funds	3,321	-	1,252	1,611	3,680
General fund	209,659	643,692	624,770	1,611	226,970
	212,980	643,692	626,022	-	230,650
Restricted funds	259,827	1,546,627	1,198,531	-	607,923
TOTAL FUNDS	472,807	2,190,319	1,824,553	-	838,573

Prior year	Brought Forward 1 January 2019	Income	Expenditure	Transfers	Carried Forward 31 December 2019
	£	£	£	£	£
Designated funds	4,440	-	(1,119)		3,321
General fund	381,990	793,836	(966,167)	-	209,659
	386,430	793,836	(967,286)	-	212,980
Restricted funds	222,254	547,373	(509,800)	-	259,827
TOTAL FUNDS	608,684	1,341,209	(1,477,086)	-	472,807

ALFANAR (Company limited by guarantee no. 05141908)

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Tangible fixed assets	3,681	-	3,681
Net current assets	226,969	607,923	834,892
	<u>230,650</u>	<u>607,923</u>	<u>838,573</u>

Prior year

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Tangible fixed assets	3,322	-	3,322
Net current assets	209,658	259,827	469,485
	<u>212,980</u>	<u>259,827</u>	<u>472,807</u>

20. RELATED PARTIES

Alfanar rents and pays for UK office space at less than market rates from 'Common Purpose', where Julia Middleton (trustee) is the Founder and currently Innovations Officer. The cost in the year was £12,913 (2019: £26,917). In the year, we reduced our use of the office due to COVID-19 restrictions and mitigations.

Cynthia J. Oakes continues to serve as a director of Alfanar, Inc. US.

During the year, trustees donated £206,893 (2019: £387,135) in total, including board pledges, gifts at events and other campaign donations to Alfanar's general funds.

21. LEASE COMMITMENT

At the reporting end date the Charity had future minimum lease payments under non-cancellable operating leases on property and office equipment which fall due as follows:

	2020 £	2019 £
Less than 1 year	9,085	16,244
Between 2 and 5 years	1,189	12,665
	<u>10,274</u>	<u>28,909</u>

Turning Social Investment into Sustainable Impact

Alfanar UK

38 Artillery Lane, London E1 7LS
Company registration number: 5141908
Charity registration number: 1105048
Tel: +44 (0) 207 608 8144
info@alfanar.org

Alfanar, Inc., US

c/o Hurwit & Associates, 1150 Walnut Street
(2nd Floor), Newton, Massachusetts 02461
EIN-75-31970321

Senior Management Team

Myrna Atalla (Executive Director)
Fadel Zayan (Investment Director)
Vanessa Zuabi (Development Director)
Shenouda Bissada (Egypt Country Director)
Michelle Mouracade (Lebanon Country Director)

Trustees

Lubna S. Olayan (Chair)
Samir Assaf
Amjad Bseisu
Charlotte Boyle
Sherif Foda
Maysa Jalbout
Dr Laila Iskander
Julia Middleton
Cynthia J. Oakes

www.alfanar.org

 [linkedin.com/company/alfanarvp](https://www.linkedin.com/company/alfanarvp)

 @alfanarvp

 @alfanarvp

 @alfanarvp

