

A young girl with dark hair, wearing a dark blue hoodie with a yellow stripe, is smiling and holding a book. The background is a textured, light-colored wall.

2023 Impact Report

ALFANAR VENTURE PHILANTHROPY

Vision

Educated children,
employed youth &
economically
empowered women
across the Arab region



Priority Areas

Education, Employment,
Empowerment &
Environment



Mission

Foster the growth of
sustainable, scalable
social enterprises



Contents

02	The Challenge
03	Welcome
04	2023 in Numbers
05	Reach & Impact
06	Venture Philanthropy Approach
08	Commitment to Financial Sustainability
10	ASSET & AIM
12	Impact Investing
14	Education Portfolio
18	Employment Portfolio
22	Empowerment Portfolio
26	Environment Portfolio
30	Emergency
31	Outreach
33	Luminary Internship Programme
34	2023 Results
35	2024 Plans
37	Financial Review
38	Board & Team
39	Structure, Governance & Management
46	Independent Auditors Report
50	Statement of Financial Activities
71	Thank You

A close-up portrait of Safiah AbuShanin, a woman wearing a grey hijab, looking slightly upwards and to the right with a thoughtful expression. The background is softly blurred, showing what appears to be an indoor setting with some architectural elements.

“

Alfanar opened our horizons, allowing us to focus on the goals we need to achieve.

Safiah AbuShanin
CEO, Hands of Sitti
Alfanar Jordan SEED Portfolio

The Challenge

The Arab region is the only region in the world where poverty has consistently increased over the past decade. Political, social and economic instability, heightened inequality and worsening environmental conditions all contribute to this trend, creating complex challenges felt most acutely by disadvantaged groups. Women, children and refugees living in slum communities and marginalised rural areas lack the access to quality education or opportunity they need to secure productive and dignified futures.

Addressing these issues demands urgent solutions that are sustainable into the future. Using a venture philanthropy approach, Alfanar supports innovative social enterprises that are working to tackle systemic inequalities and provide opportunities to communities that need it most.

By investing in ambitious, local social enterprises across the Arab region, we are building an ecosystem of enduring social and environmental change.



Youth unemployment in the Middle East and North Africa (MENA) consistently ranks the highest in the world



59% of children cannot read or understand an age-appropriate text by age 10



Unemployment among young women is 80% higher than among young men



The MENA region hosts the largest number of refugees and migrants in the world



Temperatures in the Arab region are increasing twice as fast as the global average due to climate change

Welcome

2023 was a tumultuous year for the Arab world. Devastating earthquakes in Syria and Morocco, flooding in Libya, civil war in Sudan, economic crises in Egypt and Lebanon and tragic violence against families in Gaza have impacted millions of lives and exacerbated regional insecurities. Amidst difficulty and human struggle, there were glimmers of hope as social enterprises never ceased to innovate and collaborate to respond.

As Alfanar enters its 20th year, empowering enterprises for social change has proven to be a beacon of hope and stability in the face of tumult. Our venture philanthropy model provides comprehensive support to social enterprises developing innovative solutions to bolster children's education, youth employment and women's economic empowerment. By finding, funding, training and supporting the growth of the most promising social enterprises in the region, we are fostering impact for marginalised communities that continues to grow into the future.

2023 marked the second year of our current growth plan, with a goal of supporting more social enterprises and improving more lives sustainably. Thanks to your help, this has been a tremendous success. We fulfilled the pledge made at our 2022 gala and improved the lives of 107,152 women and children within 2023, representing 27% of our entire impact footprint since 2004. We delivered £1,876 million in funding and management support to 60 social enterprises, and training to an additional three social enterprises outside our portfolio. Our venture philanthropy support enabled our portfolio to not only grow its impact, but to achieve an average cost recovery rate of 66% through the sale of goods and services.

The scale of our growth and impact is a testament to the power of the venture philanthropy approach. On average, our social enterprises are able to impact 37% more lives and to self-generate 34% more sustaining revenue through our support. With the backing of institutional and individual donors, Alfanar has been able to dedicate more resources to training, management support, capacity-building and access to networks coupled with our unique, multi-year SUSTAIN grants.

2024 is slated to be the most transformative yet. We are working hard to move towards improving the lives of 150,000 women and children per year, to provide SEED support to over 55 social enterprises – of which we expect 15 to progress to our long-term SUSTAIN support programme. Our venture philanthropy activity will be fully operational through registered entities and partnerships in Egypt, Lebanon, Jordan and Palestine. In parallel, we are supporting the launch of the first regional impact investment fund for the Arab world.

On behalf of the Alfanar Board and team, we thank you for believing in our mission and for supporting us to grow innovative solutions that uplift communities in need at a time when hope feels like it is being extinguished. With your help, Alfanar can continue to serve as an engine to ignite enduring and sustainable opportunity and transformational change across the Arab world.



Lubna S. Olayan
Board Chair



Myrna Atalla
Executive Director

2023 In Numbers

£1,875,960

Alfanar Funding & Management Support

22,806

Hours of Management Support Delivered

63

Social Enterprises Funded & Trained

107,152

Lives Directly Impacted



4,143

Women employed or launched / grew new businesses

9,085

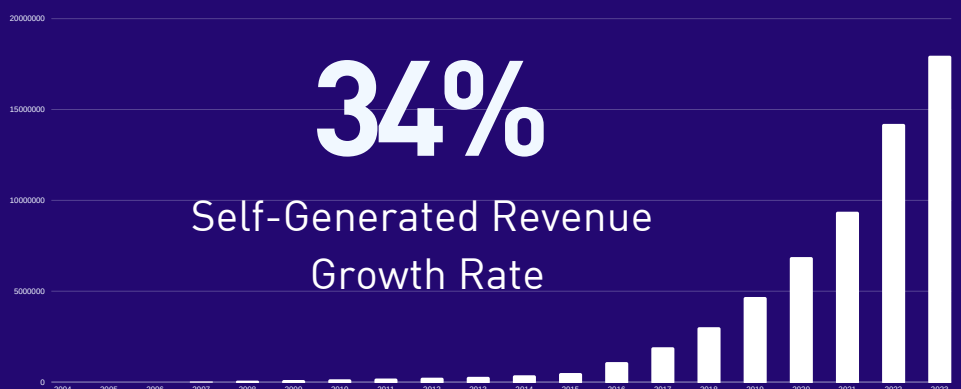
Children and youth gaining access to quality education

66%

Average cost recovery rate of enterprises

£3,563,790

Revenue Generated by Social Enterprises



Reach & Impact

LEBANON

SEED Cycles

YELA SEED Cycle

Powered by GIZ & BMZ

1st Cycle

- Beirut Bloomers
- Find a Nurse
- Plastic Lab
- Nadeera
- SIIRA

2nd Cycle

- Agonista
- Code Brage
- Little Melly
- Refuse
- The Volunteer Circle

3rd Cycle

- D4Communities
- Espace Fann
- Foodsight
- UDiversity
- IRAP

4th Cycle

- Ahla Fawda
- Garbaliser
- Littera
- Supportful
- UWYTA

Management Support

Powered by Drosos

- Creative Space Beirut
- IECB
- LLWB
- Seenaryo
- Semeurs D'Avenir
- Zoukak

SUSTAIN Portfolio

- BEDCO by March NGO
- B.O.T
- FabricAID
- L'Artisan du Liban (ADL)
- Lebanese Alternative Learning (Tabshoura)
- SE Factory

REFUGEE Portfolio

- NaTakallam

EMERGENCY

- Tawlet Souk el Tayeb
- ShareQ

PALESTINE

SEED Cycle

Inaugural Palestine SEED Cycle
Powered by Alfanar & The Asfari Foundation

- Al Mofakir For Education
- Al-Reef Fair Trade
- Flowless
- Friends of Birziet
- Sawaed 19
- Sindyan Education Media
- Spark for Entrepreneurship & Innovation
- Yalla Mishwar Tourism
- Waselat Al Muffaker

SUSTAIN Portfolio

- Flowless

EMERGENCY

- Egyptian Food Bank

JORDAN

SEED Cycle

Impact Together

Funded by the European Union (EU), Powered by Impact Europe

- Curio
- Hands of Sitti
- Jusoor Labs
- Ketabi
- KUVRD

SUSTAIN Portfolio

- B.O.T
- FabricAID

EGYPT

SEED Cycles

Green Employment SEED Cycle

Powered by SODIC

- Banlastic
- Bekia
- Kendaka
- Plstka Technology

Plastics Recycling SEED Cycle

Funded by Dow Chemicals,
Powered by Wasteaid

- Upfuse
- Very Nile
- WMC

SUSTAIN Portfolio

- Bright Tomorrow for Child Protection (BTCP)
- Future Eve Foundation
- Man Ahyaha
- Delta Oil

Venture Philanthropy Approach

For nearly two decades, Alfanar has continued to adapt its approach to effectively fuel social enterprises in the Arab world.

2023 marked the second year of Alfanar's new investment cycle: SEED, SUSTAIN, SCALE, and SPREAD. We set ourselves four ambitious goals aimed at extending our reach and venture philanthropy support to a growing number of social enterprises across the Arab region.

Our refreshed approach enables us to provide more social enterprises access to our accelerated SEED cycle training, grants and personalised management support. From this larger pipeline, we can provide select social enterprises with business planning and assessment for our unique, multi-year SUSTAIN support package.

Investment Cycle



SEED

6-8 months of accelerated Alfanar Sustainable Social Enterprise Training (ASSET), financial awards and business planning



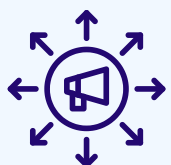
SUSTAIN

3-5 years of patient, flexible grants and zero-interest loans, management support and bespoke Alfanar Impact Management (AIM) applications and analytics



SCALE

5+ years of debt and equity impact investment, providing investors with financial return or social franchising support, technical assistance and access to networks



SPREAD

A community of supporters, donors and ambassadors growing the sustainable change movement in social entrepreneurship and impact investment across the Arab world

SUSTAIN Support Package



Tailored Funding

Adaptable and patient capital spanning 3-5 years (often +£250K), which provides social enterprises with the stability required to concentrate on expanding and enhancing their impact and financial sustainability models



Management Support

Highly engaged accountability support and training, study missions and market exploration trips, business planning and reforecasting, and access to our vast network of impact connectors. This ensures social enterprises have the expertise and support needed to grow and expand



AIM

Alfanar Impact Management is our programme that develops and adapts tailored applications for each social enterprise on a business intelligence technology platform – enabling real-time tracking, visualisation and progress assessment against impact and financial targets

A Unique Model for Lasting Impact

Financing is crucial, but is not enough on its own.

Our commitment to providing long-term, comprehensive management support and training for social enterprises is the glue to our model and what sets us apart in the venture philanthropy space.

For every £1.00 donated to Alfanar, we add £0.63 in one-on-one management support and capacity-building to our social enterprises, which includes weekly accountability calls, monthly in-person visits, networking connections, training and business planning. This ensures that our collective contribution is not only impactful, but long-lasting.



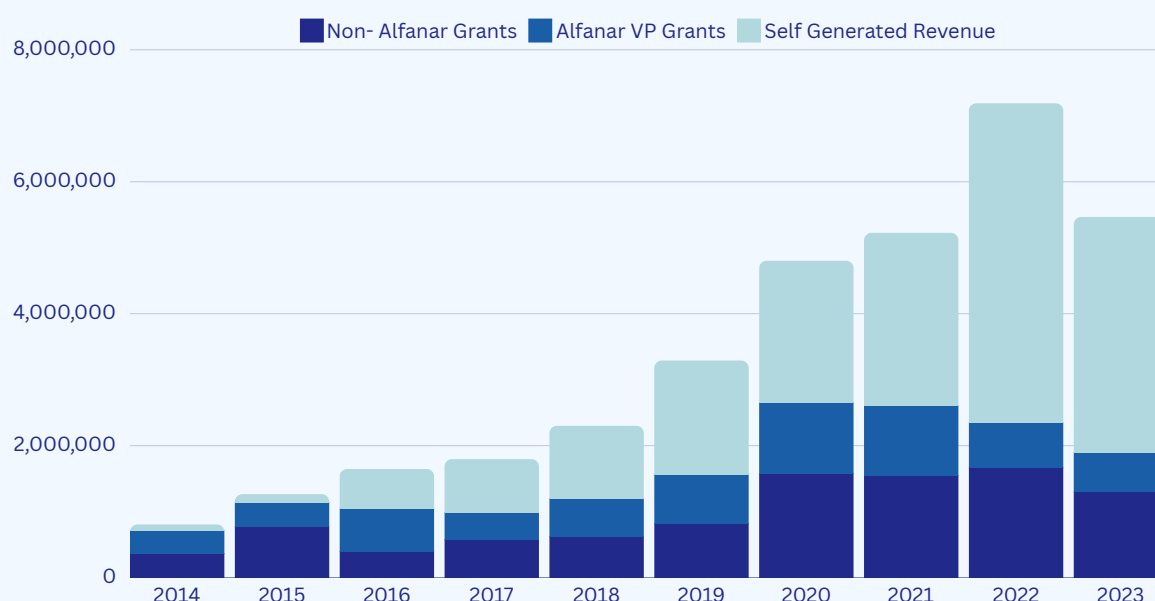
Commitment to Financial Sustainability

Alfanar promises its partners and donors that their philanthropic donations will be strategically directed, monitored and cultivated to foster the emergence of lasting solutions in education, youth employment, women's economic empowerment and the environment. Through our venture philanthropy support, we accelerate our social enterprises' progress toward financial self-sufficiency over the life of our investment cycle. We do this through tailored funding, proactive target setting, focused management support, progress tracking and dynamic course-correcting, when needed. It is not enough to set and strive towards financial sustainability targets. We have realised over time that part of our role is to facilitate collaboration, reseller and social procurement opportunities for our social enterprises that enable the growth of self-generated revenue. Alfanar takes social enterprises in its portfolio on market exploration missions to encourage such connections with regional and international companies.

Thanks to our partnership with the fund for micro-, small and medium-sized enterprises SANAD, we led a market exploration mission in June 2023 to Riyadh, Saudi Arabia, taking five Lebanon portfolio social enterprises: [Bridge. Outsource. Transform](#) (B.O.T), [SE Factory](#), [LAL/Tabshoura](#), [L'Artisan du Liban](#) and [FabricAID](#). Ahead of the mission, we helped the enterprises assess their export readiness, strengthen e-commerce strategies, and eventually connect with relevant stakeholders at our Inaugural Riyadh Impact Connector Event, for which we were grateful to receive venue support from the King Khaled Foundation. Since 2004, Alfanar has disbursed £7,893,296 in tailored funding – grants, zero-interest loans – to our social enterprises. This funding has enabled our social enterprises to self-generate £17,961,427 in revenue through the sale of their own goods and services – more than double our strategic, philanthropic contribution.

In 2023, our social enterprises were able to recover 66% of their costs, on average, through the sale of their own goods and services. This highlights the power of our venture philanthropy approach, which shifts social enterprises, built by and for the Arab region, away from donor dependency and instead towards self-reliance and lasting change.

Grants vs Self-Generated Revenue



The graduation of SUSTAIN social enterprises coupled with fluctuations in the value of the EGP led to a dip in total sales achieved in 2023.



ASSET

Alfanar Sustainable Social Enterprise Training

Budding enterprises in the Arab region are often resource-limited and need technical assistance to scale their enterprises for change. Our ASSET programme equips social enterprises in both SEED and SUSTAIN cycles across Egypt, Lebanon, Jordan and Palestine with the tools needed to grow their impact and financial sustainability.

We deliver our twelve ASSET training modules through a mixture of group trainings and one-on-one mentorship to ensure that each social enterprise has outputs that are tailored and applicable to its needs.

Alfanar also works with foundations and corporate partners that are interested in delivering ASSET training to social enterprises outside of our portfolios.

ASSET Modules

- Introduction to Social Enterprise.....
- Theory of Change.....
- Internal Governance.....
- Options for Scaling.....
- Impact Modelling.....
- Impact Measurement.....
- Financial Management.....
- Legal Structures.....
- Communications for Results.....
- Business Planning.....
- Human Resources.....
- Safeguarding.....

AIM

Alfanar Impact Management

For our SUSTAIN social enterprises, Alfanar develops tailored digital applications that streamline the monitoring of social impact and financial sustainability targets. Our AIM solution improves efficiency and reduces the burden of reporting for our social enterprises, turning what used to be an obligation into an essential evidence-based decision-making, management and communications tool.

75%

Of social enterprises in 2023 indicated that AIM helped them make better management decisions

88%

Of social enterprises confirmed that AIM improved their performance



“

The financial support we received allowed us to focus on our revenue generation strategy, providing us with greater clarity and direction.

Clementine Brown
Co-Founder, CodeBrave
Alfanar Lebanon SEED Portfolio

Impact Investing

In 2023, Alfanar continued to support the launch of one of the first impact investment funds focused on the Arab region.

Building on 20 years of venture philanthropy in the region, the impact investment fund aims to empower visionary entrepreneurs who use their businesses to create a more sustainable and inclusive future for disadvantaged communities, especially for women, youth and children.

Set to launch in 2024, the fund's impact investment strategy aims to generate commercial returns for investors while maximising positive and measurable social and environmental impact. It will invest in ambitious, growing businesses with impact, making available multiple financial instruments, including equity, debt or hybrids. In addition to investment capital, the fund will make available non-dilutive technical assistance support to help these businesses strengthen and scale their impact, operations and revenue.

In 2023, Alfanar supported the strengthening of the impact investment fund's leadership team, honed its investment strategy and legal structure, and grew the regional pipeline of growth-stage businesses with impact using a gender lens investment focus, including the preparation of first investments. Additionally, Alfanar approved a further convertible loan to one of our investees, FabricAID, and its network of ecosystem partners; its appearance on Bahrain's [Beban Show](#) (an entrepreneur-themed reality TV show); and follow-on investment from other regional funds.





2023 Portfolio

Despite the challenging landscape of 2023, our social enterprises remained resolutely focused on their social and environmental missions.

As a result of this commitment, Alfanar's social enterprises directed improved the lives of 107,152 children, youth and women within the year, delivering quality education, youth employment, women's economic empowerment and environmental innovation.

4 QUALITY EDUCATION

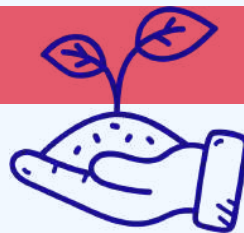


EDUCATION

Ensuring equitable education that fosters continuous learning

Since inception, improving access to quality education for disadvantaged children has been a key part of Alfanar's mission. With over two-thirds of the Arab region's 50 million children grappling with 'learning poverty', or the inability to read and comprehend an age-appropriate text by the age of 10, Alfanar is committed to identifying, funding and fuelling social enterprises growing sustainable solutions that provide disadvantaged children access to quality education. In 2023, with generous support from SODIC, a private foundation, and individual donations, Alfanar's education social enterprises in Egypt and Lebanon enabled nearly 10,000 children to access equitable educational pathways.

SEED



Impact Together SEED Cycle, Funded by the European Union (EU), Powered by Impact Europe & Implemented by Alfanar*

Curio - Supporting women entrepreneurs in underserved areas to establish preschools.

Jusoor Labs - Enabling students from all backgrounds to access an interactive learning platform that teaches science lessons, including virtual experimentation that reduces reliance on expensive equipment and laboratory spaces.

Ketabi- Establishing a secure online learning space for children that optimizes screen time for educational advancement.

Palestine SEED Cycle, Powered by Alfanar & The Asfari Foundation

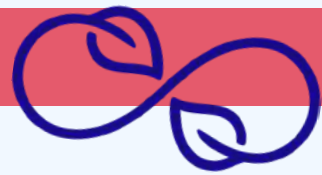
Friends of Birzeit - Enabling Palestinian students to reach tertiary education through scholarships and fellowships.

Sindyan Education Media - Creating and distributing educational digital content to children aged 4-9.

Waselat Al Muffaker - Developing educational tools and materials for children with special needs, and training both instructors and parents on how to use their systems and products.

*For some of our projects, our funding partner works with an organisation/entity that powers the project by providing management support and oversight.

SUSTAIN



Egypt

Bright Tomorrow for Child Protection (BTCP)

Based in Alexandria, BTCP provides comprehensive learning resources and services to children with neurodevelopmental disorders, with a particular focus on children with autism. Since 2018, Alfanar has helped BTCP grow its reach, especially within disadvantaged communities in Alexandria, where there are now three operating centres. In parallel, Alfanar helped BTCP create and execute a business plan aimed at developing self-generated revenue streams to ensure the long-term sustainability of its work. Having helped BTCP directly train and employ 85 therapists, treat 2,148 children with neurodevelopment disorders, and achieve 86% cost recovery through cross-subsidisation, Alfanar exited BTCP in 2023.



2023 Social Impact
536 Children



Cost Recovery
84%



Man Ahyaha (MA)

MA aims to leave no child without education by building and running high-quality primary community schools in rural communities where no schools or government exist. Alfanar began its support of MA in Q4 2023, enabling the organisation to continue improving its two community schools in the Ayat, Giza area and to add a third community school in Sohag. MA trains and employs local members of the communities it operates in to serve as educators, facilitators and other school staff. In parallel, Alfanar is supporting MA to test, identify and grow at least one self-generating revenue stream within its current business plan as a way of ensuring financial independence in the long run.



2023 Social Impact: 385 children enrolled & 88 teachers trained



*Cost recovery figures are not included for SUSTAIN social enterprises that were approved mid-year and have not yet completed one full year of Alfanar support. These figures will be reported in the 2024 report.



SUSTAIN



Lebanon

Lebanese Alternative Learning (LAL) Tabshoura

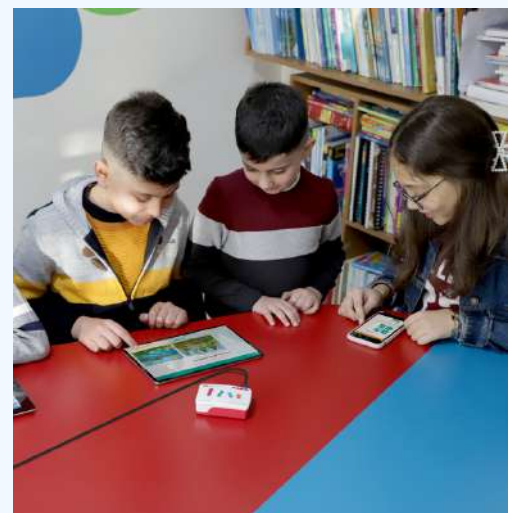
Since 2020, Alfanar has supported LAL to digitise and make the entire Lebanese primary curriculum available in Arabic, English and French to all children enrolled in school in Lebanon. This long-term goal was finally achieved in 2023 when LAL signed a Memorandum of Understanding with the Ministry of Education. Alfanar has also helped LAL develop and grow its revenue-generating education consulting services through LAL Solutions, facilitating useful connections through the Riyadh Market Exploration Mission.



2023 Social Impact: 8,896 students & teachers



Cost Recovery 28%



Palestine

In response to the horrifying loss and devastation endured by children across Gaza and increasingly children in the West Bank as well, Alfanar is bringing together a consortium of education social enterprises, including LAL/Tabshoura and others, to digitise the Palestinian primary school curriculum.

We are proud to bring together and leverage the expertise of our social enterprises to begin responding to the overwhelming need of children denied basic rights, including learning, across Palestine.



Impact Highlight I Man Ahyaha

“I strive to create a supportive and inclusive classroom environment where every student feels valued, understood, and capable of reaching their full potential.”

We had a child named “Youssef” at our school who was very active and often got into fights. Eventually, I discovered that the violence he displayed stemmed from a difficult home environment.

I continued to engage with Youssef, asking him about his interests. Noting his physical abilities and flexibility, I began teaching him gymnastics, which he enjoyed and even started teaching others in the community.

With time, he became calmer, more focused, and his academic performance improved.

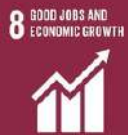
Man Ahyaha trains us to prioritise building strong connections with the children in our classrooms. Because of this, we are able to help students express their needs, gain confidence and thrive socially as well as academically.

This impact extends beyond the classroom, thanks to Man Ahyaha’s focus on building community networks. Parents see themselves as partners in their child’s education, reinforcing lessons learned at school and passing them to other family members.

Being able to bring education to children while empowering our community makes me proud, and gives me hope for the future.

*Teacher testimonial





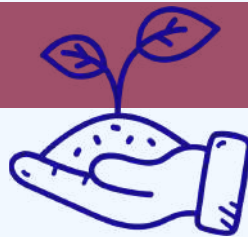
EMPLOYMENT

Promoting economic growth through equitable opportunities for employment

With the highest youth unemployment rates globally – at 47.8% in Lebanon, 41.6% in Jordan and 42% for young women in Egypt – it is imperative to invest in lasting solutions across sectors that generate meaningful employment and livelihoods for the 100 million young people living in the Arab region.

Alfanar works to identify and support bold social enterprises that are upskilling, training, and creating access to steady and dignified employment opportunities for the region's youth. In 2023, with generous support from GIZ, Drosos, L'Oreal and private individual donors, Alfanar's SUSTAIN employment portfolio generated steady jobs and livelihoods for 479 youth, of which 269 (56%) were women.

SEED



Lebanon YELA (Youth Employment For Lebanon), Powered by GIZ

1st Cycle

Beirut Bloomers - Supporting local artisans across Lebanon through funding, marketing, resale and design support.

Find A Nurse - Facilitating employment for qualified home care providers.

Nadeera - Enabling municipalities to reduce waste management costs by restoring value in discarded materials and alleviating health and environmental issues through waste management plans.

Plastic Lab - Upcycling plastic waste into valuable and educational items.

Siira - Providing accessible mental health support to vulnerable communities.

2nd Cycle

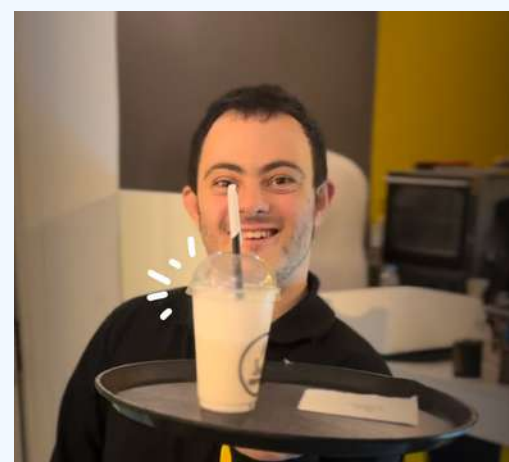
Agonista - Economically empowering individuals with different needs by providing them with safe and steady employment in their coffee shops.

Code Brave - Delivering classes in coding, robotics and other tech-related topics to teachers and students.

Little Melly - Providing meals for children between 6 months to 6 years through subscriptions and pharmacies.

Refuse- Offering community-based waste management services and creating employment for those in need.

The Volunteer Circle - A skill-sharing platform that matches volunteers with NGOs, start-ups, and local businesses.



SEED



3rd Cycle

D4Communities - Creating public and communal spaces that provide dignity, shelter, and security for local communities across Lebanon.

Espace Fann - Democratising art education in Lebanon by making it accessible and affordable for all.

Foodsight - Connecting agro-food businesses with multinational freelance experts and international service providers through an online marketplace.

IRAP - Specialising in the educational care and social integration of deaf children and young people.

UDiversity - Providing vocational training in cooking, food packaging, hospitality, character building, and social communication skills.

4th Cycle

Ahla Fawda - Promoting circular economic and eco-awareness, offering waste processing services and running green educational outreach.

Garbaliser - Addressing the environmental issue of excessive chemical fertiliser use by creating a natural liquid fertiliser from organic green waste.

Littera - Bridging educational gaps by creating accessible and engaging learning lessons.

Supportful - Reducing brain drain across Lebanese by connecting youth to remote software engineering jobs with international tech companies.

UWYTA - Creating work opportunities for vulnerable women in upcycling.

Jordan Education and Employment SEED Cycle, Funded by the EU, Powered by Impact Europe

KUVRD: Economically empowering Palestinian and Syrian refugees to design, produce and sell apparel that features and celebrates their local culture and heritage.

SUSTAIN



Lebanon

Bridge.Outsource.Transform (B.O.T)

The first impact outsourcing platform in the Arab region is enabling youth from low-income communities to access digital freelance work, including specialist work in artificial intelligence data annotation in Arabic. With Alfanar's support, B.O.T has expanded its operations from Lebanon to Jordan and is proactively developing its business contracts in the Gulf and beyond.



2023 Social Impact
337 youth employed
(64% women)



Cost Recovery
81%



SUSTAIN



SE Factory

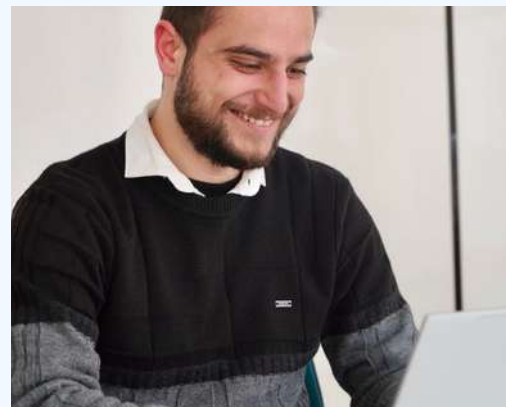
SE Factory provides intensive coding bootcamps to underprivileged youth across Lebanon, enabling them to develop the skills needed to secure steady employment in full stack web development and coding. Following bootcamp graduation, SE Factory facilitates employment opportunities with corporates in Lebanon and beyond. With Alfanar's support, SE Factory has not only created introductory trainings, but has also developed new streams of self-generated revenue through HR Factory, a specialised back-office service.



2023 Social Impact
283 youth employed & trained



Cost Recovery
34%



BEDCO

BEDCO is a social enterprise that economically empowers and employs marginalised youth from Jabal Mohsen and Bab el Debbaneh (neighbouring areas in the Tripoli area that are often embroiled in confessional violence and tension) through training and income-generating opportunities, especially in the construction sector. In addition to growing the number of work opportunities for youth, Alfanar is supporting BEDCO to improve cost recovery through sales, to develop an adaptable training programme, and to create a digital impact management system to better monitor performance.



2023 Social Impact
75 youth trained & employed



Cost Recovery
22%



NaTakallam

NaTakallam is creating dignified employment for refugees through the online economy as Arabic-language translators, interpreters and conversation partners. Since 2016, Alfanar has supported NaTakallam's growth and assisted with the development of a new digital platform.



2023 Social Impact
34 refugees employed



Cost Recovery
101%



ProAble

Alfanar has supported ProAble since 2022 to advance disability rights through a twofold approach: an online academy specialising in disability inclusion training, and a recruitment platform dedicated to facilitating employment for individuals with disabilities.



2023 Social Impact
128 people employed & trained



Cost Recovery
13%



Impact Highlight I ProAble

Mazen refuses to let his multiple sclerosis (MS) diagnosis stop him from pursuing his goals.

As a husband and father of two, Mazen is determined to provide for his family. However, the combination of a difficult job market, especially in the wake of Lebanon's economic crisis, and the impact of MS has frequently left him jobless.

By connecting with ProAble, Mazen found hope and new opportunities for his career.

ProAble is a social enterprise that advances disability rights through an online academy specialising in disability inclusion training, as well as a recruitment platform that facilitates employment for individuals with disabilities.

Thanks to ProAble, Mazen was able to obtain dignified employment and provide for his family. Beyond securing employment, ProAble has empowered Mazen to advance his career goals and feel supported and accepted in the workplace.

Alfanar has supported ProAble since 2022 as part of our GIZ-funded employment portfolio. The social enterprise has received funding and technical assistance through our ASSET training programme, alongside business development support. In 2023, ProAble employed and trained 128 individuals across Lebanon, and our support will help the enterprise as it continues to lead disability inclusion efforts in the country and the wider Arab region.



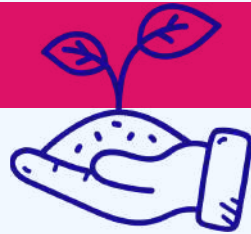


EMPOWERMENT

Cultivating gender equality within impoverished communities

Despite certain advancements for women's employment in the Arab region, especially in the fields of science, technology, engineering and maths (STEM) and entrepreneurship, steep barriers remain. The lack of women in formal employment continues to hamper economies, with only 29% of women formally employed in Lebanon, 18% in Palestine, 16% in Egypt and 13% in Jordan. Alfanar fosters the growth of social enterprises that enable women to access steady income-generating opportunities and dignified employment. In 2023, thanks to the continued belief and support of The Global Fund for Widows, the Egyptian Refining Company (ERC) and private individuals, Alfanar's SUSTAIN empowerment portfolio improved the take-home income and livelihoods of 4,143 women and their families, of which 3,698 were widows and female breadwinners.

SEED



Jordan Education and Employment SEED Cycle, funded by the EU, powered by Impact Europe

Hands of Sitti - Developing fashion product lines, from embroidery to soaps, that create dignified employment within refugee and displaced communities.

Palestine Inaugural SEED Cycle, powered by Alfanar and The Asfari Foundation

Al-Reef for Agriculture - Economically empowering female farmers through cooperative agriculture production and fair-trade promotion.

Sawaed 19 - Matching young people with volunteer opportunities across Palestine..

Spark for Entrepreneurship & Innovation - Supporting farmers in Gaza and beyond to adopt smart, sustainable farming methods.

Yalla Mishwar Tourism - Promoting and growing ethical tourism in Nablus.



SUSTAIN




Egypt

Future Eve Foundation (FEF)

Since 2012, Alfanar, The Global Fund for Widows and FEF have worked together to establish, develop and grow The Amal Project for Widows' Empowerment across 108 villages in Egypt, reaching over 22,000 widows. Meaning 'hope' in Arabic, The Amal Project is a multi-faceted programme, implemented by FEF, that aims to economically empower widows and female breadwinners through financial and vocational training, access to social microfinance and participation in Widows Savings and Loan Associations (WISALAs). FEF has expanded its reach significantly and with Alfanar's support, has strengthened its financial management and developed more effective monitoring and impact measurement systems. In 2024, support from an implementation consortium will allow Amal to reach widows in additional governorates in Egypt and in new countries, namely Lebanon and Palestine.



 **2023 Social Impact**
3,689 widows & female breadwinners

 **Cost Recovery**
120%

Lebanon

L'Artisan du Liban

One of Lebanon's oldest social enterprises, ADL aims to economically empower disadvantaged local artisans, most of whom are women, by facilitating more sales of their handmade textiles and accessories. To date, ADL has supported more than 1,000 artisans across Lebanon, mostly located in remote rural areas, and has saved four crafts from extinction. In addition to enabling ADL to support more artisans from disadvantaged communities, Alfanar is also providing management support to strengthen the organisation's long-term financial sustainability.



 **2023 Social Impact**
134 artisans employed

 **Cost Recovery**
96%





Impact Highlight | Hands of Sitti

“Working with Sitti Soap was a defining moment for me. They helped me stand firmly and become self-reliant.”

Often shy at first, Muna reveals her extroverted side once you ask her about her work. Her enthusiasm is clear as she discusses her daily tasks and the community she works with.

Muna is 50 years old and is a soap artisan for Hands of Sitti. As the breadwinner for her family of 10, and without Jordanian citizenship, working with Hands of Sitti has enabled her to provide a dignified life for herself and her family.

Hands of Sitti is a social enterprise that aims to empower refugees through income generation and fair work opportunities through the creation of bath and body products, apparel and other collections. Refugees are given training and employment that can help them attain financial security.

In 2023, Alfanar welcomed Hands of Sitti to our first SEED Cycle in Jordan, powered by Impact Europe and funded by the EU. Over the course of several months, Hands of Sitti, alongside four other social enterprises, were equipped with the tools and training needed to scale their impact, strengthen their operations and grow their financial sustainability.

With Alfanar’s training, Hands of Sitti has increased their impact and ability to support refugee and displaced communities.

*Pseudonym used





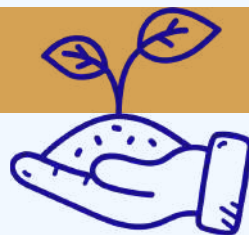
ENVIRONMENT

Fostering the establishment of eco-friendly consumption and production patterns

The Arab world is facing significant climate change impacts, with temperatures increasing higher and faster than the global average, and more frequent heat waves threatening crop production and food security. The region is also the most water-stressed in the world, consuming more than it can currently replenish.

In response to these challenges, Alfanar has been backing frontline social enterprises that recognise the imperative for both a social and environmental response to climate impacts. In 2023, we had support from private individuals, SODIC, The Asfari Foundation, the SEMD Programme – powered by GFA Consulting and the Swiss Development Corporation (SDC), WasteAid and Dow Chemicals, GIZ. Our SUSTAIN environmental portfolio recycled 84 tonnes of used clothing, which resulted in a CO2 emission reduction of 302 tonnes. In turn, the lives of 71,380 vulnerable individuals were improved through employment and access to affordable recycled goods. Additionally, we launched our first SEED cycles focused on identifying and supporting green social enterprises benefiting disadvantaged communities, paving the path for increased venture philanthropy support in this area.

SEED



Egypt Plastic Recycling Opportunities (PRO) Cycle, Powered by WasteAid & Dow Chemicals

Upfuse - Transforming disposed plastic and other waste into high-end products.

VeryNile - Creating up-cycled products, such as pouches and laptop sleeves, from PET single-use plastic bags that are donated from households or collected from the Nile.

Waste Management Control (WMC) - Developing and deploying smart solutions that help people generate income and understand the importance of recycling.

Egypt Green Employment SEED Cycle, Powered by SODIC

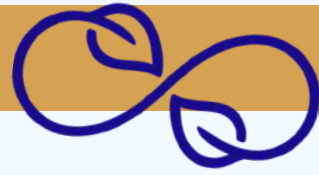
Banlastic - Rewarding customers for recycling their solid waste through an app, with discount coupons on services like restaurants and medical services.

Bekia - Reducing carbon emissions by teaching families how to sort waste from landfills.

Kendaka - Upcycling glass, used-plastic, weaving and textile-crochet into functional and creative products.

Plstka Technology - Rewards customers for recycling their solid waste through an app, with discount coupons on real services like restaurants and medical services.

SUSTAIN



Lebanon & Jordan

FabricAID

Originally established in Lebanon, now growing in Jordan and exploring expansion opportunities to Bahrain and Saudi Arabia, FabricAID is now the largest second-hand clothing collector in the Arab region. It works to ensure that every family can afford decent, quality clothing and that the fashion industry reduces its negative impact on society and the environment. FabricAID resolves inefficiencies in the second-hand clothing market by improving the efficiency of used clothing donations, resale, exchange and upcycling through multiple offerings, namely thrift, barter, vintage shops and an upcycled brand. Since 2018, Alfanar's grant, equity and convertible loan financing coupled with management support has enabled FabricAID to scale from a team of 9 to 143, from serving 1,088 to over 71,380 clients, paving the way for impact investment and further impact and sales growth.



2023 Social Impact
143 employed & 71,380
customers



Cost Recovery
42%



FabricAID Spotlight: The Beban Show

Represented by Egypt Country Director Shenouda Bissada, Alfanar served as a judge on entrepreneurship-themed reality TV show The Beban Show. The third season, episode 9, aired on 6 March 2024, featuring Alfanar as a social enterprise and FabricAID as a contestant pitching for further investment. Alfanar confirmed its investment during this episode and helped encourage further investment from The HOPE Fund to support FabricAID with the expansion of their operations to Bahrain.

SUSTAIN



Egypt

Delta Oil

Delta Oil collects used cooking oil (UCO) from disadvantaged communities across the Alexandria and The Delta in exchange for payment, food baskets or social services after selling the UCO to biodiesel companies. Alfanar progressed Delta Oil to business planning and approved long-term SUSTAIN funding in Q3 2023. This will enable the social purpose company to expand across Egypt, employing 3,000 disadvantaged women as local collectors and, in turn, enabling over 300,000 families to access additional income and food packages in exchange for UCO. Alfanar is supporting Delta Oil to develop a transformation plan and a monitoring and evaluation framework that will help them to accurately measure their social impact over the life of the investment

"With our help, women in rural areas are learning about the importance of recycling used cooking oil, the proper use and disposal of cooking oil, and participating in a sustainable project that economically empowers them and supports the environment."
- Sherif Foda, Alfanar Trustee



Palestine

Flowless

Flowless is headed by an innovative team that is tackling climate change while empowering vulnerable communities. It has devised a hardware/software solution that helps smallholder farmers and municipalities detect and reduce water leakages through greater knowledge and adjusted behaviour. Alfanar's long-term SUSTAIN support, approved in Q3 2023, aims to scale the organisation's impact and sales.



Impact Highlight | Flowless

Located in the West Bank, Salfeet's population has grown to over 15,000 residents, putting significant stress on the town's main water supply, the Salfeet Municipality Water System.

The current system has been dependent on human intervention for site inspection, particularly in monitoring water quality and consumption tracking. This has led to inefficient and delayed operations, underscoring the need for automation.

Flowless is a social enterprise that has created a smart system to monitor water supply and control operations. This automated system collects real-time data on water supply and water quality, monitoring water flows for active leak detections and controlling pump operations and reservoirs.

Thanks to the successful implementation of the Flowless system, Salfeet has managed to decrease losses in their water network, saving 10 million litres of fresh water monthly.

Alfanar supported Flowless through its Inaugural Palestine SEED Cycle in 2022/23, enabling them to scale their impact and strengthen operations. In 2023, Alfanar approved Flowless for multi-year SUSTAIN support, where we will help the team to scale and better track and assess their impact while growing sales in Palestine, Jordan and beyond.



EMERGENCY

Lebanon

In 2023, Alfanar made the final disbursements to Souk Al Tayeb and ShareQ as part of the culmination of our Emergency Lebanon Appeal. The appeal was originally set up to provide emergency support, reconstruction support and hunger relief to the thousands of families who were displaced and impacted by the 4 August 2020 Beirut Port explosion. Subsequently, the campaign was able to lengthen the duration of its support to families thanks to coordination with a private foundation. Together, support to these social enterprises enabled the delivery of 278,684 hot and vacuum-sealed meals, 2,520 food boxes as well as the creation of 66 kitchen staff positions and 67 food distribution jobs.

Palestine

Since the end of 2023, Alfanar has endeavoured to build a coalition of partners committed to responding to the humanitarian crisis in Gaza as well as the increasing difficulty faced by women, youth and children in the West Bank.

“In the face of unimaginable human suffering as we have seen unfold in Gaza for many months, it is imperative that we in the sustainable development space bring to bear our networks and capacities to respond,” – Myrna Atalla, Executive Director.

We are proud to have partnered with our 2023 zakat donors and Osman Consulting and to work with the Egyptian Food Bank to provide 6,464 families in Gaza with dried food and water boxes. Our two shipments were delivered on 25 November 2023 and 28 February 2024.

By the end of the year, we were incredibly dismayed that four of the eight social enterprises we had worked with during our 2022/23 Palestine SEED cycle had ceased operating. To help salvage and sustain the social enterprise ecosystem across the West Bank, we began developing an Emergency Support Programme for Social Enterprises to deliver crisis management and reforecasting support to social enterprises whose operations have been disrupted.

Leveraging Alfanar’s focus and experience in children’s education, we are bringing together a consortium of education social enterprises to help digitise the Palestinian primary school curriculum, pilot its use in the West Bank and prepare for further dissemination as soon as it is possible to do so with children in Gaza. We will be working with funding partners in 2024 to fund and deliver this programme as efficiently and as effectively as possible.



OUTREACH

In 2023, Alfanar participated in numerous conferences, interviews and public engagements aimed at building awareness of social investment and growing the venture philanthropy movement in the Arab region.

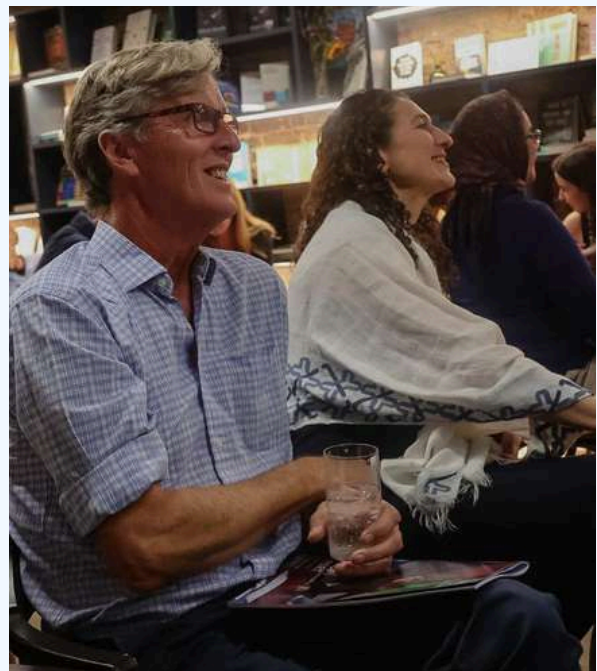
Notable highlights included:

- SEMD Regional Roundtables in Cairo and Amman
- Venture Philanthropy Teach-In at The Conduit in London in September 2023, with 75 guests
- The Arab Foundation Forum 2023 Annual Meeting Day 1 Plenary in September 2023: [The Future of Philanthropy – How Will the Sector Look in 2040?](#)
- Impact Europe Live Panel in Torino in November 2023: [What does it take to make impact during conflict?](#)

Alfanar's practical experience in supporting social enterprises in the Arab region to overcome a myriad of challenges and achieve lasting impact was further on display in podcasts with The Impact Room and Amaly Legacy and in articles published by The Innovating Justice Fund, Machine Lab, Egon Zehnder and Barclay's Guide to Giving. Links to these discussions and publications are available on Alfanar's website.



Alfanar Executive Director Myrna Atalla speaking at an Impact Europe panel about how venture philanthropy can address the needs of communities during times of crisis, and the value of investing in a long-term strategic approach.



Over 70 stakeholders joined our Executive Director, Myrna Atalla, at The Conduit in London for a discussion on Alfanar's 20-year journey driving sustainable impact in the Arab region through venture philanthropy.



LUMINARY INTERNSHIP PROGRAMME

We hosted our third cohort of Luminary interns in 2023, enabling motivated high school students to work with Alfanar and our social enterprises during the summer. As we continue to grow, our aspiration for SPREAD is to cultivate powerful voices that not only advocate for Alfanar's current initiatives, but also strengthen the capacity and promise of social entrepreneurship for years to come. The Luminary Internship is a competitive programme that provides high school students with an opportunity to learn about venture philanthropy, social enterprise and impact investment in the Arab region.

In 2023, Alfanar welcomed six Luminary interns across our teams in London, Beirut, Cairo and Amman. The interns worked virtually and in-person on projects related to fundraising, communications and research in the social enterprise space.

We would like to thank our 2023 Luminary Interns: Haddy, Jad, Layan, Rayan, Sofia and Yara for their support and commitment.

Luminary Testimonial

"I just completed my Luminary internship with Alfanar in Lebanon. It was incredible to say the least – from the people I was surrounded by, to the projects I was given.

I was exposed to multiple experiences that deepened my knowledge in social entrepreneurship. I learned so many things about how social enterprises run and how they remain resilient through hardship.

I would recommend this internship to anybody around my age, 17 or older, who is interested in gaining experience in the social entrepreneurship ecosystem."

– Rayan, 2023 Luminary Intern



Looking Ahead: In 2024, we will be accepting more Luminary interns to the programme, with an in-person offering for those based in London in addition to virtual positions for those in the region.

2023 RESULTS

Structured for Growth

In line with the ambitions of Alfanar's 2022-2026 plan, efforts were made to grow the team and strengthen internal culture, communication and coordination. We completed the recruitment of 3 positions – a new Lebanon Director, Head of Finance and Communications Manager.

Strategically growing Alfanar's team will enable greater internal efficiency and the achievement of impact and outreach targets. Additionally, with venue sponsorship from The Asfari Institute for Civil Society and Citizenship at The American University of Beirut, we held our first in-person team retreat since 2019 to revise key processes and encourage team alignment. In parallel, we began working on a streamlined family structure between Alfanar subsidiaries and affiliates. Our registration of a branch of the UK charity in Jordan was also approved in 2023.

Accelerated Reach through SEED Cycles

We ran 2 SEED cycles in Egypt (7 social enterprises), 4 in Lebanon (20 social enterprises), launched our first in Jordan (5 social enterprises) and completed our inaugural SEED cycle in Palestine (8 social enterprises) – building the capacities of 40 new social enterprises, up from 18 in 2022. 6 of these SEED enterprises progressed to business planning, and 3 were endorsed by the Investment Committee and approved by the Board for long-term SUSTAIN support.

Grew Impact through SUSTAIN

Alfanar directly improved 107,152 lives through 13 SUSTAIN social enterprises and emergency support in Lebanon and Gaza, representing a 11% increase from 2022. Our SUSTAIN portfolio generated £3,563,790 through the sale of goods and services. In 2023, the portfolio recovered an average of 66% of costs through self-generated revenue.

SCALED through Replication and Impact Investment

In 2023, Alfanar, the Global Fund for Widows and Future Eve Foundation began expanding the Amal Project for Widows Empowerment further across Egypt, enabling an additional 3,689 widows and female breadwinners across 108 villages in five governorates to set up their own businesses. With support from The Ford Foundation, we will document the social franchise manual for The Amal Project to guide further expansion in and beyond Egypt. Alfanar also helped advance pre-start-up steps for impact investment fund we are supporting the launch of, including legal and governance structure, recruitment of a Head of Investments and approval of an additional convertible loan investment.

SPREAD Venture Philanthropy across the MENA Region

Alfanar was featured in more podcasts, articles, and conferences in 2023. We held a teach-in on venture philanthropy and impact investment in the Arab region in partnership with The Conduit London, as well as our first Impact Connector event in Riyadh, Saudi Arabia. These outreach efforts helped build interest in and eventual support for Alfanar's venture philanthropy work across the Middle East and North Africa.

2024 PLANS

In line with Alfanar's 2022-2026 growth plan, Alfanar aims to achieve the following:

Strengthen the Foundations

Alfanar will complete an organisational mapping exercise to identify strengths and challenge areas within our governance and operating model and to lay out a plan for improving operational efficiency. Alfanar will send key staff from the investments team to become Global Reporting Initiative (GRI)-certified to strengthen our impact reporting and processes to ensure that we consistently meet external requirements.

Increase Reach through SEED Cycles

Alfanar aims to provide SEED support to 57 social enterprises across Egypt, Lebanon, Jordan and Palestine to continue strengthening the social enterprise ecosystem while building Alfanar's pipeline.

Grow Impact through SUSTAIN Support

In 2024, we aim to reach towards impacting 150,000 women and children through long-term SUSTAIN funding and support to at least 15 social enterprises. We look to increase our reach and impact in Egypt, Lebanon, Jordan and Palestine, to disburse +£1.5M in grants, with an additional £1m in management support provided to social enterprises.

SCALE through Replication or Impact Investment

We are looking to expand The Amal Project for Widows' Empowerment further in Egypt, and to Lebanon and Palestine over the coming three years. This will constitute a blueprint for future regional expansion through social franchising. We hope to support the launch of the first regional impact investment fund in 2024.

SPREAD Alfanar's Venture Philanthropy Approach

We will revise our fundraising strategy with the aim of reliably doubling income and impact within two years. Key to our fundraising in 2024 will be the delivery of a successful 20th Anniversary Leading the Change Gala in the summer of 2024. We will also develop a communications and outreach strategy to align messaging across all parts of the organisation. Finally, we aim to partner with the Arab Foundations Forum to hold a teach-in on venture philanthropy with peer foundations.



“

With Alfanar's support, we have been able to support widows and female breadwinners in seven governorates across Egypt.

Awany Mehany
Amal Manager, Future Eve
Alfanar Egypt SUSTAIN Portfolio

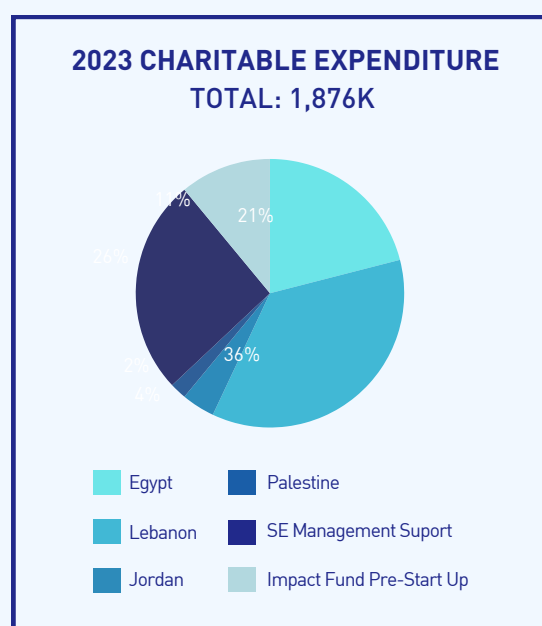
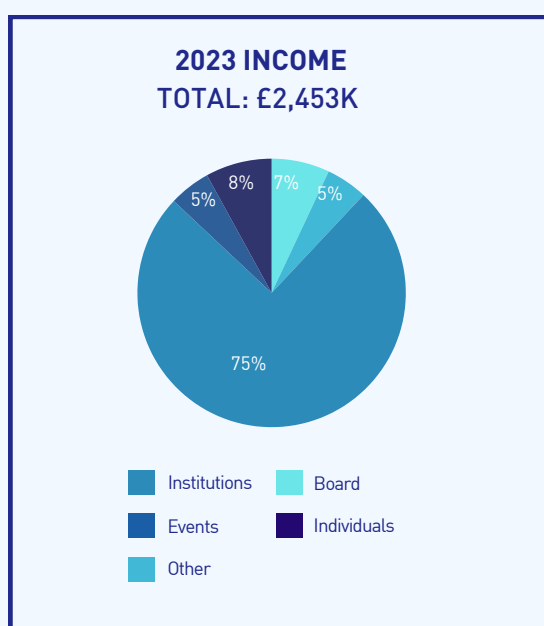
FINANCIAL REVIEW

In the year ended 31 December 2023, Alfanar raised £2,452k (2022: £2,504k). This represents a slight 2% decrease compared to prior year results, which is in part due to the fact that Alfanar did not host a Gala dinner within the year, but is hosting its next one in honour of its 20th anniversary in 2024.

We recognise and appreciate the generous support received from our Boards, with unrestricted donations of £165k, (2022: £323k), and the support of other individuals with unrestricted donations of £307k (2022: £344k). Additionally, we are grateful for the continued support of our affiliate Alfanar, Inc., US, which supported our venture philanthropy mission with £130k (2022: £56k). Together, these sources covered the Charity's fundraising and support costs in 2023, thus enabling any additional donations raised to be directed towards Alfanar's SEED awards, SUSTAIN grants, ASSET training AIM and other management support delivered to our social enterprises working to improve education, employment and economic empowerment to vulnerable children, youth and women.

Alfanar received significant support from corporate and institutional donors in 2023, including from Drosos, Egyptian Refining Company (ERC), Ford Foundation, GIZ, Global Fund for Widows, Impact Europe, L'Oreal, Osman Consulting, SODIC and WasteAid. Corporate donors provided Alfanar with £424k (2022: £182k), while institutional donors provided £1,434k (2022: £788k).

In 2023, resources expended amounted to £2,473k (2022: £2,053k), an increase of 20%. Of this amount, direct grants to social enterprises rose by 27% to £1,026k (2022: £807k). This is attributed to the transition in 2022 to Alfanar's revised investment cycle, which introduced SEED cycles. These new cycles enable Alfanar to work with more social enterprises while building up the pipeline for new SUSTAIN grantees following significant exits from our portfolio.



BOARD & TEAM

Trustees



Lubna S. Olayan
Chair of Executive Committee
and Deputy Chairperson,
Olayan Financing Company



Hussain Al Nowais
Chairman,
AlNowais Investments



Samir Assaf
Senior Advisor,
General Atlantic & HSBC



Charlotte Boyle
Chair of UK,
UNHCR



Amjad Bseisu
CEO,
Enquest PLC



Sherif Foda
Chairman and CEO,
National Energy Services
Reunited



Maysa Jalbout
Nonresident Fellow in the
Center for Universal
Education, Brookings



Julia Middleton
Founder,
Common Purpose



Cynthia J. Oakes
Former Salomon Brothers,
Morgan Guaranty Ltd, and
Morgan Stanley

Alfanar Venture Philanthropy



Myrna Atalla
Executive Director



Nicolas Kröger
Operations Director



Fadel Zayan
Investment Director



Shenouda Bissada
Egypt Country Director



Maya Rahal
Lebanon Country Director



Suha Abdul Rahim
Jordan Country Director



Taskina Hadi
Head of Finance



Brian Dexter
Finance Manager



Noor Althafeer
Social Investment Manager



Ahmed El Nabarawi
Egypt Finance & Investment
Manager



Sara Lobo
Communications Manager



Haifa Najjar
Business Development
Manager



Reya Kanaan
Lebanon Portfolio Manager



Sabine Nacheff
Lebanon Programme Manager



Mohammed Alradi
Senior Investment Officer



Omar Eldahan
Development Officer



Abrar Mohamed Ali
Operations Officer



Nour Saade
Lebanon Impact Officer



Simon Jarjoura
Lebanon Finance Officer



Selena Chávez
Communications Coordinator



Myriam Hoballah
Social Business Advisor



Heba Shunbo
Development & Fundraising
Advisor



Bassema Yousef
Strategic Advisor

Impact Investment Team



Youmna Assaf
Head of Investments



Michelle Mouracade
Head of Impact, Investor Relations &
Operations

STRUCTURE, GOVERNANCE & MANAGEMENT

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.

In line with the strategy refresh process, Alfanar reviewed and revised its charitable objects to enable the organisation to pursue all its impact goals and strategies, including those related to programme-related investment and impact investment. Alfanar's Memorandum and Articles of Association were most recently updated on 26 April 2023, reflecting the changes in the charity's objects.

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 direct trading, but it did establish a subsidiary entity in Lebanon, which is a majority shareholder in – Alfanar Social Capital SAL (No. 1028982) – in November 2022. Alfanar's head office in London employed seven staff members as of December 2023, with three employees based in Egypt, seven employees in Lebanon and two employees based in Jordan.

Alfanar operates a branch in Egypt registered with the Ministry of Social Solidarity and International Cooperation (No. 67/2021, MOSS reference: 21991433314205) renewed in December 2021 for three years and which will require renewal in 2024. Alfanar in Egypt is led by a Country Director with the support of a Finance Manager. Our Development Officer is also based in Cairo.

Alfanar Lebanon (No. 907) is operating as a registered association in Lebanon since 2014. It opened its bank account at BEMO Bank in June 2021. Following Alfanar's review of its objects, Alfanar in Lebanon will also review its Articles of Association to match those reviewed objects and both entities will sign a revised affiliate agreement in 2024.

Alfanar Lebanon is led by a Country Director and supported by two Portfolio Managers. In 2022, they were joined by a Project Manager, a Portfolio Manager, an M&E Officer and a Finance Officer working on the "Youth Employment in Lebanon through Social Enterprise (YELA) Programme" funded by GIZ and BMZ.

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

On 12 September 2023, Alfanar established a branch in Jordan, registered with the Ministry of Social Development (No. 2023072002). Alfanar in Jordan is led by the Country Director with the support of a Social Investment Manager.

Alfanar, Inc., US is an independent affiliate 501(c)(3) not-for-profit entity (EIN-75-31970321) that actively supports Alfanar's mission through fundraising outreach to increase public support and grants. 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 Communications Coordinator to support Alfanar, Inc., US with outreach and engagement, Board reporting and annual filings.

On 8 November 2022, Alfanar established a foundation, Stichting Alfanar, registered with the Netherlands Chamber of Commerce (No. 88110834). There is an affiliate agreement between the two entities and Stichting Alfanar will actively support Alfanar's mission through fundraising outreach to increase public support in the European Union and grants.

Objects of the Charity

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

- The advancement of education and learning for the public benefit, and in particular to educate men and women and young people of all ages from a broad range of geographical, ethnic, social and economic backgrounds in the Arab world, to enable them to realise their full potential as individuals, within society as a whole; and the relief and prevention of poverty, in particular among socially and economically disadvantaged communities in countries in the Arab world by providing or assisting in the provision of education, training and other support designed to enable members of those communities to generate a sustainable income and be self-sufficient; provided always that nothing contained herein shall authorise or be deemed to authorise the carrying on of any activity for any purposes except those regarded as charitable by the laws of England and Wales.
- 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.
- Alfanar provides awards, grants zero-interest repayable grants and other forms of patient financing, high-engagement management support, training, mentorship and real-time impact management tools and dashboards to social enterprises that pass due diligence and various phases of our support programming and approval processes.

Our support packages – SEED, SUSTAIN, SCALE – aim to grow the impact and financial sustainability of the social enterprises we back. Alfanar UK, with the support of Alfanar, Inc., US, and Stichting Alfanar raises and disburses funds to support our venture philanthropy work across Egypt, Lebanon, Jordan, Palestine and elsewhere in the Arab region.

- Alfanar's Board of Trustees is responsible for the overall governance of the Charity; it makes decisions on the strategic direction and policies of Alfanar, reviews key and emerging risks and mitigations 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 term completion, resignation or death. The Trustees are members and directors for Companies Act purposes. They serve three-year terms and may be reelected five times, or exceptionally, six times. Cynthia J. Oakes serves as Director of Alfanar Inc. US and Julia Middleton serves as a Director of Stichting Alfanar. Alfanar, the Charity, was elected President of Alfanar in Lebanon in 2023 and is represented by Executive Director Myrna Atalla.

Trustee Induction and Training

Shortly after the appointment, new Trustees review their job description, and sub-committee Terms of Reference, and have an induction meeting with the Executive Director and the Senior Management Team to review and better understand Alfanar's business plan and targets, the way it selects and manages social enterprises to maximise impact and financial sustainability, the fundraising strategy and how to support in the achievement of income targets, financial reporting and other operations.

Board Meeting

The Board meets quarterly and has conducted virtual meetings since 2020. There are four sub-committees reporting to the Board each with specific terms of reference and functions delegated by the Board, which also meet four times a year. The Board endeavours to hold at least one Board meeting in one of the countries of operation every other year to ensure that Trustees witness Alfanar's venture philanthropy process and meet social enterprises first-hand. Alfanar endeavors to organise routine trips for board members to meet with social enterprises in-country.

Investment Committee

The Investment Committee reviews requests for long-term venture philanthropy grants and management support for SUSTAIN social enterprises presented by the Investment Director and Country Directors. The social business plans of suitable social enterprises are scrutinized and endorsed by the committee before review for approval by the Board.

Finance Committee

The Finance Committee scrutinizes Alfanar's business plans, budgets and management accounts and ensures proper financial procedures and controls are in place and operating. The committee also reviews broader operational matters, internal policy developments and the relationship between Alfanar subsidiaries and 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 and to review the governance structure.

Impact Fund Task Force

The Impact Fund Taskforce helps oversee progress on Alfanar's efforts to extend the financing lifecycle for social enterprises and social purpose companies, explore impact investments and support the establishment of an independent, but affiliated impact investment fund. It reports on progress at Board meetings.

Membership of Trustee & Committees of the Board

Lubna S. Olayan (Chair - Trustee)
 Amjad Bseisu
 Charlotte Boyle
 Cynthia J. Oakes
 Hussain Alnowais
 Julia Middleton
 Maysa Jalbout
 Samir Assaf
 Sherif Foda

Investment Committee

Maysa Jalbout (Chair)
 Alfred Kettaneh
 Cynthia Oakes
 Dr.Barbara Ibrahim
 Nafez Dakkak
 Ryan Sturgill

Finance Committee

Charlotte Boyle (Chair)
 Laura Stojcevic
 Robert Cartwright
 Samir Assaf
 Siham Bortcosh

Nominations Committee

Lubna S Olayan (Chair)
 Amjad Bseisu
 Charlotte Boyle
 Samir Assaf

Impact Fund Task Force

Lubna S. Olayan (Chair - Trustee)
 Julia Middleton
 Samir Assaf
 Matthew Courey
 Walid Haram

Key Management Personnel

Alfanar'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, Alfanar's progress against the business plan impact and sustainability targets, and how the Charity is managing emerging risks. This ensures that Alfanar's venture philanthropy approach remains in line with best practices.

The Board of Trustees, the senior management team (Executive Director Myrna Atalla; Operations Director Nicolas Kroger; and Investment Director Fadel Zayan) and the global leadership team (Senior Management Team and Country Directors, Shenouda Bissada (Egypt), Maya Rahal (Lebanon) and Suha Abdul Rahim (Jordan) are 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. Alfanar appointed a new Country Director in Lebanon to join the global leadership team in June 2023. Alfanar aims to recruit a Director of Philanthropy and Partnerships in 2024 to join the senior management team.

Staff Pay

The pay of Alfanar's staff is set in line with its salary policy and is reviewed periodically concerning the achievement of performance targets and cost of living changes. The Trustees last approved cost of living adjustments in 2022. Given 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. In 2023, the organisations started developing a global competency framework, which will also incorporate a revision of Alfanar's salary scale and approach in 2024.

Human Resources

In 2022, 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. In line with the approved business plan, the Charity developed a revised organigram forecasting human resource requirements over the coming years.

Fundraising Statement

We are grateful to the individual, corporate and institutional donors who either pledged or renewed their support to Alfanar in 2023 and longer term, and we thank all those who have contributed to Alfanar's mission with a donation of money, time, connection or expertise over the past year.

Alfanar received support from 69 donors in total (2022: 143 donors). 48 individual donors provided 19.6% of income (£481k), with 21 institutional donors (including trusts and foundations, corporate donors and international aid and bank interest) providing 80.4% of income (£1,971k).

38.4% of income (£942k) raised in 2023 was unrestricted (compared to 62% in 2022), this reduction is due to not hosting a Gala dinner in 2023.

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 due diligence process with prospective social enterprises, we check for the existence and active use of safeguarding policies and practices. Alfanar has rolled out a new ASSET training module on safeguarding with its social enterprises to ensure that all are effectively trained and supported to implement the systems required to reliably provide safe and effective care to those they serve. Since 2021, when the Board approved revised safeguarding policies as part of our internal staff handbook, all staff received training on these new policies. New joiners receive training on the staff handbook, including safeguarding, as part of induction. In addition, refresher trainings are organised on an annual basis.

Trustee Cynthia J. Oakes was appointed Board Safeguarding Representative in 2021.

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 organisations.

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

The following were identified as the principal risks facing the Charity in 2023/2024:

Key Risk	Mitigations
Limited fundraising capabilities and over-reliance on small number of donors to cover core costs	<ul style="list-style-type: none"> • Ambitious recruitment plan to lead the new strategy and bolster the fundraising and communications resourcing. • 20th Anniversary dinner to be held in July 2024 • Continue work on cultivating and stewarding multi-year, long-term engagement from supporters.
Shortfall in operational capacities to effectively support country teams	<ul style="list-style-type: none"> • Continue improvements to our work-management systems and operations tools. This includes grant management and HR platforms. • Ensure backup operational arrangements, including banking arrangements, are in place
Ability to work in our countries of operations is compromised because of increased instability in the region	<ul style="list-style-type: none"> • Regularly monitor developments and ensure security protocols are in place where required • Continue working through duly vetted organisations only and in line with charity commission guidelines
Failure to launch impact fund	<ul style="list-style-type: none"> • Finalise recruitment of key persons • Ensure that the Fund is attractive to investors and structured to succeed in meeting its fundraising targets

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. On 31 December 2023, Alfanar's free reserves target range, based on an ambitious budget was £640k to £690k.

On 31 December 2023, reserves held totalled £1,435k (2022: £1,455k), of which £923k represented restricted funds (2022: £766k) and £512k represented unrestricted funds (2022: 689k). Designated funds on 31 December 2023 were £4k (2022: £30k), leaving general reserves at £508k (2022: £659K). Included within this is the value of a programme-related equity investment of £80k, which the trustees regard as not being free reserves, leaving free reserves at £428k. This is below the reserves target range. The Board are confident that the anniversary Gala dinner planned for July 2024 will significantly improve the position but continue to closely monitor expenditure during the early part of 2024 to ensure free reserves remain on target.

Statement of Trustee's Response

The Trustees who are also directors of Alfanar for the purpose of company law are responsible for preparing the Annual Report and the financial statements under 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:

- Select suitable accounting policies and apply 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 to make themselves aware of any relevant audit information, and to establish that the Charity's auditor is aware of that information.

This report was approved by the Trustees on 18 of June 2024 and is signed on their behalf.

TRUSTEE _____
Julia Middleton

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Alfanar (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 group's and of the parent charitable company's affairs as at 31 December 2023 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
- 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the group 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 group 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 group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the 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 in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statement

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

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

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)
17 August 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2023

Current Year	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Donations	2	472,256	8,630	480,886	1,520,827
Other trading activities	3	113,391	-	113,391	12,815
Income from charitable activities	4	355,958	1,502,426	1,858,384	970,211
TOTAL INCOME		941,605	1,511,056	2,452,661	2,503,853
EXPENDITURE					
Expenditure on raising funds		326,971	-	326,971	518,905
Expenditure on charitable activities		791,731	1,354,141	2,145,872	1,533,980
TOTAL EXPENDITURE	5	1,118,702	1,354,141	2,472,843	2,052,885
Net income		(177,096)	156,915	(20,181)	450,968
NET MOVEMENT IN FUNDS		(177,096)	156,915	(20,181)	450,968
TOTAL FUNDS BROUGHT FORWARD		688,796	766,394	1,455,190	1,004,222
TOTAL FUNDS CARRIED FORWARD		511,700	923,309	1,435,009	1,455,190
Prior 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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	10		4,432		3,350
Investment Assets	11 i		1		1
Programme-related equity investments	11 ii		80,260		80,260
			<u>84,693</u>		<u>83,611</u>
CURRENT ASSETS					
Programme-related investments	13	82,953		15,697	
Debtors	14	116,171		551,952	
Cash at bank and in hand		<u>1,309,477</u>		<u>992,876</u>	
		1,508,601		1,560,525	
Creditors: amounts falling due within one year	15	(158,284)		(188,946)	
NET CURRENT ASSETS			<u>1,350,316</u>		<u>1,371,579</u>
NET ASSETS			<u>1,435,009</u>		<u>1,455,190</u>
Restricted funds	17		923,309		766,394
Unrestricted funds					
Designated funds	18	4,432		30,249	
General fund		<u>507,268</u>		<u>658,547</u>	
			511,700		688,796
			<u>1,435,009</u>		<u>1,455,190</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 18 June 2024 and signed on their behalf by:

Trustee
Julia Middleton

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	10		4,432		3,350
Investment Assets	11 i		1		1
Program-related equity investments	11 ii		80,260		80,260
			<u>84,693</u>		<u>83,611</u>
CURRENT ASSETS					
Programme-related investments	13	82,191		15,697	
Debtors	14	67,980		551,952	
Cash at bank and in hand		<u>1,183,506</u>		<u>992,876</u>	
			<u>1,333,677</u>		<u>1,560,525</u>
Creditors: amounts falling due within one year	15	(157,926)		(188,946)	
NET CURRENT ASSETS			<u>1,175,751</u>		<u>1,371,579</u>
NET ASSETS			<u><u>1,260,444</u></u>		<u><u>1,455,190</u></u>
Restricted funds	17		730,118		766,394
Unrestricted funds					
Designated funds	18	31,331		30,249	
General fund		<u>516,836</u>		<u>658,547</u>	
			<u>530,326</u>		<u>688,796</u>
			<u><u>1,260,444</u></u>		<u><u>1,455,190</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 18 June 2024 and signed on their behalf by:

Trustee
Julia Middleton

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
Cash provided by operating activities					
Net movement in funds		(20,181)		450,968	
Add back depreciation charge		1,477		1,117	
(Increase) / Decrease in programme related investments		(67,256)		28,913	
(Increase) / Decrease in debtors		435,780		(186,164)	
(Decrease) / Increase in creditors		(30,662)		45,474	
Net cash generated/ (used in) operating activities			319,159		340,308
Cash flows from investing activities					
Purchase of tangible fixed assets		(2,558)		(1,836)	
Net cash generated from/(used in) investing activities			(2,558)		(1,836)
Increase in cash and cash equivalents in the year			316,601		338,472
Cash and cash equivalents at the beginning of the year					
Cash in hand		992,876		654,404	
			992,876		654,404
Total cash and cash equivalents at the end of the year	15		1,309,477		992,876

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies

Basis of preparation and Group Accounting

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.

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

These financial statements consolidate the results of the charity and its controlled subsidiaries, Stichting Alfanaar (Netherlands) and Beacon Social Capital on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes to the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year is disclosed in the notes to the accounts.

The SORP 2015 stipulates that where overseas offices are legally registered in their country of operations as separate legal entities, this is an indication that they should be treated as subsidiaries for accounting purposes. However, having reviewed the governance and management procedures in place, oversight from ALFANAR in the UK is such that the office in Lebanon is in substance a branch and so are included in the results and position of the charity.

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. In particular, The charity's gala dinner, took place in December 2022 and was highly successful, and a 20th anniversary Gala Dinner is planned for the summer of 2024. The charity experienced a decline in support for on-line activities and campaigns, but this was not unexpected. Alfanaar'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 Alfanaar's support to social enterprises, driving regional growth, and positioning Alfanaar as a noteworthy social enterprise expert and resource for the MENA region. The charity replenished free reserves to target levels by Q2 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

Alfanaar 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 Alfanaar and are reflected at the time of approval by a 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. 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.

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

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

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	Group			Charity		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2023
	£	£	£	£		£
Alfanaar Boards	165,391	-	165,391	165,391	-	165,391
Other Individuals	94,981	8,630	103,611	94,981	8,630	103,611
Dinner Events	126,546	-	126,546	126,546	-	126,546
Donated Services	85,338	-	85,338	85,338		85,338
	<u>472,256</u>	<u>8,630</u>	<u>480,886</u>	<u>472,256</u>	<u>8,630</u>	<u>480,886</u>

Prior Year	Group and Charity		
	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2022	2022	2022
	£	£	£
Alfanaar Boards	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>

In 2023, £8,854 (2022: £21,510) of Gift Aid was receivable. This has been accounted along with the donations that attracted the claim. £7,500 (2022: £11,500) was included within Board income and £1,354 (2021: £10,010) was included within Other Individuals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. OTHER TRADING ACTIVITIES

Current Year

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £	
Social Enterprise Management Support	107,865	-	107,865	12,663	Consultancy
Bank Interest	5,526	-	5,526	152	Bank interest
	<u>113,391</u>	<u>-</u>	<u>113,391</u>	<u>12,815</u>	

Prior 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>

Social enterprise management support in 2023 includes funds from SANAD (£38,505) and Drosos (£69,028), for the delivery of support services to social enterprises.

4. INCOME FROM CHARITABLE ACTIVITIES

Current Year

	GROUP			CHARITY		
	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Alfanar, Inc., US	130,805	23,504	154,309	130,805	23,504	154,309
The Asfari Foundation	-	60,000	60,000	-	60,000	60,000
Drosos Foundation	-	73,056	73,056	-	73,056	73,056
ERC	173,442	-	173,442	173,442	-	173,442
Impact Europe (previously EVPA)	-	169,362	169,362	-	28,702	28,702
Ford Foundation	-	169,170	169,170	-	169,170	169,170
L'Oreal	-	86,237	86,237	-	-	-
Global Fund for Widows	-	52,931	52,931	-	52,931	52,931
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	-	639,158	639,158	-	639,158	639,158
Osman Consulting	-	62,337	62,337	-	62,337	62,337
SODIC	20,446	81,943	102,389	20,446	81,943	102,389
USAID Lebanon	-	72,411	72,411	-	72,411	72,411
WasteAid	-	12,317	12,317	-	12,317	12,317
Other Organisations	26,265	-	26,265	26,265	-	26,265
UK Government Employment Allowance	5,000	-	5,000	5,000	-	5,000
	<u>355,958</u>	<u>1,502,426</u>	<u>1,858,384</u>	<u>355,958</u>	<u>1,275,529</u>	<u>1,631,487</u>

Prior Year

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Alfanar, Inc., US	56,273	-	56,273
Other Corporate	-	100,000	100,000
Drosos Foundation	67,630	73,425	141,055
Global Fund for Widows	-	20,660	20,660
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	-	450,092	450,092
LIFE Generation Fund	-	40,979	40,979
Oxfam	201	-	201
SODIC	15,490	66,426	81,916
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 under Other Trusts and Foundations was received from 2 (2022: 3) organisations who wish to be anonymous in published financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. EXPENDITURE

Current Year	Direct staff costs	Other direct costs	Support costs	Total 2023
	£	£	£	£
Costs of raising funds	151,124	90,942	84,905	326,971
Charitable activities	480,421	1,395,539	269,912	2,145,872
	<u>631,545</u>	<u>1,486,481</u>	<u>354,817</u>	<u>2,472,843</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 2022
	£	£	£	£
Costs of raising funds	142,940	231,493	144,472	518,905
Charitable activities	331,563	1,007,077	195,340	1,533,980
	<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.

6. NET MOVEMENT IN FUNDS

	2023	2022
	£	£
This is stated after charging:		
Auditors' remuneration for audit (excluding VAT)	12,240	20,350
Auditors' remuneration for other services	2,448	1,653
Audit remuneration for previous year	22,181	-
Depreciation	1,477	1,117
Operating lease rentals: property	<u>29,574</u>	<u>14,806</u>

7. SUPPORT COSTS

	2023	2022
	£	£
Governance: audit fee (including irrecoverable VAT)	36,869	19,264
Staff costs	211,391	188,606
Staff development	4,355	1,759
Accounting, payroll and compliance	7,383	4,843
Rent overseas office space	7,224	12,515
Rent UK office space	22,351	8,400
Legal and professional fees	45,530	18,279
Bank charges	4,728	8,060
Insurance	3,650	1,862
Realised loss/(gain) on foreign exchange	(61,458)	(8,215)
exchange loss/(gain) on consolidation	(1,089)	-
* Unrealised loss on foreign exchange	42,580	21,919
Depreciation	1,477	1,117
Other	<u>29,827</u>	<u>61,403</u>
	<u>354,817</u>	<u>339,812</u>

354,817

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. DIRECT COSTS OF CHARITABLE ACTIVITIES		
	2023	2022
	£	£
Grants Awarded		
- Egypt Portfolio (SUSTAIN)		
Brighter Tomorrow for Child Protection (BTCP)	15,025	19,330
Future Eve Foundation	115,534	18,953
Heya Masr	1,667	4,757
Life Vision for Development	-	12,989
Man Ahyaha Association	25,455	-
Startups Without Borders	13,343	-
Yadawee	3,634	10,376
Delta Oil	38,291	10,376
Duma	3,210	10,827
Emonovo (Marj3)	3,634	10,394
Nakoll	3,604	10,394
Sprints	3,634	10,394
Threads of Hope	3,662	10,378
	<u>230,693</u>	<u>129,168</u>
- Egypt Portfolio (SEED)		
Education		
Aata Charitable Association	-	4,236
Future Zone	-	4,728
Maharat Vocational Training	-	4,729
Makouk Walada Advanced Games for Children	-	4,729
Man Ahyaha Association Business Planning	1,561	4,236
Plastics Recycling Opportunities (PRO)		
Upfuse	8,231	-
Waste Management Company	8,231	-
Very Nile	8,231	-
	<u>26,253</u>	<u>22,658</u>
- Emergency Gaza Response		
Egyptian Food Bank	65,785	-
	<u>65,785</u>	<u>-</u>
- Lebanon Portfolio (SUSTAIN)		
Ana Aqra	-	66,007
Bridge.Outsource.Transform. (B.O.T.)	97,258	119,274
FabricAid	35,683	78,264
L'Artisan du Liban	45,682	37,364
Lebanese Alternative Learning (Tabshoura)	59,758	91,375
Souk El Tayeb	31,917	-
BEDCO by March NGO	29,968	47,130
SE Factory	54,120	116,970
ShareQ	44,064	24,753
ProAble - by ShareQ	62,832	-
Refugee Portfolio		
Inaash	14,846	20,063
NaTakallam	43,118	-
SE Factory- Refugee programme	-	16,101
WPA/Soufra/Nawras Preschool	-	13,520
	<u>519,246</u>	<u>630,821</u>
- Social Enterprise Support Fund Lebanon programme		
YELA Seed Cycle	159,914	-
	<u>159,914</u>	<u>-</u>
- 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
Yalla Mishwar	3,997	-
Waselat Al Muffaker	-	4,071
	<u>3,997</u>	<u>24,573</u>
- Palestine Portfolio (SUSTAIN)		
Flowless Smart Water	24,424	-
Total Grants Awarded	<u>1,026,315</u>	<u>807,220</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

Total Grants Awarded		1,026,315	807,220
ASSET and AIM	¹	9,785	12,768
Miscellaneous social enterprise support costs	²	149,063	76,172
Impact Fund pre-start up activity costs	³	208,970	108,640
Accelerate Study Mission		1,406	2,277
		1,395,539	1,007,077

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. It also includes £69,599 of expenditure relating to the impact monitoring tool, Qlik.

³ Impact Fund pre-start-up activity costs are costs incurred in the pre-start-up phase associated with impact fund team building, pipeline and investment strategy refinement and legal counsel informing the final structure.

INVESTMENT SPEND

8a Investment spend is the total of direct staff expenditure and other direct costs of charitable activities.

	2023	2022
	£	£
Direct costs of charitable activities	1,395,539	1,007,077
Direct staff costs on charitable activities	480,421	331,563
Investment spend	1,875,960	1,338,640

9. STAFF COSTS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Gross salaries	389,125	340,794	389,125	340,794
Social security costs	44,494	40,169	44,494	40,169
Employer pension contributions	4,158	4,935	4,158	4,935
Salaries of overseas staff	399,960	273,610	399,960	273,610
Other overseas staff costs	5,198	3,601	5,198	3,601
	842,935	663,109	842,935	663,109

A total of 22 individual staff members were employed in the year (2022 : 20, 17 prior to Oct 2022).

	2023	2022
Number of employees whose salaries were in the following bands:		
£90,000-£99,999	1	1
£80,000-£89,999	-	-
£70,000-£79,999	2	-
£60,000-£69,999	-	1
Aggregate employer's annual contributions to pension schemes for these staff	2,642	£1,321

The key management personnel of the Charity comprises the Trustees, the Executive Director and the Senior Management Team. The total employee benefits of the key management personnel of the Charity were £401, 525 (2022: £251,800).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. TANGIBLE FIXED ASSETS

	Office Equipment £
Cost	
At 1 January 2023	13,955
Additions in the year	2,559
Assets disposed during the year	(150)
At 31 December 2023	<u>16,364</u>
Depreciation	
At 1 January 2023	10,605
Charge for the year	1,477
Depreciation on assets disposed	(150)
At 31 December 2023	<u>11,932</u>
Net book value	
At 31 December 2023	<u>4,432</u>
At 31 December 2022	<u>3,350</u>

11. INVESTMENTS ASSETS AND SUBSIDIARIES

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

	2023	2022
	£	£
i) Beacon Social Capital (Dormant)		
Current assets	<u>1</u>	<u>1</u>
Total net assets	<u>1</u>	<u>1</u>
Called up share capital	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
ii) Programme-related equity investment at the balance sheet date		
FabricAid \$100,000	<u>80,260</u>	<u>80,260</u>
	<u>80,260</u>	<u>80,260</u>

The equity investment in FabricAid consists of \$60,000 convertible grant made in 2021 which was converted to equity in 2022 plus a further equity investment of \$40,000 made in 2022. This equates to 10% of FabricAid's share capital.

iii) In February 2023, Stichting Alfanar was formed and registered in the Netherlands as a controlled subsidiary of Alfanar.

A summary of the results of the subsidiary for the period to 31 December 2023 are shown below:

	General Funds	Restricted Funds	Total
Income from Charitable Activities	13,973	244,912	258,885
Cost of Charitable Activities	(10,093)	(92,945)	(103,038)
Net Incoming Resources	<u>3,880</u>	<u>151,967</u>	<u>155,847</u>
Funds held			
Funds brought forward	-	-	-
Incoming resources for the period	<u>3,880</u>	<u>151,967</u>	<u>155,847</u>
Funds carried forward	<u>3,880</u>	<u>151,967</u>	<u>155,847</u>
The aggregate of Assets, Liabilities and reserves was			
Assets	3,880	201,794	155,847
Liabilities	-	49,827	-
Funds	<u>3,880</u>	<u>151,967</u>	<u>155,847</u>

12. PARENT CHARITY

The parent charity's gross income and result for the year are disclosed as follows:

	2023	2022
	£	£
Gross Income	2,225,170	2,503,853
Result for the year	<u>(194,746)</u>	<u>450,968</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. PROGRAMME-RELATED INVESTMENTS

	2023 £	2022 £
Repayable Grants due within one year	82,953	15,697
	<u>82,953</u>	<u>15,697</u>

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. The final payment of £15,697 (EGP 471,300) was made in December 2023.
2. A further convertible repayable grant to FabricAid Holdings of \$100,000 (£82,953) was agreed and paid in 2023. This is due for repayment on or before 31 December 2024.

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
14. DEBTORS				
Due within one year				
Grant debtors	85,802	166,228	-	166,228
Accrued income	15,495	376,452	15,495	376,452
Other debtors	12,760	131	544	131
Monies owed by Group entities	-	-	49,827	-
Beacon Social Capital	-	581	-	581
Prepayments	2,114	8,560	2,114	8,560
	<u>116,171</u>	<u>551,952</u>	<u>67,980</u>	<u>551,952</u>

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
15. CREDITORS				
Due within one year				
Trade creditors	28,925	23,950	28,925	23,950
Taxation	-	12,419	-	12,419
Grants payable to investees	92,103	84,045	92,103	84,045
Defined contribution pension scheme payments	1,783	3,890	1,783	3,890
Other accruals	35,473	64,642	35,115	64,642
	<u>158,284</u>	<u>188,946</u>	<u>157,926</u>	<u>188,946</u>

16. 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	992,876	316,601	-	-	-	1,309,477
Cash equivalents	-	-	-	-	-	-
Overdraft facility	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total	992,876	316,601	-	-	-	1,309,477

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

17. RESTRICTED FUNDS	GROUP				
Current Year	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Egypt					
Egypt Fund	13,700	3,000	7,700		9,000
Education in Egypt					
BTCP	88	4,251	4,339		-
Heya Masr	1,667	-	1,667		-
SODIC: Seed Cycle	3,792	35,697	1,561	(3,792)	34,137
Man Ahyaha Association	23,543	22,338	25,455	3,792	24,218
Women and Youth Employment in Egypt					
Future Eve Foundation	85,958	52,931	126,829		12,060
Delta Oil	-	25,508	25,508		-
SEMD Programme					
Technical Assistance	28,746	-	28,746		-
Emonovo (Marj3)	1,817	-	1,817		-
Delta Oil	3,634	-	3,634		-
Duma	3,651	-	3,651		-
Nakoll	4,087	-	4,087		-
Sprints	1,838	-	1,838		-
Threads of Hope	4,103	-	4,103		-
Startups Without Borders	13,343	-	13,343		-
Yadawee	4,105	-	4,105		-
Egypt Environment SEED					
WasteAid Seed Cycle	46,188	12,316	58,504		-
Egypt- Gaza Crisis Response					
Egyptian Food Bank	-	62,337	62,337		-
Lebanon					
Lebanon Fund	4,910	2,497	2,497		4,910
Education in Lebanon					
Tabshoura/Lebanese Alternative Learning	91,791	-	59,758		32,033
Women and Youth Employment in Lebanon					
BOT	38,213	36,528	59,626		15,115
SE Factory	62,198	8,131	54,120		16,209
GIZ EPL Project	207,051	639,158	507,979		338,230
Impact Europe	-	48,293	17,522		30,771
Refugees in Lebanon					
Natakalam	-	86,237	43,118		43,119
Emergency Response					
Emergency Lebanon Campaign					
Souk El Tayeb	31,917	-	31,917		-
ShareQ	44,064	-	44,064		-
Inaash	14,846	-	14,846		-
Jordan					
Impact Europe	-	148,069	28,768		119,301
Palestine					
Palestine SEED cycle	2,326	-	2,326		-
Flowless Smart Water	-	60,000	30,968	11,597	40,629
UK					
Accelerate Study Missions	17,221	-	1,474		15,746
Refugee Portfolio	-	13,168	-		13,168
AMAL Fund	-	5,493	-		5,493
Impact Investment Fund	-	72,411	72,411		-
Ford Foundation	-	169,170	-		169,170
Zakat Fund	-	3,522	3,522		-
Alfanar Development	11,597	-	-	(11,597)	-
TOTAL RESTRICTED FUNDS	766,394	1,511,056	1,354,141	-	923,309

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Current Year	Brought Forward	Income	CHARITY Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Egypt					
Egypt Fund	13,700	3,000	7,700	-	9,000
Education in Egypt					
BTCP	88	4,251	4,339	-	-
Heya Masr	1,667	-	1,667	-	-
SODIC: Seed Cycle	3,792	35,697	1,561	(3,792)	34,137
Man Ahyaha Association	23,543	22,338	25,455	3,792	24,218
Women and Youth Employment in Egypt					
Future Eve Foundation	85,958	52,931	126,829	-	12,060
Delta Oil	-	25,508	25,508	-	-
SEMD Programme					
Technical Assistance	28,746	-	28,746	-	-
Marj3	1,817	-	1,817	-	-
Delta Oil	3,634	-	3,634	-	-
Duma	3,651	-	3,651	-	-
Nakoll	4,087	-	4,087	-	-
Sprints	1,838	-	1,838	-	-
Threads of Hope	4,103	-	4,103	-	-
Start-ups without borders	13,343	-	13,343	-	-
Yadawee	4,105	-	4,105	-	-
Egypt Environment SEED					
WasteAid Seed Cycle	46,188	12,316	58,504	-	-
Egypt- Gaza Crisis Response					
Egyptian Food Bank	-	62,337	62,337	-	-
Lebanon					
Lebanon Fund	4,910	2,497	2,497	-	4,910
Education in Lebanon					
Tabshoura/ Lebanese Alternative Learning	91,791	-	59,758	-	32,033
Women and Youth Employment in Lebanon					
B.O.T.	38,213	36,528	59,626	-	15,115
SE Factory	62,198	8,131	54,120	-	16,209
GIZ EPL Project	207,051	639,158	507,979	-	338,230
Impact Europe	-	28,702	28,702	-	-
Refugees in Lebanon					
Natakalam	-	-	-	-	-
Emergency Response					
Emergency Lebanon Campaign					
Souk El Tayeb	31,917	-	31,917	-	-
ShareQ	44,064	-	44,064	-	-
Inaash	14,846	-	14,846	-	-
Jordan					
Impact Europe	-	27,001	27,001	-	-
Palestine					
Palestine SEED cycle	2,326	-	2,326	-	-
Flowless Smart Water	-	60,000	30,968	11,597	40,629
UK					
Accelerate Study Missions	17,221	-	1,474	-	15,747
Refugee Portfolio	-	13,168	-	-	13,168
AMAL Fund	-	5,493	-	-	5,493
Impact Fund	-	72,411	72,411	-	-
Ford Foundation	-	169,170	-	-	169,170
Zakat Fund	-	3,522	3,522	-	-
Alfanar Development	11,597	-	-	(11,597)	-
TOTAL RESTRICTED FUNDS	766,394	1,284,159	1,320,435	-	730,118

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Prior Year	CHARITY and GROUP				Carried Forward £
	Brought Forward £	Income £	Expenditure £	Transfers £	
Egypt					
Egypt Fund	3,000	13,700	3,000		13,700
Education in Egypt					
Educate Me	11,936	-	-	(11,936)	-
BTCP	-	16,418	16,330		88
Heya Masr	-	6,424	4,757		1,667
Seed Cycle	-	41,352	37,560		3,792
General Education	-	11,607	-	11,936	23,543
Women and Youth Employment in Egypt					
Future Eve Foundation	85,958	23,660	23,660		85,958
Life Vision for Development	-	3,000	3,000		-
SEMD Programme					
Technical Assistance	75,266	-	46,520		28,746
Marj3	5,238	6,973	10,394		1,817
Delta Oil	5,238	8,774	10,378		3,634
Duma	5,238	9,240	10,827		3,651
Nakoll	5,238	9,243	10,394		4,087
Sprints	5,238	6,994	10,394		1,838
Threads of Hope	5,238	9,243	10,378		4,103
Startups Without borders	5,238	14,314	6,209		13,343
Yadawee	5,238	15,454	16,587		4,105
Egypt Environment SEED					
WasteAid Seed Cycle	-	53,485	7,297		46,188
Lebanon					
Lebanon Fund	1,560	3,350	-		4,910
Education in Lebanon					
Tabshoura/ Lebanese Alternative Learning	-	124,633	32,842		91,791
Women and Youth Employment in Lebanon					
Ana Aqra	66,005	-	66,005		-
B.O.T.	61,816	56,713	80,316		38,213
SE Factory	61,934	77,691	77,427		62,198
GIZ EPL Project		450,092	243,041		207,051
Environment Lebanon					
FabricAid	21,962	-	21,962		-
Refugees in Lebanon					
Shatila Studio	17,538	-	17,538		-
WPA Nawras Pre-School	12,547	-	12,547		-
Emergency Response					
Emergency Lebanon					
Emergency Lebanon Restricted General	161,807	-	70,980		90,827
Jordan					
	-	-	-		-
Palestine					
Palestine SEED	50,000	-	47,674		2,326
UK					
Accelerate Study Missions	19,498	-	2,277		17,221
Impact Investment Fund	-	1,500	1,500		-
Alfanar Development	64,316	-	52,719		11,597
TOTAL RESTRICTED FUNDS	757,047	963,860	954,513	-	766,394

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 funds were used to cover costs of technical assistance provided to the portfolio of Egypt investees.

Educate Me is an educational social enterprise which grew with Alfanar's support to run model community schools in disadvantaged communities and teacher training programmes across the country. Educate Me graduated from the Alfanar portfolio in 2022

Brighter Tomorrow for Child Protection (BTCP) is an education social enterprise in Alexandria, Egypt that provides affordable treatment and support to children with neurodevelopmental disorders. BTCP graduated from Alfanar's portfolio at break-even. BTCP received support through Alfanar's online campaigns.

Heyr Masr is a social enterprise that works to build resilience and character development in children preparing them for the toughest of lives. This pilot investment commenced in 2021 is supported by a generous individual.

SODIC seed cycle: This fund from SODIC is supporting the Egypt Education SEED cycle and the first graduate from that programme, Man Ahyaha.

Man Ahyaha is a social enterprise that graduated to Sustain from the first Egypt Education SEED cycle. This fund is supported by SODIC along with unrestricted funds provided by ERC

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 funding and technical assistance to this investment.

Delta Oil is a social enterprise that graduated to Sustain from SEMD programme, see note below. The Sustain Investment is supported by SODIC and ERC.

Life Vision for Development is a social enterprise that economically empowers smallhold female farmers through Farmer Field Schools and literacy classes. It benefited from funds raised during online campaigns. Life Vision graduated from Alfanar's portfolio in 2022.

Strengthening Social Enterprise for Migration and Development (SEMD) Programme. This is a two year programme 50% funded by GFA with SDC 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 took place in 2023 and the programme was successfully closed.

WasteAid. Holds funds provided by WasteAid in 2022 and 2023 to enable an environmental focused SEED cycle. This provided technical support and grant awards to three social enterprises: Upfuse, Waste Management Company, and Bassita.

Gaza crisis response. This fund holds monies for the Egyptian Food Bank to cover the distribution of foodboxes to the people of Gaza on lorries entering the territory through the Rafa Gate. It is powered with the support of Osman Consulting.

Lebanon Fund. This holds funds from a combination of sources where the donor restricted the gift specifically for work in Lebanon. The balance will be allocated and spent in 2024.

Tabshoura (Lebanese Alternative Learning) is a social enterprise that has digitised the Lebanese curriculum and is supporting teachers to employ it. It was supported by a corporate donor and online campaigns.

Ana Aqra is an educational social enterprise that works to ensure that all children are able to read and write appropriately. Ana Aqra focuses on early childhood education. Alfanar received funding and support from Their World for Ana Aqra. It graduated from the Alfanar portfolio in 2022.

BOT (Bridge.Outsource.Transform.) is an impact outsourcing platform that enables hundreds of disadvantaged youth across Lebanon and Jordan to access digital freelance work. This investment has been supported by a private individual, online campaigns, The Drosos Foundation and GIZ.

SE Factory is a social enterprise that provides intensive coding training and then facilitates access to work after graduation for youth across Lebanon. This has been supported by Drosos and GIZ

GIZ EPL Project This holds funds from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, funding our Youth Employment in Lebanon programme running for 30 months, 2022-2024. The programme empowers two SEED cycles each year including Technical assistance and business planning along with sustain support to six social enterprises.

Impact Europe. This fund holds advances from Impact Together, formally EVPA, on our joint action in Lebanon and Jordan to strengthen and promote social economy as a vector for job creation and expansion of economic opportunities, leading to a more inclusive economy in the countries. The programme's focus is to increase access to finance for social enterprises and social businesses, through strengthening existing impact and/or venture philanthropy funds, or development of new financing vehicles, that will become strong ecosystem players, beyond the life of this action. In addition, the action will address several other social economy support organisations (SESOs), that play instrumental roles in the social economy ecosystem, as capacity builders, network builders or advocacy players.

NaTakallam is a social enterprise that facilitates income-generating opportunities for refugees as language-learning partners, translators and interpreters. It has received support from L'Oreal.

Inaash creates dignified employment for nearly 400 female Palestinian refugees through embroidery and high-quality textile production. It has received funding from our Emergency Lebanon campaign.

WPA Nawras Pre-School. 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 provided funding for MMKN and SE Factory. This two year project commenced in August 2019 and was successfully closed out in 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 and Inaash.

The total carried forward in this area is £90,827 (2021: £161,817), was disbursed in 2023 to Emergency food programmes along with closing out the agreements with SE's funded in 2021.

Palestine. Holds funds provided by Asfari Foundation to support our SEED cycles in Palestine in 2022 and a Sustain Investment in one graduate from that programme, Flowless Smart Water Solutions, in 2023.

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 supported by a generous individual. In 2022, this funding enabled Alfanar to take two social enterprises to the Gala Dinner in London.

Impact Investment Fund includes funding dedicated to supporting Alfanar to cover part of the pre-start-up phase costs associated with impact fund team building, pipeline and investment strategy refinement and legal counsel informing the final structure. In 2023, USAID Lebanon provided its support

Ford Foundation: represents the BUILD grant Alfanar successfully secured in 2023. This support will enable Alfanar to develop a social franchise for the Amal project, research social protection for social entrepreneurs, and complete an organisational mapping exercise.

Zakat Fund holds Zakat donations received in 2023 that were used to support Zakat compliant programmes within our portfolio.

Alfanar Development Fund. This fund represents support from the Asfai Foundation to strengthen Alfanar's staff and impact model, including the development of learner animations for ASSET. Funds remaining in the restricted fund in 2023 were transferred to support Palestine SUSTAIN social enterprise, Flowless, with the agreement of the donor.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

18. DESIGNATED FUNDS

Current year	GROUP AND CHARITY				Carried Forward
	Brought Forward	Income	Expenditure	Transfer New Assets	
	£	£	£		£
Tangible fixed assets	3,350	-	(1,327)	2,409	4,432
Palestine Fund	26,899	-	(24,451)	(2,448)	-
TOTAL DESIGNATED FUNDS	30,249	-	(25,778)	(39)	4,432

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 designated fund is to support our new operations in that region, matching a fund provided by Asfari.

Prior Year					Carried Forward
	Brought Forward	Income	Expenditure		
	£	£	£		£
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

19. MOVEMENT OF FUNDS IN THE YEAR

Current year					Carried Forward
	Brought Forward 1 January 2023	Income	Expenditure	Transfers	
	£	£	£	£	£
Designated funds	30,249	-	(25,778)	39	4,432
General fund	658,547	941,605	(1,092,923)	39	507,268
	688,796	941,605	(1,118,701)	-	511,700
Restricted funds	766,394	1,511,056	(1,354,141)	-	923,309
TOTAL FUNDS	1,455,190	2,452,661	(2,472,842)	-	1,435,009

Prior year					Carried Forward
	Brought Forward 1 January 2022	Income	Expenditure	Transfers	
	£	£	£	£	£
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year

	Group			Charity		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£
Tangible fixed assets	4,432	-	4,432	4,432	-	4,432
Investment Assets	80,261	-	80,261	80,261	-	80,261
Net current assets	427,007	923,309	1,350,316	445,633	730,118	1,175,751
	511,700	923,309	1,435,009	530,326	730,118	1,260,444

Prior year

	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2022	2022	2022
	£	£	£
Tangible fixed assets	3,350	-	3,350
Investment Assets	80,261	-	80,261
Net current assets	605,185	766,394	1,371,579
	688,796	766,394	1,455,190

21. 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 **£21,400** (2021: £8,400). In the year, our occupancy grew as Covid restrictions and mitigations were relaxed.

Alfanar board member Cynthia Oakes, is also on the board of Alfanar Inc. In 2023, Alfanar received grants from Alfanar Inc., US amounting to **£302,026** (2022: £346,175)

Intragroup Transactions between Alfanar and Stichting Alfanar in 2023 amounted to:

1) Payments from Alfanar to Stichting Alfanar:

Grant towards start up costs **£ 5,289**

2) Fees payable to Alfanar from Stichting Alfanar

Technical assistance and support **£49,827**

As at 31 December 2023 amounts outstanding from Stichting Alfanar to Alfanar were **£49,827**.

During the year, trustees donated **£265,500** (2022: £323,228) 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 **£15,224** (2022: £7,608)

22. 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:

	2023	2022
	£	£
Less than 1 year	12,525	7,768
Between 2 and 5 years	-	-
	12,525	7,768

“

Thanks to Alfanar's generous venture philanthropy support, we have been able to enhance our work and make a lasting impact on the lives of women in need.

Mohamed Ezz
Business Development Lead, Delta Oil
Alfanar Egypt SUSTAIN Portfolio



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
Hadia Ghandour
Mark Huang

Alfanar Lebanon Board & Advisors

Myrna Atalla (Alfanar Representative, President)
Alfred Kettaneh
Carine Assouad
Caroline Fattal
Cesar Kastoun
Chadia El Meouchi
Hadia Ghandour
Nadim Aouad
Randa Jamali
Sallama Bu Haidar Al Sayegh

Advisors

Amanda Scott
Badri & Salim El Meouchi
Baker McKenzie
Beirut Digital District
Cherine Helmy
Differentia Consulting
Dr. Barbara Ibrahim
Faiz Munshi
Grant Thornton Egypt
Hala Gorani
Hend Sabry
Laura Stojcevic
Matthew Courey
Nafez Dakkak
Qlik
Robert Cartwright
Ryan Sturgill
Siham Bortcosh

Our Partners

We thank the numerous individual, corporate and institutional donors whose generous contributions in 2022-2023 made Alfanar's venture philanthropy work possible.

Institutional & Corporate Partners



Gala Sponsors



ALFANAR

EMPOWERING ENTERPRISE FOR SOCIAL CHANGE

Alfanar UK

38 Artillery Lane, London E1 7LS
Company registration number: 5141908
Charity registration number: 1105048
Tel: +44 (0) 20 4570 6473
info@alfanar.org

Alfanar, Inc., US

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

Stichting Alfanar

Saturnusstraat 14, 2516AH The Hague, The Netherlands
KVK number: 88110834

Global Leadership Team

Myrna Atalla, Executive Director
Fadel Zayan, Investment Director
Nicolas Kröger, Operations Director
Shenouda Bissada, Egypt Director
Maya Rahal, Lebanon Director
Suha Abdul Rahim, Jordan / Palestine Director
Michelle Mouracade, Impact Fund Advisor
Younna Assaf, Impact Fund Advisor

Trustees

Lubna S. Olayan (Chair)
Hussain Al Nowais
Samir Assaf
Amjad Bseisu
Charlotte Boyle
Sherif Foda
Maysa Jalbout
Julia Middleton
Cynthia J. Oakes

www.alfanar.org

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

 @alfanarvp

 @alfanarvp

 @alfanarvp

