

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

Report of the Trustees and
Financial Statements for the Year Ended 30 June 2023
for
The Near East Foundation UK

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

The Near East Foundation UK

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for the Year Ended 30 June 2023

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The Near East Foundation UK (Registered number: 08249345)Report of the Trustees
for the Year Ended 30 June 2023**1. Reference and Administrative**

Charity Name	The Near East Foundation UK
Registered Charity Number	1150993
Company Number	8249345 (England and Wales)
Registered Office	7-14 Great Dover St. London, SE1 4YR

Trustees

Anthony Ronald Williams	Chairperson
Dr. Robert Neil Palmer Brown	
Dr. Anthony Geraint Williams	
Johnson Garrett	
Catherine Essoyen Hopen	
Mona Ezzeldin Eraiba	

Co-Managing Directors	John Ashby and Dr. Simona Ceci Giannini
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Auditors	Moore Chartered Accountants and Statutory Auditor 30 Gay Street Bath BAI 2PA
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Principal Bankers	NatWest (http://www.neareast.org/uk)	Gulf International Bank (www.gibam.com)
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2. Structure, Governance and Management

The Near East Foundation UK ("NEF UK") was incorporated under the Companies Act 2006 on 11th 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.

In June of 2023, Dr. Simona Ceci Giannini informed the board of her intention to step down from her duties as Co-Managing Director effective 31 December 2023.

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.

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Report of the Trustees
for the Year Ended 30 June 2023

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.

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.

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

<p>Safeguarding: NEF UK and/or its affiliates fail to prevent harm.</p>	<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>https://www.whistleblowersecurity.com</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>
<p>Fundraising: changes in the economic and/or political environment negatively impact NEF UK income and growth.</p>	<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>
<p>Development Impact Bond (DIB): the contractual instruments of the DIB were substantially delayed creating a financial strain on NEF UK cashflow.</p>	<p>NEF UK's CFO puts in place mitigation measures to contain costs and avoiding shortcomings on project implementations.</p>
<p>Compliance in volatile environments: 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.</p>	<p>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.</p>

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Report of the Trustees
for the Year Ended 30 June 2023

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.

3. 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 2022-2023 fiscal year, NEF UK implemented the following projects:

[ARMENIA]

“Waste-to-Warmth” pilot project in Armenia. The pilot is establishing a social enterprise in a border community impacted by the Nagorno-Karabakh conflict which will produce and sell eco-briquettes to reduce residents’ dependency on unsustainable harvesting of firewood, as well as create local jobs. Co-financed by Aurora Humanitarian Initiative [\$50,028] and the Dadourian Foundation [\$15,000]. [Start date: March 2023; End date: June 2024].

The Near East Foundation UK (Registered number: 08249345)Report of the Trustees
for the Year Ended 30 June 2023

[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 in 2022 and 2022 of £2,852,684 and £4,928,254, respectively. Repayment obligations on the debt financing of £7,780,938 as of June 30, 2023, are guaranteed by Funders NORAD, IKEA Foundation & Novo Nordisk, without further obligation on NEF UK. As of June 2023, the Refugee Impact Bond has a restricted fund balance of £274,125. 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]

[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 2023, PASARC II has a restricted fund balance of £1,142,864. This represents revenue that was recognized in fiscal year ending June 30, 2023, 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 2024].

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Report of the Trustees
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[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].

Advancing Self-reliance among Displacement-affected Communities in Sudan and South Sudan. This multi-country, multi-year project grant in neighboring states in both Sudan and South Sudan will improve self-reliance among displacement affected populations (refugees, internally displaced, returnees, host communities) using long-term development approaches in various settings (urban, rural, camp, non-camp). NEF will also apply the Siraj model in Sudan and South Sudan contexts for the first time. Financed through a grant of \$1,270,583 from the United Nations Office for Project Services (UNOPS). [Start date: August 2022; End date: June 2024].

Resilience for Peace & Stability, Food and Water Security Innovation Grant Program. The program will contribute to inclusive economic growth and build resilience in 13 non-timber forest product producing communities through provision of bundled financial and technical services. It will support 3000 entrepreneurs (75% women) involved in non-timber forest products and other cash crops have increased organisation, economic empowerment, and favourable institutional environment. Financed through a grant from Stockholm University / Stockholm Resilience Centre / Global Resilience Partnership. Start Date: July 1, 2022 – End Date: December 31, 2024

WASH services in South Kordofan State. The project aims to deliver water, sanitation and hygiene services for vulnerable refugee, internally displaced population, returnee and host communities in Gadeer and Tawlodi localities in South Kordofan State. It uses a combination of both hardware (infrastructure) and software (training, awareness, capacity building) interventions. Start Date: November 2022; End Date: May 2023. Financed through a grant of \$147,581 from Global Aid Hand.

[SYRIA]

Syria Revolving Fund (RCF) to support Livelihoods Recovery in Syria. This project (a \$983,162 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: May 2022; End date: June 2025]

Earthquake Rapid Response in North West Syria. The project will deploy a rapid physical rehabilitation response to support the recovery of NEF-supported business borrowers; work with NEF business borrowers operating in critical sectors to deliver rapid emergency services; connect impacted businesses with businesses that remain fully operational or retain their inventory particularly in locations less impacted by the earthquake; and launch a re-financing mechanism to help current borrowers manage their loans. Start Date: February 2023; End Date: August 2023. Financed through a grant of \$250,000 from Vitol Foundation

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Report of the Trustees
for the Year Ended 30 June 2023

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.

4. Donors and Partnerships

NEF UK has received and receives funds from: United Nations Office for Project Services (UNOPS), Global Resilience Partnership, Arab Gulf Programme for Development, Aurora Humanitarian Initiative Charitable Foundation, 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.

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Report of the Trustees
for the Year Ended 30 June 2023

5. 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.

NEF UK signed the Foreign, Commonwealth, and Development Office (FCDO) Global Development Delivery and Conflict, Stability and Security Fund (CSSF) Frameworks in January 2024 and December 2023 respectively. NEF UK now has access to mini-tenders and direct awards subject to relevant terms of reference.

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Report of the Trustees
for the Year Ended 30 June 2023

6. 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) Vitof 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.

The Near East Foundation UK (Registered number: 08249345)

Report of the Trustees
for the Year Ended 30 June 2023

7. Statement of Trustees' Responsibilities

NEF Directors are responsible for preparing the Trustees' Annual report and financial statements in accordance with applicable law and the United Kingdom Accounting Standards.

Trustees' Annual Report and Accounts Year Ending 30 June 2023

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that NEF UK will continue in business.

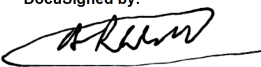
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain NEF UK transactions and disclose with reasonable accuracy at any time the financial position of NEF UK and enable them to ensure that the financial statements comply with relevant regulations. They are also responsible for safeguarding assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee in his or her role as Director of NEF UK has confirmed that, insofar they are aware:

- there is no relevant audit information of which NEF UK auditors are unaware;
- they have taken all the steps that, as Trustees, they are required to take to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

27/03/2024

Approved by the Board of Directors on and signed of the Trustees/Directors behalf by:

DocuSigned by:

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AR Williams
Chairperson

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

Opinion

We have audited the financial statements of The Near East Foundation UK (the 'charitable company') for the year ended 30 June 2023 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 2023 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.

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

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.

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

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. 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.

DocuSigned by:

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

27/03/2024

Date:

The Near East Foundation UKStatement of Financial Activities
for the Year Ended 30 June 2023

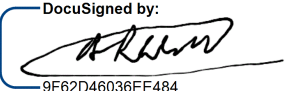
	Notes	Unrestricted fund £	Restricted funds £	30.6.23 Total funds £	30.6.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,359	609,548	611,907	545,064
Charitable activities	4				
Charitable Activity		-	3,544,874	3,544,874	6,385,945
Investment income	3	<u>131,731</u>	<u>71,521</u>	<u>203,252</u>	<u>-</u>
Total		<u>134,090</u>	<u>4,225,943</u>	<u>4,360,033</u>	<u>6,931,009</u>
EXPENDITURE ON					
Charitable activities	5				
Charitable Activity		-	6,064,174	6,064,174	4,245,422
Net foreign exchange gains/(losses)		<u>70,287</u>	<u>-</u>	<u>70,287</u>	<u>3,049</u>
Total		<u>70,287</u>	<u>6,064,174</u>	<u>6,134,461</u>	<u>4,248,471</u>
NET INCOME/(EXPENDITURE)		63,803	(1,838,231)	(1,774,428)	2,682,538
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,016</u>	<u>3,976,226</u>	<u>3,979,242</u>	<u>1,296,704</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>66,819</u></u>	<u><u>2,137,995</u></u>	<u><u>2,204,814</u></u>	<u><u>3,979,242</u></u>

The Near East Foundation UK (Registered number: 08249345)Balance Sheet
30 June 2023

	Notes	Unrestricted fund £	Restricted funds £	30.6.23 Total funds £	30.6.22 Total funds £
FIXED ASSETS					
Tangible assets	11	-	48,763	48,763	79,376
CURRENT ASSETS					
Debtors	12	14,898	5,831,675	5,846,573	3,768,740
Cash at bank and in hand		<u>108,464</u>	<u>4,241,594</u>	<u>4,350,058</u>	<u>5,208,201</u>
		123,362	10,073,269	10,196,631	8,976,941
CREDITORS					
Amounts falling due within one year	13	(56,542)	(203,100)	(259,642)	(148,821)
NET CURRENT ASSETS		<u>66,820</u>	<u>9,870,169</u>	<u>9,936,989</u>	<u>8,828,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		66,820	9,918,932	9,985,752	8,907,496
CREDITORS					
Amounts falling due after more than one year	14	-	(7,780,938)	(7,780,938)	(4,928,254)
NET ASSETS		<u>66,820</u>	<u>2,137,994</u>	<u>2,204,814</u>	<u>3,979,242</u>
FUNDS	15				
Unrestricted funds				66,820	3,016
Restricted funds				<u>2,137,994</u>	<u>3,976,226</u>
TOTAL FUNDS				<u>2,204,814</u>	<u>3,979,242</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 27/03/2024 and were signed on its behalf by:

DocuSigned by:

 9F62D46036EE484...

A R Williams - Trustee

The Near East Foundation UKCash Flow Statement
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(1,061,395)</u>	<u>3,864,327</u>
Net cash (used in)/provided by operating activities		<u>(1,061,395)</u>	<u>3,864,327</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(31,290)
Interest received		<u>203,252</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>203,252</u>	<u>(31,290)</u>
Change in cash and cash equivalents in the reporting period		(858,143)	3,833,037
Cash and cash equivalents at the beginning of the reporting period		<u>5,208,201</u>	<u>1,375,164</u>
Cash and cash equivalents at the end of the reporting period		<u><u>4,350,058</u></u>	<u><u>5,208,201</u></u>

The Near East Foundation UKNotes to the Cash Flow Statement
for the Year Ended 30 June 2023**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	30.6.23 £	30.6.22 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,774,428)	2,682,538
Adjustments for:		
Depreciation charges	30,613	28,005
Interest received	(203,252)	-
Increase in debtors	(2,077,833)	(3,714,362)
Increase in creditors	<u>2,963,505</u>	<u>4,868,146</u>
Net cash (used in)/provided by operations	<u>(1,061,395)</u>	<u>3,864,327</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.22 £	Cash flow £	At 30.6.23 £
Net cash			
Cash at bank and in hand	<u>5,208,201</u>	<u>(858,143)</u>	<u>4,350,058</u>
	<u>5,208,201</u>	<u>(858,143)</u>	<u>4,350,058</u>
Total	<u>5,208,201</u>	<u>(858,143)</u>	<u>4,350,058</u>

The Near East Foundation UKNotes to the Financial Statements
for the Year Ended 30 June 2023**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.

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**2. DONATIONS AND LEGACIES**

	30.6.23	30.6.22
	£	£
Contributions	610,692	343,066
Miscellaneous income	<u>1,215</u>	<u>201,998</u>
	<u>611,907</u>	<u>545,064</u>

3. INVESTMENT INCOME

	30.6.23	30.6.22
	£	£
Deposit account interest	<u>203,252</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	30.6.23 Charitable Activity £	30.6.22 Total activities £
Grants	<u>3,544,874</u>	<u>6,385,945</u>

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

	30.6.23 £	30.6.22 £
EU Grants	19,357	-
PASARC	2,287,110	2,739,405
UK Government Grants	19,058	26,328
United Nations	829,107	-
Development Impact Bond Income	<u>390,242</u>	<u>3,620,212</u>
	<u>3,544,874</u>	<u>6,385,945</u>

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable Activity	6,064,174	-	6,064,174
Net foreign exchange gains/(losses)	-	70,287	70,287
	<u>6,064,174</u>	<u>70,287</u>	<u>6,134,461</u>

6. SUPPORT COSTS

	Finance £
Net foreign exchange gains/(losses)	<u>70,287</u>

7. NET INCOME/(EXPENDITURE)

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

	30.6.23 £	30.6.22 £
Depreciation - owned assets	<u>30,613</u>	<u>28,005</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2023 nor for the year ended 30 June 2022.

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**9. STAFF COSTS**

	30.6.23	30.6.22
	£	£
Wages and salaries	174,526	141,312
Social security costs	<u>1,334,806</u>	<u>1,031,513</u>
	<u>1,509,332</u>	<u>1,172,825</u>

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

	30.6.23	30.6.22
Direct employees	<u>3</u>	<u>3</u>

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

	30.6.23	30.6.22
£80,001 - £90,000	<u>1</u>	<u>1</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	203,089	341,975	545,064
Charitable activities			
Charitable Activity	<u>-</u>	<u>6,385,945</u>	<u>6,385,945</u>
Total	<u>203,089</u>	<u>6,727,920</u>	<u>6,931,009</u>
EXPENDITURE ON			
Charitable activities			
Charitable Activity	19,801	4,225,621	4,245,422
Net foreign exchange gains/(losses)	<u>3,049</u>	<u>-</u>	<u>3,049</u>
Total	<u>22,850</u>	<u>4,225,621</u>	<u>4,248,471</u>
NET INCOME	180,239	2,502,299	2,682,538
Transfers between funds	<u>(306,263)</u>	<u>306,263</u>	<u>-</u>
Net movement in funds	(126,024)	2,808,562	2,682,538
RECONCILIATION OF FUNDS			
Total funds brought forward	129,040	1,167,664	1,296,704

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Total funds £
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	3,016	3,976,226	3,979,242
	<hr/>	<hr/>	<hr/>

11. TANGIBLE FIXED ASSETS

	Motor vehicles £
COST	
At 1 July 2022 and 30 June 2023	<u>153,066</u>
DEPRECIATION	
At 1 July 2022	73,690
Charge for year	<u>30,613</u>
At 30 June 2023	<u>104,303</u>
NET BOOK VALUE	
At 30 June 2023	<u>48,763</u>
At 30 June 2022	<u>79,376</u>

12. DEBTORS

	30.6.23 £	30.6.22 £
Amounts falling due within one year:		
Trade debtors	156,405	-
Other debtors	14,898	3,776
Prepayments and accrued income	<u>1,926,196</u>	<u>3,495,136</u>
	<u>2,097,499</u>	<u>3,498,912</u>
Amounts falling due after more than one year:		
Other debtors	<u>3,749,074</u>	<u>269,828</u>
Aggregate amounts	<u>5,846,573</u>	<u>3,768,740</u>

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.23	30.6.22
	£	£
Trade creditors	203,100	22,939
Amounts owed to group undertakings	-	85,272
Other creditors	2,333	6,843
Accruals and deferred income	54,209	33,767
	<u>259,642</u>	<u>148,821</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.23	30.6.22
	£	£
Other creditors	<u>7,780,938</u>	<u>4,928,254</u>

15. MOVEMENT IN FUNDS

	At 1.7.22	Net movement in funds	At 30.6.23
	£	£	£
Unrestricted funds			
General fund	3,016	63,804	66,820
Restricted funds			
PASARC II	927,576	215,288	1,142,864
DIB Jordan	2,765,798	(2,491,673)	274,125
Jordan - WPF	20,546	35,567	56,113
Sudan - AG Fund	34,829	(34,829)	-
Syria - Vitol NES Phase II	227,477	(12,542)	214,935
SY-NEF UK Revolving funds	-	79,210	79,210
SY-VITOL - NWS Earthquake recovery	-	44,083	44,083
AM -Waste to warmth	-	39,198	39,198
Sudan United Nations Office for Project Services (UNOPS)	-	148,718	148,718
WASH services in South Kordofan State	-	52,730	52,730
Sudan Global Resilience Partnership	-	86,018	86,018
	<u>3,976,226</u>	<u>(1,838,232)</u>	<u>2,137,994</u>
TOTAL FUNDS	<u>3,979,242</u>	<u>(1,774,428)</u>	<u>2,204,814</u>

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**15. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	134,090	(70,286)	63,804
Restricted funds			
Mali EU (2019-2022)	19,357	(19,357)	-
PASARC II	2,287,109	(2,071,821)	215,288
DIB Jordan	461,764	(2,953,437)	(2,491,673)
Jordan - WPF	61,051	(25,484)	35,567
Sudan - AG Fund	39,605	(74,434)	(34,829)
Syria - Vitol NES Phase II	182,627	(195,169)	(12,542)
SY-NEF UK Revolving funds	79,210	-	79,210
SY-VITOL - NWS Earthquake recovery	207,178	(163,095)	44,083
AM -Waste to warmth	39,876	(678)	39,198
Sudan United Nations Office for Project Services (UNOPS)	569,653	(420,935)	148,718
WASH services in South Kordofan State	71,788	(19,058)	52,730
Sudan Global Resilience Partnership	206,725	(120,707)	86,018
	<u>4,225,943</u>	<u>(6,064,175)</u>	<u>(1,838,232)</u>
TOTAL FUNDS	<u>4,360,033</u>	<u>(6,134,461)</u>	<u>(1,774,428)</u>

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**15. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.7.21 £	Net movement in funds £	Transfers between funds £	At 30.6.22 £
Unrestricted funds				
General fund	129,040	180,239	(306,263)	3,016
Restricted funds				
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>
TOTAL FUNDS	<u>1,296,704</u>	<u>2,682,538</u>	<u>-</u>	<u>3,979,242</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	203,089	(22,850)	180,239
Restricted funds			
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>
TOTAL FUNDS	<u>6,931,009</u>	<u>(4,248,471)</u>	<u>2,682,538</u>

The Near East Foundation UKNotes to the Financial Statements - continued
for the Year Ended 30 June 2023**15. MOVEMENT IN FUNDS - continued**

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.

16. CONTINGENT LIABILITIES

The organisation entered into a finance agreement during the prior 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 disbursement of £4,928,254 in 2022 with a further £2,852,684 received in 2023. Repayment obligations on the debt financing of £7,780,938 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. Although the potential value of the interest 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.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2023.