

EMBRACE the Middle East

# EMBRACE THE MIDDLE EAST
# ANNUAL REPORT AND ACCOUNTS 2025



# MESSAGE FROM THE CHAIR OF TRUSTEES

## As we look back on 2025, we do so with a mixture of sorrow and deep admiration for the resilience shown by our partners and the communities they serve.

A turbulent and demanding year, it has also been one in which courage, steadfastness, and hope have shone with remarkable clarity. Across the Middle East, our local Christian partners continued to serve people in crisis with care, dignity, and compassion - often while facing similar hardships themselves. Their witness, offered with unwavering faithfulness, and the solidarity shown by our supporters here in the UK and beyond, remain the heart of Embrace's mission.

In Gaza, our partners endured another year of hardship that pushed an already devastated population closer to the brink. A year of failed ceasefires and escalating humanitarian need was followed by a hollow peace that brought limited respite and no real steps towards reconstruction. Staff at Al Ahli Hospital and the disability specialists from the Jerusalem Princess Basma Centre exemplified the courage of our partners as they continued to treat thousands of patients and develop their services for children newly injured or traumatised. Alongside Caritas Jerusalem and the Near East Council of Churches, their commitment ensured that essential healthcare and rehabilitation continued when it was needed most.

Across the West Bank, 2025 was marked by a dramatic escalation in settler violence, military operations, and movement restrictions. Our partners responded with psychological first aid, legal support, and advocacy, supporting Palestinian families facing trauma, displacement, and the erosion of their basic rights.

In Lebanon and Syria, where the effects of war and economic crisis continue to echo, Embrace partners offered families with little in the way of a safety net,  trauma support, disability services, education and community care.

Yet this year was not defined solely by crisis. From a flourishing community farm providing livelihoods in northern Lebanon, to the Climate Leaders Programme in Iraq empowering young people to become champions for the environment and Life Schools supporting women in rural Upper Egypt, there were seeds of hope for the future. We continued to invest in future leadership, sustainable development, and the strengthening of Christian-led social witness across the region.

**"Yet this year was not defined solely by crisis. From a flourishing community farm providing livelihoods in northern Lebanon, to the Climate Leaders Programme in Iraq empowering young people to become champions for the environment and Life Schools supporting women in rural Upper Egypt, there were seeds of hope for the future."**

Our supporters in the UK have continued to respond with compassion and generosity – giving to our fundraising appeals, raising their voices and prayers, and using our devotional resources in their study groups and churches. Campaigns such as *Childhood Behind Bars* and *Fast for Gaza* helped bring our partners' lived experiences to policymakers and church leaders. The publication of *Gracious Dialogue* equipped churches to navigate difficult conversations with generosity and understanding. We were delighted to join the Community of the Cross of Nails in December, affirming our commitment to reconciliation in these days of deepening polarisation.

Throughout another year of extraordinary challenge, Embrace remained steadfast in accompanying Christian-led organisations of the Middle East as they serve the most vulnerable. On behalf of the Board, I extend my profound gratitude to our partners for their faith-filled perseverance, to our supporters for their generosity and prayer, and to our staff for their dedication and professionalism.

Together, we continue to work for a future where justice, dignity, and peace take root and flourish in the Middle East.

**John Mitchell OBE,**
*Chair of Trustees*

The Trustees of Embrace the Middle East, who are also Directors of the Charity for the purpose of the Companies Act 2006, are pleased to present their Annual Report, and the charity's audited consolidated financial statements, for the year ending 31 December 2025.

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EMBRACE the Middle East


**Embrace the Middle East Group:** Embrace the Middle East

**Registered charity number:** 1076329. **A company limited by guarantee:** 3706037

**Registered office:** Embrace the Middle East, Old Library Building, Queen Victoria Road, High Wycombe, HP11 1BG



*We change the names of children and vulnerable adults whose stories are included in the report. Pictures are for illustrative purposes unless otherwise stated. All content is the copyright of Embrace the Middle East and our partners, and may only be reproduced with permission.*

# WHO WE ARE **& WHAT WE DO...**

## OUR **VISION**

### Healing and hope to all who face marginalisation and injustice in the Middle East.

Our vision is rooted in Christ's invitation to care for those most in need. Where there is a need – for refuge, for health care, for education, for safeguarding, for economic empowerment, for justice and human rights – we want, with and through our partners, to respond.

## OUR **MISSION**

### To support the social witness of Middle East Christians as they work to transform lives.

We encourage all, regardless of faith, to join us in supporting and sustaining our partners, and the Middle Eastern churches, in their social witness and their particular and vital contribution to building cultures of inclusion, justice and peace in the suffering and war-torn Middle East. We build strong and lasting relationships with our partners, nurtured by mutual respect and a shared commitment to excellence.

## OUR **VALUES**

### Respect, Compassion, Trust and Integrity.

We are guided by four core values, which are inspired and informed by our Christian faith, as well as a commitment to meet all professional and regulatory standards relevant to our work.



### Respect

We respect the human dignity and value of every person and all peoples – no matter what their beliefs or background – as made in God's own image.



### Trust

Just as we trust that God cares for us and sustains us in our work, we work with a generous and positive spirit, trusting that God desires to see all of humanity flourish.



### Compassion

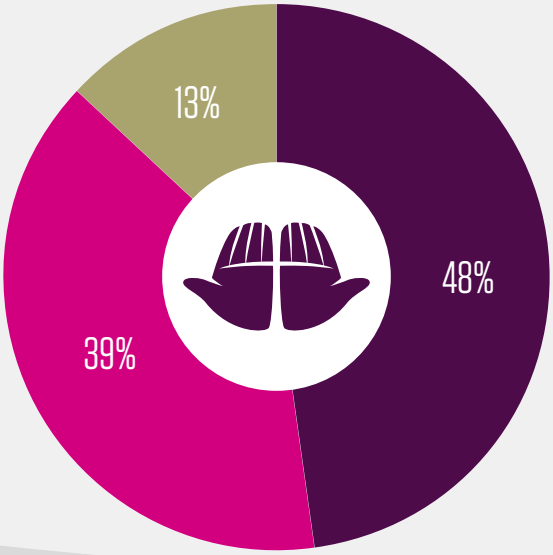
Our Christian faith teaches us to treat every person with compassion, especially anyone who suffers from social or economic marginalisation, or from having their basic human rights withheld or compromised.



### Integrity

We see honesty and integrity as foundational to Embrace's way of working with partners, supporters and donors and have high expectations of all who work for, and with, the charity in any capacity.

# THE CHARITY **IN NUMBERS**

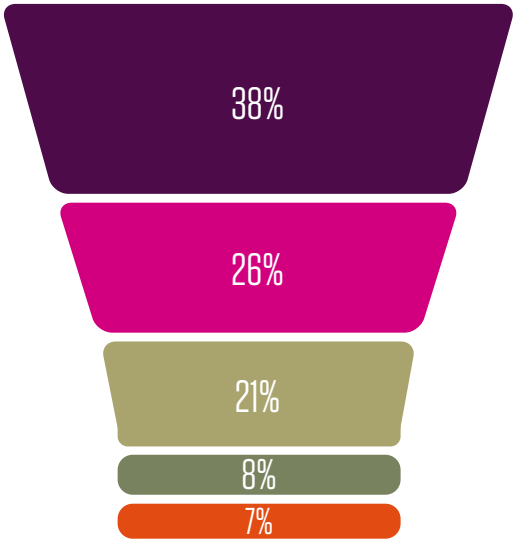


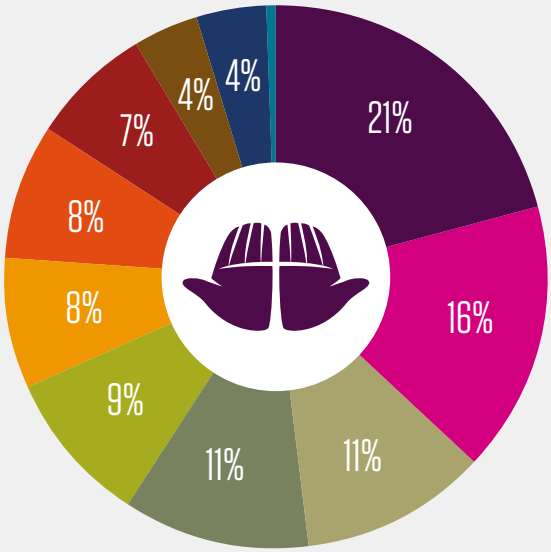

## EXPENDITURE
How each £1 donation is spent

| | |
|---|---|
| Grants | **£2,481k** |
| Other charitable activity | **£2,023k** |
| Costs of generating funds | **£665k** |

## GRANT
Spend by country

| | |
|---|---|
| Palestine and Israel | **£936k** |
| Lebanon | **£632k** |
| Egypt | **£504k** |
| Syria | **£197k** |
| Iraq | **£166k** |




## PROJECTS SUPPORTED
Types of projects supported

| | |
|---|---|
| Health | **£504k** |
| Disability | **£391k** |
| Human Rights | **£280k** |
| Youth | **£267k** |
| Education | **£210k** |
| Humanitarian | **£199k** |
| Livelihoods | **£190k** |
| Gender equality | **£179k** |
| Capacity | **£104k** |
| Psychosocial Support | **£99k** |
| Environment | **£12k** |

# OUR **IMPACT**

In 2025, Embrace-supported projects continued to be a lifeline for many families and individuals. We work through partnership with Christians living in the region, meaning Embrace can give effective and dependable support to people and communities facing marginalisation, injustice and oppression in the Middle East.

The continuing conflict across much of the region in 2025 meant it was a year of extreme hardship for both our partners and those they serve. But our partners' resilience, and their experience and understanding of the realities on the ground, meant they were able to adapt and continue providing vital healthcare, education, practical help and psychological support.



Image credit: *Hosny Salah*

In 2025, we supported programmes in Egypt, Lebanon, Iraq, Israel, Palestine, and Syria, helping those facing marginalisation, injustice and oppression by:

## RESPONDING TO CRISIS



Providing for practical needs and psychological support.

## TACKLING POVERTY & INJUSTICE



Working with communities at risk of marginalisation and exclusion.

## SPEAKING OUT



Raising awareness of injustice and amplifying the voices of our Christian partners.

## GROWING OUR IMPACT



To ensure the continuation of Christian social witness in the region.

# RESPONDING TO CRISIS



## Providing for practical needs and psychological support.

### IN 2025, WE PROMISED TO:

Support locally-led Christian initiatives that deliver targeted, effective aid and adapt during times of emergency and ongoing crisis.

Image: *Al Ahli Hospital, Gaza*

# HOW WE KEPT OUR PROMISE...

## In an already war-torn and devastated Gaza, 2025 was another year of catastrophic living conditions and loss for our partners, and for those they serve.

Embrace's focus on core-cost funding, such as staff salaries, gave vital flexibility that enabled our partners to adapt amid a constantly changing and extremely challenging environment as they continued to provide healthcare, psychosocial support and specialist disability rehabilitation services.

April to September was a particularly challenging time, as renewed fighting and an aid blockade imposed by Israel, along with the banning of UNRWA aid operations, led to spreading famine conditions. Heavy bombardment of Gaza City in September led to further widespread displacement until a fragile ceasefire began in October.

Tragically, partner staff and family members were killed in airstrikes and drone attacks, including Dr Ahmad Qandeel, one of Al Ahli Hospital's surgeons.

In the West Bank, 2025 saw a huge upsurge in settler violence and mass displacement from IDF military operations. Significant increases in settlement approvals, demolition orders and movement restrictions combined to make it a devastating year for Palestinians there. Embrace continued to fund projects providing legal challenges to the occupation, as well as trauma support. Psychological support was also key to our responses in Syria, where sectarian violence increased, and in Lebanon for those recovering from the impact of the 2024 Israel-Hezbollah war.

## HERE ARE JUST A FEW EXAMPLES OF THE CRISIS RESPONSE WE SUPPORTED IN 2025:

### Providing hospital care amid war and blockade in Gaza

**Al Ahli Hospital remained one of the few functioning hospitals in the Gaza Strip and support from Embrace enabled interventions for over 2,800 patients.** Like many health facilities, it was subject to further attacks, including an airstrike on Palm Sunday, which severely damaged the outpatient department. The aid blockade presented a constant challenge to supplies of medicines, equipment and fuel. To keep essential services running, they implemented a triage system, rationed supplies and constantly adjusted operational plans based on security and supply availability. After the ceasefire in October, the hospital saw a significant increase in the number of patients seeking care for injuries or conditions left untreated during the months of fighting.

MEDICAL CARE FOR OVER **2,800** PATIENTS

**"Ahli Arab Hospital was, and is still, under very high pressure due to the unprecedented emergency... the continuity of Embrace support is a lifeline."**

**Al Ahli Hospital**

## Adapting disability services for newly injured and traumatised in Gaza

**Thousands of children in Gaza have life-changing injuries from the war or have suffered deterioration in chronic disabilities left untreated.** Embrace funding in 2025 allowed the Jerusalem Princess Basma team in Gaza to increase their specialists providing rehabilitative care, including a new speech & language therapist and, in a shocking illustration of the brutal impact of the war, a play therapist to address the deep level of psychological trauma in the children they are treating.

> **"Every day requires persistence, creativity, and a profound commitment to the belief that care must continue, even in crisis."**
>
> **Jerusalem Princess Basma Team in Gaza**



## Getting food to families facing starvation across Gaza City

**In June, as famine conditions spread across Gaza, Embrace funded an emergency project run by the Pontifical Mission for Palestine and the Near East Council of Churches to distribute 5,000kg of flour to over 550 families in Gaza City.** This temporary measure provided a vital stopgap and enabled our partners to get a source of dry, non-perishable food in bulk to those in urgent need.

> **"It offered a crucial lifeline, enabling these families to meet their most basic needs."**
>
> **Pontifical Mission for Palestine**

**5,000kg** OF FLOUR DISTRIBUTED

## Psychological first aid as political violence surges in the West Bank

**Large-scale military raids, movement restrictions, and a surge in Israeli settler violence made 2025 one of the most violent years in the West Bank.** Embrace continued to support the East Jerusalem YMCA's Psychological First Aid programme for victims of the violence. Working in an extremely volatile and unpredictable environment, the team responded to 334 incidents across Salfit, Jenin and South Nablus, bringing immediate psychological care to 1,734 people. They also provided longer-term counselling, support sessions and activities to combat fear and stress.

PSYCHOLOGICAL FIRST AID FOR **1,734** PEOPLE

> **"The scale and intensity of violence led to a sustained increase in psychosocial and protection needs, particularly among children exposed to raids, home invasions, displacement, and prolonged fear."**
>
> **EJ YMCA**

# Trauma support for children amid rising sectarian violence in Syria



**Although the fall of Assad's regime at the end of 2024 offered a sense of cautious hope, it also fuelled an increase in sectarian violence.** In a turbulent year for Syria, the three Embrace-supported Child Friendly Spaces (CFS) provided stability and a safe place for over 800 children to take part in fun and educational activities. The terrorist attack on St Elias' Church in the capital in June directly impacted the children who attend Damascus CFS. Many either witnessed the attack or lost loved ones. Staff provided support sessions and activities to help them address trauma and express their feelings.

**538** CHILDREN & **290** YOUTH SUPPORTED THROUGH CFS HUBS

> **"Even though this was a very painful and difficult time, it was also a time of strength...where children, youth, parents, and staff stood strong together and continued to care for one another."**
>
> **CFS Damascus**



# Ensuring free disability care continued after devastating airstrike damage in Lebanon

**The lasting effects of the 2024 Israeli-Hezbollah war impacted all our Lebanese partners and those they serve.** They reported the ongoing trauma and families struggling to recover economically from displacement and loss. But it was our long-term partner Al-Kafaàt that was particularly affected, receiving devastating airstrike damage to their disability centres in Beirut. Embrace's core-costs funding helped Al-Kafaàt ensure vital disability care continued free of charge throughout 2025, while they simultaneously assessed the cost of the damage (estimated over $900,000 USD) and refurbished the site they had relocated to.



> **"We did not give up and despite all challenges, and thanks to Embrace and our partners, we have maintained our services."**
>
> **Al-Kafaàt Foundation**

**FREE DISABILITY SUPPORT SERVICES** FOR OVER **300** PEOPLE

# TACKLING POVERTY & INJUSTICE



## Working with communities at risk of marginalisation and exclusion.

## IN 2025, WE PROMISED TO:

- Support locally-led Christian initiatives, making a significant impact by serving and empowering marginalised communities and individuals, including women, girls, refugees, and people living with disabilities.
- Promote and strengthen essential health and specialist disability care.
- Support initiatives to encourage and support young people to flourish and realise their potential.



Image: *Tahaddi Medical Centre, Lebanon*

# HOW WE KEPT OUR PROMISE...

## As ongoing conflict drew deep scars across parts of the region, 2025 also brought political changes that heralded some cautious optimism:

The consolidation of Syria's new government meant many Syrian refugees returned home and international sanctions were eased. In Lebanon, elections in January ended the year-long political deadlock, bringing hope of systemic change and economic recovery. Unfortunately, change has been slow, and years of conflict, instability and economic crisis have left multi-layered challenges and exhausted communities with few, if any, reserves to fall back on.

Huge cuts to USAID (formerly the world's largest foreign aid agency), and Israel's restrictions on the operating ability of UNRWA in Gaza and the West Bank in 2025 meant many families lost the lifelines they relied on.

The healthcare, education, disability services and community projects that Embrace funded through our local partners were an increasingly important source of stability and support.

## HERE ARE JUST A FEW EXAMPLES OF HOW WE **TACKLED POVERTY AND INJUSTICE IN 2025:**

### Education & disability services for vulnerable families in Lebanon

**The informal settlement of Hay El Gharbeh, on the edge of Beirut, is home to many migrant and economically marginalised families who do not have legal papers or finances to access Lebanon's mainstream education and medical services.**

In 2025, Embrace continued to fund Tahaddi's Holistic Support programme. Through their school and medical centres, they provide a wide range of free and subsidised services to the community, including primary healthcare, funding for hospital treatment, legal advice, and education and vocational training, including tailored support for children with individual learning differences or physical disabilities.



**3,483** SOCIAL SERVICE CONSULTATIONS

**"Without Tahaddi's help, I would not have known where to go or what to do."**

**Father of Rakan, who received life-saving treatment thanks to Tahaddi's intervention**

## Helping women challenge gender barriers and access education in Egypt

**In 2025, 240 women were able to access literacy, numeracy classes and vocational training thanks to the Life Schools project, run by long-term Embrace partner Think & Do.**

Many young girls miss out on education, severely limiting employment opportunities and financial independence in adulthood. Each year, the project focusses on different villages and leaves behind an ongoing ripple effect from Life School graduates who teach others the skills they've learnt.



LITERACY AND NUMERACY CLASSES FOR **240** WOMEN

**"There's another, different and beautiful life when you learn. Freedom is a difficult thing for a divorced woman like me in the rural community, but I insisted on going to school to challenge all my difficult circumstances. I learned to read, write, and do calculations so now I can manage my own small business."**

**Jana, Life School attendee**



OVER **23,000** HOT MEALS SERVED

## Hot meals and medical care for Tel Aviv's homeless in Israel

**Among the most vulnerable of Tel Aviv's population are women involved in prostitution and those experiencing homelessness and drug addiction.**

In 2025 Embrace continued to support Aviv Ministry Centre's provision of hot meals (serving an average of 70 meals a day), basic medical assistance and clothing, alongside the less tangible, but no less vital, emotional support. Their holistic approach saves lives and empowers many to take their first steps to overcome the challenges they face. In 2025, 42 people chose to start drug rehabilitation thanks to support from Aviv's team.

**"I am incredibly grateful for Aviv Centre... Just being there, in a warm environment, reminded me of what it felt like to lie in a real bed."**

**Alex, who is now attending rehab.**

## Legal support for Palestinians facing travel restrictions in the West Bank

**Under the Israeli occupation, Palestinians holding West Bank IDs are subject to an arbitrary permit regime, requiring time-bound permits to enter Israel and large areas of the West Bank, including East Jerusalem, severely impacting their daily life, access to services, and livelihoods.**

A dramatic increase in movement restrictions, denial of permits, and administrative delays made 2025 an extremely challenging year for Palestinians. Embrace partner, the Society of St Yves provided legal support – working on over 750 cases and successfully helping 186 overturn travel bans or regain access to their land.

**"St Yves' interventions not only addressed immediate legal needs but also strengthened resilience, trust, and the capacity of Palestinian communities to navigate restrictions on their daily lives."**

**St Yves**

## Accessible medical services for rural Egypt

**Many families in rural Egypt lack easy access to medical care.** Travel to clinics is difficult and treatment is expensive, so in 2025 we were proud to restart our partnership with the Christian Medical Fellowship, supporting their 16 mobile medical clinics. The clinics offer free consultations, tests, medications and dental care, providing treatment for serious conditions and enabling minor ailments to be checked out early, preventing them from developing into serious complications.

**16**
**MOBILE MEDICAL CLINICS,**
REACHING UP TO
**2,400**
**PEOPLE** PER YEAR







## Community farm flourishing - providing food and employment in northern Lebanon

**In the economically deprived area of Rahbeh, northern Lebanon, what began as a small pilot project in 2021 is now a thriving community farm.**

Run by our partner MERATH through the local church, the farm celebrated a bumper harvest in 2025 as well as the opening of a new, larger dairy. The farm now employs 7 regular staff from the community as well as 20 seasonal workers and a proportion of the produce is distributed to local low-income families. Embrace continued to support the project in 2025, but we are hopeful that the farm will soon become self-sustaining.

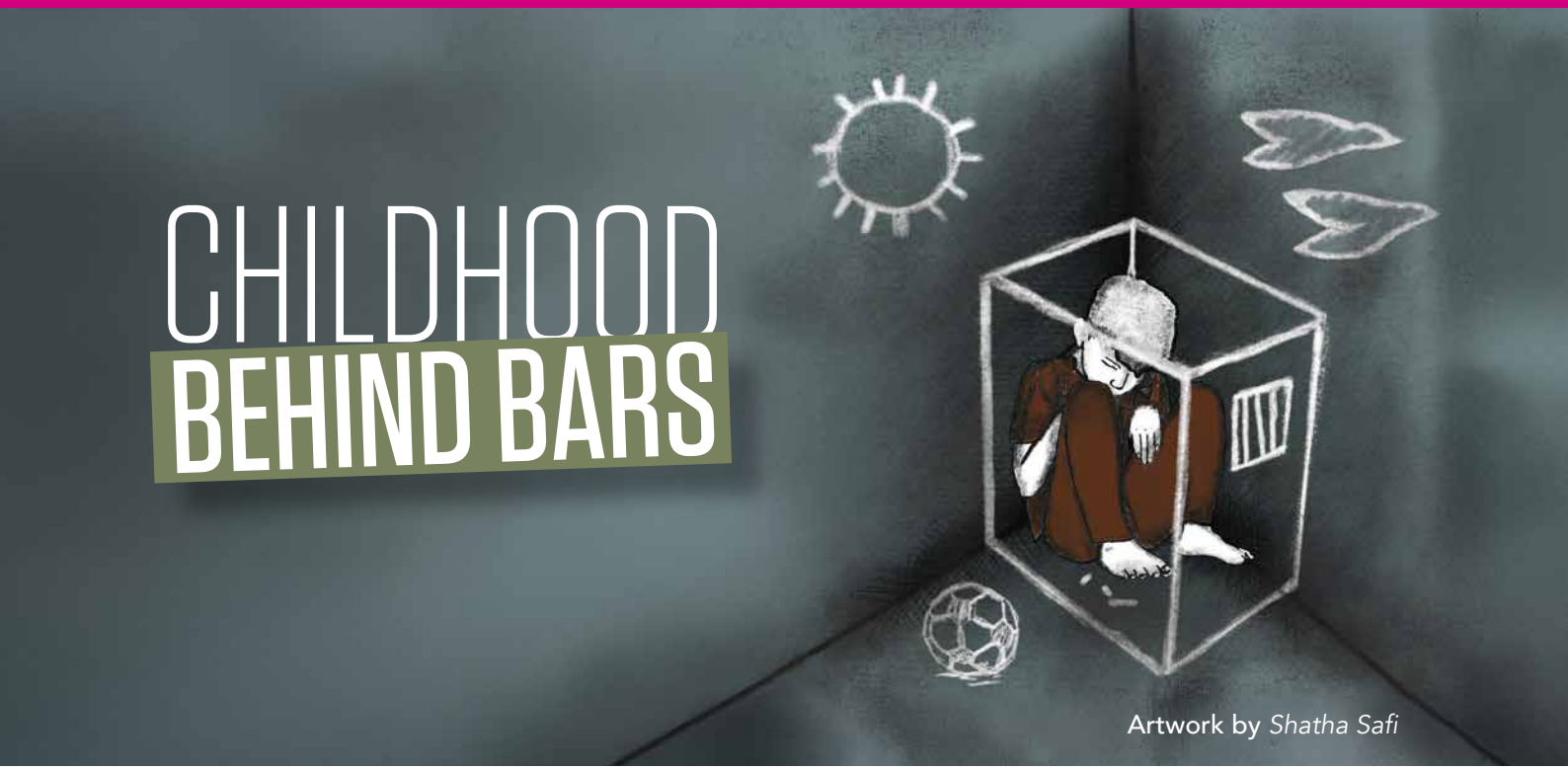
**"I sincerely hope that the dairy will continue to grow, so that we can continue to work there, support our families, and keep developing our skills."** **Nada, one of the new dairy employees.**

# SPEAKING OUT

Raising awareness of injustice and amplifying the voices of our Christian partners.

## IN 2025, WE PROMISED TO:

- Develop our advocacy and supporter engagement, building on the experience, learning, and new expertise held within the charity
- Speak out on issues of injustice and the significant role of Christians in the Middle East
- Broaden and deepen alliances with our peers and forge relationships with church leaders and stakeholders in a position of authority in the UK and internationally.
- Provide our supporters and the church in the UK with resources and access to Middle Eastern Christian voices to engage, educate and influence those in a position of authority to bring about positive change.




Artwork by *Shatha Safi*

# HOW WE KEPT OUR PROMISE...

## In 2025, as the Gaza conflict continued and violence and human rights abuses escalated in the West Bank, the need to speak out and drive change for justice was paramount.

We significantly increased our advocacy, launching proactive campaigns and investing in new technology to make it easier for people to take action.

We believe that peace in Israel and Palestine cannot be achieved without addressing Israel's illegal occupation of the West Bank and the systematic injustices faced by Palestinians there. Our campaigns, such as Childhood Behind Bars and Stop Trade with Settlements, focussed on raising awareness of the impact of the occupation and calling on the UK government to take practical steps against it.

We also continued to push urgently for an end to the war in Gaza and immediate humanitarian access, working increasingly in co-ordination with other charities to amplify our messages. We supported initiatives like the Red Line for Gaza and #PrayForPeace ecumenical event, while significantly increasing our presence in Christian media, particularly on UCB and Premier radio, where we had regular interviews.

## HERE ARE JUST A FEW EXAMPLES OF HOW WE **SPOKE OUT IN 2025:**

### Childhood Behind Bars – calling for an end to the military detention of Palestinian children

**Our partners in the West Bank work directly with children subjected to military detention – a system that allows children as young as 12 to be arrested by Israeli forces on charges such as stone throwing.**

Many experience inhumane treatment while in custody, including blindfolding, beatings and denial of food. In August, we launched our Childhood Behind Bars campaign, calling on the UK government to pressure Israel to end inhumane practices and protect children's rights. Over 426 MPs have been lobbied by our campaign supporters so far and, in November, we held a briefing for MPs and Peers in the House of Lords, hosted by Rt Revd Rachel Treweek, Bishop of Gloucester and patron of Embrace. Reaching Westminster was a significant milestone and a foundation we will build on as we continue to expand our advocacy work.

OVER **400** **MPS LOBBIED** BY CAMPAIGN SUPPORTERS



## Fast for Gaza

**In May, as starvation spread across Gaza following Israel's aid blockade (imposed in March), we amplified the call from our Christian sisters and brothers in Jerusalem to spend a day each week in prayer and fasting for Gaza, to raise awareness of the critical food shortages.**

Canon Richard Sewell, Dean of St George's College, Jerusalem, spearheaded the campaign and our Fast for Gaza videos had over 10,000 views, reaching Christians across the UK. It was part of a groundswell of international pressure that led to the incremental easing of the blockade.

> **"Palestinians have felt abandoned by many who should have done so much more but the action of the people in the streets of numerous countries has shown that the cry of pain and anger has not gone unheard."**
>
> **Canon Richard Sewell, Dean of St George's College, Jerusalem**

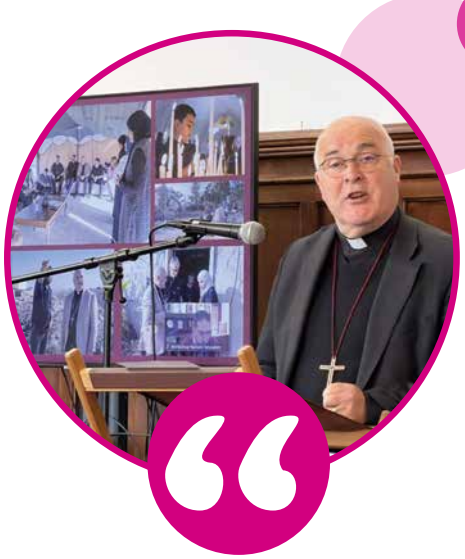
OVER
**10,000**
CAMPAIGN
VIDEO VIEWS




## Lambeth conference urging church leaders to speak out against human rights abuses in Palestine

**In November, Embrace was instrumental in bringing together over 60 UK church leaders to hear first-hand testimony on the impact of the Israeli occupation of the West Bank.**

The Most Revd Stephen Cottrell, Archbishop of York, gave a powerful address detailing the systematic denial of human rights that he'd witnessed on his recent visit and Embrace's Dr Ruth Valerio gave an update on the work of our Christian partners there and the challenges they face. It helped give church leaders the knowledge and confidence to speak out on the issue and Archbishop Stephen's address marked a significant step up in growing calls from the Church of England to protect the rights of Palestinians.



> **"They are being forced out of their homes and off their land. All basic human dignity and freedoms are being stripped away."**
>
> **Most Revd Stephen Cottrell, speaking of the denial of Palestinian rights he witnessed in the West Bank**




## Stop Trade with Settlements campaign

**In September, Embrace, in alliance with 80 other organisations, launched the Stop Trade with Settlements campaign, demanding countries ban all trade with illegal Israeli settlements in the West Bank.** Integral to the campaign was a report highlighting the rapid increase in settlement activity, its catastrophic effect on Palestinian daily life, and detailing how foreign states and corporations, through ongoing trade with settlements, are complicit in enabling Israel's illegal occupation.

> **"Israeli settlements control over 42% of the West Bank's total land, confiscated from Palestinian communities, along with the majority of the region's water resources."**
>
> Extract from the Stop Trade with Settlements Report

## Olive Tree Project – peaceful and practical resistance to the occupation in the West Bank

**Practical action goes hand-in-hand with speaking out to drive change and resist injustice.** Embrace continued to be the main UK partner of the Olive Tree Project, enabling UK Christians to stand with West Bank farmers in a peaceful and practical way by sponsoring an olive tree. As well as replacing trees deliberately destroyed by Israeli settler violence, planting saplings helps keep land under active cultivation, making it harder for it to be seized for Israeli settlements. 2025 was a record year for us, with an amazing 1,965 olive trees sponsored by Embrace supporters.

> **"They don't want to lose the land and they want to fight the occupation - but they don't fight it by violence; they are fighting now by planting olive trees."**
>
> Muhanad Al Qaisy, director of the Olive Tree Project



ALMOST **2,000** OLIVE TREES SPONSORED

Image credit: *Dreamstime*

# GROWING OUR IMPACT

To ensure the continuation of Christian social witness in the region.

## IN 2025, WE PROMISED TO:

- Support locally-led Christian initiatives by investing in capacity building and organisational development and investing in the development of the next generation of leaders.
- Increase prayer, action and giving by the UK church as an expression of solidarity with, and a deepening understanding of, the Middle Eastern Christian experience.



Image: *Climate Leaders project, Ankawa Humanitarian Commitee, Iraq*

# HOW WE KEPT OUR PROMISE...

## In 2025, as part of our commitment to sustaining and strengthening Christian service in the Middle East, we continued to support a range of training and capacity-building programmes for our partner staff, alongside projects specifically focussed on nurturing future leadership skills among Christian youth.

We believe that tackling the root causes of injustice and poverty is key to building long-term, sustainable change. We walked alongside our partners as they continued to advocate for systemic change in their communities and they, by taking part in our UK events such as our Annual Lecture and Greenbelt sessions, helped us promote awareness of the issues in the UK, enabling Christians to come together as the One Household of God, sustaining Christian social witness in the Middle East and together creating positive, life-transforming change.

## HERE ARE JUST A FEW EXAMPLES OF HOW WE GREW OUR IMPACT IN 2025:

### Nurturing Climate Leaders in Iraq

**In 2025, the fruits of the fledgling Climate Leaders programme in Iraq, begun by Ankawa Humanitarian Committee (AHC) in 2024, began to flourish.**

Run at four schools and with over 300 students participating, it nurtures young Christians to become champions of environmental action, bringing lasting change for themselves and future generations. This year students successfully implemented their first initiative, planting 500 Dondonaea shrubs and 70 Eucalyptus trees in the Al-Rajaa Capella area, alongside a 40,000-litre water tank with a drip irrigation system, ensuring sustainability.







> **"They started thinking creatively about solutions, even small ones, and that shift was very meaningful."**
>
> **Teacher at one of the participating schools**

**300** STUDENTS PARTICIPATING IN THE TRAINING

## Mapping disability services to improve access and inclusion in the West Bank

Much like in the UK, access to disability services in the West Bank can be a postcode lottery, varying greatly depending on location. In 2025, Embrace partner BASR (Bethlehem Arab Society for Rehabilitation) finalised its initial mapping of the local organisations and community centres that provide specialist health, educational, and humanitarian services. This three-year project has been a significant investment in time and information gathering and is already bearing fruit. Their new database is being used by international NGOs and the local authorities to increase referrals between services, improving access to holistic support. BASR is also now working with local authorities to plug the gaps in provision highlighted by the project and enhance disability rights.

## Inclusivity training for educators in Lebanon

For many years Embrace has supported the specialist education provision provided by SKILD (Smart Kids with Individual Learning Differences). Determined that this provision should not be restricted to the capacity of their team, in 2025, the staff at SKILD launched their Guided and Skilled course (accredited by Notre Dame University) to equip teachers with the practical tools they need to meet the needs of every child in their classroom. Embrace was able to sponsor 9 members of staff from our other partner organisations across Lebanon to benefit from this training, helping to extend this highly specialised skillset within Lebanon.



**9** EDUCATION PROFESSIONALS RECEIVING SPECIALIST TRAINING



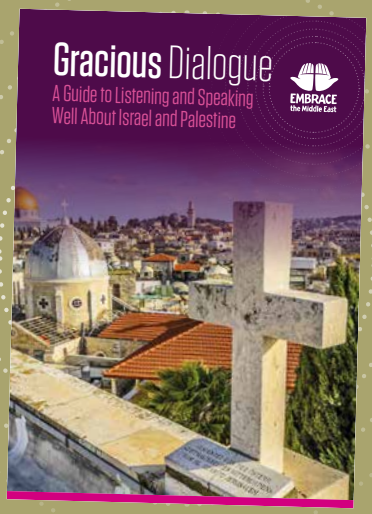
## Embrace joins the Community of the Cross of Nails

In December, Embrace continued to grow its ecumenical connections by joining the Community of the Cross of Nails (CCN), a global network of 300 churches, schools, and organisations dedicated to reconciliation. Embrace's longstanding commitment to healing, justice, and peace in the Middle East aligns deeply with the values of the CCN. This partnership offers a powerful opportunity to share stories, learn from others, and work together for a more peaceful world.

> **"We are delighted to welcome Embrace to the Community of the Cross of Nails. Their determined work for peace and justice and the relationships they maintain across divides, in one of the world's most contested spaces, is a powerful example of reconciliation."**
>
> **Community of the Cross of Nails, Coventry Cathedral**

# New resources to help more churches engage in the complexities of the Israel-Palestine conflict

In 2025, we continued to expand our range of resources and events for UK Christians, raising awareness of the work of Middle East Christians and the challenges they face. Alongside blogs, a new podcast series, and our annual lecture, we published *Gracious Dialogue - A Guide to Listening and Speaking Well About Israel and Palestine*. The four-week course, written by Embrace's Revd Su McClellan, was designed to help churches create space for difficult conversations, deepen understanding of differing viewpoints and raise awareness of the conflict's impact. Released in the autumn, over 700 copies had been sold by the end of the year.




**700** COPIES SOLD IN 3 MONTHS

# Supporting partner staff resilience and mental health

Working amid warzones, through long-term political or economic crises and often facing displacement and danger themselves, our partners' staff have experienced trauma in their own lives. To respond, alongside our project funding, in 2025 we provided Wellbeing Grants, enabling our partners to put in place a range of measures, including facilitated workshops and team-building days, to ensure the mental wellbeing of their staff and support those at risk of burnout, PTSD and emotional fatigue.



Image: *Embrace partner Musalaha, staff retreat day*

**"Support to help staff cope with emotional pressure and burnout ...helps us stay resilient, motivated, and better equipped to serve others."**

**Embrace partner the Middle East Council of Churches (MECC)**

# PRIORITIES FOR 2026

Our plans for 2026 are based on **Hope in Action: Strengthening Christian Service in the Middle East**, our strategic plan which will be refreshed in 2026.

## FAITH IN ACTION

### We will support locally-led Christian initiatives that:

**Serve and empower** marginalised communities, including survivors of trauma and political violence.

**Promote and strengthen** essential health services and specialist disability care.

**Encourage and support** young people to flourish and realise their potential.

**Deliver** targeted, effective aid and **respond** rapidly during emergencies and ongoing crises.

## INVESTING IN THE FUTURE

### We will prioritise investment in the Middle East that:

**Supports** the development, capacity and resilience of locally-led Christian organisations.

**Develops and equips** the next generation of Christian leaders.

## ADVOCACY & ENGAGEMENT

### Building on the experience, learning, and new expertise held within the charity, we will prioritise advocacy and engagement that:

**Inspires** increased prayer, action, and giving across the UK church in solidarity with Middle Eastern Christians.

**Speaks out** on injustice and **champions** the vital role of Christians in the Middle East.

**Broadens and deepens** alliances with peers, church leaders, and decision-makers in the UK and internationally.

**Provides** supporters and churches with resources and authentic Middle Eastern Christian voices to **inform and influence** those in positions of authority.

# FINANCIAL REVIEW OF 2025

## OVERVIEW

Charity finances showed a particularly strong performance in 2025, with income totalling £6,220k, exceeding 2024 by £440k. This is a significant achievement considering that the 2024 prior year results were boosted by exceptional non-recurring income of £1,177k from the sale of the Charity's 24 London Road West property in Amersham. The charity was fortunate to benefit from a number of very generous high-value donations and legacies this year; one particular legacy contributing more than £1.6m to total income.

Expenditure was in line with expectations and the charity maintained all planned grant spending, at £2,435k (2024: £2,420k). That said, operating costs continued to reflect broader economic pressures with uplifts across a number of core costs, contributing to an overall increase in expenditure by £314k, versus 2024.

The charity ended the year with an operating surplus of £1,051k (2024: £925k). With gains on the investment portfolio, the overall financial position was further boosted to a total surplus of £1,367k (2024: £1,150k).

As a result, charity reserves were increased substantially to £9,580k (2024: £8,213k).

At £3,479k (2024: £2,549k), free reserves represent 15 months of budgeted non-grant spend. Whilst this is above the target range set out in our reserves policy, it provides the platform needed to help enable vital support to partners to continue as they respond to the ongoing crises in the region; rebuilding where possible and planning ahead for 2026 and beyond.

## INCOME

Total income for 2025 was £6,220k (2024: £5,780k), representing a £440k or 8% increase versus the previous year.

At £2,470k, legacy income was more than double the amount recognised in 2024 of £1,183k. A particularly substantial legacy of more than £1.6m contributed towards this position.

In addition, the charity looked to further boost income from trusts and foundations in 2025, with a focus on additional targeted donor engagement.

Overall donation income increased by £400k (14%) as compared to 2024, inclusive of a number of significant amounts from new major donors.

Committed regular giving grew by 3%, which is encouraging considering our ageing donor base. Webshop income from Embrace's trading operation was also in line with the prior year, with a focus on primary purpose items that directly support Embrace's charitable objectives.

## EXPENDITURE

Total expenditure in 2025 was £5,169k (2024: £4,855k), which is £314k, or 6%, more than 2024. The cost of generating funds was 5% more than the previous year at £665k (2024: £635k), due primarily to staff cost increments and some increases to associated support costs this year.

The cost of charitable activities increased to £4,504k (2024: £4,220k), reflecting a 7% increase. Grants paid to partners were maintained at £2,435k (2024: £2,420k) and a list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 47). 2025 support costs increased by 28% from £512k in 2024, to £655k in 2025. An increase in staff costs was inclusive of the additional employer's national insurance, which became payable from April 2025. Additional spend on consultancy support was linked to the planned strategic investment in fundraising and change for the organisation. Uplifts to insurance, software and licence costs also had impact this year.

## BALANCE SHEET

The charity continues to show a strong balance sheet. We ended 2025 with total funds of £9,580k (2024: £8,213k). General unrestricted free reserves amounted to £3,479k at the end of 2025, an increase of £930k on the 2024 year-end figure of £2,549k.

Our reserves position is discussed further below. It is pleasing to note that the organisation is in a healthy financial position as we face the challenges of our next financial year.

## RESERVES AND INVESTMENT POLICY

Trustees monitor the charity's reserves position regularly and formally review the reserves policy every two years. The last review took place in 2024, resulting in the policy which is summarised as follows:

*'Mindful of their responsibility to spend the charity's funds in fulfilment of the charity's objects and in a timely manner, but also to build the charity's resilience to unforeseen and detrimental hazard or risk, the Trustees of Embrace the Middle East have determined that for the foreseeable future the charity's free reserves (cash and investments less restricted and designated funds) should not exceed the equivalent of twelve months, or fall below the equivalent of six months, of budgeted non-grant expenditure. If the level of free reserves is likely to rise above this ceiling, or fall below this floor, the Trustees will take action to restore the appropriate equilibrium between income and expenditure that this range of reserves is intended to secure. The Trustees will keep the charity's level of free reserves under regular and ongoing review.'*

In line with this policy, the Trustees have also reviewed the required level of funds that they believe should be designated for specific purposes. This is, and will continue to be, reviewed on a regular basis.

***Designations include:***

A Programme fund of £600k (2024 £1,800k) is held to cover the cost of additional grant support to partners; allowing us to respond flexibly to the current situation in the Middle East and explore potential new partnership opportunities. In 2024, this fund covered a full 12 months of budgeted multi-annual grant expenditure, subject to other grant conditions being met. The reduction in 2025 reflects a formal review of the fund's likely requirements, with planned disbursement phased over two years.

A Sustainability fund of £1,300k (2024: £1,600k) is established to cover an approved deficit budget. In line with our strategic planning, the deficit operating position should improve and move towards a break-even position over the next 5-year period. This designation will therefore be reduced annually as the charity moves towards this objective.

A Strategic Development fund of £2,000k (2024: £2,000k), represents the proceeds from the sale of the office building in Amersham in 2024. This fund continues to generate interest that offsets the costs associated with the rental of the High Wycombe office space going forwards. The Trustees are actively developing plans to utilise these funds to help secure the charity for the long term.

A Legacy fund of £1,600k (2024: Nil), represents funds recognised in 2025 with respect to a single exceptional legacy. The Trustees will develop plans to utilise these specific funds over the next 3 years.

A Change programme fund of £600k, represents funds to cover the one-off costs associated with the Change programme over the coming 2 years.

The aforementioned designations are all subject to review in 2026 as the Trustees and management consider the next strategic period for the charity. Should the need arise, they may be accessed to support our charitable work.

After taking these designations into account, free reserves at the end of 2025 were £3,479k, approximately equal to 15 months of budgeted non-grant expenditure. This is set out in Note 19 to the Financial Statements.

Whilst free reserves are in excess of the target banding range of between £1,365k and £2,729k, the Trustees deem this to be appropriate in light of the continued instability in the Middle East and the combined impetus of a new strategy, which is being developed in 2026, under the guidance of the board and CEO. The additional reserves at the charity's disposal will help mitigate any temporary annual reserve fluctuations, enable us to consider further partner requests for emergency grant funds, and ensure the continued financial resilience of the charity for the longer term in the context of regional instability and the significant disruption in humanitarian and development aid as major donors withdraw and recalibrate.

Restricted funds amounted to £1k at the end of 2025 (2024: £264k) and further information is detailed in Note 20 to the financial statements.

## GOING CONCERN

The charity ended 2025 in a stronger financial position than at the beginning of the year. As a result, reserves increased by almost £1.4m overall versus the previous year. Looking forwards to 2026, budgeted income is in excess of £4.8m. The charity is investing in fundraising to help ensure financial sustainability and there is a substantial legacy pipeline in place. This, together with prudent expenditure planning going forwards, gives confidence that Embrace the Middle East remains, very much, a going concern.

**Embrace the Middle East would like to acknowledge the generosity of the following charitable organisations during 2025:**

- The Mosawi Trust
- The Reed Foundation
- TBF and KL Thompson Trust
- Sisters of the Holy Cross CIO
- St Clare & St Francis Trust
- The Bernadette Charitable Trust
- The Bernard Sunley Foundation

# OUR **CHARITABLE OBJECTIVES** AND OUR **ORGANISATIONAL STRUCTURE**

## LEGAL BASIS

Embrace the Middle East is a registered charity (no. 1076329), and a company limited by guarantee and not having share capital (no. 3706037). The Company is governed by a Memorandum and Articles of Association dated 2 February 1999 and amended by special resolutions on 5 December 2006, 18 October 2011, 16 June 2015 and 9 October 2020.

## OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The work of Embrace began in 1854 when what was then known as the Turkish Missions' Aid Society was founded. Our charitable objective today is set out in our Articles of Association: Inspired by the compassionate ministry of Christ, to work with, support and raise awareness of local Christians in the lands of the Bible as they seek to improve the lives of vulnerable and disadvantaged people, with an emphasis on healthcare, disability, education and community development.

Our main purpose is to work in partnership with Christian-led organisations involved in education, healthcare and community development in Israel, Palestine, Lebanon, Egypt, Syria and Iraq.

We raise funds in the UK to support this work, primarily through a large body of individual donors, but also through a number of generous trusts. These funds are used to support our partners and their work through short-term and multi-annual grants. As part of our commitment to long-term partnership nonfinancial assistance may also be provided. This includes capacity building, advocacy for positive change, as well as facilitating encounters between UK Christians and our partners and their beneficiaries.

While the charity works exclusively through Christian-led agencies in the Middle East, the faith identity of beneficiaries is never an issue: we and our partners seek to support those in most need, regardless of faith.

The Trustees confirm that in agreeing the objectives and planned activities of the charity in 2025, they have had regard to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In September 2020, following consultation with the Charity Commission, the Trustees voted to amend the charity's charitable object to better reflect the role that educating the public about the social outreach of Middle East Christians plays in the charity's overall mission. Also in September 2020, the Trustees agreed a five-year strategy (Hope in Action), which was subsequently reviewed in 2025 and will be reissued for the coming period during 2026. A financial framework to underpin the next phase of our strategy, was agreed by the Board in December 2025.

## GOVERNANCE

The governing body of the company is the Board of Trustees, whose members are also Directors of the company. Trustees who served during 2025, and up to the date of this report, are listed under 'Who we are' on p.32.

The Board delegates some powers to two standing committees – Governance and Resources (largely concerned with the internal workings of the charity) and Programmes and Public Engagement (concerned with external matters) – and an ad hoc Officers and Chairs Committee. This committee comprises the officers of the charity (Chair, Vice Chair and Treasurer) and the Chairs of the two standing committees.

It meets, as required, to ensure effective coordination between Board committees and working groups, to set and keep under review the Chief Executive's objectives, performance and remuneration, and to manage Trustee recruitment, development and deployment.

## GOVERNANCE (continued)

Terms of reference for all Board committees, role descriptions for officers and the Chief Executive, and a detailed scheme of Board powers, both reserved and delegated, were agreed by the Board, prior to the implementation of the new committee structure in 2016 and are subject to periodic review.

In 2025, the Governance and Resources, Programmes and Public Engagement, and Officers and Chairs Committees each met twice. The Board met four times during the year – in January, June, September and December.

## TRUSTEE RECRUITMENT AND TRAINING

Two new Trustees were recruited to the Board – Sara (Sorcha) Connell and Janet Bolton – in September 2025, and three Trustees stood down: Anne Clayton and Kathryn Shah in June at the completion of three terms (nine years), and Mary Oakes in December, after eight years. Revd Munther Isaac, who was a co-opted International Trustee, also stepped down from the Board in June and accepted the new role of International Advisor. Trustees are recruited through an open and transparent process, including public advertisements on charity job websites, and selected on the basis that they have the professional skills and experience required for the charity to operate effectively.

The charity strives to ensure that the Board is both gender-balanced and diverse, and includes Trustees from a range of denominations. Trustees are elected for a three-year term, which may be renewed, up to a maximum of nine years.

The Articles of Association of the charity requires all Trustees to be practising Christians. The maximum number of Trustees is set at 12, with provision for an additional two co-opted Trustees, if required, to fill skills gaps.

New Trustees receive an induction from the Chief Executive, covering their legal obligations under charity and company law, the procedures of the Board and its committees, the strategic plan and Trustees' Annual Report, and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate or enhance their capacity to fulfil their role. Typically, training is focussed on good governance, legal and financial compliance and safeguarding. Trustees are expected to make a familiarisation visit to one of the countries in which the charity operates to better understand the work of Embrace the Middle East and our partners. Longer serving Trustees may make more than one visit.

## MANAGEMENT AND ORGANISATIONAL STRUCTURE

Trustees, working through the Board and its committees, are the ultimate decision-makers for Embrace the Middle East. They delegate the day-to-day management of the charity to a senior leadership team, which operates within a specified framework and Scheme of Delegation established by the Trustees. The Chief Executive leads the senior leadership team, known as the Leadership Group.

This group includes the three Directors of Programmes, Partnerships and Advocacy, Fundraising and Communications, and Shared Services, as well as the Head of Human Resources and Culture. The Senior Finance Adviser attends as necessary. Members of the Leadership Group and other senior staff may participate in Board meetings, but do not possess voting rights.

## PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the Trustees and the Senior Leadership Team which at the end of 2025 comprised the Chief Executive, the Director of Programmes Partnerships and Advocacy, the Director of Shared Services, Head of HR and the Director of Fundraising.

The total employee benefits of the Senior Leadership Team in 2025 were £407k (2024: £383k). Details can be found in note 7 to the accounts found on page 48. Remuneration and benefits for executive management are determined on the basis of periodic peer sector benchmarking. In the case of the Chief Executive, this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel, the Chief Executive determines pay and benefits, subject to an overall budget agreed by the Trustees.

## SAFEGUARDING

Embrace the Middle East, as a charity, is committed to the highest safeguarding standards. The charity regularly reviews our safeguarding policy and practices in a determined effort to uphold the highest possible standards, in accordance with best practices. Staff and Trustees participate in induction training and also refresher training each year. The signature and adherence to new codes of conduct by all staff, volunteers, and third parties coming into contact with partners or their beneficiaries is mandatory. A Safeguarding Committee, consisting of staff from all areas of the charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practices and the adjudication of cases of concern referred to it.

The Chair of the Committee serves as the charity's designated Safeguarding Officer. The Committee convenes quarterly or as needed and reports directly to the CEO and the Trustees at least twice a year or, if circumstances require, directly to the Chair or Vice Chair of Trustees. Trustee Kristiina Wells is the Board's designated Safeguarding Officer and meets the Safeguarding Officer monthly. The charity's safeguarding policy and reporting mechanism are regularly professionally peer-reviewed by Keeping Children Safe, of which the charity is an associate member, and by Thirtyone:eight, of which we are also a member. Safeguarding policy and practice are also crucial components of our due diligence process regarding partners and, where appropriate, an area where we provide capacity development support and advice. The Trustees understand their statutory responsibilities concerning safeguarding and keeping informed about the Charity Commission's ongoing concerns in this governance area. A copy of the charity's safeguarding policy is available on the website: embraceme.org/safeguarding.

## RISK MANAGEMENT

The charity's Risk Management policy is reviewed annually. The Risk Register, and where appropriate, particular risks are reviewed each time the Board or one of its standing committees meets. The Board describes its overall approach to risk as follows:

*'In pursuit of its charitable purpose, Embrace the Middle East is required to work with partners in inherently complex and pressured environments. We embrace risk as a condition of partnership, of our mission to tackle poverty and injustice in the Middle East and of our ambition for growth in our impact. Working to transform the lives of vulnerable and marginalised people precludes an undue or exaggerated aversion to risk. In accepting risk as a necessary part of our work we undertake at all times to seek to mitigate and manage risk to our staff, our partners, their beneficiaries and the sustainability of the charity and its work. We will not shy away from reasonable risks that further the purpose of the charity and are consistent with our values.'*

Consistent with this overall approach the charity's risk policy:

- Establishes a general approach to the management of risk, based on the identification, analysis, evaluation, and treatment of specific risks. The policy describes how risks will be analysed.
- Categorises risks as recommended by the Charity Commission: governance, operational, financial, environmental or external, and compliance (law or regulation).
- Sets out how the charity's risk register will be compiled and kept up-to-date.
- Sets out a detailed process for the monitoring and review of risks by the Board, its committees and the Leadership Group.

New variants of existing risks and additional mitigations were added to the register in 2025, including risks to income, our fundraising mix, and partner due diligence related to international sanctions compliance.

## STATEMENT OF FUNDRAISING PRACTICE

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of Embrace the Middle East in 2025:

*'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2025, there were no failures to comply with this Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any unsolicited telephone calls to the general public. We do not use SMS as a communication channel.'*

In 2025, Embrace did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992.

During the year, we received 2 complaints about our fundraising practice (2024:4) in response to over 79,347 pieces (2024: 75,953) of fundraising direct mail. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices, and supporter-facing staff are trained to ensure Embrace remains sensitive to the interests of older and more vulnerable supporters or potential supporters. We act promptly on supporters' requests to change their contact preferences and comply with all requests to cease contact received through the Fundraising Preference Service.

Embrace the Middle East maintains a team of specialist staff dedicated to maintaining excellent, respectful relationships with all our supporters.

# WHO **WE ARE**

## TRUSTEES

**John Mitchell OBE,** *Chair of Trustees*

**Katie Hodkinson,** *Vice Chair of Trustees*

**Victoria Smith,** *Treasurer*

**Revd Iain Osborne,** *Chair of Governance and Resources Committee*

**Revd Dr James Hawkey,** *Chair of Programmes and Public Engagement Committee*

**Janet Bolton** *(from September 2025)*

**Sara Connell** *(from September 2025)*

**Revd Josh Harris**

**Ben Morgan**

**Katharine von Schubert**

**Kristiina Wells**

**Anne Clayton** *(until June 2025)*

**Revd Dr Munther Isaac** *(until June 2025)*

**Mary Oakes** *(until December 2025)*

**Dr Kathryn Shah** *(until June 2025)*

## PATRONS

**His Eminence Archbishop Angaelos OBE,** Bishop of the Coptic Orthodox Diocese of London

**Rt Revd Christopher Chessun,** Anglican Bishop of Southwark

**His Eminence Timothy Radcliffe,** member of the College of Cardinals and former Master of the Dominican Order

**Rt Revd Rachel Treweek,** Anglican Bishop of Gloucester

## INTERNATIONAL ADVISER

**Revd Dr Munther Isaac,** Evangelical Lutheran Church of Hope in Ramallah

## LEADERSHIP GROUP

**Jamie Eyre,** *Chief Executive Officer and Company Secretary*

**Ruth Valerio,** *Director of Programmes, Partnerships and Advocacy*

**Lucy Insua**, *Head of Human Resources and Culture (until March 2026)*

**Sam Mackwell**, *Director of Shared Services*

**Ian Livett,** *Director of Fundraising and Communications*

## REGISTERED OFFICE

Old Library Building
Queen Victoria Road
High Wycombe
HP11 1BG

## AUDITORS

**Buzzacott Audit LLP**
130 Wood Street
London
EC2V 6DL

## BANKERS

**NatWest Bank plc**
2nd Floor, Rapid House
40 Oxford Road
High Wycombe
HP11 2EE

**Close Brothers Limited**
10 Crown Place
London
EC2A 4FT

## INVESTMENT ADVISORS

**Rathbones Group Plc**
30 Gresham Street
London
EC2V 7QN

**CCLA Fund Managers Limited**
CCLA
One Angel Lane
London
EC4R 3AB

# STATEMENT OF **TRUSTEES' RESPONSIBILITY**

The Trustees (who are also the Directors of Embrace the Middle East for the purposes of company law) are responsible for preparing the annual report and financial statements of the charity in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 then apply them consistently.
- Observe the methods and principles in the Charities SORP
- Make judgements and 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 a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of all corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 9 June 2026 and signed on its behalf by:

**John Mitchell OBE,**
*Chair of Trustees*
*June 2026*

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMBRACE THE MIDDLE EAST

## OPINION

We have audited the financial statements of Embrace the Middle East for the year ended 31 December 2025 which comprise the consolidated statement of financial activities, the consolidated and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

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

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable parent 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 and accounts, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the Directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

## RESPONSIBILITIES OF TRUSTEES

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (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 United Kingdom and Republic of Ireland (FRS 102)), the Charities Act 2011, and the Companies Act 2006, and other regulations including safeguarding, data protection, fundraising and employment law.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## USE OF OUR REPORT

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

**Shachi Blakemore** (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP,
Statutory Auditor

130 Wood Street
London
EC2V 6DL

# CONSOLIDATED STATEMENT OF **FINANCIAL ACTIVITIES**

For the year ended 31 December 2025 (incorporating an income and expenditure account).

Registered company number: 03706037

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2025 £'000 | Total Funds 2024 £'000 |
|---|---|---|---|---|---|
| **Income:** | | | | | |
| Donations and legacies | 2 | 4,395 | 1,292 | 5,687 | 4,000 |
| Trading - Webshop activities | | 371 | - | 371 | 371 |
| Investments | | 162 | - | 162 | 230 |
| Other income | 2 | - | - | - | 2 |
| Profit on sale of Property | | - | - | - | 1,177 |
| **Total Income** | | **4,928** | **1,292** | **6,220** | **5,780** |
| **Expenditure:** | | | | | |
| Cost of generating funds | 3 | 665 | - | 665 | 635 |
| Charitable activities | 3 | 2,949 | 1,555 | 4,504 | 4,220 |
| **Total Expenditure** | | **3,614** | **1,555** | **5,169** | **4,855** |
| **Net income/(expenditure) on operations** | | **1,314** | **(263)** | **1,051** | **925** |
| Net gains on investments | 10 | 316 | - | 316 | 225 |
| **Net income/(expenditure) on operations after net gains/(losses) on investments** | | **1,630** | **(263)** | **1,367** | **1,150** |
| Net movement in funds | | 1,630 | (263) | 1,367 | 1,150 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 7,949 | 264 | 8,213 | 7,063 |
| Total fund carried forward | | 9,579 | 1 | 9,580 | 8,213 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 41 to 55 form part of these financial statements.

# CONSOLIDATED STATEMENT OF **FINANCIAL ACTIVITIES** (2024)

For the year ended 31 December 2024 (incorporating an income and expenditure account)

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2024 £'000 | Total Funds 2023 £'000 |
|---|---|---|---|---|---|
| **Income:** | | | | | |
| Donations and legacies | 2 | 2,872 | 1,128 | 4,000 | 4,064 |
| Trading - Webshop activities | | 371 | - | 371 | 374 |
| Investments | | 230 | - | 230 | 175 |
| Other income | 2 | 2 | - | 2 | 35 |
| Profit on sale of Property | | 1,177 | - | 1,177 | - |
| **Total Income** | | **4,652** | **1,128** | **5,780** | **4,648** |
| **Expenditure:** | | | | | |
| Cost of generating funds | 3 | 635 | - | 635 | 728 |
| Charitable activities | 3 | 2,912 | 1,309 | 4,220 | 3,966 |
| **Total Expenditure** | | **3,546** | **1,309** | **4,855** | **4,694** |
| **Net Income / Expenditure on operations** | | **1,106** | **(181)** | **925** | **(46)** |
| Net gains on investments | 10 | 225 | - | 225 | 178 |
| **Net Income/(Expenditure) on operations after net gains /(losses) on investments** | | **1,331** | **(181)** | **1,150** | **132** |
| Net movement in funds | | 1,331 | (181) | 1,150 | 132 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 6,618 | 445 | 7,063 | 6,931 |
| Total fund carried forward | | 7,949 | 264 | 8,213 | 7,063 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 41 to 55 form part of these financial statements.

# CONSOLIDATED AND CHARITY **BALANCE SHEETS**

As at 31 December 2025. Registered company number: 03706037.

| | Note | 2025 Group £'000 | 2024 Group £'000 | 2025 Charity £'000 | 2024 Charity £'000 |
|---|---|---|---|---|---|
| **Fixed Assets** | | | | | |
| Tangible assets | 9 | 4 | 2 | 4 | 2 |
| Investments | 10 | 3,985 | 3,802 | 3,986 | 3,803 |
| | | 3,989 | 3,804 | 3,990 | 3,805 |
| **Current assets:** | | | | | |
| Stocks | | 77 | 50 | 77 | 50 |
| Debtors: amounts falling due within 1 year | 11 | 1,395 | 279 | 1,394 | 278 |
| Investments | 12 | 2,121 | - | 2,121 | - |
| Short-term deposit | | 935 | 910 | 935 | 910 |
| Cash at bank and in hand | | 1,496 | 3,508 | 1,496 | 3,508 |
| | | 6,024 | 4,747 | 6,023 | 4,746 |
| **Creditors** | | | | | |
| Amounts falling due within 1 year | 13 | (433) | (338) | (433) | (338) |
| **Net current assets** | | 5,591 | 4,409 | 5,590 | 4,408 |
| **Net assets** | | **9,580** | **8,213** | **9,580** | **8,213** |
| **Funds** | | | | | |
| Restricted funds | 20 | 1 | 264 | 1 | 264 |
| Reserves available for charitable purposes | 19 | 3,479 | 2,549 | 3,479 | 2,549 |
| Designated reserves | 19 | 6,100 | 5,400 | 6,100 | 5,400 |
| **Total funds** | 18 | **9,580** | **8,213** | **9,580** | **8,213** |

The financial statements were approved by the Board of Trustees on 09 June 2026 and were signed on its behalf by:

**John Mitchell OBE**
Chair of Trustees

The notes on pages 41 to 55 form part of these financial statements.

# CONSOLIDATED **CASH FLOW STATEMENT**

For the year ended 31 December 2025. Registered company number: 03706037.

| | Note | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Cash generated from operations | 21 | (2,220) | (1,490) |
| Net cash from operating activities | | (2,220) | (1,490) |
| **Cash flows from investing activities:** | | | |
| Income from investments | | 162 | 230 |
| Net proceeds from sale of fixed assets | | - | 2,030 |
| Purchase of property, plant and equipment | | (3) | (1) |
| Purchase of investments | | (2,595) | (881) |
| Proceeds from the sale of investments | | 2,644 | 900 |
| **Net cash from investing activities** | | **208** | **2,278** |
| (Decrease) / Increase in cash and cash equivalents | | (2,012) | 788 |
| **Cash and cash equivalents** | | | |
| Cash and cash equivalents at beginning of year | | 3,508 | 2,720 |
| Cash and cash equivalents at end of year | | 1,496 | 3,508 |
| **Cash and cash equivalents can be analysed as follows:** | | | |
| Cash in hand | | 1,496 | 3,508 |
| | | **1,496** | **3,508** |

# NOTES TO THE **CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

## 1. Account Practices

### Basis of preparation

Embrace the Middle East is a company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect to the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are set out on page 28.

The charity constitutes a public benefit as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom (FRS 102), and UK Generally Accepted Practice as it applies from 1 January 2015 and updated for Bulletin 1&2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### Basis of consolidation

The financial statements consolidate on a line-by-line basis the results of the Charity, and its wholly owned subsidiary, Embrace the Middle East Trading Limited.

### Funds accounting

The Charity's reserves are classified in the following three ways:

**Restricted funds –** funds that have been received by the Charity with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The costs of raising and administering these funds are charged against the unrestricted, or free, reserves of the Charity and accordingly Gift Aid tax reclaimed on these funds is included in unrestricted reserves.

**Designated funds –** these are funds that Trustees from time to time set aside for specific purposes. These are normally when expenditure outside of the normal activity of the Charity is planned, or when unrestricted funds have arisen from asset realisations and they are set aside for a specific use.

**Unrestricted funds –** also termed free reserves, which are available for the Trustees to use in the normal activity of the Charity in furtherance of its charitable objectives.

### Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, when the amount can be measured reliably, and when it is probable that the income will be received.

**Donations –** Donations are included in the financial statements when the receipts have been deposited into the bank. Gift Aid tax reclaimable is recognised in the accounts when a claim has been submitted. Gifts in kind donated are included at the value at the date of the gift.

**Legacies –** The amount shown for legacy income includes accruals - where the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved has been clearly quantified.

**Grants –** Grants are recognised when paid out of the bank account, or when deposited into the bank. Grants agreed, but which have not been paid by year-end are accrued. Grants offered subject to conditions which have not been met at the year-end are not accrued as expenditure.

**Investment income –** Investment income is recognised using the effective interest method. All expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to the category.

## Expenditure

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is categorized under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income and include employment costs of fundraising employees, along with the direct costs of publications and advertising.
- Investment management fees are the fees charged by the fund managers who manage the investment portfolio.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

## Support costs allocation

Support costs are those that assist the work of the charity, but do not directly represent charitable activities, and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to costs of raising funds, and charitable expenditure in proportion to allocations of hours worked by employees on the above headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. The analysis of these costs is included in note 4.

## Tangible fixed assets

Depreciation is provided at the following rates on assets costing £1k or over, in order to write off the value of each asset over its estimated useful life:

**UK freehold property –** 1% per annum on a straight-line basis

**Fixtures and fittings –** 10% per annum on a straight-line basis

**Motor vehicles –** 25% on a straight-line basis

**Computer equipment –** 25% per annum on a straight-line basis

## Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Activities (SOFA).

## Current asset investments

Current asset investments are typically defined as liquid investments intended to be held for less than one year, which include short term deposits, treasury bills, and marketable securities. They are initially measured at cost and subsequently re-measured at fair value, with gains/losses recognised in the profit and loss account.

## Fixed asset investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the SOFA, if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

## Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs include all aspects of purchase, and other costs incurred in bringing stock to its present location and condition. Each item is valued on a weighted average cost basis, whereby the cost of goods purchased is divided by the number of units held. Provision is made for damaged, obsolete and slow-moving stock were appropriate.

## Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

## Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

## Trade and other creditors

Trade and other payables with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities. If the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest.

Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

## Foreign currency

exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

## Employee benefits

Short-term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The company recognizes an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary costs of the respective employee in relation to the period of absence.

## Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

### Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements.

### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets.

The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets, See note 9 for the carrying amount of the tangible fixed assets.

### Legacy income

Where the charity is entitled to material legacy income at the balance sheet date, receipt is probable and the amount receivable can be estimated on a reliable basis, the amount is accrued as income in the financial statements.

### Bad debt provision

Bad debts are provided for specific debts when required, there is no estimation in use.

*There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. have had the most significant effect on amounts recognised in the financial statements.*

## 2. Income

The major activities of the charity are the provision of grants to Christian partners and raising awareness of their work in the UK.

| | | Total 2025 £'000 | Total 2024 £'000 |
|---|---|---|---|
| **Income:** | | | |
| Donations | Unrestricted funds | 2,175 | 1,751 |
| | Restricted funds | 1,042 | 1,066 |
| Legacies | Unrestricted funds | 2,220 | 1,121 |
| | Restricted funds | 250 | 62 |
| | | **5,687** | **4,000** |
| Trading - Webshop activities | | 371 | 371 |
| Investment income | | 162 | 230 |
| Other income | Rental income | - | 1 |
| | Other income | - | 1 |
| | | - | 2 |
| Profit on sale of Property | | - | 1,177 |
| **Total charitable activity expense** | | **6,220** | **5,780** |

# 3. Analysis of Expenditure

| | Staff costs £'000 | Direct costs £'000 | Support costs £'000 | Total 2025 £'000 | Staff costs £'000 | Direct costs £'000 | Support costs £'000 | Total 2024 £'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost of generating funds** | **271** | **295** | **99** | **665** | **260** | **316** | **59** | **635** |
| Charitable activities | | | | | | | | |
| Information and education | 494 | 172 | 79 | **745** | 459 | 138 | 21 | **618** |
| Grants to partners | - | 2,435 | 46 | **2,481** | | 2,420 | 30 | **2,450** |
| Other support to partners | 778 | - | 382 | **1,160** | 687 | - | 365 | **1,052** |
| Total charitable activities excl Governance | 1,272 | 2,607 | 507 | **4,386** | 1,146 | 2,558 | 416 | **4,120** |
| Governance | 43 | 26 | 49 | **118** | 44 | 19 | 37 | **100** |
| **Total charitable activities** | **1,315** | **2,633** | **556** | **4,504** | **1,190** | **2,577** | **453** | **4,220** |
| **Total group costs** | **1,586** | **2,928** | **655** | **5,169** | **1,450** | **2,894** | **512** | **4,855** |

Staff costs have been allocated based on percentage of time spent on the various categories.

Direct costs at the level of cost centre and expenditure type have been alloacted across categories based on purpose of activity.

Support costs have been allocated across the categories based on % attributed to each category of spend.

## Support costs

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Property and Equipment | 97 | 103 |
| Webshop | 72 | 58 |
| Irrecoverable VAT | 68 | 39 |
| Postage, freight and courier | 65 | 14 |
| Travel | 46 | 38 |
| Licences | 45 | 37 |
| Insurance | 44 | 24 |
| Computer systems related costs | 43 | 34 |
| Bank Charges | 30 | 25 |
| Depreciation | 1 | 10 |
| Disposal | - | - |
| Other | 95 | 94 |
| Governance | 49 | 37 |
| | **655** | **512** |

## Governance Costs

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Audit (charity only) | 26 | 19 |
| Staff salaries | 43 | 44 |
| Other governance | 48 | 35 |
| Trustee meeting and expense related costs | 1 | 1 |
| | **118** | **100** |

## 4. Commercial trading activities of the Trading subsidiary

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (company number 00901022).

For the year ending 31 December 2025, Embrace the Middle East Trading Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. In addition, the members of the company have not required the company to obtain an audit of its accounts for the year in question, in accordance with section 476 of the Companies Act 2006.

All activities were transferred to the Charity from 14th August 2024. A summary of the Trading company's results for the period up to 14 August 2024 is shown in the prior year comparative for 2024 below:

### Summary profit and loss account

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Turnover | - | 76 |
| Cost of sales and administrative expenses | - | (78) |
| **Profit / (loss) for the year after tax** | **-** | **(2)** |

### Summary Balance Sheet

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Debtors | **1** | **1** |
| **Net current assets** | **1** | **1** |
| Called up share capital | 1 | 1 |
| **Shareholders' funds** | **1** | **1** |

## 5. Details of grants we paid to our partners

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Egypt** | | |
| Anafora | 31 | 27 |
| BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services) | 77 | 92 |
| Christian Medical Fellowship | 6 | - |
| El Saray Evangelical Church | 5 | - |
| Episcocare | 99 | 91 |
| Fairhaven School | - | 17 |
| Harpur Memorial Hospital | 21 | 20 |
| Life Vision for Development | 68 | 63 |
| Refuge Egypt | 55 | 55 |
| Salaam Center | 53 | 50 |
| Think & Do | 89 | 85 |
| **Total of Egypt** | **504** | **500** |
| **Lebanon and Syria** | | |
| Al Kafaat | 85 | 141 |
| Beit El Nour | 74 | 62 |
| Howard Karagheusian Commemorative Corporation | 95 | 107 |
| Joint Christian Committee | 66 | 66 |
| Learning Centre for the Deaf | 43 | 42 |
| Lebanese Society for Social Education and Development | 154 | 137 |
| Middle East Council of Churches | - | 35 |
| Pontifical Mission for Lebanon | 12 | 53 |
| Tahaddi | 73 | 67 |
| Zvartnotz Centre | 30 | 25 |
| **Total of Lebanon** | **632** | **735** |

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Palestine and Israel** | | |
| Al Ahli Arab Hospital | 63 | 87 |
| Anar for Empowerment and Psychological Support Charitable Association | 47 | - |
| Aviv Ministries | 28 | 25 |
| Bethlehem Arab Society for Rehabilitation | 26 | 42 |
| Caritas Jerusalem | 45 | 77 |
| East Jerusalem YMCA | 134 | 127 |
| Helen Keller School | 3 | 3 |
| International Christian Committee in Israel | 30 | 30 |
| Olive Tree Project (Joint Advocacy Initiative) | 31 | 24 |
| MECC Department of Service to Palestinian Refugees (DSPR) | 3 | - |
| Musalaha | 74 | 49 |
| Nazareth School of Nursing | 6 | - |
| Near East Council of Churches | 101 | 101 |
| Palestinian Bible Society | 39 | 39 |
| Pontifical Mission of Palestine | 52 | 106 |
| Princess Basma Centre | 173 | 95 |
| SIRA School | 19 | 19 |
| Society of St Yves | 62 | 58 |
| **Total of Palestine and Israel** | **936** | **882** |
| **Iraq** | | |
| Ankawa Humanitarian Committee | 59 | 54 |
| CAPNI (Christian Aid Program Nohadra Iraq) | 66 | 48 |
| Chaldean Archdiocese of Erbil | 41 | 41 |
| **Total of Iraq** | **166** | **143** |
| **Syria** | | |
| Lebanese Society for Educational and Social Development | 107 | 118 |
| Pontifical Mission for Lebanon | 45 | 42 |
| Middle East Council of Churches | 45 | - |
| **Total of Syria** | **197** | **160** |
| **Grand Total** | **2,435** | **2,420** |

## 6. Net income/(expenditure)

| Net resources are stated after charging: | Year ended 2025 £'000 | Year ended 2024 £'000 |
|---|---|---|
| Auditors' remuneration | 26 | 19 |
| Depreciation - owned assets | 1 | 2 |
| Staff pension contributions | 229 | 194 |
| Services provided by the Charity's auditor during the year: | | |
| Audit of the Charity and consolidated financial statements | 20 | 19 |
| Corporation tax calculation for Charity & Trading subsidiary | 6 | - |
| | **26** | **19** |

## 7. Trustees' and key management personnel remuneration and expenses.

The Trustees neither received nor waived any emoluments during the year.

### Trustees' expenses

During the period the Charity reimbursed necessary travel expenses incurred by Trustees (or paid travel expenses on their behalf). The total of these expenses was:

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Trustee travel expenses - for 4 Trustees (2024: 4) | 1 | 1 |

The key management personnel of the charity comprise the Trustees, and the Senior Leadership Team which at the end of 2025 comprised the Chief Executive, the Director of Programmes Partnerships and Advocacy, the Director of Shared Services, Head of HR and the Director of Fundraising.

The total employee benefits of the Senior Leadership Team in 2025 were £407k (2024: £385k), including gross pay, employers national insurance contributions and employers pension contributions.

Remuneration and benefits for executive management are determined on the basis of performance and periodic peer sector benchmarking.

In the case of the Chief Executive this power is delegated by the Board to the Officers and Chairs Committee. In the case of other management personnel by the Chief Executive, subject to the overall budget agreed by Trustees.

## 8. Group staff costs

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Wages and salaries | 1,226 | 1,143 |
| Social Security costs | 124 | 113 |
| Pension plan contributions | 229 | 194 |
| Redundancy | 7 | - |
| | **1,586** | **1,450** |

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

| | 2025 | 2024 |
|---|---|---|
| UK management staff | 5 | 5 |
| UK administrative staff | 29 | 30 |
| | 34 | 35 |

| Number of employees receiving total employee benefits (gross pay excluding company pension contributions), in the ranges: | 2025 £'000 | 2024 £'000 |
|---|---|---|
| £60,000 - £70,000 | 2 | 1 |
| £70,000 - £80,000 | 1 | 1 |

## 9. Tangible fixed assets

| Group & Charity | Fixtures and fittings £'000 | Computer related £'000 | Totals £'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2025 | 12 | 6 | 18 |
| Additions | - | 3 | 3 |
| Disposals | (1) | (1) | (2) |
| **At 31 December 2025** | **11** | **8** | **19** |
| **Depreciation** | | | |
| At 1 January 2025 | 11 | 5 | 16 |
| Charge for the year | 1 | - | 1 |
| Disposals | (1) | (1) | (2) |
| **At 31 December 2025** | **11** | **4** | **15** |
| **Net Book Value** | | | |
| **At 31 December 2025** | **-** | **4** | **4** |
| At 31 December 2024 | 1 | 1 | 2 |

## 10. Fixed asset investments

| Group | Listed investments £'000 | Unlisted investments £'000 | Total £'000 |
|---|---|---|---|
| Market value as at 31 December 2024 | 3,794 | 8 | 3,802 |
| Additions | 2,595 | - | 2,595 |
| Disposals | (2,644) | - | (2,644) |
| Revaluations | 232 | - | 232 |
| **Market value as at 31 December 2025** | **3,977** | **8** | **3,985** |
| **Historical cost of the investments were:** | | | |
| 31 December 2024 | 3,236 | 3 | 3,239 |
| 31 December 2025 | 3,658 | 3 | 3,661 |

| Charity | Listed investments £'000 | Unlisted investments £'000 | Holding in trading company £'000 | Total £'000 |
|---|---|---|---|---|
| Market value as at 31 December 2024 | 3,794 | 8 | 1 | 3,803 |
| **Market value as at 31 December 2025** | **3,977** | **8** | 1 | **3,986** |

| Listed investments were comprised of the following: | 2025 £'000 | 2024 £'000 |
|---|---|---|
| UK equities | 309 | 601 |
| Overseas bonds | 265 | 181 |
| UK bonds | 515 | 459 |
| Property | 118 | 116 |
| North American equities | 1,700 | 1,020 |
| International equities | 89 | 439 |
| European equities | 362 | 273 |
| Far East and Australasian equities | 213 | 136 |
| Emerging economies | 62 | 57 |
| Cash | 32 | 193 |
| Other investments | 312 | 319 |
| **Total** | **3,977** | **3,794** |

| No holdings were over 5% of the total market value in the year to 31 December 2025. The holdings listed below were over 5% in the year to 31 December 2024. | Market Value at 31 December 2025 £'000 | Market Value at 31 December 2024 £'000 |
|---|---|---|
| JPMorgan ETFS | 105 | 199 |
| Polar Cap Fds Plc Global Technology | - | 210 |
| Vanguard S&P 500 ETF | - | 246 |

Of the unlisted investments, £8k was invested overseas.

## 11. Debtors: amounts falling due within one year

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Other debtors | 74 | 48 |
| Prepayments & Accrued income | 1,321 | 232 |
| **Total** | **1,395** | **279** |

2025 Prepayments & Accrued income include a significant legacy accrual of £942k

## 12. Current asset investments

| Group | 2025 Listed investments £'000 | 2024 Listed investments £'000 |
|---|---|---|
| Market value as at 31 December 2024 | - | - |
| Additions | 2,037 | - |
| Revaluations | 84 | - |
| **Market value as at 31 December 2025** | **2,121** | **-** |
| **Historical cost of the investments were:** | | |
| 31 December 2024 | - | - |
| 31 December 2025 | 2,037 | - |

| Charity | 2025 Listed investments £'000 | 2024 Listed investments £'000 |
|---|---|---|
| Market value as at 31 December 2024 | - | - |
| **Market value as at 31 December 2025** | **2,121** | **-** |

| Listed investments were comprised of the following: | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Cash | 2,121 | - |
| **Total** | **2,121** | - |

| The following holdings were over 5% of the total market value of the portfolio in either 2022 or 2023 | Market Value at 31 December 2025 £'000 | Market Value at 31 December 2024 £'000 |
|---|---|---|
| JPMorgan Liquidity | 1,061 | - |
| Goldman Sachs Sterling Liquid Reserves | 1,060 | - |

## 13. Creditors: amounts falling due within one year

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Trade creditors | 77 | 98 |
| Social security and other taxes | 53 | 49 |
| Other creditors | 24 | 1 |
| Accruals | 58 | 51 |
| Accrued grants | 221 | 140 |
| **Total** | **433** | **338** |

## 14. Accrued grants

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| At 1 January 2025 | 140 | 79 |
| New grants committed (note 5) | 2,435 | 2,420 |
| Grants paid in year | (2,354) | (2,359) |
| **At 31 December 2025** | **221** | **140** |

## 15. Contingent Liabilities

As at 31 December 2025, the Trustees had made grant offers in respect to multi-annual grants totalling £1.37m (2024: £1.23m). As the payment of these grants was subject to specific conditions placed on the recipient which had not been met by the 31 December 2025, they were not accrued for in the financial statements.

## 16. Pension commitments

The Charity operates a defined contribution pension scheme for its UK employees. The assets are held separately from those of the Charity in an independently administered fund. The pension costs charged represents contributions to the fund payable by the Charity and amounted to £229k, (2024: £194k). These contributions include employee salary sacrifice contributions. There were £20k contributions outstanding at 31 December 2025 (2024: £19k).

## 17. Operating lease commitment

| At 31 December the Charity had total future minimum lease payments in respect to office rental under non-cancellable operating leases as follows: | Land & Buildings | |
|---|---|---|
| | **At 31 December 2025 £'000** | **At 31 December 2024 £'000** |
| **Amounts payable:** | | |
| Within 1 year | 89 | 72 |
| Within 2-5 years | 163 | - |

*Operating lease charges totalling £87k incl VAT (2024: £86k) were expensed during the period.*

## 18. Analysis of net assets between funds

| 2025 | Unrestricted funds £'000 | Designated funds £'000 | Restricted funds £'000 | 2025 total funds £'000 |
|---|---|---|---|---|
| Fixed assets | 4 | - | - | 4 |
| Investments | - | 3,985 | - | 3,985 |
| Current assets | 3,908 | 2,115 | 1 | 6,024 |
| Current liabilities | (433) | - | - | (433) |
| **Total Funds** | **3,479** | **6,100** | **1** | **9,580** |

| 2024 | Unrestricted funds £'000 | Designated funds £'000 | Restricted funds £'000 | 2024 total funds £'000 |
|---|---|---|---|---|
| Fixed assets | 2 | - | - | 2 |
| Investments | 166 | 3,636 | - | 3,802 |
| Current assets | 2,719 | 1,764 | 264 | 4,747 |
| Current liabilities | (338) | - | - | (338) |
| **Total Funds** | **2,549** | **5,400** | **264** | **8,213** |

## 19. Designated funds

| 2025 | As at 1 January 2025 £'000 | New Designations £'000 | Designations Released £'000 | As at 31 December 2025 £'000 |
|---|---|---|---|---|
| Programme Fund [1] | 1,800 | - | (1,200) | 600 |
| Sustainability Fund [2] | 1,600 | - | (300) | 1,300 |
| Strategic Development Fund [3] | 2,000 | - | - | 2,000 |
| Legacy Fund [4] | - | 1,600 | - | 1,600 |
| Change Programme Fund [5] | - | 600 | - | 600 |
| | **5,400** | **2,200** | **(1,500)** | **6,100** |

1. **Programme Fund** - During 2025, Trustees repurposed the Programme fund to cover only the cost of additional grant support to partners; allowing us to respond flexibly to the current situation in the Middle East and explore potential new partnership opportunities. In 2024, this fund covered a full 12 months of budgeted multi-annual grant expenditure, subject to other grant conditions being met. The reduction in 2025 reflects a formal review of the funds likely requirements, with planned disbursement phased over two years.
2. **Sustainability Fund -** Trustees have designated funds to help ensure the ongoing sustainability of the charity over the coming years. These funds are currently being drawn from annually to support an approved deficit budget.
3. **Strategic development fund -** Trustees have designated funds to the value of the proceeds on disposal of the property at 24 London Road West, Amersham, Buckinghamshire, which in the short term, is generating interest that will offset costs associated with the High Wycombe rented office space. The Trustees are actively developing plans to utilise these funds to help secure the charity for the long term.
4. **Legacy Fund -** Trustees have designated funds with respect to a single exceptional legacy recognised this year in 2025. The Trustees will develop plans to utilise these specific funds over the next 3 years.
5. **Change Programme Fund -** Trustees have designated funds to cover the one-off costs associated with the Change Programme over the coming 2 years.

The aforementioned designations are all subject to review in 2026 as the Trustees and management consider the next strategic period for the charity. Should the need arise, these funds could be accessed to support our charitable work.

| 2024 | As at 1 January 2024 £'000 | New Designations £'000 | Designations Released £'000 | As at 31 December 2024 £'000 |
|---|---|---|---|---|
| Fixed Assets [1] | 864 | - | (864) | - |
| Programme Fund [2] | 1,800 | - | - | 1,800 |
| Sustainability Fund [3] | 1,900 | - | (300) | 1,600 |
| Strategic development fund [4] | - | 2,000 | - | 2,000 |
| | **4,564** | **2,000** | **(1,164)** | **5,400** |

1. **Fixed Assets -** Following the disposal of the property at 24 London Road West, Amersham, Buckinghamshire, Trustees have resolved to release the designation of funds to the value of £864k.
2. **Programme Fund** - Trustees have designated funds to cover 12 months of budgeted expenditure (2023: 12 months) subject to other grant conditions being met on committed multi-annual grants to partners.
3. **Sustainability Fund -** Trustees have designated funds to help ensure the ongoing sustainability of the charity over the coming years. These funds are currently being drawn from annually to support an approved deficit budget.
4. **Strategic development fund -** Trustees have designated funds to the value of the proceeds on disposal of the property at 24 London Road West, Amersham, Buckinghamshire, which in the short term, is generating interest that will offset costs associated with the High Wycombe rented office space.

## 20. Restricted funds

The table below shows the income and expenditure, with opening and closing balances where appropriate, for the main categories of restricted funds which were received by the Charity in the United Kingdom.

| 2025 | Opening balance £'000 | Income during 20245£'000 | Spending during 2025 £'000 | Closing balance £'000 |
|---|---|---|---|---|
| **General funds** [1] | | | | |
| Community Development | 1 | 47 | (48) | - |
| Country specific | - | 280 | (280) | - |
| Education | - | 256 | (256) | - |
| Health | - | 152 | (152) | - |
| Human Rights | - | - | - | - |
| Humanitarian | 242 | 250 | (492) | - |
| Livelihoods | 2 | 43 | (45) | - |
| Other | 5 | 10 | (15) | - |
| Special needs and disability | - | 119 | (119) | - |
| **Partners working within the following fields** [2] | | | | |
| Education | 3 | 15 | (18) | - |
| Health | 11 | 10 | (21) | - |
| Humanitarian | - | 43 | (42) | 1 |
| Livelihoods | - | 22 | (22) | - |
| Special needs and disability | - | 24 | (24) | - |
| Women's education and empowerment | - | 1 | (1) | - |
| Youth | - | 20 | (20) | - |
| **Total restricted funds** | **264** | **1,292** | **(1,555)** | **1** |

| 2024 | Opening balance £'000 | Income during 2024 £'000 | Spending during 2024 £'000 | Closing balance £'000 |
|---|---|---|---|---|
| **General funds** [1] | | | | |
| Community Development | 1 | 31 | (31) | 1 |
| Country specific | - | 84 | (84) | - |
| Education | - | 262 | (262) | - |
| Health | - | 82 | (82) | - |
| Humanitarian | 428 | 520 | (706) | 242 |
| Livelihoods | - | 30 | (28) | 2 |
| Other | 2 | 14 | (11) | 5 |
| Special needs and disability | - | 38 | (38) | - |
| **Partners working within the following fields** [2] | | | | |
| Education | 5 | 1 | (3) | 3 |
| Health | 7 | 19 | (15) | 11 |
| Humanitarian | - | 8 | (8) | - |
| Livelihoods | 2 | - | (2) | - |
| Special needs and disability | - | 36 | (36) | - |
| Youth | - | 3 | (3) | - |
| **Total restricted funds** | **445** | **1,128** | **(1,309)** | **264** |

**1. General funds** are funds restricted either by field of work or by country. I **2. Partner restricted funds** have been categorised by type of work.

## 21. Related party disclosures

Embrace the Middle East is an incorporated charity which has no controlling party. All transactions with group companies are eliminated on consolidation. Until 14th August 2024, Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and website sales and also sold alternative gifts which are a form of donation.

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Donations received on behalf of the charity to 14th August 2024 | - | 13 |
| Alternative gifts sold on behalf of the charity to 14th August 2024 | - | 27 |
| **Total** | **-** | **40** |

As at 31 December 2025 a net figure of £1k was owed by the Charity to the Trading company.
As at 31 December 2024 a net figure of £1k was owed by the Charity to the Trading company.

| | | |
|---|---|---|
| A total of £5k of donations were received from 5 Trustees during the year. | 5 | 7 |

During 2025 a grant was payable of £90k (2024: £49k) to Musalaha, a faith based organisation in Israel where our Trustee, Rev Dr Munther Isaac (resigned 3rd June 2025) is also a Director. A purchase of £1,412 of stock (2024:£728) was also purchased in 2025 from Musalaha, for sale in the Embrace web-shop. In addition, £69k was paid in 2025 (no grant was payable in 2024) to the Anar for Empowerment and Psychological Support Charitable Association. Rev Dr Munther Isaac is also a Director for this organisation. However, the Charity ensures that Trustees do not participate in any decision making relating to activities where there is any potential conflict of interest for them, as a Related Party.

## 22. Reconciliation of surplus on ordinary activities to cash generated from operations

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Net (expenditure) income (as per the statement of financial activities) | 1,367 | 1,150 |
| **Adjustments for:** | | |
| Depreciation charge | 1 | 10 |
| (Profit) / Loss on disposal of property | - | (1,177) |
| Net gains on investments | (316) | (225) |
| Investment income receivable | (162) | (230) |
| Decrease in stock | (27) | 3 |
| (Increase) / Decrease in current assets investment cost and short-term deposits | (2,063) | (910) |
| (Increase) / Decrease in debtors | (1,115) | (131) |
| Increase / (Decrease) in creditors | 95 | 20 |
| **Net cash used in operating activities** | **(2,220)** | **(1,490)** |

## 23. Cash and cash equivalents

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Cash and cash equivalents at beginning of year | 3,508 | 2,720 |
| Cash and cash equivalents at end of year | 1,496 | 3,508 |
| | | |
| Cash in hand | 1,496 | 3,508 |
| **Total** | **1,496** | **3,508** |

## 24. Post Balance Sheet events

There are no post balance sheet events. We have received grant of probate for the legacy that was notified in 2024 and disclosed as a post balance sheet event. This income of £1.6 million has now been recognised in the financial statements.



EMBRACE
the Middle East

**We would like to thank every person and church that has supported our work in the past year. It is through your kind generosity that the achievements in this report have been possible.**

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**Front cover image:** Sheltered workshop - part of Al-Kafaàt's range of disability services in Lebanon.
**Back cover image:** Child Friendly Spaces, Syria. *(Credit MERATH)*

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