

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ALFANAR

Opinion

We have audited the financial statements of Alfanar (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- 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 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, 43 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 42, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent 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 group or parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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. 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed

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

Date

6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



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Alfanar helps us grow our
impact with youth and our
self-reliance.

Fadi Bizri
Co-Founder & CEO, SE Factory
Alfanar Lebanon Portfolio

ALFANAR (Company limited by guarantee no. 05141908)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2022

Current Year	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME					
Donations	2	1,369,534	151,293	1,520,827	646,142
Other trading activities	3	12,815	-	12,815	4,183
Income from charitable activities	4	157,644	812,567	970,211	1,476,445
TOTAL INCOME		1,539,993	963,860	2,503,853	2,126,770
EXPENDITURE					
Expenditure on raising funds		518,905	-	518,905	278,891
Expenditure on charitable activities		579,467	954,513	1,533,980	1,682,230
TOTAL EXPENDITURE	5	1,098,372	954,513	2,052,885	1,961,121
Net income		441,621	9,347	450,968	165,649
NET MOVEMENT IN FUNDS		441,621	9,347	450,968	165,649
TOTAL FUNDS BROUGHT FORWARD		247,175	757,047	1,004,222	838,573
TOTAL FUNDS CARRIED FORWARD		688,796	766,394	1,455,190	1,004,222
Prior Year					
	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations	2	555,369	90,773	646,142	887,554
Other trading activities	3	4,183	-	4,183	3,310
Income from charitable activities	4	228,241	1,248,204	1,476,445	1,299,455
TOTAL INCOME		787,793	1,338,977	2,126,770	2,190,319
EXPENDITURE					
Expenditure on raising funds		278,891	-	278,891	279,809
Expenditure on charitable activities		492,377	1,189,853	1,682,230	1,544,744
TOTAL EXPENDITURE	5	771,268	1,189,853	1,961,121	1,824,553
Net income		16,525	149,124	165,649	365,766
NET MOVEMENT IN FUNDS		16,525	149,124	165,649	365,766
TOTAL FUNDS BROUGHT FORWARD		230,650	607,923	838,573	472,807
TOTAL FUNDS CARRIED FORWARD		247,175	757,047	1,004,222	838,573

All of the Charity's operations are continuing.

ALFANAR (Company limited by guarantee no. 05141908)

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	10		3,350		2,631
Investment assets	11 i		1		1
Programme related equity investment	11 ii		80,260		-
			<u>83,611</u>		<u>2,632</u>
CURRENT ASSETS					
Programme related investments	12	15,697		124,870	
Debtors	13	551,952		365,788	
Cash at bank and in hand		<u>992,876</u>		<u>654,404</u>	
		1,560,525		1,145,062	
Creditors: amounts falling due within one year	14	(188,946)		(143,472)	
NET CURRENT ASSETS			<u>1,371,579</u>		<u>1,001,590</u>
NET ASSETS			<u><u>1,455,190</u></u>		<u><u>1,004,222</u></u>
Restricted funds	15		766,394		757,047
Unrestricted funds					
Designated funds	16	30,249		2,631	
General fund	17	<u>658,547</u>		<u>244,544</u>	
			688,796		247,175
			<u><u>1,455,190</u></u>		<u><u>1,004,222</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

2023 and signed on their behalf by:

Julia Middleton

DocuSigned by:

Julia Middleton

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Trustee

ALFANAR (Company limited by guarantee no. 05141908)

BALANCE SHEET (For Charity)
AS AT 31 DECEMBER 2022

	Note	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	10		3,350		2,631
Investment assets	11 i		1		1
Programme related equity investments	11 ii		80,260		-
			<u>83,611</u>		<u>2,632</u>
CURRENT ASSETS					
Programme related investments	12	15,697		124,870	
Debtors	13	554,303		358,540	
Cash at bank and in hand		<u>975,727</u>		<u>643,810</u>	
		1,545,727		1,127,220	
Creditors: amounts falling due within one year	14	(191,297)		(143,472)	
NET CURRENT ASSETS			<u>1,354,430</u>		<u>983,748</u>
NET ASSETS			<u><u>1,438,041</u></u>		<u><u>986,380</u></u>
Restricted funds	15		759,146		749,799
Unrestricted funds					
Designated funds	16	30,249		2,631	
General fund	17	<u>648,646</u>		<u>233,950</u>	
			678,895		236,581
			<u><u>1,438,041</u></u>		<u><u>986,380</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

2023 and signed on their behalf by:

Julia Middleton

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Trustee

ALFANAR (Company limited by guarantee no. 05141908)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022	2021
		£	£
Cash provided by operating activities			
Net movement in funds		450,968	165,649
Add back depreciation charge		1,117	1,049
(Increase) Decrease in programme related investments		28,913	(61,288)
(Increase) Decrease in debtors		(186,164)	(269,091)
(Decrease) Increase in creditors		45,474	(42,632)
Net cash generated from (used in) operating activities		340,308	(206,313)
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,836)	-
Net cash (used in) / investing activities		(1,836)	-
Increase/(Decrease) in cash and cash equivalents in the year		338,472	(206,313)
Cash and cash equivalents at the beginning of the year			
Cash in hand		654,404	860,717
		654,404	860,717
Total cash and cash equivalents at the end of the year		992,876	654,404
		-	

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	654,404	338,472	-	-	-	992,876
Cash equivalents	-	-	-	-	-	-
Overdraft facility	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total	654,404	338,472	-	-	-	992,876

ALFANAR (Company limited by guarantee no. 05141908)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 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. The charity continues to experience a decline in support for on-line activities and campaigns. Trustees regard this as reflecting the global economic downturn which is affecting support across the not for profit sector. The Trustees anticipate that this will continue to be the case for this level of engagement, however the charity's gala dinner, originally scheduled for 2020, took place in December 2022 and was highly successful. Trustees believe that this indicates that support from individuals can be maintained and grown through deeper and more meaningful engagement. The charity also gave due consideration to the continuing effects of the COVID-19 outbreak and associated restrictions, which continued to disrupt in-person gatherings and trainings, travel and in-person fundraising events throughout the early part of 2022, but by the end of 2022 was not of significant concern. Alfanar's senior management team evaluated progress achieved to date and used it to inform a revised 2022-2026 strategy aimed at accelerating the impact of Alfanar's support to social enterprises, driving regional growth, and positioning Alfanar as a noteworthy social enterprise expert and resource for the MENA region. This strategy, approved by the Trustees in the first quarter of 2022, balances donor engagement between long-term individual support, events and campaigns and growing support from institutional partners. This revised plan will enable Alfanar to not only meet its financial commitments to current social enterprises, but to grow it in the future. The charity aims to maintain free reserves at target levels in 2023. Accordingly, the 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 book values 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 authorised member of the senior management team.

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 funded. 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 rate movements in currencies held at the year end. Specific consideration has been made concerning the Lebanese Pound (LBP) which became a free floating currency having been benchmarked against the US Dollar for many years at a rate of 1,507 LBP/USD. Accordingly, year-end bank balances held by the charity and its subsidiaries in Lebanese pounds and the year-end payables due to be paid in LBP have been converted to USD at the parallel market closing rate of 42,300 LBP/USD to reflect their fair value at year-end 2022. Moreover, the USD counter values of the receipts and disbursements made during the year 2022 in LBP were adjusted at the average parallel market rate of 30,000 LBP/USD to reflect their fair value in US dollars.

ALFANAR (Company limited by guarantee no. 05141908)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
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

Group accounting

The Charity has an overseas branch in Egypt. 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).

Alfanar Association Lebanon is a subsidiary of the UK charity, within the requirements outlined in the Charities SORP, because Alfanar has the power to govern financial and operating policies as set out in specific clauses included within Alfanar Association Lebanon's constitution documents. In addition to this and with reference to SORP FRS102 section 24.21, the vision, purpose and values of Alfanar Association Lebanon and Alfanar identical and the objects of both are closely matched within each respective memorandum and articles of association thus ensuring that Alfanar Association Lebanon contributes to the aims and purposes of Alfanar and benefits common beneficiaries. Alfanar Association Lebanon's financial activities have been consolidated on a line-by-line basis into the Group financial statements. Disbursements of grants under agreements with social enterprises in Lebanon which have been entered into directly by Alfanar are included in the parent company statements.

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

Programme related investments that are in the form of equity or share capital are made to support the social enterprise to scale its impact. By taking an equity stake we aim to secure representation at board level. Any income or financial gain is incidental to the investment. Such investments are measured at fair value if this can be reliably quantified, or, if not, at cost less impairment. Any impairment will be taken to the SOFA.

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 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Boards of Alfanar, subsidiaries and affiliates	323,041	-	323,041
Other individuals	243,293	121,293	364,586
Legacies	72,950	-	72,950
Dinner events	702,110	30,000	732,110
Donated services	28,140	-	28,140
	<u>1,369,534</u>	<u>151,293</u>	<u>1,520,827</u>
Prior Year	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Boards of Alfanar, subsidiaries and affiliates	185,926	-	185,926
Other individuals	337,380	90,773	428,153
Donated services	32,063	-	32,063
	<u>555,369</u>	<u>90,773</u>	<u>646,142</u>

In 2022 £21,510 (2021: £12,120) of Gift Aid was receivable. This has been accounted along with the donations that attracted the claim. £11,500 (2021: £11,500) was included within Board income and £10,010 (2021: £ 620) was included within Other individuals.

3. OTHER TRADING ACTIVITIES

Current Year	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Social enterprise management support	12,663	-	12,663	4,183
Bank interest	152	-	152	-
	<u>12,815</u>	<u>-</u>	<u>12,815</u>	<u>4,183</u>
Prior Year	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2019 £
Social enterprise management support	4,183	-	4,183	3,310
	<u>4,183</u>	<u>-</u>	<u>4,183</u>	<u>3,310</u>

ALFANAR (Company limited by guarantee no. 05141908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. INCOME FROM CHARITABLE ACTIVITIES

Current Year

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Alfanar, Inc., US	56,273	-	56,273
Drosos Foundation	67,630	73,425	141,055
Global Fund for Widows	-	20,660	20,660
GIZ	-	450,092	450,092
LIFE Generation fund	-	40,979	40,979
Oxfam	201	-	201
SODIC	15,490	66,426	81,916
Other corporates	-	100,000	100,000
WasteAid	-	53,485	53,485
Other trusts and foundations	13,050	7,500	20,550
UK government Employment Allowance	5,000	-	5,000
	<u>157,644</u>	<u>812,567</u>	<u>970,211</u>

INCOME FROM CHARITABLE ACTIVITIES

Prior Year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
The Asfari Foundation	-	125,000	125,000
Alfanar, Inc., US	22,151	-	22,151
Al Ghurair Foundation for Education (AGFE)	-	157,298	157,298
Bank of America	36,918	-	36,918
British Council (LEEP)	9,908	-	9,908
Drosos Foundation	62,907	126,027	188,934
GFA Consulting Group GmbH (GFA)	-	207,090	207,090
Impact Lebanon	-	178,881	178,881
LIFE Generation fund	-	39,734	39,734
Oxfam	7,007	64,136	71,143
Plan: Jordan Mubaderoon project	12,674	77,011	89,685
SODIC	12,393	71,035	83,428
Their World	18,568	185,681	204,249
Other trusts and foundations	45,246	16,311	61,557
UK Covid Job Retention Scheme	469	-	469
	<u>228,241</u>	<u>1,248,204</u>	<u>1,476,445</u>

Income under other corporates represents donations from 1 (2021: nil) corporation which prefers to remain anonymous in published accounts.
Income under Other Trusts and Foundations was received from 3 (2021: 8) organisations who wish to be anonymous in published financial statements.
In 2022 we received grants from the UK government totalling £Nil (2021:£469) through the Covid Job Retention Scheme.

5. EXPENDITURE

Current Year	Direct Staff costs £	Other Direct costs £	Support costs £	Total 2022 £
Costs of raising funds	142,940	231,493	144,472	518,905
Charitable activities	<u>331,563</u>	<u>1,007,077</u>	<u>195,340</u>	<u>1,533,980</u>
	<u>474,503</u>	<u>1,238,570</u>	<u>339,812</u>	<u>2,052,885</u>

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 2021 £
Costs of raising funds	128,864	76,011	74,016	278,891
Charitable activities	<u>219,253</u>	<u>1,337,045</u>	<u>125,932</u>	<u>1,682,230</u>
	<u>348,117</u>	<u>1,413,056</u>	<u>199,948</u>	<u>1,961,121</u>

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

6. NET MOVEMENT IN FUNDS

This is stated after charging:	2022 £	2021 £
Auditors' remuneration for audit (excluding VAT)	20,350	13,975
Auditors' remuneration for other services	1,653	1,745
Depreciation	1,117	1,049
Operating lease rentals: property	<u>14,806</u>	<u>12,636</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**7. SUPPORT COSTS**

	2022	2021
	£	£
Governance: audit fee (including irrecoverable VAT)	19,264	16,770
Staff costs	188,606	97,022
Staff development	1,759	-
Accounting, payroll and compliance	4,843	4,340
Rent overseas office space	12,515	11,410
Rent UK office space	8,400	2,814
Legal and professional fees	18,279	13,618
Bank charges	8,060	5,664
Insurance	1,862	1,437
Realised loss/(gain) on foreign exchange	(8,215)	2,296
* Unrealised loss/(gain) on foreign exchange	21,919	5,390
Depreciation	1,117	1,049
Other	61,403	38,138

339,812 199,948

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Grants Awarded		
- Egypt Portfolio (Sustain)		
Brighter Tomorrow for Child Protection (BTCP)	19,330	58,991
Delta Oil	10,376	10,221
Duma	10,827	10,221
Educate Me	-	36,036
Emonovo (Marj3)	10,394	10,221
Future Eve Foundation	18,953	37,653
Heya Masr	4,757	11,795
Life Vision	12,989	29,327
Nakoll	10,394	10,221
Sprints	10,394	10,221
Startups Without Borders	-	9,982
Takafoo	-	1,902
Threads of Hope	10,378	10,221
Yadawee	10,376	9,982
	129,168	256,994
- Egypt Portfolio (Seed)		
Ataa Charitable Association	4,236	-
Future Zone	4,728	-
Maharat Vocational Training and Skills	4,729	-
Makouk Welada Advanced Games for Children	4,729	-
Man Ahyha Association	4,236	-
	22,658	-
- Lebanon Portfolio (Sustain)		
Ana Aqra	66,007	47,827
Bridge.Outsource.Transform (B.O.T.)	119,274	24,762
FabricAid	78,264	14,671
Inaash- Refugee Programme	20,063	32,661
L'Artisan du Liban	37,364	17,332
Lebanese Alternative Learning (Tabshoura)	91,375	112,266
Bedco by MARCH	47,130	-
MMKN- Refugee programme	-	67,807
NaTakallam- Refugee Programme	-	11,080
SE Factory	116,970	50,574
SE Factory- Refugee programme	-	29,074
ShareQ	24,753	-
Shatila Studio - Refugee Programme	16,101	-
WPA/Soufra/Nawras Preschool	13,520	-
	630,821	408,054
- Lebanon Portfolio (Seed)		
LiveLoveLebanon	-	24,652
Marsa	-	24,479
Vanina	-	24,479
FabricAid	-	24,530
Souk El Tayeb	-	24,485
L'Artisan du Liban	-	24,484
	-	147,109
- Emergency Lebanon Response		
Bedco by MARCH - Reconstruction	-	181,487
	-	181,487

ALFANAR (Company limited by guarantee no. 05141908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**8. DIRECT COSTS OF CHARITABLE ACTIVITIES (Continued)**

- Palestine Portfolio (Seed)		
Al Reef for Investment and Agriculture	4,052	-
Flowless Smart Water	4,104	-
Sawaed 19	4,132	-
Sindyan Educational Media	4,071	-
Spark for Innovation and Creative Society	4,143	-
Waselat Al Muffaker	4,071	-
	24,573	-
Total Grants Awarded	807,220	993,644

¹ ASSET and AIM	12,768	3,786
² Miscellaneous social enterprise support costs	76,172	88,499
Impact Fund pre-start up activity costs	108,640	130,227
Accelerate Study Mission	2,277	11,677
³ Programme direct services	-	109,212
Total Other Direct Costs of Charitable activities	1,007,077	1,337,045

¹ 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.

² Miscellaneous social enterprise support costs includes contracted-out support to social enterprises covering: business planning, business training, marketing and video production costs. These were funded in 2021 through our agreements with Oxfam, Plan and GFA and in 2022 through our agreements with GFA and Asfari Foundation.

³ Programme direct services: the cost of our on the ground consultants providing our tailored management support, training and advice to Social Enterprises in Lebanon.

8a INVESTMENT SPEND

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

	2022	2021
	£	£
Direct costs of charitable activities	1,007,077	1,337,045
Direct staff costs on charitable activities	331,563	219,253
Investment spend	1,338,640	1,556,298

9. STAFF COSTS

	2022	2021
	£	£
Gross salaries	340,794	296,737
Social security costs	40,169	28,842
Employer pension contributions	4,935	4,545
Salaries of overseas staff	273,610	112,694
Other overseas staff costs	3,601	2,321
	663,109	445,139

A total of 20 individual staff members were employed by the Charity and subsidiaries in the year (2021 : 10).

Number of employees whose salaries were in the following bands:	2022	2021
£90,000-£99,999	1	-
£80,000-£89,999	-	1
£70,000-£79,999	-	-
£60,000-£69,999	1	1

Aggregate employer's annual contributions to pension schemes for these staff	£1,321	£1,319
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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 £ 251,800 (2021: £211,846).

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

10. TANGIBLE FIXED ASSETS (Group and Charity)

Cost	Office Equipment
	£
At 1 January 2022	12,119
Additions in the year	1,836
At 31 December 2022	13,955
Depreciation	
At 1 January 2022	9,488
Charge for the year	1,117
At 31 December 2022	10,605
Net book value	
At 31 December 2022	3,350
At 31 December 2021	2,631

ALFANAR (Company limited by guarantee no. 05141908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**11. INVESTMENTS ASSETS AND SUBSIDIARIES (Group and Charity)**

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

	2022	2021
	£	£
i) 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
ii) Programme related equity investment at the balance sheet date:		
FabricAid \$100,000	80,260	0
	80,260	0

The equity investment in FabricAid consists of the \$60,000 convertible grant made in 2021 which was converted to equity in 2022 plus a further equity of investment of \$40,000 made in 2022. For this investment we acquired 2% of FabricAid's share capital. The equity investment gives Alfanar a seat on the board of FabricAid where we can more closely direct the social purpose of the organisation. The investment is carried on the balance sheet at cost less impairment.

iii) Alfanar Association Lebanon ("Alfanar Lebanon") is an association (No. 907) registered with in Lebanon it is regarded as a subsidiary of Alfanar as stated in the group accounting policy, although Alfanar has no equity investment in Alfanar Association Lebanon.

Alfanar Lebanon Income and Expenditure statement	2022	2021
	£	£
Income		
From UK	155,232	34,435
From other sources	7,283	25,878
Expenditure	155,347	50,297
Net movement in funds	7,168	10,016
Alfanar Lebanon Balance Sheet	£	£
Bank	17,184	10,016
Net Assets	17,184	10,016
Restricted Fund		
General Fund	17,184	10,016
	17,184	10,016

12. PROGRAMME RELATED INVESTMENTS (Group and Charity)

	2022	2021
	£	£
Repayable grants due within one year	15,697	41,418
Repayable grants due after more than one year	-	83,452
	15,697	124,870

The Programme related investments are:

1. A repayable grant included in our 2020 agreement with Future Eve Foundation, repayable over three years in equal instalments. One payment of £15,697 (EGP 471,300) remains outstanding due in December 2023.
- The repayable grant included in our 2021 agreement with FabricAid has been converted to grant expenditure.
- The convertible repayable grant to FabricAid Holdings of \$60,000 (£44,933) in 2021 has been converted into equity in 2022.

13. DEBTORS

	Group		Charity	
Due within one year	2022	2021	2022	2021
	£	£	£	£
Grant debtors	166,228	18,484	166,228	18,484
Accrued income	376,452	323,068	376,452	323,068
Other debtors	712	7,673	712	425
Alfanar Lebanon	-	10,627	2,351	10,627
Prepayments	8,560	5,936	8,560	5,936
	551,952	365,788	554,303	358,540

14. CREDITORS

	Group		Charity	
Due within one year	2022	2021	2022	2021
	£	£	£	£
Trade creditors	23,950	12,732	26,301	12,732
Taxation	12,419	8,663	12,419	8,663
Grants payable to investees	84,045	71,665	84,045	71,665
Defined contribution pension scheme payments	3,890	1,770	3,890	1,770
Other accruals	64,642	48,642	64,642	48,642
	188,946	143,472	191,297	143,472

ALFANAR (Company limited by guarantee no. 05141908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. RESTRICTED FUNDS											
Current Year											
	Brought Forward £	GROUP			Transfers £	Carried Forward £	CHARITY				
		Income £	Expenditure £				Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Egypt											
Egypt Fund	3,000	13,700	3,000			13,700	3,000	13,700	3,000		13,700
Education in Egypt											
Educate Me	11,936	-	-	(11,936)		-	11,936	-	-	(11,936)	-
BTCP	-	16,418	16,330			88	-	16,418	16,330		88
Heya Masr	-	6,424	4,757			1,667	-	6,424	4,757		1,667
Seed Cycle	-	41,352	37,560			3,792	-	41,352	37,560		3,792
General Education	-	11,607		11,936		23,543	-	11,607	-	11,936	23,543
Women and Youth Employment in Egypt											
Future Eve Foundation	85,958	23,660	23,660			85,958	85,958	23,660	23,660		85,958
Life Vision	-	3,000	3,000			-	-	3,000	3,000		-
SEMD Programme											
Technical Assistance	75,266	-	46,520			28,746	75,266	-	46,520		28,746
Emonovo (Mar3)	5,238	6,973	10,394			1,817	5,238	6,973	10,394		1,817
Delta Oil	5,238	8,774	10,378			3,634	5,238	8,774	10,378		3,634
Duma	5,238	9,240	10,827			3,651	5,238	9,240	10,827		3,651
Nakoll	5,238	9,243	10,394			4,087	5,238	9,243	10,394		4,087
Sprints	5,238	6,994	10,394			1,838	5,238	6,994	10,394		1,838
Threads of Hope	5,238	9,243	10,378			4,103	5,238	9,243	10,378		4,103
Start-ups without borders	5,238	14,314	6,209			13,343	5,238	14,314	6,209		13,343
Yadawee	5,238	15,454	16,587			4,105	5,238	15,454	16,587		4,105
Egypt Environment fund											
Seed Cycle	-	53,485	7,297			46,188	-	53,485	7,297		46,188
Lebanon											
Lebanon Fund	-	3,350	-		1,560	4,910	-	3,350	-	1,560	4,910
Education in Lebanon											
MMKN	1,560	-	-	(1,560)		-	1,560	-	-	(1,560)	-
Tabshoura	-	124,633	32,842			91,791	-	124,633	32,842		91,791
Women and Youth Employment in Lebanon											
Ana Aqra	66,005	-	66,005			-	66,005	-	66,005		-
BOT	61,816	56,713	80,316			38,213	61,816	56,713	80,316		38,213
SE Factory	61,934	77,691	77,427			62,198	61,934	77,691	77,427		62,198
GIZ EPL Project	-	450,092	243,041			207,051	-	450,092	243,041		207,051
Emergency/Environment Lebanon											
Lebanese Food Bank	21,962	-	21,962	(21,962)		-	21,962	-	21,962	(21,962)	-
FabricAid	-	-	-	21,962		-	-	-	-	21,962	-
Refugees in Lebanon											
Shatila Studio	17,538	-	17,538			-	17,538	-	17,538		-
WPA Nawras Pre-School	12,547	-	12,547			-	12,547	-	12,547		-
Emergency Response											
Emergency Lebanon Campaign											
Emergency Lebanon Restricted General	159,303	-	70,007			89,296	152,055	-	70,007		82,048
Soufra - Hot meals	2,504	-	973			1,531	2,504	-	973		1,531
Jordan											
-	-	-	-			-	-	-	-		-
Palestine											
Palestine SE programme	50,000	-	47,674			2,326	50,000	-	47,674		2,326
UK											
Accelerate Study Missions	19,498	-	2,277			17,221	19,498	-	2,277		17,221
Impact Investment pre start-up Fund	-	1,500	1,500			-	-	1,500	1,500		-
Alfanar Development	64,316	-	52,719			11,597	64,316	-	52,719		11,597
TOTAL RESTRICTED FUNDS	757,047	963,860	954,513	-	-	766,394	749,799	963,860	954,513	-	759,146

ALFANAR (Company limited by guarantee no. 05141908)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. RESTRICTED FUNDS												
Prior Year												
		Brought Forward	Income	GROUP Expenditure	Transfers	Carried Forward		Brought Forward	Income	CHARITY Expenditure	Transfers	Carried Forward
		£	£	£	£	£		£	£	£	£	£
Egypt												
Egypt Fund		8,325	3,000	8,325		3,000		8,325	3,000	8,325		3,000
Education in Egypt												
Educate Me		67	25,654	13,785		11,936		67	25,654	13,785		11,936
BTCP		14,832	5,586	24,146	3,728	-		14,832	5,586	24,146	3,728	-
Women and Youth Employment in Egypt												
Future Eve Foundation		64,423	47,274	25,739		85,958		64,423	47,274	25,739		85,958
Life Vision		9,474	3,692	13,166		-		9,474	3,692	13,166		-
Takafoo		487	-	487		-		487	-	487		-
Together For You		3,728	-	-	(3,728)	-		3,728	-	-	(3,728)	-
SEMD Programme												
Technical Assistance		-	157,091	81,825		75,266		-	157,091	81,825		75,266
Emonovo (Marj3)		-	6,250	1,012		5,238		-	6,250	1,012		5,238
Delta Oil		-	9,090	3,852		5,238		-	9,090	3,852		5,238
Duma		-	6,250	1,012		5,238		-	6,250	1,012		5,238
Nakoll		-	6,250	1,012		5,238		-	6,250	1,012		5,238
Sprints		-	6,250	1,012		5,238		-	6,250	1,012		5,238
Threads of Hope		-	8,250	3,012		5,238		-	8,250	3,012		5,238
Start-ups without borders		-	8,663	3,425		5,238		-	8,663	3,425		5,238
Yadawee		-	6,250	1,012		5,238		-	6,250	1,012		5,238
Lebanon												
Education in Lebanon												
MMKN		(1,440)	3,000	-		1,560		(1,440)	3,000	-		1,560
Tabshoura		8,299	77,453	85,752		-		8,299	77,453	85,752		-
Women and Youth Employment in Lebanon												
Ana Aqra			113,832	47,827		66,005		-	113,832	47,827		66,005
BOT		1,988	84,590	24,762		61,816		1,988	84,590	24,762		61,816
SE Factory		31,337	81,171	50,574		61,934		31,337	81,171	50,574		61,934
Emergency/Environment Lebanon												
Lebanese Food Bank		21,962	-	-		21,962		21,962	-	-		21,962
Refugees in Lebanon												
Inaash		-	6,778	6,778		-		-	6,778	6,778		-
NaTakallam		134	3,547	3,681		-		134	3,547	3,681		-
Shatila Studio		17,538	-	-		17,538		17,538	-	-		17,538
WPA Nawras Pre-School		-	12,547	-		12,547		-	12,547	-		12,547
AI Ghurair Foundation (AGFE) SE Factory		(19,988)	49,062	29,074		-		(19,988)	49,062	29,074		-
AI Ghurair Foundation (AGFE) MMKN		(5,615)	73,591	67,976		-		(5,615)	73,591	67,976		-
AI Ghurair Foundation (AGFE) SE Support		(18,375)	34,645	16,270		-		(18,375)	34,645	16,270		-
Emergency Response												
Emergency Lebanon Campaign												
Emergency Lebanon Restricted General		178,263	44,854	63,814		159,303		178,263	18,976	45,184		152,055
Impact Lebanon		94,356	178,881	273,237		-		94,356	178,881	273,237		-
Soufra - Hot meals		2,504	-	-		2,504		2,504	-	-		2,504
Pepsico/March NGO -Bedco for reconstruction		12,896	-	12,896		-		12,896	-	12,896		-
Oxfam		47,443	64,136	111,579		-		47,443	64,136	111,579		-
Jordan												
Plan- Mubaderoon project		-	77,011	67,919		-		-	77,011	67,919		-
Palestine												
Palestine SE programme		-	50,000	-		50,000		-	50,000	-		50,000
UK												
Accelerate Study Missions		24,346	6,829	11,677		19,498		24,346	6,829	11,677		19,498
Impact Investment pre start-up Fund		31,574	2,500	34,074		-		31,574	2,500	34,074		-
Alfanar Capacity Building		30,000	-	30,000		-		30,000	-	30,000		-
Alfanar Development		58,457	75,000	69,141		64,316		58,457	75,000	69,141		64,316
TOTAL RESTRICTED FUNDS		607,923	1,338,977	1,189,853	-	757,047		607,923	1,313,099	1,171,223	-	749,799

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FOR THE YEAR ENDED 31 DECEMBER 2022

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

Egypt fund holds income specifically restricted to social enterprise grants and support activities in Egypt. Allocation to specific projects is at the discretion of the Board. In 2022 funds were used to support Bright Tomorrow for Child Protection (BTCP) (2021: BTCP £4,436 and Future Eve £3,889).

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. This social investment is generously supported by SODIC and funds raised during the 2020 Survive and Thrive campaign. Unused funds at the end of 2021 were transferred with the donor's approval to a general Egypt Education fund.

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

Future Eve Foundation (FEF) is an active investment and continues to be generously supported by the Global Fund for Widows (GFW). A growing portfolio of housing improvement loans launched by FEF is being supported by SODIC. GFW continues to provide technical assistance to this investment. Delays in obtaining MOSS approval for the micro loans extension have resulted in a larger than anticipated carry forward figure. This will be spent in 2023.

Life Vision economically empowers smallhold female farmers through Farmer Field Schools and literacy classes. In 2022 a specific donation was made to support this investee. In 2021 this investment was covered by funds raised in the 2021 Join the Journey campaign.

Takafoo works in the Minya region training and helping women secure reliable, safe farm work. In 2021 this investment in was supported by the balance of funds raised in our 2020 Survive and Thrive campaign.

Strengthening Social Enterprise for Migration and Development (SEMD) Programme. This is a two year programme 50% funded by GFA Consulting Group GmbH with Swiss Development Corporation funds. It involves the selection of eight social enterprises for financial and technical support. The first grant payments were made in 2021 and the second payments were made in 2022. The programme was extended by GFA to April 2023. The final trainings and grant disbursements will take place in 2023.

MMKN. The small balance at the end of 2021 was transferred, with the donor's agreement, to the Lebanon Fund, specifically to cover funding gaps for the Lebanon portfolio.

Tabshoura (Lebanese Alternative Learning) provides a free, accessible and interactive online learning platform to support teachers and students with the Lebanese curriculum. This investment is supported by a corporate donor which wishes to remain anonymous, and an individual donor. In 2021 Their World's Digital Learning Early Childhood Education project supported the programme in addition to the funds raised in the 2020 Survive and Thrive campaign.

Ana Aqra advances literacy and autonomous learning for underprivileged children in Lebanese public schools. It has also expanded its services to address the educational, cultural and psychosocial needs of communities within and surrounding the public educational system. Ana Aqra's core programmes focus on student integration, student retention and teacher training towards long-term sustainability. 2021 saw our 4th year of investment in the programme. It was supported through Their World's Digital Learning Early Childhood Education project. Delays in the programme due to physical and economic disruptions led the project to underspend by \$51,245 (£46,174). We exited this programme in 2022, and returned to Their World the amount of the underspend.

BOT (Bridge.Outsource.Transform.) enables hundreds of disadvantaged, marginalised youth in Lebanon, opportunities to work in the digital freelance market. This investment in 2022 was supported by Drosos and the new GIZ programme. (2021: Drosos, Lebanese International Finance Executives (LIFE) and funds raised in our 2020 Survive and Thrive campaign).

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. 2022 SE Factory was part of our new programme supported by GIZ. This project also continued to receive Drosos support. (2021: Drosos and Bank of America Foundation supported our second year of Long Term Investment).

Lebanese Food Bank This pilot investment works in Lebanon to reduce food waste and alleviate hunger. It received support from our 2020 Survive and Thrive campaign. Funds in excess of our pilot involvement were received. In 2022 key donors agreed that we could use these funds to cover our support for FabricAid.

FabricAid. This Sustain investment is supported from funds raised in the emergency appeal, including the transfer from the Lebanese Food Bank project, in 2020 addressing the ongoing cost of living crisis in Lebanon and environmental issues. In 2022 it is part of our GIZ funded programme.

Inaash creates dignified employment for nearly 400 female Palestinian refugees through embroidery and high-quality textile production. This investment in 2021 was partially funded by funds raised through our 2021 Join the Journey campaign.

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 2021, our investment was partly funded through funds raised in our 2021 Join the Journey Campaign. There was no activity with Natakallam in 2022 but we have secured funding for a new agreement in 2023.

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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. Expenditure was on hold in 2021 awaiting a new business plan. Disbursements resumed in 2022.

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. Funds received late in 2020 were held in 2021 while we discussed with WPA and agreed the best use for the investment. These funds were disbursed in 2022.

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 relating to these investees. This two year project commenced in August 2019.

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.

Disbursements in 2022 provided finance and programme support to local social enterprises, March NGO, L'Artisan Du Liban, Tabshoura and Inaash. The total carried forward in this area is £90,827 (2021: £161,817), has been disbursed in 2023 to Emergency food programmes (£70,083) and the final payments, in line with their agreements, to the four social enterprises funded in 2022.

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 finished in September 2021.

Palestine. This fund, provided by Asfari Foundation, is to enable us to expand our work to social enterprises based in Palestine. In 2022 we identified suitable social enterprises and set up our first SEED cycle providing training, mentoring and the first award payments to six successful social enterprises completing the programme. This is also funded from our Palestine designated fund

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. In 2022 we took two investees to a market exploration event in London. 2021 we ran a market place investigation with two Lebanese social enterprises partly supported by Institute Francaise.

Impact Investment pre start-up 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. In 2021 this investment received support from the IFC and a private foundation. In 2022 the project was supported from Alfanar general funds, other than some legal costs covered by an individual donor.

Alfanar Capacity Building Fund was made possible in 2021 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 business 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 resumed in 2021 with a new budget agreed with Asfari. 2022 expenditure allowed us to use some of the funds towards our much needed new system for donor relationship and grant management. The fund carried forward balance will be used in 2023 to cover digitisation of our ASSET modules.

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16. DESIGNATED FUNDS (Group and Charity)

Current year	Brought Forward	Income	Expenditure	Transfer New Assets	Carried Forward
	£	£	£		£
Tangible Fixed Assets	2,631	-	(1,117)	1,836	3,350
Palestine Fund	-	50,000	(23,101)		26,899
TOTAL DESIGNATED FUNDS	2,631	50,000	(24,218)	1,836	30,249

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

The Palestine Fund represents an unrestricted donation from an individual supporter who was keen to support our new opportunities in Palestine. The board agreed to designate these funds for that purpose to be spent by the end of 2023.

Prior Year	Brought Forward	Income	Expenditure	Transfer New Assets	Carried Forward
	£	£	£		£
Tangible Fixed Assets	3,680	-	(1,049)	-	2,631
TOTAL DESIGNATED FUNDS	3,680	-	(1,049)	-	2,631

17. MOVEMENT OF FUNDS IN THE YEAR

Current year (Group)

	1 January 2022	Income	Expenditure	Transfers	31 December 2022
	£	£	£	£	£
Designated funds	2,631	50,000	- 24,218	1,836	30,249
General fund	244,544	1,489,993	- 1,074,154	1,836	658,547
	247,175	1,539,993	- 1,098,372	-	688,796
Restricted funds	757,047	963,860	- 954,513	-	766,394
TOTAL FUNDS	1,004,222	2,503,853	- 2,052,885	-	1,455,190

Current year (Charity)

	1 January 2022	Income	Expenditure	Transfers	31 December 2022
	£	£	£	£	£
Designated funds	2,631	50,000	- 24,218	1,836	30,249
General fund	233,950	1,482,675	- 1,066,143	1,836	648,646
	236,581	1,532,675	- 1,090,361	-	678,895
Restricted funds	749,799	963,860	- 954,513	-	759,146
TOTAL FUNDS	986,380	2,496,535	- 2,044,874	-	1,438,041

Prior year (Group)

	Brought Forward 1 January 2021	Income	Expenditure	Transfers	Carried Forward 31 December 2021
	£	£	£	£	£
Designated funds	3,680	-	(1,049)	-	2,631
General fund	226,970	787,793	(770,219)	-	244,544
	230,650	787,793	(771,268)	-	247,175
Restricted funds	607,923	1,338,977	(1,189,853)	-	757,047
TOTAL FUNDS	838,573	2,126,770	(1,961,121)	-	1,004,222

Prior year (Charity)

	Brought Forward 1 January 2021	Income	Expenditure	Transfers	Carried Forward 31 December 2021
	£	£	£	£	£
Designated funds	3,680	-	(1,049)	-	2,631
General fund	226,970	787,793	(780,813)	-	233,950
	230,650	787,793	(781,862)	-	236,581
Restricted funds	607,923	1,313,099	(1,171,223)	-	749,799
TOTAL FUNDS	838,573	2,100,892	(1,953,085)	-	986,380

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	Group			Charity		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£
Tangible fixed assets	3,350	-	3,350	3,350	-	3,350
Investment Assets	80,261	-	80,261	80,261	-	80,261
Net current assets	605,185	766,394	1,371,579	595,284	759,146	1,354,430
	688,796	766,394	1,455,190	678,895	759,146	1,438,041

Prior year	Group			Charity		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	2021	2021	2021	2021	2021	2021
	£	£	£	£	£	£
Tangible fixed assets	2,632	-	2,632	2,632	-	2,632
Net current assets	244,543	757,047	1,001,590	233,949	749,799	983,748
	247,175	757,047	1,004,222	236,581	749,799	986,380

19. 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 **£8,400** (2021: £2,814). In the year, our occupancy grew as Covid restrictions and mitigations were relaxed.

During the year, Trustees donated **£323,228** (2021: £177,817) in total, including board pledges, gifts at events and other campaign donations to Alfanar's general funds. In addition members of the Alfanar, Inc., US board donated **£7,608** (2021: £8,109).

20. 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:

	2022	2021
	£	£
Less than 1 year	7,768	4,219
	7,768	4,219

Thank You

We would like to extend our heartfelt thanks to all our donors, advisors and pro-bono supporters for making our work possible.

Alfanar Inc., US Board

Gretchen Welch (Chair)
Carol Prendergast
Cynthia J. Oakes
Mark Huang

Alfanar Lebanon Board & Advisors

Myrna Atalla (President)
Alfred Kettaneh
Carine Assouad
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Individual Donors

We thank the 143 individual donors for their generous contributions to Alfanar's venture philanthropy mission in 2022.

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Empowering Enterprise for Social Change

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

Global Leadership Team

Myrna Atalla (Executive Director)
Fadel Zayan (Investment Director)
Nicolas Kröger (Operations Director)
Shenouda Bissada (Egypt Country Director)
Kim Issa (Lebanon Country Director)
Suha Abdul Rahim (Jordan Country Director)
Michelle Mouracade (Impact Fund Advisor)

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Samir Assaf
Amjad Bseisu
Charlotte Boyle
Sherif Foda
Maysa Jalbout
Julia Middleton
Cynthia J. Oakes

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