

EMBRACE the Middle East

EMBRACE THE MIDDLE EAST ANNUAL REPORT & ACCOUNTS 2023

A MESSAGE FROM **THE CHAIR OF TRUSTEES**



2023 was a year of tremendous hardship and challenge for many people across the Middle East. The resolve and the response of our partners, our team, and our supporters highlights what can be done, even in the face of such adversity.

During 2023 we were required to respond to two unpredictable events of, literally and figuratively speaking, seismic significance: the earthquake that struck Western Turkey and northern Syria in February and the humanitarian catastrophe that began, and continues to unfold in Gaza, following the Hamas attacks in Southern Israel on 7 October.

We might have been forgiven for faltering in the face of such unexpected and potentially debilitating events. We have certainly witnessed, and through the shared experience of our partners in Syria, Lebanon, Gaza, the West Bank and Israel, experienced ourselves at one remove, both the horror, and the deep sense of pain and loss brought about by these twin catastrophes.

The Trustees of Embrace have been humbled by the fortitude of our partners, the skill, energy and determination of Embrace's staff to respond to these events, and the extraordinary generosity and compassion of our supporters who helped us raise record sums in response to two emergency appeals. They and we did not stop there.

As you can read in this report, together we were galvanised into months of urgent and intensive advocacy in response to events in Gaza – for a ceasefire, and for more constructive engagement from our politicians and church leaders in support of the massive humanitarian response which is needed if we are to avoid more terrible loss of life and the continuation of decades of occupation, enmity and insecurity.

The humanitarian situation in Syria, particularly for the large numbers of people who remain homeless after the earthquake, remains critical. The scale of need is daunting and requires a long-term commitment from us, and from major international donors. We were able to provide emergency aid to thousands of families in 2023 and will continue to support those who are most vulnerable through our partners on the ground.

Despite these huge challenges we emerge from another extraordinarily challenging year in far better shape than we feared when it began. As we navigate 2024, our 170th year, having moved our office from Amersham to High Wycombe, we look forward with great confidence – in our

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mission, our supporters, our partners, and in what we can achieve together in the face sometimes of seemingly overwhelming odds. Embrace's commitment to our Christian partners, and to helping to sustain their social witness in such a rich, diverse, fascinating and often troubled region, the Middle East, is unwavering.

On behalf of the Board, I want to thank all of Embrace's staff, and in particular our CEO Tim Livesey who leaves us in the summer, for yet another year of inspired, resilient and faith-filled service. We are delighted that Jamie Eyre, Director of Programmes and Advocacy for many years, will lead Embrace in the next phase of its extraordinary history. With grateful thanks too, to all our generous benefactors and supporters who keep us going, and help to nourish our mission, as well as our programmes, and those of our partners.

John Mitchell OBE,
Chair of Trustees

Picture above: Gaza, October 2023 *(Credit: Mohammed Al-Rifai/AFP via Getty Images)*

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 2023.

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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, Buckinghamshire, 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**

To bring 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**

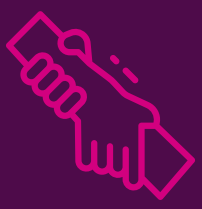
Respect, Compassion, Trust and Integrity.

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**

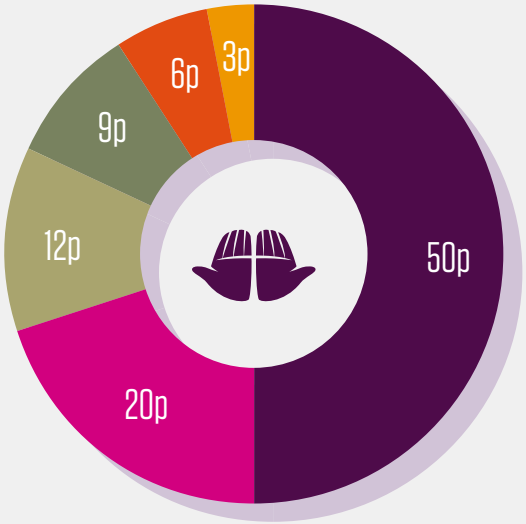
The table below contains key financial data for the charity. These summary numbers are taken from the financial statements on pages 35 to 55, but for the purposes of clarity exclude the income and costs of our Trading subsidiary, and any gain/losses on the sale of investments.

Year ending 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Donations*	5,094	4,875	2,874	2,869	2,849	2,360	3,116
Legacies	1,437	1,269	1,288	823	1,022	1,054	996
Investment income	56	60	107	96	105	99	96
Other	57	71	77	72	79	74	114
Total Income	**6,643**	**6,275**	**4,346**	**3,860**	**4,055**	**3,587**	**4,322**
Grants	2,732	2,683	3,040	2,467	2,424	2,326	2,304
UK staff costs	984	1,165	1,238	1,206	1,301	1,263	1,352
Other costs	926	784	945	555	676	683	692
Total resources expended	**4,642**	**4,632**	**5,223**	**4,228**	**4,401**	**4,272**	**4,348**
Net surplus/(deficit)	**2,001**	**1,643**	**(877)**	**(368)**	**(346)**	**(685)**	**(26)**
UK charity income less costs	2,001	1,643	(877)	(368)	(346)	(685)	(26)

Net Assets at 31 December	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Investments	1,905	2,129	3,579	3,589	3,914	3,359	3,597
Cash at bank and in hand	4,741	6,198	4,416	4,005	3,494	2,585	2,515
Other net assets	950	761	575	618	756	965	949
Total funds	**7,596**	**9,088**	**8,570**	**8,212**	**8,164**	**6,909**	**7,061**

Further commentary on the 2023 results can be found in the 'Financial review' section on pages 24 - 25. In the pages that follow, we give details of what we and our partners achieved in 2023, compare our outcomes to the plan we set ourselves for the year, and set out our plans for 2024 and beyond.

THE CHARITY **IN NUMBERS**

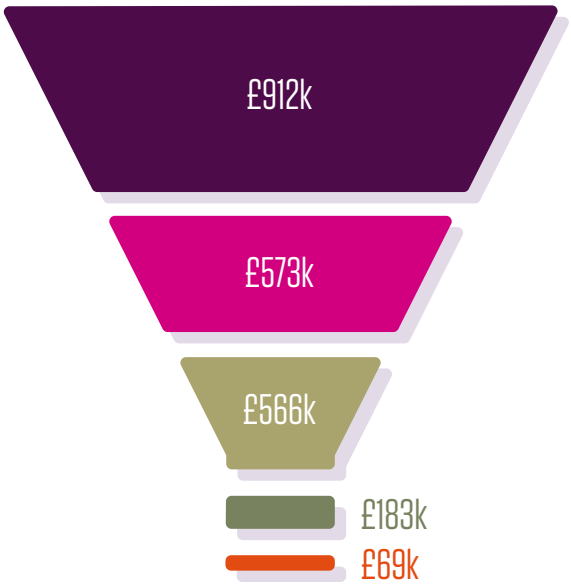


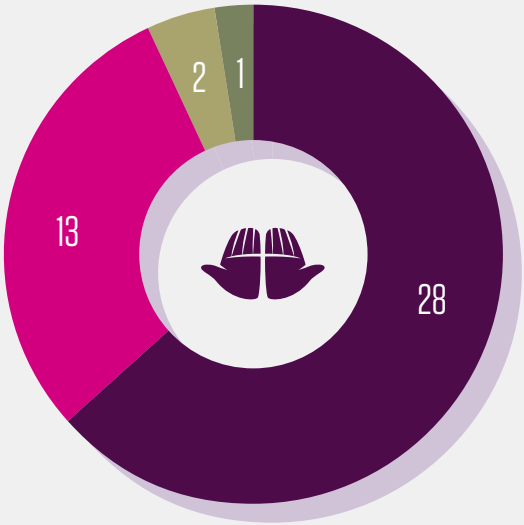
EXPENDITURE:
How each £1 donation is spent

- Grants to partners **50p per £1** *(Overall £2,339k)*
- Other support to partners **20p** *(£948k)*
- Public education and engagement **12p** *(£574k)*
- Trading costs **9p** *(£428k)*
- Cost of generating funds **6p** *(£300k)*
- Governance **3p** *(£105k)*

GRANT:
Spend by Country

- Palestine and Israel **£912k** (39%)
- Lebanon **£573k** (24.5%)
- Egypt **£566k** (24.5%)
- Syria **£183k** (8%)
- Iraq **£69k** (4%)





Types of Projects Supported

- Multi-annual **28 projects** (63.6%)
- Short-term **13 projects** (29.5%)
- Capacity building **2 projects** (4.5%)
- Olive tree **1 project** (2.4%)

OUR **IMPACT**

2023 was a year of tremendous hardship across the Middle East, as intense conflict and natural disaster placed significant new pressures on already hard-pressed communities and our partners - who are not immune from these challenges in their own lives.

From the earthquake which devastated north and western Syria in February 2023, to the outbreak of war in Gaza, following the barbaric 7 October Hamas attacks, it was a year of significant challenge.

The need for our partners, and their Christian service, remains great. As daily life is ever more challenging for so many, Embrace-supported projects continued to be a beacon of hope and a lifeline for many families and individuals.



In 2023 we continued to support programmes in Egypt, Lebanon, Iraq, Israel/ Palestine, and Syria, working to transform lives by:

TACKLING POVERTY & INJUSTICE



Working with communities at risk of marginalisation and exclusion.

RESPONDING TO CRISIS



Providing for practical needs and psychological support.

SPEAKING OUT



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

INVESTING IN THE FUTURE



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

Picture top right: The earthquake in Syria (*Credit: Mohammed Al-Rifai / AFP via Getty Images)*

TACKLING POVERTY & INJUSTICE



Embrace supports Middle East Christians as they serve those in their communities facing social marginalisation and economic exclusion - working to transform lives and restore dignity.

What we promised to do in 2023:

- Support and strengthen essential health and social care services for marginalised communities.
- Support livelihood and income generation projects, providing for immediate needs and opportunity for the future.
- Support work which empowers people who are excluded or displaced (women, girls, people living with a disability, refugees), bringing inclusion, engagement and equality.

In 2023:

- 14 partners were supported to provide livelihood and income generation opportunities for marginalised communities.
- We provided support to 13 projects focussed on the empowerment of women and girls.
- We provided over £1,000,000 of funds in support of health and social care projects.

How we kept our promise:

Across the region, the needs of marginalised communities and, increasingly, the middle classes grew in 2023.

Economic conditions throughout the region remained challenging in all contexts where our partners work. The financial crisis continued in Lebanon with no end in sight. Egyptians wrestled with currency devaluation and inflation of 35%. Increased tensions and rising violence in Israel-Palestine were overtaken by the outbreak of war in Gaza after the atrocities of 7 October. The earthquake in Syria and the ongoing effects of climate change exacerbated already acute problems in the country.

Rising costs and increased need challenged our partners to find creative ways to respond, and inevitably hard choices had to be made. Our partners responded to the challenge, reaching across divides, sharing the love of Christ through acts of service and sacrifice.

The complexity and multi-layered nature of the issues facing many in the region meant that the holistic approach of the projects we support was key. The projects run by our partners addressed immediate needs – providing free healthcare, education, and specialist disability care. But they also provided mental health support, offered resources to provide longer-term solutions – such as training, livelihood development, and women's empowerment – and addressed the root causes of poverty and injustice by campaigning for social change and equality.







Left to right (above): Fairhaven school, Egypt. | The Jerusalem Princess Basma Centre. | Caritas Jerusalem mobile medical clinic, Gaza.
Main picture (left): Child Friendly Spaces in Damascus. *(Credit: MERATH)*

HERE ARE A FEW HIGHLIGHTS OF PROJECTS WE SUPPORTED IN 2023:



Subsidised healthcare in Lebanon

HEALTHCARE SUPPORT FOR OVER **4,500** PEOPLE

The continued economic crisis engulfing Lebanon means that few can afford the cost of medical care. Lebanon's prolonged economic crisis has meant cuts in government subsidies previously available to help with the costs of medical care and medications, leading to soaring costs. At the same time international financial support has also been in steep decline. In 2023 the Embrace the Middle East UK Medical Programme with the Karagheusian Health Centre supported 2,384 individuals with medical expenses (including hospital treatment), while Embrace funding helped 2,313 patients at the Tahaddi Health Centre.

"Many beneficiaries have expressed their gratitude for the support provided by Embrace ...and for its empathy and understanding towards their medical needs."

Karagheusian Health Centre

Supporting the foundations for peace in Israel-Palestine

Embrace partner Musalaha continued to work with groups of Israeli and Palestinian women - Jewish, Muslim and Christian - to promote cross-community understanding, grassroots activism and co-resistance to end injustice and build a path to peace in Israel-Palestine. The 7 October attacks, and the events that followed, made their work extremely challenging. However despite the personal risks involved, the majority of participants in the project remained committed to meeting online and working together, sharing Embrace's belief that reconciliation is key for a lasting and just peace.

"Imagining an end to this violence, and indeed an end to the Occupation, may seem like a far-fetched dream for some - but for others, this vision is the only possibility for life."

Musalaha

A safe place to play for Syria's children

Embrace continued to support three child-friendly spaces, in Damascus, Homs and Mhardeh. The hubs are a safe place where children and young people can meet friends, learn, play, and express their emotions. Many have been traumatised by growing up amid civil war, economic hardships and the recent earthquake. In 2023 the centers provided fun activities, including drama, arts and crafts, sports, and therapeutic sessions to help with mental health and resilience, for 918 children and youth.



SUPPORT FOR OVER **900** CHILDREN

"The centre here is allowing us to create beautiful memories with our friends and it is a small escape from the sad reality we live in."

Miriam, who attends the Mhardeh centre

Magy's Story: Education support in Egypt

For many women and children living in informal settlements in Egypt's cities, the hardships of daily life mean they struggle to succeed in their education.

In 2023 Embrace continued to support literacy classes for adults and free after-school tutoring and mentoring for children through a programme run by our partner Episcocare at their community centres in Cairo and Alexandria.

Magy began as a volunteer in 2019, and is now the educational programme coordinator at the centre:

"Every time I see a child or a woman whom I've helped, it encourages me to continue, and I feel that I have value and play a significant role in the lives of the people around me. I can't forget one of the literacy students, Nailah. Nailah couldn't attend the literacy classes regularly, so I spent extra time with her after the class, helping her catch up. She was determined to learn, and her success in obtaining a literacy certificate filled me with joy."



745 PEOPLE BENEFITTED FROM **LITERACY CLASSES AND AFTER-SCHOOL TUTORING**

Supporting **specialist disability care** in the West Bank

MEDICAL ASSESSMENTS CONDUCTED FOR 635 CHILDREN WITH DISABILITIES

The Jerusalem Princess Basma Centre provides specialist support and rehabilitation therapies for children living with disabilities in the West Bank. In 2023 Embrace's funding included supporting their Outreach Team as they carried out in-the-field assessments for over 600 children with disabilities. The team referred over 400 children for specialist treatment either at the Jerusalem Princess Basma Centre or local medical centres, helping them access the care and support they need.

Vital services for marginalised communities in Egypt

7,000 PEOPLE USED THE CENTRE

As the economic conditions in Egypt deteriorated in 2023, ordinary families struggled to afford the basics. The work of our partners such as the Salaam Centre, run by The Daughters of St Mary Coptic Convent, became a vital lifeline. The centre serves the marginalised Zabbaleen community by providing a wide range of services including free health checks, legal advice for women, and support groups for those affected by drug abuse. In 2023 over 7,000 people accessed these services – including around 3,000 children and young people.

RESPONDING TO CRISIS



Ours is a vision of faith, hope and love in action. It is rooted in, and inspired by, Christ's invitation to care for those most in need.

What we promised to do in 2023:

- Provide targeted grants that keep services running and deliver essential extra support in on-going crises and emergency situations.

In 2023:

- We supported 54 projects that delivered essential services.
- We supported partners to respond to the earthquake in Syria, and the war in Gaza.
- We worked with partners to adapt programmes and support the needs of people affected by crisis.

How we kept our promise:

2023 saw natural disasters and rising instability in the Middle East.

On 6 February a series of devastating earthquakes struck Turkey and Syria. In Syria, the earthquake added new hardships to communities living with over a decade of war and the devastating impact of prolonged international sanctions. A new crisis sat atop an already complex emergency. Embrace moved swiftly to launch an emergency appeal and, through our partners Pontifical Mission and MERATH, were able to support churches in Aleppo, Lattakia and other towns in Northern Syria, not just with their initial emergency response, but with long-term funding.

In April, armed conflict broke out in Sudan, causing over 400,000 people to flee into neighbouring Egypt. We responded by giving additional funding to our partner Refuge Egypt as they sought to meet the increased needs.

In October we launched another emergency appeal responding to the atrocities carried out by Hamas on 7 October, the subsequent devastating war in Gaza, and severe movement restrictions, and increased violence, in the West Bank. We were able to support partners in Gaza, Israel and the West Bank with their initial emergency responses, as well as having funds available for their larger and longer-term responses during, and in the aftermath of the war.







Left to right (above): Emergency olive harvest project *(Credit: PMP).* | Syria earthquake response *(Credit: MERATH).* | DSPR-NECC medical clinic, Gaza. **Main picture (left):** Gaza, October 2023 *(Credit: Abed Rahim Khatib/Anadolu via Getty Images).*

HERE ARE JUST SOME OF THE WAYS WE RESPONDED TO CRISIS IN 2023:

Long-term support for victims of the earthquake in Syria

Tens of thousands of families lost homes and businesses in the earthquake of 6 February 2023. A successful emergency appeal meant Embrace was able to raise funds to support two projects providing emergency relief (such as food parcels, blankets, and hygiene kits) in northern Syria, and can also provide the long-term support needed for the many years of recovery ahead.



"In these dark circumstances, the light remained stronger through people who thought of us although they were far from us..."

Resident of Aleppo

Shelter for Sudan's Refugees

10,851
FOOD BAGS DISTRIBUTED

In April 2023, armed conflict broke out in Sudan. By the end of the year over 400,000 refugees had fled to neighbouring Egypt. Embrace provided additional funds to support Refuge Egypt, as they expanded their programme in response to this dramatic rise in those needing their help. Many had survived extremely traumatic events both in Sudan and on their journey to Egypt, so staff provided emotional and psychological support as well as meeting their immediate needs with food, clothing, and hygiene kits, and helping them find suitable accommodation.

Food for Israeli citizens sheltering from attack

Ashkelon, situated about 10km from Gaza, came under heavy rocket attack at the beginning of the Israel-Hamas War. Shops were closed and many citizens were forced to stay for long periods in public bomb shelters. Embrace responded quickly by supporting a project by Aviv Ministries to cook and distribute hot meals to groups of vulnerable people in the shelters, providing vital supplies to over 180 families.

HOT MEALS FOR OVER **180** **FAMILIES**

Helping save the olive harvest in the West Bank

The severe movement restrictions and economic impact that followed the 7 October attacks, in Area B of the West Bank, meant many farmers were unable to access their fields, or afford the workers to gather their vital olive harvest. Other Palestinians could not travel to their jobs in Israel. We responded by funding a mini-project with our partner Pontifical Mission for Palestine to pay for 33 local workers to be trained and employed to harvest the olives on 8.27 acres of land in the Bethlehem Governorate, helping 9 farmers to save their harvests.

EMPLOYMENT FOR **33** **LOCAL WORKERS**

Ensuring education opportunities amid Lebanon's economic crisis

The severe economic crisis in Lebanon continued throughout 2023, with schools being particularly badly affected.

Many state schools struggled to remain open with insufficient funding for things like electricity and supplies. For the first three months of 2023 schools were shut due to teachers' strikes over pay. Prior to the recent financial crisis, around 75 per cent of Lebanese parents opted to send their children to private schools – but fees are now unaffordable for many. This meant that education projects funded by Embrace, such as Al Kafaat inclusive school, became even more important:

With the severe crisis in Lebanon, families with limited financial resources who cannot afford to pay high tuition fees have come to our school. Our student numbers rose from 140 students in July 2023, to 188 students at the start of the new academic year in October 2023.

Providing education to the most vulnerable remains the most positive impact. We are able to empower students who have special needs and financial challenges, reinforcing their self-esteem and providing them with the social skills to pursue higher education, or vocational training, and integrate into their communities and the labour market.

Thanks to Embrace, the school was able to pursue its services and the results can only make us proud and thankful.



Critical medical aid for Gaza

Following the outbreak of the war in Gaza, the majority of our partners had to pause their projects and seek shelter themselves. Embrace launched an emergency appeal to raise funds for the necessary long-term response and rebuilding once fighting stops. Embrace was also able to give immediate funding to Al Ahli hospital – for medical supplies, medicine, and salaries for additional staff. Our partner Caritas Jerusalem used Embrace funding to establish clinics in the Holy Family Catholic Church and St Porphyrius Orthodox Church in Gaza city, providing vital first aid and primary medical care to those choosing to shelter in the churches, or unable to flee south.

> **"...We bear witness to the harrowing tales of suffering from the Gaza community, particularly women and children. Despite resource constraints, our steadfast presence in Gaza City and the south allows us to alleviate some of this suffering through vital services..."**
>
> **Caritas Jerusalem**



SPEAKING OUT



Where there is a need – for refuge, a home, for health care, for education, for justice and human rights – we, with our partners, respond.

What we promised to do in 2023:

- Speaking out and encouraging supporters to engage actively in support of justice and equal rights for all.
- Creating resources that inform and nourish church and individual engagement with the life and social witness of Christians in the region.

In 2023:

- We increased our public advocacy through statements, hosting high-profile events, and encouraging supporters to write to their MPs and church leaders.
- We provided study guides, prayer resources, and online seminars for supporters and churches.

How we kept our promise:

During 2023 we intensified our advocacy and public communications in support of Embrace's partners and their aspirations, as well as our own.

Wherever possible, we work in concert (and actively collaborate) with other like-minded organisations – churches and civil society. Our overriding goal is to further the interests of our Christian partners by engaging with, and influencing the decisions and outlook of significant decision makers – in the Church in the UK and elsewhere, and in UK and international politics.

This goal sits alongside a desire to provide meaningful opportunities for Embrace supporters, present and future, to better understand the challenges faced by Christians in the Middle East, and to take actions that support their endeavours, aspirations, and social witness.



Above: Revd Munther Isaac at Embrace's 'One Household of God?' event at Coventry Cathedral.
Main picture (left): Embrace at Greenbelt Festival.

HERE ARE A FEW HIGHLIGHTS OF OUR SPEAKING OUT IN 2023:

On-line education and communication

TWO NEW 'MY MIDDLE EAST' PODCAST SERIES FEATURING **11** **GUESTS** FROM ACROSS THE REIGION

We continued to publish content designed to engage and inform – in the form of blogs, two new series of our podcast series My Middle East, our monthly Re:Action e-mail, on-line seminars, and a number of lobbying initiatives which encouraged Embrace supporters to lobby their MP, members of the House of Lords, including the Lords Spiritual, and church leaders to call for specific actions. Some of those actions, and special events with an advocacy impact, are shown on the right.



Fundraising and engagement

300 NEW SUPPORTERS

2023 saw exceptionally strong public engagement and fundraising in response to two major humanitarian crises, bringing in significant funds and attracting many new supporters. In February, we raised over £307,000 – at the time, the second highest single appeal on record - for partners in Lebanon and Syria responding in the aftermath of the earthquake that struck Turkey and Northern Syria. Thanks to the network of churches and local Christian groups, Embrace partners were able to act in a matter of hours.

We launched an emergency appeal quickly after the 7 October Hamas attack on Israel and focused the 2023 Christmas appeal on the subsequent humanitarian crisis in Gaza. The response from Embrace supporters, churches and the public was remarkable, raising in excess of half a million pounds between the two appeals. Our thorough and balanced reporting from partners attracted new support from over 300 people.





Public engagement and advocacy

Inevitably the intensity of our advocacy picked up dramatically in the final quarter of the year, continuing in 2024, following the atrocities carried out by Hamas on 7 October in Southern Israel, and then the war waged in Gaza by the Israeli Defence Forces which has cost so many innocent lives and destroyed so much of Gaza's buildings and infrastructure.

It is no exaggeration to suggest that Embrace has never engaged with such intensity in so much urgent, direct and indirect (through supporter actions) advocacy, both in the media and with political and church leaders. In terms of impact, our metrics and informal feedback suggests we are reaching new audiences and punching well above our weight.

Some of the highlights from our advocacy and public engagement during 2023 and early 2024 include:

- Public statements and Parliamentary lobbying in favour of a ceasefire in Gaza from mid-October, as well as lobbying against the Economic Activity of Public Bodies (Overseas Matters) Bill in autumn 2023, and the so-called Defending Democracy Policing Protocol in March 2024.
- A section of our website specially designed and dedicated to events in Gaza aimed at keeping the public informed of lived experience on the ground, as seen through the eyes of partners as well as promoting an active response – prayer and acts of practical solidarity – among Embrace supporters.
- Public events including a Gaza vigil at St James Piccadilly in October, a lecture at Coventry Cathedral given by Rev Dr Munther Isaac, Embrace-led worship services at Greenbelt, and the Embrace Annual Lecture given by the Archbishop of Canterbury, alongside our partner Daniel Munayer of Musalaha, at St Martin the Fields, in September.
- A four-part seminar series of Conversations with Middle East Christians exploring issues in Lebanon, Egypt, Iraq and Palestine/ Israel.







Left to right: Embrace Annual Lecture at St Martin in the Fields, London. | Embrace Annual Lecture speakers. | Embrace at Greenbelt.

INVESTING IN THE FUTURE



Our goal is to contribute to a culture of human flourishing in a troubled region.

What we promised to do in 2023:

- Provide targeted investment in our partners, supporting their plans for development and growth.
- Developing our skills, our people (including volunteers) and our systems to maximise impact in support of Embrace's mission.

In 2023:

- We provided partners with infrastructure and strategic planning support.
- We invested in our programme managers, supporting them with mentoring training that will strengthen their work and interaction with local partners.
- We provided counselling support for staff impacted by the October 7 events and the Gaza war

How we kept our promise:

We are committed to fostering a culture of learning, development and working to sustain and strengthen Christian service in the Middle East by being an effective and innovative grant maker.

In 2023 our grants helped fund a range of programmes to support our partners' plans for development and growth, including: organisational reviews and the development of strategic plans, vital building work and the purchasing of equipment to improve services and increase capacity, and investing in specialist training.

HERE ARE A FEW EXAMPLES OF HOW WE INVESTED IN THE FUTURE IN 2023:

New paediatric unit for Harpur Hospital, Egypt

With generous financial help from a long standing supporter Embrace helped Harpur Memorial Hospital invest in a new purpose-built unit for their Paediatric Department. The shell of the building was already constructed but funds were needed for the internal building works, furnishings and equipment. The new building, which opened in the autumn of 2023, not only significantly increases the number of patients that can be seen, but it also means they can get all their treatment in the same place with better coordination of care.



Main picture (left): Best Steps Class, Tahaddi school, Lebanon.

Improving teaching facilities at Nazareth School of Nursing, Israel

Embrace funds helped Nazareth School of Nursing equip two new classrooms and upgrade screens, projectors and computers. This will mean students will benefit from improved facilities and diversified teaching methods.

2
NEW CLASSROOMS EQUIPPED AT NAZARETH SCHOOL OF NURSING

> **"One of our goals is the improvement and diversification of teaching methods, which allows for teaching that will suit each student and improve achievements."**
>
> **Nazareth School of Nursing**

Building long-term strategies with our partners

The Anglican Diocese of Jerusalem covers Israel, Palestine, Jordan, Syria and Lebanon and serves the communities there by providing vital education, healthcare, and social support. To maximise their impact, improve efficiency and increase their ability to quickly respond to emergency situations, the Diocese is undertaking a comprehensive review of its strategy, funded by Embrace. The resulting strategic plan, due for completion in 2024, will provide a roadmap for long-term growth and ensure the diocese can continue to provide high-quality and cost-effective services.

> **"We believe that the more we invest in developing strategic plans, the more the Diocese institutions become capable to respond efficiently to any emergency situation."**
>
> **Anglican Diocese of Jerusalem**

Specialist training for partner staff in Egypt

Growing capacity and both the impact and cost-effectiveness of projects is key for many of our partners and a priority for Embrace. We supported £250,000 capacity-building initiatives in 2023, including one run by our partner Life Vision. Their comprehensive training programme included building professional skills such as people management and data analysis, as well as specialist training for field staff and volunteers on conducting visual impairment assessments and gathering photos and video material.

50
STAFF AND
21
VOLUNTEERS ATTENDED TRAINING

> **"One of our main interventions is building the capacity of grassroot organisations ... This project has increased staff capacity to provide trainings for other teams."**
>
> **Life Vision**







Left to right: Specialist training in Egypt run by Life Vision

PRIORITIES FOR 2024

Our plans for 2024 are based on Hope in Action: Strengthening Christian Service in the Middle East, our strategic plan 2021-25. The plan can be downloaded from our website: embraceme.org/five-year-strategy

FAITH IN ACTION

- Support and strengthen essential health and social care services for marginalised communities.
- Support livelihood and income generation projects, providing for immediate needs and opportunity in the future.
- Support work which empowers people who are excluded or displaced (women, girls, disabled people, refugees), bringing inclusion, engagement, and equality.
- Focus our efforts on partner learning and development

RESPONDING IN TIMES OF CRISIS

- Support people in crisis through flexible and effective projects.
- Work with partners working in crisis situations to respond to changing needs.
- Support refugees and displaced people.
- Advocate for people in crisis, working closely with churches and our peers in the UK.

BROADEN AND DEEPEN

- Continue to develop our advocacy voice, building alliances with our peers and forging relationships with church leaders, in the UK and internationally.
- Speak out on issues of injustice, refugees, and the significant role of Christians in the Middle East.
- Provide our supporters and the church in the UK with resources and access to Middle East Christian voices, both to engage and educate.

INVESTING IN THE FUTURE

- Continue our support for projects working with Christian young people and the next generation of potential leaders.
- Invest in the Embrace team through training and personal development.

FINANCIAL REVIEW OF 2023

Unless otherwise stated, figures in this section are expressed in £k (thousands) consistent with the charity's financial statements which follow.

OVERVIEW

2023 was another challenging year for the charity finances, on a number of levels.

In the UK, the charity faced continuing economic pressures, post Covid, with high inflation, exacerbated by the continued impact of the war in Ukraine.

More significantly, the charity had to respond to two devastating developments in the Middle East in 2023. The year began with an appeal in response to the earthquake crisis in Syria and ended with our response to tragic and unprecedented events in Israel and Gaza. These appeals, combined with the generosity of our core donor base, generated income for the charity of £4,648k this year (2022: £3,811k), representing a 22% increase on the previous year.

As a result, the charity was able to maintain all planned grant spend, as well as emergency responses to the crises in Syria and Gaza. Grant spend in 2023 totalled £2,304k (2022: £2,326k). The charity ended the year with substantial reserves available to continue providing vital support to partners well into 2024, as well as making plans to respond to the aftermath of these crisis situations.

Despite high UK inflation throughout 2023, the charity was able to maintain good control of non-grant spend, which increased by just 6% to £2,390k in 2023 (2022: £2,247k).

Together with the strong performance of our investment portfolio in the final quarter of 2023, the charity ended the year with an overall net surplus of £132k (2022: deficit of £(1,332k). This compares with a budgeted deficit of £(825)k.

This leaves total reserves at £7,063k (2022: £6,931k), with free reserves of £2,054k (2022: £1,974k). Free reserves continue to represent 10 months of non-grant spend (after designations), which is within the target range set out in our reserves policy, as revised in 2022.

INCOME

Total income for 2023 was £4,648k (2022: £3,811k) – an increase of £837k or 22% versus the previous year. As mentioned above, this reflects the impact of fundraising appeals for the 2 devastating crises that developed during the year both in Syria and Gaza. These appeals generated a total of £712k of income over the year.

Although legacy income was 5% behind the previous year there is a substantial legacy pipeline in place. Committed regular giving was 6% less than 2022.

Income from Embrace's trading operation was 10% ahead of the previous year, though pressure on product gross margins meant that the trading activities made a small loss overall by year-end.

EXPENDITURE

Total expenditure in 2023 was £4,694k (2022: £4,573k), which is £121k, or just 3%, more than 2022.

The cost of generating funds was 6% less than the previous year at £300k (2022: £331k), due to some reduction in staff and supporter engagement and related support costs.

However, in line with plan, the cost of charitable activities was maintained at £3,966k (2022: £3,843k), a 3% increase. This reflects the charity's aim to maintain (or increase) support to our partners where possible. Grants paid to partners were £2,304k (2022: £2,326k). A list of grant spend, by partner, can be found in the notes to the consolidated financial statements (page 45).

2023 support costs were in line with 2022 at £434k (2022: £434k).

BALANCE SHEET

The charity, including the trading subsidiary, continues to show a strong balance sheet. We ended 2023 with total funds of £7,063k (2022: £6,931k). General unrestricted free reserves amounted to £2,054k at the end of 2023, an increase of £80k on the 2022 year-end figure of £1,974k.

However, this increase is partly a result of the planned reduction in the level of designation to help ensure the future sustainability of the organisation (reflecting

Embrace the Middle East would like to acknowledge the generosity of the following charitable organisations during 2023:

- The Mosawi Foundation
- The Jerusalem Trust
- The Bernard Sunley Charitable Foundation
- The Hillier Trust
- The St Clare & St Francis Trust
- The World Day of Prayer
- The Paterson Logan Trust

the forecast requirements, including projected deficits, of our latest five-year financial model to 2030). 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 2022-23, 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 have been agreed to cover the equivalent of twelve months of the charity's committed multi-annual core grants programme equating to £1,800k in 2023 (2022: £1,800k), plus an additional £1,900k (2022: £2,207k) to safeguard the ongoing sustainability of the organisation for the longer term. A further designation of £864k (2022: £885k) represents the value of fixed assets held by the charity at the year end (given that these are not readily available to be used to fund charity activities). Further detail is provided in Note 17 to the financial statements.

After taking these designations into account, the Trustees expect free reserves to fall within a banding of not more than £2,358k and no less than £1,179k. This banding represents between 6 and 12 months of budgeted non-grant expenditure, in line with current reserves policy. The audited figure for free reserves at the end of 2023 was £2,054k, approximately equal to ten months of budgeted non-grant expenditure. This is in line with 2022, falls within the Trustees target banding range, and is deemed appropriate to help ensure the continued financial resilience of the charity.

Restricted funds amounted to £445k at the end of 2023 (2022: £65k) and further information is detailed in Note 18 to the financial statements.

GOING CONCERN

The charity ended 2023 in a stronger financial position than at the beginning of the year. We predicted some recovery of income streams in early 2023, particularly given the generous response to our emergency appeal following the earthquake in Syria. However, we could not have foreseen the overwhelming level at which our donors would go on to give further support for our Israel / Gaza crisis appeal, following the devastating situation that has escalated so much this year.

In the first quarter of 2024, voluntary income levels have again been encouraging. In addition, we have a very healthy legacy pipeline, including one notification of a single very substantial legacy which will further assist our work as we progress through 2024 and beyond.

In addition, we are now in the final stages of completing on the sale of our office building in Amersham. The proceeds from sale of this property should exceed £2m. The Board will consider whether a portion of these funds should be designated for a specific purpose going forwards. Certainly, the income from the sale will further boost the charity's unrestricted reserves.

Whilst we will continue to be prudent in terms of expenditure going forwards, the Board has confidence that Embrace the Middle East remains, very much, a going concern.

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 2023, 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: 2021-25). Underpinned by an agreed financial framework, this strategy will guide and support the aims, and ambition, of the charity through to 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 2022, and up to the date of this report, are listed under 'Who we are' on p.30.

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.

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 2023 the Governance and Resources and Programmes and Public Engagement Committees

each met twice, and the Officers and Chairs Committee four times. 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 – Iain Osborne and Kristina Wells – in May 2024 and one trustee, Chris Woo, stood down at the end of his three-year term in March 2024. Trustees are recruited through an open and transparent process, including by public advertisement on charity job websites, and are 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 focused 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 entrust day-to-day management of the Charity to a senior leadership team, which operates within a framework, and a specified Scheme of Delegation, set by the trustees. The senior leadership team (known as the Leadership Group) is led by the Chief Executive and comprises the three Directors of Programmes and Advocacy, Fundraising and Communications and Shared Services, plus the Head of Human Resources and Culture. The Senior Finance Adviser attends as required. Members of the Leadership Group and other senior staff members may attend Board meetings, but do not vote.

PAY POLICY FOR KEY MANAGEMENT

The key management personnel of the charity comprise the trustees, the Chief Executive, the Directors of Programmes and Advocacy, Fundraising and Communications, and Shared Services, the Head of Human Resources and Culture, and the Senior Finance Adviser.

The total employee benefits of the Leadership Group in 2023 were £394k (2022: £370k). Details can be found in note 7 to the accounts found on page 46. 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, pay and benefits are determined by the Chief Executive, subject to an overall budget agreed by the trustees.

OUR CHARITABLE OBJECTIVES AND OUR ORGANISATIONAL STRUCTURE (continued)

SAFEGUARDING

In 2020 the charity undertook a fundamental review of its safeguarding policy and practice in a determined effort to maintain the highest possible standards, in line with best practice. Signature of, and adherence to, new codes of conduct by all staff, volunteers and third parties coming into contact with partners, or their beneficiaries, is mandatory. The charity has instituted a revised and updated safeguarding policy and framework for the reporting of concerns, or suspicions, of abuse, neglect or malpractice. A Safeguarding Committee comprising staff from all parts of the charity, including – but operationally independent of – senior management, is responsible for advising on all matters related to safeguarding best practice, and the adjudication of cases of concern referred to it.

The Chair of the Committee is the charity's designated Safeguarding Officer. The Committee meets regularly, or as required, and reports directly to the CEO and the trustees (at a minimum twice annually), or if circumstances dictate, direct to the Chair, or Vice Chair, of Trustees. The Vice Chair of Trustees is the Board's designated Safeguarding Officer. The charity's revised safeguarding policy and reporting mechanism has been professionally peer reviewed by Keeping Children Safe, of which the charity is an associate member. As a charity, Embrace the Middle East aspires to the highest standards of safeguarding, in line with its ethos and values. Safeguarding policy and practice is a key element in our due diligence process with regard to partners and, where appropriate, an area where we offer capacity building support and advice through our safeguarding partner, Viva. The trustees are clear about their statutory responsibilities with respect to safeguarding and remain abreast of the Charity Commission's ongoing concerns in this area of governance.

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. During 2023 risks associated with an acute cost of living crisis in the UK and feed-through impacts on the charity's fundraising and trading performance merited special attention. 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 risks, new variants of existing risks, and additional mitigation added to the register in 2022 included risks to income, staff welfare connected to remote working, heightened cyber threats and exceptionally challenging trading conditions.

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 2023:

'Embrace the Middle East is registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice and all legal obligations. In 2023 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 cold telephone calls to the general public. We have not used SMS as part of our fundraising portfolio.'

In 2023 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 5 complaints about our fundraising practice (2022:2) in response to over 89,934 pieces of fundraising direct mail that were sent out. We received no other complaints about fundraising. We do not engage in persistent or intrusive fundraising practices and are especially sensitive to the interests of older and more vulnerable supporters or potential supporters. We act promptly on requests from supporters 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 and respectful relationships with all of our supporters.







Left to right: Episcocare education support, Egypt. | Tahaddi healthcare, Lebanon. | Child Friendly Spaces staff training in Damascus *(Credit: MERATH).*

WHO **WE ARE**

TRUSTEES

John Mitchell OBE
(Chair of Trustees)

Dr Souraya Bechealany
(until March 2023)

Anne Clayton
(Vice Chair of Trustees)

Rev Josh Harris
(Chair of Governance and Resources Committee from September 2023)

Rev Dr James Hawkey
(Chair of Programmes and Public Engagement Committee)

Katie Hodkinson

Rev Dr Munther Isaac

Dr Kathryn Shah

Ben Morgan
(Chair of Governance and Resources Committee until September 2023)

Mary Oakes

Rev'd Iain Osborne
(from June 2024)

Madeleine Radford
(until March 2023)

Victoria Smith
(Treasurer)

Katharine von Schubert

Kristiina Wells
(from June 2024)

Chris Woo
(until March 2024)

PATRONS

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

Rt Rev Christopher Chessun, Anglican Bishop of Southwark

Rev David Coffey OBE, former President, Baptist World Alliance

Rt Rev Dr Michael Langrish, former Anglican Bishop of Exeter

Very Rev Dr Andrew McLellan CBE, Convener, World Mission Council of the Church of Scotland

Most Rev Timothy Radcliffe OP, former Master of the Order of Preachers *(Dominicans)*

LEADERSHIP GROUP

Tim Livesey *(Chief Executive Officer and Company Secretary)*

Jamie Eyre *(Director of Programmes and Advocacy)*

Lucy Insua *(Head of Human Resources and Culture)*

Sam Mackwell *(Director of Shared Services)*

Ian Livett *(Director of Fundraising and Communications)*

REGISTERED OFFICE

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High Wycombe
HP11 1BG

AUDITORS

Buzzacott 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

Investec Wealth and Investments
2 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 financial statements to give a true and fair view of the state of affairs of the charitable company including income and expenditure for the year. 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 2015 (FRS102)
- 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 keeping adequate 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 May 2024 and signed on its behalf by:

John Mitchell OBE,
Chair of Trustees
9 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMBRACE THE MIDDLE EAST

OPINION

We have audited the financial statements of Embrace the Middle East (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which the 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 2023 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. [including Section 6 'Provisions Available for Audits of Small Entities' of the FRC's Ethical Standard, in the circumstances set out in the Notes to the the Consolidated Financial Statements on page 39.] We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The 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
- 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:

- 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 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 website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

CONSOLIDATED STATEMENT OF **FINANCIAL ACTIVITIES**

For the year ended 31 December 2023 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income:					
Donations and legacies	3	2,451	1,613	4,064	3,320
Charitable activities	3	34	-	34	48
Trading activities	2	374	-	374	318
Investments		96	-	96	99
Other income		80	-	80	26
Total Income		**3,035**	**1,613**	**4,648**	**3,811**
Expenditure:					
Cost of fundraising	4	300	-	300	331
Trading activties	2	428	-	428	399
Charitable activities	3	2,733	1,233	3,966	3,843
Total Expenditure		**3,461**	**1,233**	**4,694**	**4,573**
Net Income / Expenditure on operations		**(426)**	**380**	**(46)**	**(762)**
Net gains on investments	10	178	-	178	(570)
Net Income/(Expenditure) on operations after net gains / (losses) on investments		**(248)**	**380**	**132**	**(1,332)**
Net movement in funds		**(248)**	**380**	**132**	**(1,332)**
Reconciliation of funds:					
Total funds brought forward		6,866	65	6,931	8,263
Total fund carried forward		6,618	445	7,063	6,931

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 39 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF **FINANCIAL ACTIVITIES** (2022)

For the year ended 31 December 2022 (incorporating an income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 (*restated) £'000
Income:					
Donations and legacies	3	2,244	1,076	3,320	3,778
Charitable activities	3	48	-	48	61
Trading activities	2	318	-	318	399
Investments		99	-	99	105
Other income		26	-	26	18
Total Income		**2,735**	**1,076**	**3,811**	**4,361**
Expenditure:					
Cost of fundraising	4	331	-	331	397
Trading activties	2	399	-	399	406
Charitable activities	3	2,831	1,012	3,843	3,902
Total Expenditure		**3,561**	**1,012**	**4,573**	**4,705**
Net Income / Expenditure on operations		**(826)**	**64**	**(762)**	**(345)**
Net gains on investments	10	(570)	-	(570)	299
Net Income/(Expenditure) on operations after net gains / (losses) on investments		**(1,396)**	**64**	**(1,332)**	**(46)**
Net movement in funds		**(1,396)**	**64**	**(1,332)**	**(46)**
Reconciliation of funds:					
Total funds brought forward		8,262	1	8,263	8,309
Total fund carried forward		6,866	65	6,931	8,263

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

All income and expenditure derive from continuing activities.

* 2021 comparatives have been restated to better reflect the income and expenditure of charitable activities on a comparable basis, year to year. The figures are also restated to fully eliminate inter-organisational transactions between the Charity and the Trading entity (though the overall impact to Net Income / (Expenditure) is nil).

CONSOLIDATED AND CHARITY **BALANCE SHEETS**

As at 31 December 2023

	Note	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Fixed Assets					
Tangible assets	9	864	885	864	885
Investments	10	3,596	3,358	3,597	3,359
		4,460	4,243	4,461	4,244
Current assets:					
Stocks		53	77	-	-
Debtors: amounts falling due within 1 year	11	148	270	299	307
Cash at bank and in hand		2,720	2,672	2,515	2,585
		2,921	3,019	2,814	2,892
Creditors					
Amounts falling due within 1 year	12	(318)	(331)	(214)	(227)
Net current assets		**2,603**	**2,688**	**2,600**	**2,665**
Net assets		**7,063**	**6,931**	**7,061**	**6,909**
Funds					
Restricted funds	18	445	65	445	65
Designated funds	17	4,564	4,892	4,564	4,892
Reserves available for charitable purposes		2,053	1,952	2,052	1,952
Non charitable trading funds	2	1	22	-	-
Total funds	**16**	**7,063**	**6,931**	**7,061**	**6,909**

The financial statements were approved by the Board of Trustees on 9 May 2024 and were signed on its behalf by:

John Mitchell OBE
Chair of Trustees

The notes on pages 39 to 55 form part of these financial statements.

CONSOLIDATED **CASH FLOW STATEMENT**

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Cash generated from operations	19	12	(995)
Net cash from operating activities		12	(995)
Cash flows from investing activities:			
Income from investments		96	99
Purchase of property, plant and equipment		-	(20)
Purchase of investments		(985)	(720)
Proceeds from the sale of investments		925	705
Net cash from investing activities		**36**	**64**
(Decrease) / Increase in cash and cash equivalents		48	(931)
Cash and cash equivalents at beginning of year	20	2,672	3,603
Cash and cash equivalents at end of year	20	2,721	2,672

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 26.

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 – 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, the amount can be measured reliably, and 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 recognized 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 quantified.

Grants – Grants are recognized 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 recognized 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 recognized 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 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 estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized 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 recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Financial Activities (SOFA).

Fixed asset investments

Investments are recognized initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognized 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 recognized 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 recognized 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

Foreign currency transactions are initially recognized by applying the foreign currency amount of the spot 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 recognized 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 recognized 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.

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.

2. COMMERCIAL TRADING ACTIVITIES OF TRADING SUBSIDIARY

Embrace the Middle East Trading Limited is a wholly owned subsidiary, incorporated in England and Wales (company number 00901022). A summary of the Trading company's results for 2023 is shown below:

Summary profit and loss account

	2023 £'000	2022 £'000
Turnover	430	392
Cost of sales and administrative expenses	(451)	(415)
Tax		
Profit / (loss) for the year after tax	**(21)**	**(23)**

Summary Balance Sheet

Current assets	2023 £'000	2022 £'000
Stock	53	77
Debtors	7	14
Cash	205	87
	265	178
Creditors falling due within one year	262	155
Net current assets	**3**	**23**
Called up share capital	1	1
Capital redemption reserve	8	8
Profit and loss account	(7)	14
Shareholders' funds	**2**	**23**

3. CHARITABLE ACTIVITIES

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

		Total 2023 £'000	Total 2022 £'000
Income:			
Donations	Unrestricted funds	1,503	1,284
	Restricted funds	1,613	1,076
Legacies	Unrestricted funds	996	1,054
Other income		34	48
Total charitable income		**4,146**	**3,461**
Grants paid (note 5)		2,304	2,326
Charitable activities		1,743	1,615
Total charitable activity expense		**4,047**	**3,941**
Net surplus for the year		99	(480)
Transfers between activities		-	-
Surplus / (deficit) on charitable activities		**99**	**(480)**

Reconciliation to SOFA

	Total 2023 £'000	Total 2022 £'000
Total charitable income as above	4,146	3,462
less Charity inter-organisational income	(48)	(94)
Trading activities income	374	318
Investment income	96	99
Other income	80	26
Total income as SOFA	**4,648**	**3,811**
Total charitable activity expense as above	4,047	3,941
less Charity inter-organisational income	(81)	(98)
Cost of fundraising	300	331
Trading activities expenditure	428	399
Total expenditure as SOFA	**4,694**	**4,573**

For the year ended 31 December 2023

4. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2023 £'000	Staff costs £'000	Direct costs £'000	Support costs £'000	Total 2022 £'000
Cost of generating funds	**196**	**97**	**7**	**300**	**247**	**77**	**7**	**331**
Charitable activities								
Information and education	429	124	21	**574**	328	142	16	**486**
Grants to partners	-	2,304	35	**2,339**	-	2,326	40	**2,366**
Other support to partners	680	-	268	**948**	630	7	263	**900**
Total charitable activities excl Governance	1,109	2,428	324	**3,861**	958	2,475	319	**3,752**
Governance	47	22	36	**105**	58	22	11	**91**
Total charitable activities	**1,156**	**2,450**	**360**	**3,966**	**1,016**	**2,497**	**330**	**3,843**
Trading costs	79	260	112	**451**	74	209	132	**415**
Inter-organisational charges	-	22	(45)	**(23)**	-	19	(35)	**(16)**
Trading costs	79	282	67	**428**	74	228	97	**399**
Total group costs	**1,431**	**2,829**	**434**	**4,694**	**1,337**	**2,802**	**434**	**4,573**

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 allocated across categories based on purpose of activity.

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

5. DETAILS OF GRANTS WE MADE TO OUR PARTNERS

	2023 £'000	2022 £'000
Egypt		
Anafora	27	29
BLESS (Coptic Orthodox Bishopric, Ecumenical & Social Services)	99	98
Deaf Unit	-	8
Diocese of Egypt	-	30
El Saray Evangelical Church	-	17
Episcocare	91	90
Fairhaven School	17	-
Harpur Memorial Hospital	85	28
Life Vision for Development	57	74
Refuge Egypt	59	55
Salaam Center	50	50
Think & Do	81	81
Others (under £5k)	-	2
Total of Egypt	**566**	**562**
Lebanon and Syria		
Al Kafaat	85	85
Beit El Nour	31	30
Howard Karagheusian Commemorative Corporation	88	87
Inter Church Network for Development & Relief	-	50
Johan Ludwig Schneller School	-	18
Joint Christian Committee	59	58
Learning Centre for the Deaf	41	72
Lebanese Society for Social Education and Development	99	140
Middle East Council of Churches	45	-
Pontifical Mission for Lebanon	30	30
Tahaddi	66	65
Zvartnotz Centre	28	-
Others (under £5k)	1	-
Total of Lebanon	**573**	**635**

	2023 £'000	2022 £'000
Palestine and Israel		
Al Ahli Arab Hospital	93	63
Anar for Empowerment and Psychological Support Charitable Association	28	-
Aviv Ministries	18	29
Bethlehem Arab Society for Rehabilitation	47	63
Caritas Jerusalem	58	74
East Jerusalem YMCA	120	140
Episcopal Diocese of Jerusalem	25	-
Four Homes of Mercy	50	58
International Christian Committee in Israel	30	30
Olive Tree Project (Joint Advocacy Initiative)	23	59
Musalaha	30	30
Nazareth School of Nursing	15	-
Near East Council of Churches	101	101
Palestinian Bible Society	39	39
Pontifical Mission of Palestine	112	57
Princess Basma Centre	54	57
Secretariat of Solidarity for Catholic Schools and Institutions	-	125
SIRA School	19	19
Society of St Yves	50	50
Total of Palestine and Israel	**912**	**994**
Iraq		
Ankawa Humanitarian Committee	32	-
CAPNI (Christian Aid Program Nohadra Iraq)	37	55
Chaldean Archdiocese of Erbil	-	30
Total of Iraq	**69**	**85**
Syria		
Lebanese Society for Educational and Social Development	91	50
Pontifical Mission for Lebanon	84	-
The Awareness Foundation	8	-
Total of Syria	**183**	**50**
Grand Total	**2,304**	**2,326**

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging:

	Year ended 2023 £'000	Year ended 2022 £'000
Auditors' remuneration	27	27
Depreciation - owned assets	19	25
Staff pension contributions	210	196
Services provided by the Charity's auditor during the year:		
Audit of the Charity and consolidated financial statements	22	20
Audit of the Trading subsidiary including provision of annual report and accounts	4	6
Corporation tax calculation for Charity & Trading subsidiary	1	1
	27	**27**

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL RENUMERATION 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:

	2023 £'000	2022 £'000
Trustee travel expenses - for 8 trustees (2022:7)	3	5

The key management personnel of the charity are the trustees, and the Senior Leadership Team which at the end of 2023 comprised the Chief Executive, the Director of Programmes & Engagement, the Director of Shared Services, the Head of HR and Culture and the Director of Fundraising.

The total employee benefits of the Senior Leadership Team in 2023 were £394k (2022: £370k), 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

8. GROUP STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	1,111	1,036
Social Security costs	110	105
Pension plan contributions	210	196
	1,431	1,337

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

	2023	2022
UK management staff	5	5
UK administrative staff	30	29
	35	34

Number of employees receiving total employee benefits (gross pay and company pension contributions), in the ranges:	2023 £'000	2022 £'000
£60,000 - £70,000	3	1
£70,000 - £80,000	1	1

9. TANGIBLE FIXED ASSETS

Group

	UK freehold property £'000	Fixtures and fittings £'000	Computer related £'000	Totals £'000
Cost				
At 1 January 2023	968	132	181	1,281
Additions	-	-	-	-
Disposals		(49)	(170)	(219)
At 31 December 2023	**968**	**83**	**11**	**1,062**
Depreciation				
At 1 January 2023	116	102	178	396
Charge for the year	10	7	2	19
Disposals	-	(47)	(170)	(217)
At 31 December 2023	**126**	**62**	**10**	**198**
Net Book Value				
At 31 December 2023	**842**	**21**	**1**	**864**
At 31 December 2022	852	30	3	885

Charity

Cost				
At 1 January 2023	968	132	181	1,281
Additions	-	(0)	0	0
Disposals	-	(49)	(170)	(219)
At 31 December 2023	**968**	**83**	**11**	**1,062**
Depreciation				
At 1 January 2023	116	102	178	396
Charge for the year	10	7	2	19
Disposals	-	(47)	(170)	(217)
At 31 December 2023	**126**	**62**	**10**	**198**
Net Book Value				
At 31 December 2023	**842**	**21**	**2**	**864**
At 31 December 2022	852	30	3	885

10. FIXED ASSET INVESTMENTS

Group	Listed investments £'000	Unlisted investments £'000	Total £'000
Market value as at 31 December 2022	3,350	8	3,358
Additions	985	-	985
Disposals	(925)	-	(925)
Revaluations	178	-	178
Market value as at 31 December 2023	**3,588**	**8**	**3,596**
Historical cost of the investments were:			
31 December 2022	3,084	3	3,087
31 December 2023	3,249	3	3,252

Charity	Listed investments £'000	Unlisted investments £'000	Holding in trading company £'000	Total £'000
Market value as at 31 December 2022	3,350	8	1	3,359
Market value as at 31 December 2023	**3,588**	**8**	1	**3,597**

Listed investments were comprised of the following:	2023 £'000	2022 £'000
UK equities	838	1,178
Overseas bonds	184	259
UK bonds	400	271
Property	283	300
North American equities	800	497
International equities	232	142
European equities	272	108
Far East and Australasian equities	136	119
Emerging economies	97	95
Other investments	346	381
Total	**3,588**	**3,350**

The following holdings were over 5% of the total market value of the portfolio in either 2022 or 2023	Market Value at 31 December 2023 £'000	Market Value at 31 December 2022 £'000
JPMorgan ETFS	182	-
Vanguard S&P 500 ETF *	131	222

Of the unlisted investments, £8k was invested overseas. | * less than 5% in 2023

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	-	-	-	-
Amount owed by group undertaking	-	-	158	51
Other debtors	140	224	133	220
Prepayments	8	46	8	36
Total	**148**	**270**	**299**	**307**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	101	143	36	77
Amount due to group undertaking	-	-	-	-
Social security and other taxes	44	33	44	33
Other creditors	37	34	1	3
Accruals	136	121	133	114
Total	**318**	**331**	**214**	**227**

13. ACCRUED GRANTS

	2023 £'000	2022 £'000
At 1 January 2023	71	212
New grants committed (note 5)	2,304	2,326
Grants paid in year	(2,296)	(2,467)
At 31 December 2023	**79**	**71**

14. PENSION COMMITMENT

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 £210k, (period to 31 December 2022 £196k). These contributions include employee salary sacrifice contributions.

There were £nil contributions outstanding at 31 December 2023 (period to 31 December 2022 £nil).

15. 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 2023 £'000	At 31 December 2022 £'000
Amounts payable:		
Within 1 year	83	-
Within 2-5 years	72	-

Operating lease charges totalling £7k (2022: £Nil) were expensed during the period.

16. 2023 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2023 total funds £'000
Fixed assets	-	864	-	864
Investments	-	3,596	-	3,596
Current assets	2,372	104	445	2,921
Current liabilities	(318)	-	-	(318)
Total Funds	**2,054**	**4,564**	**445**	**7,063**

2022	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2022 total funds £'000
Fixed assets	-	885	-	885
Investments	-	3,358	-	3,358
Current assets	2,305	649	65	3,019
Current liabilities	(331)	-	-	(331)
Total Funds	**1,974**	**4,892**	**65**	**6,931**

17. DESIGNATED FUNDS

2023	As at 1 January 2023 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2023 £'000
Fixed Assets [1]	885	-	(21)	864
Programme Fund [2]	1,800	-	-	1,800
Sustainability Fund [3]	2,207	-	(307)	1,900
	4,892	**-**	**(328)**	**4,564**

1. Fixed Assets - Trustees have resolved to designate funds to the value of £864k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund -Trustees have designated funds to cover 12 months of budgeted expenditure (2022: 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, as forecast to 2030.

2022	As at 1 January 2022 £'000	New Designations £'000	Designations Released £'000	As at 31 December 2022 £'000
Fixed Assets [1]	885	-	-	885
Programme Fund [2]	2,700	-	(900)	1,800
Helen Keller School Grants [3]	846	1,361	-	2,207
	4,436	**1,361**	**(900)**	**4,892**

1. Fixed Assets - Trustees have resolved to designate funds to the value of £885k to reflect the value of fixed assets being unavailable for use in the Charity's usual operations.

2. Programme Fund - Trustees have designated funds to cover 12 months of budgeted multi-annual grant expenditure (2022: 12 months) subject to other grant conditions being met on committed multi-annual grants to partners.

3. Sustainability Fund - Trustees have designated funds to ensure the ongoing sustainability of the charity to 2025.

18. 2023 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.

	Opening balance £'000	Income during 2023 £'000	Spending during 2023 £'000	Closing balance £'000
General funds [1]				
Community Development	1	-	-	1
Country specific	-	231	(231)	-
Education	-	227	(227)	-
Health	-	126	(126)	-
Humanitarian	-	771	(343)	428
Livelihoods	-	55	(55)	-
Other	-	2	-	2
Special needs and disability	-	79	(79)	-
Partners working within the following fields [2]				
Education	3	5	(3)	5
Health	61	54	(108)	7
Humanitarian	-	1	(1)	-
Livelihoods	-	30	(28)	2
Special needs and disability	-	24	(24)	-
Women's education and empowerment	-	7	(7)	-
Youth	-	1	(1)	-
Total restricted funds	**65**	**1,613**	**(1,233)**	**445**

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

2022 comparatives

	Opening balance £'000	Income during 2022 £'000	Spending during 2022 £'000	Closing balance £'000
General funds [1]				
Community Development	1	-	-	1
Country specific	-	322	(322)	-
Education	-	242	(242)	-
Health	-	162	(162)	-
Humanitarian	-	83	(83)	-
Livelihoods	-	62	(62)	-
Special needs and disability	-	32	(32)	-
Partners working within the following fields [2]				
Education	-	3	-	3
Health	-	123	(62)	61
Humanitarian	-	1	(1)	-
Livelihoods	-	25	(25)	-
Special needs and disability	-	18	(18)	-
Youth	-	3	(3)	-
Total restricted funds	**1**	**1,076**	**(1,012)**	**65**

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

19. 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.

Embrace the Middle East Trading Limited collected donations on behalf of the charity throughout its catalogue and web-site sales and also sold alternative gifts which are a form of donation.

	2023 £'000	2022 £'000
Donations received on behalf of the charity	61	45
Alternative gifts sold on behalf of the charity	142	159
Total	**203**	**204**

As at 31 December 2023 a net figure of £158k was owed by the Trading company to the Charity.

As at 31 December 2022 a net figure of £51k was owed by the Trading company to the Charity.

A total of £5k of donations were received from 7 Trustees during 2023.	5	2

20. RECONCILIATION OF SURPLUS ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2023 £'000	2022 £'000
Net (expenditure) income (as per the statement of financial activities)	132	(1,332)
Adjustments for:		
Depreciation charge	19	25
Loss on disposal	2	-
Net gains on investments	(178)	570
Investment income receivable	(96)	(99)
(Increase) / Decrease in stock	24	(26)
(Increase) / Decrease in debtors	122	(47)
Increase / (Decrease) in creditors	(13)	(86)
Net cash used in operating activities	**12**	**(995)**

21. CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash and cash equivalents at beginning of year	2,672	3,603
Cash and cash equivalents at end of year	2,720	2,672

22. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to £1 by guarantee.

23. POST BALANCE SHEET EVENTS

The trustees began marketing the charity's property at 24 London Road West, Amersham, Buckinghamshire, HP7 0EZ in September 2023. The property sale is subject to offer and contract.

On 6 May 2024, the trustees approved the closure of Embrace the Middle East Trading Limited. Going forwards, trading activities will be continued from within the charity itself, with due regard for compliance with associated tax regulations and focus on primary purpose activities that align with the charity objectives.

Since the year end, the charity has been notified of a legacy due. The final amount and timing of receipt are unknown but this is estimated to be in excess of £1m. This amount has not 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: Tahaddi Sewing Atelier, Lebanon.
Back cover image: The Embrace-supported Life Vision bell ball team, Egypt.

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