

REGISTERED COMPANY NUMBER: 08249345 (England and Wales)  
REGISTERED CHARITY NUMBER: 1150993

Report of the Trustees and  
Financial Statements for the Year Ended 30 June 2022  
for  
The Near East Foundation UK

Moore  
Chartered Accountants and Statutory Auditor  
30 Gay Street  
Bath  
BA1 2PA

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for the Year Ended 30 June 2022

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Report of the Trustees  
for the Year Ended 30 June 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Reference and Administrative**

<b>Charity Name</b>	The Near East Foundation UK
<b>Registered Charity Number</b>	1150993
<b>Company Number</b>	8249345 (England and Wales)
<b>Registered Office</b>	7-14 Great Dover St. London, SE1 4YR
<b>Trustees</b>	
Anthony Ronald Williams	Chairperson
Dr. Robert Neil Palmer Brown	
Dr. Anthony Geraint Williams	
Johnson Garrett	
Catherine Essoyen Hopen	
Mona Ezzeldin Eraiba	
<b>Co-Managing Directors</b>	John Ashby and Dr. Simona Ceci Giannini
<b>Auditors</b>	Moore Chartered Accountants and Statutory Auditor 30 Gay Street Bath BA1 2PA
<b>Principal Bankers</b>	NatWest ( <a href="http://www.neareast.org/uk">http://www.neareast.org/uk</a> ) Gulf International Bank ( <a href="http://www.gibam.com">www.gibam.com</a> )

**1. Structure, Governance and Management**

The Near East Foundation UK ("NEF UK") was incorporated under the Companies Act 2006 on 11<sup>th</sup> October 2012 (company number 8249345) and became a registered charity of England and Wales (charity number 1150993) on 27 February 2013.

NEF UK is a charitable company with no issued share capital being limited by guarantee. The governing instrument is NEF UK's Articles of Association, the Near East Foundation ("NEF") is its sole member and the Trustees are the Charity's directors. The directors form the board of directors and are an independent body. The board of directors together with the Co-Managing Directors ensure that the Charity delivers its goals and has the overall responsibility for overseeing NEF UK's strategy, finances and to monitor compliance, performance and overall risk. The Co-Managing Directors report to the directors.

Report of the Trustees  
for the Year Ended 30 June 2022

In June of 2022, Dr. Charles Benjamin stepped down from his duties as Chief Executive Officer. The board of directors confirmed the appointment of Mr. John Ashby and Dr. Simona Ceci Giannini as Co-Managing Directors of NEF UK. Dr. Simona Ceci Giannini had already been appointed Corporate Secretary on 7 December 2021.

NEF UK is domiciled at 7-14 Great Dover Street, London, SE1 4YR.

NEF UK is a founding member of NEF Belgium and two of its Directors sit on the Board of NEF Belgium.

### **Recruitment and Appointment of Directors**

Director vacancies are identified by NEF UK's member and/or its directors and discussed at the general assembly meeting in accordance with the Articles of Association. Candidates for a director's position are required to submit a Curriculum Vitae and undergo an interview with the board Chairperson. The Chairperson will then invite selected candidates to meet the Co-Managing Directors and representatives of the board. The procedure for appointing and removing directors is set out in the Articles of Association. New directors are given relevant governing documents upon induction that includes information on NEF UK programming as well as the Charity's administrative and financial information.

Two directors were appointed during the 2021-2022 fiscal year: Catherine Essoyen Hopen who was appointed on 28 April 2022; and Mona Ezzeldin Eraiba, who was appointed on 22 June 2022. Two Directors resigned in 2021/22: Linda Layne resigned on 30 June 2021 and Linda K. Jacobs, resigned from her duties on 12 May 2022.

Given the growth of NEF UK, the need for new directors has been discussed and efforts to identify potential board candidates continue. The directors have also continued to discuss the need to prioritise diversity.

### **Risk Management**

Directors are briefed on major risks faced by NEF UK as part of the annual risk briefing during the general assembly meeting. In addition, at each board meeting, directors generally receive:

- project dashboards that include programmatic and operational risks;
- overview of NEF UK's financial status;
- a risk register showing (a) occurred events/materialised risks and (b) new risks if identified;
- country-specific risk register if and when needed.

Report of the Trustees  
for the Year Ended 30 June 2022

The following are key risks which NEF UK faces and related mitigation factors in place:

<b>Safeguarding:</b> NEF UK and/or its affiliates fail to prevent harm.	<p>NEF UK introduced new policies and procedures and has established practices to name a Safeguarding Focal Point within the Board. The focal point is the Chairperson of the Board. In his or her role as focal point the Chairperson uses reasonable efforts to deepen her or his knowledge of protection standards, coordinates with the designated compliance officer regular policy reviews and stays abreast of good practices and regulations. Safeguarding training for NEF UK staff and volunteers is compulsory and repeated annually. Frequency of training is communicated to all of NEF UK's funding agencies and entities. Background checks are in place for all staff and an ethics hotline is monitored 24/7 by a third-party provider:</p> <p><a href="https://www.whistleblowersecurity.com">https://www.whistleblowersecurity.com</a></p> <p>In addition, NEF UK has established a local process for reporting and designated a local focal point for safeguarding in most of its local offices.</p>
<b>Fundraising:</b> changes in the economic and/or political environment negatively impact NEF UK income and growth.	<p>NEF UK continues to strengthen and diversify its income streams. NEF UK is putting in place rigorous processes for budgeting, monitoring of financial performance and capitalising on the NEF Family of Entities to reach Value for Money (VfM) on staff allocation through secondment processes and cross tasking. Risks associated with fundraising post-Brexit have placed further risk considerations in this category.</p>
<b>Development Impact Bond (DIB):</b> the contractual instruments of the DIB were substantially delayed creating a financial strain on NEF UK cashflow.	<p>NEF UK's CFO puts in place mitigation measures to contain costs and avoiding shortcomings on project implementations.</p>

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<b>Compliance in volatile environments:</b> failure by NEF UK, its partners and affiliates to comply with contractual requirements in volatile and high-risk environments where NEF works or to adequately respond to Donor's increased focus on compliance and accountable delivery.	NEF UK has put in place systems for periodic programmatic and operational audits. NEF UK regularly reviews its implementation and management practices and tries to ensure that those working with NEF abide by NEF's Code of Conduct, ethics standards and that all staff members are held accountable for their work. Beginning March 2020, all reviews switched to a remote modality due to the global pandemic. NEF UK intends to return to periodic in-person assessment as soon as feasibly possible.
<b>Delays in project delivery</b>	<p>The outbreak of the COVID 19 global pandemic caused governments to put in place restrictive measures to limit the spread of the illness including restriction of movement, lockdowns, reduced work hours and mobility bans. Restrictions are also in place internally to safeguard the wellbeing of NEF staff.</p> <p>NEF UK has adapted its curricula and working methods through a centralized remote learning platform that enables the delivery of training directly to beneficiaries using a mobile-friendly format. Working methods have moved to a mixture of remote and in person work. NEF UK updates contingency plans including financial plans to minimize disruptions and provide business continuity to its operations.</p>

### **Related Parties**

None of the Directors receive remuneration or other benefits from their engagement with NEF UK. NEF UK Directors may be nominated to the NEF Belgium board but do not receive remunerations or benefits from such role.

NEF UK is a member of the Near East Foundation Family of Entities and as such works in partnership with all other NEF Entities both at the Headquarters and field levels sharing resources and knowledge. NEF UK is a founding member of NEF Belgium and as such has the right to appoint UK-based directors to that board.

NEF UK works in formal partnership with a growing number of Donors and Partners. Please refer to section 4 for further information on Donors and Partnerships.

## **2. Purpose, Aims and Activities (projects)**

### **Mission Statement**

The object of the Charity is to build more sustainable, prosperous and inclusive communities in the Middle East and Africa through education, community organising and economic development.

### **Aims**

NEF UK aims to promote (a) sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of resources; (b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities; (c) the promotion of sustainable means of achieving economic growth and regeneration.

### **Activities/Projects**

During the 2021-2022 fiscal year, NEF UK implemented the following projects:

[JORDAN]

**Refugee Impact Bond.** The Refugee Impact Bond leverages an up-front investment of \$9,825,000 for NEF UK to deliver a vocational, entrepreneurship, and resilience-building programme for refugees and members of the host communities in Jordan. This program is supported by the Norwegian Agency for Development Cooperation (NORAD), the US international Development Finance Corporation (DFC), the IKEA Foundation, Novo Nordisk Foundation and FERD AS. NEF UK received the initial working capital as a loan disbursements of £4,928,254 in 2022. Repayment obligations on the debt financing of £4,928,254 as of June 30, 2022, are guaranteed by Funders NORAD, IKEA Foundation & Novo Nordisk, without further obligation on NEF UK. As of June 2022, the Refugee Impact Bond has a restricted fund balance of £2,765,798. This represents revenue that was recognized in fiscal year ending June 30, 2022, according to UK GAAP, that will be expensed in future years. This will remain in the restricted fund balance until fully expended. [Start date: October 2021; End date: September 2025].

**Establishing additional Siraj Centers in Jordan.** This \$150,000 grant from the Whole Planet Foundation supports NEF UK to start-up and expand access to financing through Siraj Centers with four Jordanian community-based organizations (CBOs). The project will provide training and funding for revolving funds that are controlled by the CBOs. [Start date: July 2021; End date: July 2023]

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[MALI]

**Forests for a resilient future in the Region of Mopti.** This €800,000, European Union-funded, 3-year project in Mali aims to: (1) increase forest cover in targeted communities through collective and individual actions (reforestation, restoration and measures to reduce pressure on forest resources); (2) help build local climate resilience capacity by adopting sustainable natural resource management practices; (3) help communities to participate in sustainable development strategies and to fight against poverty; and (4) mobilize communities to develop and implement projects and measures that integrate forest and climate adaptation.

[Start date: September 2019; End date: August 2022].

**Program to Support Food Security and the Resilience of Populations to Social and Climate Crises in the Region of Mopti (PASARC II).** The Ministry of Foreign Affairs of the Government of the Netherlands has funded a second phase of the PASARC-I project. This 5-year, £9,000,000 follow-on project aims to improve the food security and resilience of rural populations in the Mopti region of Mali in the face of shocks related to climate change and social crises by strengthening the integrated management of natural resources by sustainably increasing the productivity and focus of value chains in the rural sector. As of June 2022, PASARC II has a restricted fund balance of £927,576. This represents revenue that was recognized in fiscal year ending June 30, 2022, according to UK GAAP, that will be expensed in future years. This will remain in the restricted fund balance until fully expended. [Start date: November 2018; End date: November 2023].

[MOROCCO]

**Projet d'appui à l'engagement des jeunes (PAEJ) - Youth Engagement Support Project.** This 2-year, €556,508 Europeaid supported project aims to strengthen the role of civil society organisations in monitoring, implementing, facilitating and promoting a dialogue on policies and actions related to the civic engagement of youth and political decisions affecting the lives of young people in Morocco. To achieve this, NEF aims to strengthen the capacity of 12 Youth Centres (Maisons de Jeunes) and ensure that they are more inclusive and increase youth civic engagement. [Start date: June 2019; End date: September 2021]

[SOUTH SUDAN]

**Support for IDPs and Vulnerable populations in South Sudan.** This \$267,955 Vitol Foundation supported program will provide clean water, increase food security, increase access to latrines and improve critical positive hygiene practices to vulnerable populations in South Sudan. [Start date: June 2021 End date: May 2022]

[SUDAN]

**Supporting Vulnerable Entrepreneurs to Strengthen and Scale their Enterprises.** Part of a larger program entitled, "Advancing Self-reliance among Displacement-affected Communities (ASRD)," this \$100,000 grant from the Arab Gulf Programme for Development (AGFUND) supported strengthening and expanding two critical streams of NEF's Siraj program primarily in Sudan, as well as Lebanon and Jordan. [Start date: December 2021; End date: December 2022].

**Empowering Women for Prosperity & Stability with Value Chain Development & Entrepreneurship in Sudan.** This £1,640,988 UKAid Direct funded project in Sudan was aiming to economically empower women engaged in non-timber forest products in North and South Kordofan states through value-chain development, natural resource management, association building and market systems development. [Start date: November 2019; End date: July 2021]. Early project closure due to a UK Government policy decision.



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[SYRIA]

**Syria Revolving Fund (RCF) to support Livelihoods Recovery in Syria.** This project (a \$221,000 cost-share to an institutionally funded project awarded to NEF) aimed to ensure conflict-affected micro and small entrepreneurs in Syria have access to finance to start or scale their businesses and strengthen the local economy. [Start date: April 2021; End date: December 2021]

A second contract for the same project was approved on 19 April 2022 (values \$983,162). [Start date: 01/05/2022; End date: 30/06/2025].

### **Monitoring and Evaluation**

NEF UK is committed to the robust monitoring and evaluation of its activities in order to measure effectively their impact on the lives of those it supports. NEF UK designs monitoring and evaluation frameworks for all of its projects. It has dedicated staff at Headquarters, regional, and local levels with responsibility for systematically overseeing and assessing project performance. Evaluation processes include monitoring of key indicators, which are reported (1) to donors through monthly, quarterly or annual reports and (2) to the Board of Directors through project dashboards and project briefs (generally distributed at board meetings).

NEF UK often works with external evaluators which allows us to monitor performance and to scrutinise and improve our work. The NEF Family of Entities produces a consolidated Annual Report that is freely available to anyone and posted on the NEF website.

Finally, NEF UK believes that evaluation processes are crucial to enable organisational learning and effective design and delivery of projects. The NEF Family of Entities regularly reviews its impact goals and their alignment to NEF's mission. NEF has designed a global database to track and monitor data with the aim to generate efficient impact assessments across its programs. As with all NEF Entities, NEF UK publishes project data to the International Aid Transparency Initiative (IATI) datastore where information is openly available under an open license.

### **3. Donors and Partnerships**

NEF UK has received and receives funds from: the DFC, IKEA Foundation, Novo Nordisk Foundation, NORAD, FERD AS, the Asfari Foundation, the European Commission, the Government of the Netherlands, UKAid Direct, City & Guilds Group, Trafigura Foundation, Rangoonwala Foundation, Big Lottery Fund, Comic Relief, Oak Foundation, Open Society Foundation, Vitol Foundation, Cowater Sogema and Cherie Blair Foundation.

NEF UK partners with local and community-based organisations in all countries where it implements projects. A detailed listing of all partners is available in the NEF consolidated annual report as well as in project-specific briefs and on the NEF website.

#### **4. Fundraising**

NEF UK was created to advance the shared values and mission of the Near East Foundation, continuing an over one hundred-year-old legacy of humanitarian and development work abroad. NEF UK is mobilising UK-based and other international constituencies to find innovative, impactful, and cost-effective solutions to critical development and humanitarian issues. NEF UK's capacity and relevance are reflected in an already strong track record of high-impact, multi-year projects with support from partners such as the DFC, IKEA Foundation, Novo Nordisk Foundation, NORAD, FERD AS, Cherie Blair Foundation for Women, European Union, Big Lottery Fund, City & Guilds Group, Vitol Foundation and Comic Relief. NEF UK has led and continues to lead multi-year projects in Armenia, Morocco, Jordan, Lebanon, Mali, the Occupied Palestinian Territories, Sudan and Syria.

A robust fundraising strategy allows NEF UK to (1) close gaps not covered by direct or indirect cost recovery for NEF UK's programme activities, (2) invest in new initiatives and opportunities (e.g., investing in strengthening NEF UK blended financing mechanisms and fund pilot projects in new and critical locations such as South Sudan, Libya and Syria among others), (3) cover unexpected costs that will help us better respond to uncertain government funding and shifting needs on the ground, and (4) elevate the organisation's mission and raise awareness of its work in the UK and abroad. The goals and activities outlined in NEF UK's strategic fundraising plan, which is led by a team of fundraising and business development professionals and is discussed with the NEF UK Board of Directors, serve to establish a strong foundation for financial, operational, and programmatic stability as well as continued growth.

#### **5. Future Plans**

NEF UK will continue to grow its programmes in the next fiscal year.

To date NEF UK has secured funding from public and private sector investors and donors to fund a Development Impact Bond to support livelihoods opportunities for refugees and their vulnerable host communities in Jordan and Lebanon. In addition, NEF UK has submitted proposals and secured funding from: (a) Vitol Foundation to support NEF's innovative access through establishing Revolving Credit Funds in Syria project and to support vulnerable populations in South Sudan; (b) Center for Disaster Philanthropy to support IDPs and vulnerable populations in Sudan and South Sudan and (c) continues to raise funds for a Development Impact Bond (DIB) targeting refugees and host communities in Lebanon, supported by Ikea Foundation, Novo Foundation, NORAD, Development Finance Corporation and Ferd AS and for contributions to the blended finance mechanism to support a Revolving Credit Facility in Syria. NEF UK has moved forward its plans to pursue public commercial tendering and it is awaiting donors' responses on a several submitted proposals for potential projects in Lebanon, Syria, Sudan and Jordan.

Furthermore, and as referenced above, the NEF UK Board has committed to (a) grow the number and the diversity of its Trustees/Directors on the board and, (b) review NEF UK fundraising policies and processes. In addition, the Board has approved a draft succession plan that can guarantee business continuity in case of short- or long-term emergencies.

Report of the Trustees  
for the Year Ended 30 June 2022

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Directors recognise that they are responsible for preparing the Directors' Report and the financial statements in accordance with all applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Directors to prepare financial statements for each financial year which give a true and fair representation of the state of affairs of the Charity they govern and of the incoming resources and application of those very resources for the period indicated. In preparing these statements, the Directors:

- (a) adopt suitable accounting policies and apply them consistently
- (b) observe the methods and principles of the Charity SORP
- (c) apply judgments and estimates that are prudent
- (d) state whether accounting standards have been followed and apply proper oversight on the financial and compliance functions of the Charity
- (e) prepare financial statements on the going concern basis unless it is not appropriate to presume that the Charity will continue its business.

The Directors are aware that they are responsible for (a) making sure that accounting records are kept in accordance to the law (b) that accurate disclosures on the financial position of the Charity are made at all time and when requested (c) that financial records provided to them enable them to ascertain to ensure that the financial statements comply with the Charity Act 1993, all applicable Charity Regulations and the provision of the Charity (d) safeguarding the assets and reputation of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including but not limited to financial mismanagement (e) the maintenance and integrity of the Charity and all financial information included on any of the Charity's related publications electronic or otherwise.

**AUDITORS**

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 1 December 2022 and signed on its behalf by:



.....  
A R Williams - Trustee

## **Opinion**

We have audited the financial statements of The Near East Foundation UK (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Charities Act, Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance. We also utilised the work of group auditors on specific projects to further understand how the charitable company complies with these requirements.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of  
The Near East Foundation UK

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

A handwritten signature in black ink, appearing to read 'Mark Powell', is shown within a rectangular frame.

Mark Powell (Senior Statutory Auditor)  
for and on behalf of Moore  
Chartered Accountants and Statutory Auditor  
30 Gay Street  
Bath  
BA1 2PA

Date: 1 December 2022

The Near East Foundation UK

Statement of Financial Activities  
for the Year Ended 30 June 2022

		Unrestricted fund £	Restricted funds £	30.6.22 Total funds £	30.6.21 Total funds £
	Notes				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	203,089	341,975	545,064	415,601
<b>Charitable activities</b>					
Charitable Activity		-	6,385,945	6,385,945	4,189,160
<b>Total</b>		<u>203,089</u>	<u>6,727,920</u>	<u>6,931,009</u>	<u>4,604,761</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	4				
Charitable Activity		19,801	4,225,621	4,245,422	4,378,555
Net foreign exchange gains/(losses)		<u>3,049</u>	<u>-</u>	<u>3,049</u>	<u>126,076</u>
<b>Total</b>		<u>22,850</u>	<u>4,225,621</u>	<u>4,248,471</u>	<u>4,504,631</u>
<b>NET INCOME</b>		180,239	2,502,299	2,682,538	100,130
<b>Transfers between funds</b>	14	<u>(306,263)</u>	<u>306,263</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(126,024)	2,808,562	2,682,538	100,130
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		129,040	1,167,664	1,296,704	1,196,574
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>3,016</u></u>	<u><u>3,976,226</u></u>	<u><u>3,979,242</u></u>	<u><u>1,296,704</u></u>



Balance Sheet  
30 June 2022

	Notes	Unrestricted fund £	Restricted funds £	30.6.22 Total funds £	30.6.21 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	10	-	79,376	79,376	76,091
<b>CURRENT ASSETS</b>					
Debtors	11	106,385	3,662,355	3,768,740	54,378
Cash at bank and in hand		<u>45,452</u>	<u>5,162,749</u>	<u>5,208,201</u>	<u>1,375,164</u>
		151,837	8,825,104	8,976,941	1,429,542
<b>CREDITORS</b>					
Amounts falling due within one year	12	(148,821)	-	(148,821)	(208,929)
<b>NET CURRENT ASSETS</b>		<u>3,016</u>	<u>8,825,104</u>	<u>8,828,120</u>	<u>1,220,613</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,016	8,904,480	8,907,496	1,296,704
<b>CREDITORS</b>					
Amounts falling due after more than one year	13	-	(4,928,254)	(4,928,254)	-
<b>NET ASSETS</b>		<u>3,016</u>	<u>3,976,226</u>	<u>3,979,242</u>	<u>1,296,704</u>
<b>FUNDS</b>	14				
Unrestricted funds				3,016	129,040
Restricted funds				<u>3,976,226</u>	<u>1,167,664</u>
<b>TOTAL FUNDS</b>				<u>3,979,242</u>	<u>1,296,704</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 1 December 2022 and were signed on its behalf by:



.....  
A R Williams - Trustee

The Near East Foundation UK

Cash Flow Statement  
for the Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>3,864,327</u>	<u>99,272</u>
Net cash provided by operating activities		<u>3,864,327</u>	<u>99,272</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(31,290)</u>	<u>(30,482)</u>
Net cash used in investing activities		<u>(31,290)</u>	<u>(30,482)</u>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		3,833,037	68,790
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,375,164</u>	<u>1,306,374</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>5,208,201</u></u>	<u><u>1,375,164</u></u>

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2022

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	30.6.22 £	30.6.21 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	2,682,538	100,130
<b>Adjustments for:</b>		
Depreciation charges	28,005	20,290
(Increase)/decrease in debtors	(3,714,362)	94,412
Increase/(decrease) in creditors	<u>4,868,146</u>	<u>(115,560)</u>
<b>Net cash provided by operations</b>	<u><u>3,864,327</u></u>	<u><u>99,272</u></u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.21 £	Cash flow £	At 30.6.22 £
<b>Net cash</b>			
Cash at bank and in hand	<u>1,375,164</u>	<u>3,833,037</u>	<u>5,208,201</u>
	<u>1,375,164</u>	<u>3,833,037</u>	<u>5,208,201</u>
<b>Total</b>	<u><u>1,375,164</u></u>	<u><u>3,833,037</u></u>	<u><u>5,208,201</u></u>

## **1. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Staff costs include both NEF UK staff as well as costs of people not directly employed by NEF UK but working on NEF UK projects.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles - Straight Line over 5 years

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**2. DONATIONS AND LEGACIES**

	30.6.22	30.6.21
	£	£
Contributions	343,066	352,222
Miscellaneous income	<u>201,998</u>	<u>63,379</u>
	<u>545,064</u>	<u>415,601</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	30.6.22 Charitable Activity £	30.6.21 Total activities £
Grants	<u>6,385,945</u>	<u>4,189,160</u>

Grants received, included in the above, are as follows:

	30.6.22 £	30.6.21 £
EU Grants	-	574,111
PASARC	2,739,405	2,817,091
UK Government Grants	26,328	444,483
Vitol Foundation	-	353,475
Development Impact Bond Income	<u>3,620,212</u>	<u>-</u>
	<u>6,385,945</u>	<u>4,189,160</u>

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable Activity	3,919,499	325,923	4,245,422
Net foreign exchange gains/(losses)	<u>-</u>	<u>3,049</u>	<u>3,049</u>
	<u>3,919,499</u>	<u>328,972</u>	<u>4,248,471</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**5. SUPPORT COSTS**

	Management £	Finance £	Totals £
Charitable Activity	325,923	-	325,923
Net foreign exchange gains/(losses)	<u>-</u>	<u>3,049</u>	<u>3,049</u>
	<u>325,923</u>	<u>3,049</u>	<u>328,972</u>

**6. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	30.6.22 £	30.6.21 £
Depreciation - owned assets	<u>28,005</u>	<u>20,290</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

**8. STAFF COSTS**

	30.6.22 £	30.6.21 £
Wages and salaries - direct	141,312	162,439
Seconded staff	<u>1,031,513</u>	<u>828,859</u>
	<u>1,172,825</u>	<u>991,298</u>

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

	30.6.22	30.6.21
Direct employees	<u>3</u>	<u>2</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	30.6.22	30.6.21
£80,001 - £90,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	415,601	-	415,601
<b>Charitable activities</b>			
Charitable Activity	-	4,189,160	4,189,160
<b>Total</b>	<u>415,601</u>	<u>4,189,160</u>	<u>4,604,761</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Charitable Activity	333,724	4,044,831	4,378,555
Net foreign exchange gains/(losses)	126,076	-	126,076
<b>Total</b>	<u>459,800</u>	<u>4,044,831</u>	<u>4,504,631</u>
<b>NET INCOME/(EXPENDITURE)</b>	(44,199)	144,329	100,130
<b>Transfers between funds</b>	<u>118,297</u>	<u>(118,297)</u>	<u>-</u>
<b>Net movement in funds</b>	74,098	26,032	100,130
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	54,942	1,141,632	1,196,574
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>129,040</u></u>	<u><u>1,167,664</u></u>	<u><u>1,296,704</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**10. TANGIBLE FIXED ASSETS**

	Motor vehicles £
<b>COST</b>	
At 1 July 2021	121,776
Additions	<u>31,290</u>
At 30 June 2022	<u>153,066</u>
<b>DEPRECIATION</b>	
At 1 July 2021	45,685
Charge for year	<u>28,005</u>
At 30 June 2022	<u>73,690</u>
<b>NET BOOK VALUE</b>	
At 30 June 2022	<u><u>79,376</u></u>
At 30 June 2021	<u><u>76,091</u></u>

**11. DEBTORS**

	30.6.22 £	30.6.21 £
Amounts falling due within one year:		
Amounts owed by group undertakings	-	20,689
Other debtors	3,776	4,647
Prepayments and accrued income	<u>3,495,136</u>	<u>29,042</u>
	<u><u>3,498,912</u></u>	<u><u>54,378</u></u>
Amounts falling due after more than one year:		
Other debtors	<u><u>269,828</u></u>	<u><u>-</u></u>
Aggregate amounts	<u><u>3,768,740</u></u>	<u><u>54,378</u></u>



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.22	30.6.21
	£	£
Trade creditors	22,939	145,643
Amounts owed to group undertakings	85,272	24,487
Other creditors	6,843	-
Accruals and deferred income	33,767	38,799
	<u>148,821</u>	<u>208,929</u>

	At 1.7.21	Released from previous period	Incoming resources deferred in the year	At 30.6.22
EU Peacebuilding West Bank	27,733	(27,733)	-	-
	<u>27,733</u>	<u>(27,733)</u>	<u>-</u>	<u>-</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.6.22	30.6.21
	£	£
Other creditors	<u>4,928,254</u>	<u>-</u>

**14. MOVEMENT IN FUNDS**

	At 1.7.21 £	Net movement in funds £	Transfers between funds £	At 30.6.22 £
<b>Unrestricted funds</b>				
General fund	129,040	180,239	(306,263)	3,016
<b>Restricted funds</b>				
Mali EU (2019-2022)	47,156	(348,065)	300,909	-
PASARC II	727,721	199,855	-	927,576
Sudan UK Aid Direct	46,047	(51,401)	5,354	-
DIB Jordan	-	2,765,798	-	2,765,798
Vitol Foundation SRTF - Syria	155,433	(155,433)	-	-
SS - Vitol	191,307	(191,307)	-	-
Jordan - WPF	-	20,546	-	20,546
Sudan - AG Fund	-	34,829	-	34,829
Syria - Vitol NES Phase II	-	227,477	-	227,477
	<u>1,167,664</u>	<u>2,502,299</u>	<u>306,263</u>	<u>3,976,226</u>
<b>TOTAL FUNDS</b>	<u>1,296,704</u>	<u>2,682,538</u>	<u>-</u>	<u>3,979,242</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**14. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	203,089	(22,850)	180,239
<b>Restricted funds</b>			
Mali EU (2019-2022)	-	(348,065)	(348,065)
PASARC II	2,739,405	(2,539,550)	199,855
Sudan UK Aid Direct	26,328	(77,729)	(51,401)
DIB Jordan	3,620,212	(854,414)	2,765,798
Vitol Foundation SRTF - Syria	-	(155,433)	(155,433)
SS - Vitol	-	(191,307)	(191,307)
Jordan - WPF	53,885	(33,339)	20,546
Sudan - AG Fund	37,630	(2,801)	34,829
Syria - Vitol NES Phase II	250,460	(22,983)	227,477
	<u>6,727,920</u>	<u>(4,225,621)</u>	<u>2,502,299</u>
<b>TOTAL FUNDS</b>	<u><u>6,931,009</u></u>	<u><u>(4,248,471)</u></u>	<u><u>2,682,538</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**14. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
<b>Unrestricted funds</b>				
General fund	54,942	(44,199)	118,297	129,040
<b>Restricted funds</b>				
Vitol Syria	347,020	(372,785)	25,765	-
Jordan - Asfari Pilot	-	(724)	724	-
Mali EU (2019-2022)	98,259	(8,979)	(42,124)	47,156
EU4Women: Women's Economic Empowerment through Social Enterprise	36,165	84,505	(120,670)	-
PASARC II	437,836	328,463	(38,578)	727,721
Open Society Foundation - Jordan	222,352	(222,352)	-	-
Sudan UK Aid Direct	-	46,289	(242)	46,047
Morocco EU	-	(42,126)	42,126	-
DIB Jordan	-	(7,022)	7,022	-
Vitol Foundation SRTF - Syria	-	155,433	-	155,433
PASARC CCC - Mali	-	(7,680)	7,680	-
SS - Vitol	-	191,307	-	191,307
	<u>1,141,632</u>	<u>144,329</u>	<u>(118,297)</u>	<u>1,167,664</u>
<b>TOTAL FUNDS</b>	<u>1,196,574</u>	<u>100,130</u>	<u>-</u>	<u>1,296,704</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

**14. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	415,601	(459,800)	(44,199)
<b>Restricted funds</b>			
Vitol Syria	-	(372,785)	(372,785)
Jordan - Asfari Pilot	-	(724)	(724)
Mali EU (2019-2022)	306,393	(315,372)	(8,979)
EU4Women: Women's Economic Empowerment through Social Enterprise	82,581	1,924	84,505
PASARC II	2,817,091	(2,488,628)	328,463
Open Society Foundation - Jordan	-	(222,352)	(222,352)
Sudan UK Aid Direct	444,483	(398,194)	46,289
Morocco EU	185,137	(227,263)	(42,126)
DIB Jordan	-	(7,022)	(7,022)
Vitol Foundation SRTF - Syria	160,495	(5,062)	155,433
PASARC CCC - Mali	-	(7,680)	(7,680)
SS - Vitol	192,980	(1,673)	191,307
	<u>4,189,160</u>	<u>(4,044,831)</u>	<u>144,329</u>
<b>TOTAL FUNDS</b>	<u>4,604,761</u>	<u>(4,504,631)</u>	<u>100,130</u>

The restricted fund represent grants and contributions received from the various bodies to deliver the projects as outlined in our Trustees' Report.

As part of the Trustees' ongoing consideration of reserves, a review has been undertaken during the year to assess the utilisation of unrestricted funds and allocation of overhead costs to specific projects. Transfers between the funds shown above include the necessary adjustments. The transfers represent centrally costed overheads that are directly linked to each specific projects.

**15. CONTINGENT LIABILITIES**

The organisation has entered into bond agreement during the year. The Refugee Impact Bond leverages an up-front investment of \$9,825,000 for NEF UK to deliver a vocational, entrepreneurship, and resilience-building programme for refugees and members of the host communities in Jordan. This program is supported by the Norwegian Agency for Development Cooperation (NORAD), the US international Development Finance Corporation (DFC), the IKEA Foundation, Novo Nordisk Foundation and FERD AS. NEF UK received the initial working capital as a loan disbursements of £4,928,254 in 2022. Repayment obligations on the debt financing of £4,928,254 as of June 30, 2022, are guaranteed by Funders NORAD, IKEA Foundation & Novo Nordisk, without further obligation on NEF UK. Depending on the success of the project, there are variable repayment obligations dependent upon the social outcomes which may result in interest accruing on the liability. The potential value is unknown at this stage of the project. Any additional liability is matched by further income from the funders in-line with the bond agreement.

**16. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 30 June 2022.