



Muslim Hands

# ANNUAL REPORT

2021

ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2021

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# Message from the Chairman

**Assalamu Alaikum,**  
**Over the past 27 years,**  
**Muslim Hands have dedicated**  
**themselves to humanitarian**  
**and development work.**  
**This began in 1993, when the**  
**horrors of the Bosnian conflict**  
**sent shockwaves through**  
**the UK, and a community in**  
**Nottingham came together to**  
**collect aid for those suffering.**

2021 was a year of opportunities and challenges and we are extremely grateful to our donors for continuing to support those in need despite the pandemic. Their inspirational generosity allowed our teams and partners to build on the foundations of vital projects worldwide. We were able to carry on educating children in our schools, expand our work in Yemen beyond what anyone could have imagined, provide thousands of communities with life-saving water and so much more.

The fact that we were able to expand our development work during an economic crisis is a testament to the

commitment of UK donors to global wellbeing. They facilitated a range of improvements to our WASH facilities, such as installing solar-systems in existing wells to improve accessibility to quality water. (This year, 1.5 million people have been supported through the establishment of 13,000 water wells, alhamdulillah). They also helped us maintain our pupils' learning during the pandemic, funding multiple projects to support over 12,000 orphans and 127,000 school children through Muslim Hands' educational programmes.

In 2021, our donors and our award-winning volunteer team also responded to growing concerns around food insecurity in the UK. Through The Open Kitchen in London, we targetted the most vulnerable members of the community, providing essential meals to hundreds of families a day. We also successfully partnered with FareShare UK to supply over 1 million meals through FareShare's network of partners and organisations.

Through the generosity of our supporters, the commitment of our

partners and the hard work of our teams and volunteers on the ground, we have been able to accomplish many successes in one of the most difficult years we have faced. We never could have envisaged the way the 'Muslim Hands family' would grow back in 1993 and this dedication to helping others has allowed us to provide emergency relief and transform the lives of millions worldwide.

In sha Allah, we will continue to grow and expand our programmes worldwide, building our network of partners, increasing local capacity and working alongside communities to meet their needs and improve their lives. By Allah, your support has helped millions of people and we look forward to working together to tackle the root causes of poverty and injustice!

Wassalamu Alaikum,

Syed Lakthe Hassanain



# Legal and Administrative Information

<b><u>Trustees and statutory directors</u></b>	Dr Musharraf Hussain Mohammad Amin-ul Hassanat Shah Syed Lakhte Hassanain Sahibzada Ghulam Jeelani Saffi Ullah Mohammad Arshad Jamil Abdul Qudeir Khan Mohammed Zameer
<b><u>Sub-Committees to the Board</u></b>	Programmes Committee Audit Committee Fundraising Committee
<b><u>Company number</u></b>	05080486 (country of incorporation is England and Wales)
<b><u>Charity registration number</u></b>	1105056 (country of registration is England and Wales)
<b><u>Registered office</u></b>	148-164 Gregory Boulevard, Hyson Green, Nottingham, NG7 5JE
<b><u>Company secretary</u></b>	Dr Musharraf Hussain
<b><u>Auditor</u></b>	Sayer Vincent LLP, Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
<b><u>Internal Auditor</u></b>	BDO LLP, Regent House, Clinton Avenue, Nottingham, NG5 1AZ
<b><u>Bankers</u></b>	National Westminster Bank plc, Hyson Green, Nottingham Santander UK plc, Manchester Business Centre, Manchester Al Rayyan Bank plc, Edgbaston House Birmingham Barclays Bank, Churchil Place, Leicester
<b><u>Solicitors</u></b>	Freeth Cartwright LLP, Cumberland Court, Nottingham Knights PLC, 84 Friar Lane, Nottingham



# INTRODUCTION

## **This is the 2021 annual report of the Muslim Hands trustees.**

It is presented together with a Trustees' Responsibilities Statement on page **[page 58]**, the Independent Auditor's Report on pages **page 56** and the financial statements for the year ending 31 December 2021 on pages **page 62**

The financial statements for the year ending 31 December 2021 have been prepared in accordance with the accounting policies set out in the note to the financial statements. The financial statements comply with the Charity's Governing Document, the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.



# STRATEGIC REPORT

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

**Muslim Hands' trustees are pleased to announce the remarkable work that the charity has carried out during the period Jan 2021 – Dec 2021.**

The dedicated staff and volunteers at Muslim Hands have continued showing their utmost professionalism to manage the charity's day to day affairs in-line with organisational values and objectives and the generosity of our donors during a difficult economic climate has enabled us to reach 8.6 million people with lifesaving and life-changing interventions.

Muslim Hands experienced a

momentous Ramadan fundraising campaign – whereby a lot of the success came from our various live TV appeals with our media partners and digital campaigns.

The organisation continued to strengthen its project implementation by increasing the level of monitoring across the regions in which it operates. This was achieved by a rise in monitoring visits carried out by the MEL officer and thematic leads.

At the national level, Muslim Hands' Open Kitchen in Hounslow has been addressing food insecurity in London for the last three years, serving around 500 hot meals a day. Our second Open Kitchen in Nottingham opened in December and is currently serving up to 100 meals a day.

The charity followed a robust due diligence process to ensure the right partners are selected to implement projects on the ground. This involved collecting information about key stakeholders and signing collaboration agreements.



# FUNDRAISING

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

**Our teams raise funds from the public by organising charitable collections, events, challenges, TV appeals and through direct marketing.**

Muslim Hands continued its membership with the Fundraising Regulator – complying with its guidelines through training and development of all fundraisers.

To protect vulnerable people in the course of fundraising, we take appropriate measures which include screening contact details against the TPS

and using our own 'do not contact' list, allowing all individuals the opportunity to opt out of communications, limiting the number of direct marketing communications to an average of two per quarter. Furthermore, the communication is often limited to those who have donated recently to a similar campaign. In addition to this, under GDPR where a supporter opts-out of receiving communication from Muslim Hands, the request is actioned within 48 hours. There were 11 complaints received in the course of fundraising during the stated period.



## Where we work

Muslim Hands partners with independent charities across the world to deliver its charitable programmes. Muslim Hands establishes its partnerships with a series of Trademark Licenses for MH branded partners and Collaboration Agreements with all partners. The partners are reviewed periodically as part of the Charity's partner Due Diligence. Their capacity is assessed to ensure they have reliable Governance arrangements, the ability to deliver programmes and to ensure that there is reliable financial management of charitable funds.

The partnerships are overseen on an ongoing basis by methods including sharing some common trustees for oversight, in-depth monitoring and evaluation to evidence the following: end use of funds, programmes quality and compliance to policy. Muslim Hands also carries out physical verification by visiting partners throughout the year. During visits Muslim Hands' teams check the existence of programmes, their delivery and completion and cross-check partners' records, reports and Photographic/ Videographic evidence submitted. During the visits, they

also conduct quality checks with the support of specialists for programme quality and safety. Furthermore, Muslim Hands has an outsourced Internal Audit department which provides independent assurance on its Control Environment including the implementation of Programmes. Recent locations visited for monitoring include Afghanistan, Gambia, Indonesia, Lebanon, Mauritania, Malawi, Mali, Pakistan, Somalia, Turkey and Yemen. The partners where Muslim Hands deliver its programmes are based in the locations listed below.

<b>Afghanistan</b>	159,260 beneficiaries	<b>Niger</b>	110,801 beneficiaries
<b>Bangladesh</b>	359,070 beneficiaries	<b>Pakistan</b>	1,686,071 beneficiaries
<b>Gambia</b>	60,404 beneficiaries	<b>Palestine</b>	637,203 beneficiaries
<b>India</b>	43,704 beneficiaries	<b>Rwanda</b>	3,918 beneficiaries
<b>Indonesia</b>	2,019 beneficiaries	<b>Senegal</b>	61,172 beneficiaries
<b>Kashmir (India)</b>	149,357 beneficiaries	<b>Somalia</b>	297,805 beneficiaries
<b>Kashmir (Pakistan)</b>	383,769 beneficiaries	<b>Sri Lanka</b>	177,402 beneficiaries
<b>Lebanon</b>	24,582 beneficiaries	<b>Sudan</b>	82,198 beneficiaries
<b>Malawi</b>	86,819 beneficiaries	<b>Turkey</b>	184,663 beneficiaries
<b>Mali</b>	393,083 beneficiaries	<b>Uganda</b>	4,138 beneficiaries
<b>Mauritania</b>	8,439 beneficiaries	<b>United Kingdom</b>	172,042 beneficiaries
<b>Mexico</b>	290 beneficiaries	<b>Yemen</b>	4,204,451 beneficiaries



# EMERGENCY AID

**2,959,081 – Total Emergency Aid Beneficiaries**

**Muslim Hands (MH) has successfully worked in emergency zones over the past 29 years, providing humanitarian relief to beneficiaries who have escaped war and.**

At Muslim Hands, we have always emphasised the importance of immediate response, whether it is providing urgent food parcels in Afghanistan or providing blankets and water to those impacted by wildfires.

Over the past year, we have successfully opened another bread factory in Yemen, completed the first phase of our briquette homes in Syria, and provided shelter to the Rohingyas. We were also on the ground providing emergency food parcels to beneficiaries impacted by the ongoing crisis in Afghanistan.



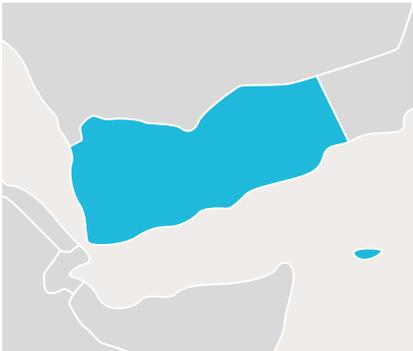


# SAVING LIVES IN YEMEN

**Since the conflict started in Yemen in 2014, Yemen has become the largest humanitarian crisis in the world, with around 23.7 million people in need of assistance, including almost 13 million children.**

More than half of Yemen's health facilities are destroyed, with some 17.4 million people now needing food assistance and 2.2 million children being acutely malnourished. More than 2 million children are currently out of school.

Muslim Hands has been working in Yemen since 2019, providing much-needed humanitarian relief. In 2021, we opened another bread factory and our first Muslim Hands School of Excellence in Aden.





# COMBATTING MALNUTRITION

**One of our most significant projects in Yemen is the bread factory. Muslim Hands is at the forefront of combatting malnutrition. With 17.4 million people urgently requiring food assistance, the bread factory aims to combat malnutrition in the country. Currently, the bread factories are based in North Aden, south Aden, North Ma'rib, South Ma'rib, and Seiyun. The MH bread factory has reached 34,500 beneficiaries.**

Currently, around 2.2 million children are malnourished in Yemen, and our school feeding programme in Marib aims to tackle child malnutrition head-on.

We have provided nutritious food to 4,570 school-age children, boys, and girls, in 5 selected schools within the Ma'rib governorate. The children will be receiving a 125 ml pack of milk, one 60 gms bread, one cream tringle cheese, and two bananas or any available fruits based on the season.

Amar, 12 (pictured on the right), is one of the orphans who has benefitted from our school feeding programme in Yemen. Living in Marib, he lost his dad because of the war. Amar and his mother are the breadwinner earning around 2000 a day. Amar said "Yes, a lot the school meal project has helped him a lot as it provides an excellent meal that I used to not be able to get it daily."





Only **50%** of people in of health facilities in Yemen are fully functional.  
[World Bank]

# HEALTH CARE IN A WARZONE

**27,000** beneficiaries at Al-Kawd Health Centre

**According to World Bank, currently, only 50% of health facilities are fully functional. Shortages of Human Resources, equipment, and supplies are severely hindering healthcare provision.**

The Al-Kawd Health Clinic has provided urgent medical relief to 27,000 beneficiaries. The centre provided integrated health care services, therapeutic nutrition services, immunization services, reproductive health services, awareness, maternity service, and education.





# SAFE WATER FOR YEMEN



**1,827,427** water beneficiaries in Yemen

**UNICEF stated that 16 million people (including 8.47 million children) are in urgent need of water, sanitation, and hygiene (WASH) assistance. The MH emergency water project has reached 1,827,427 beneficiaries in Yemen.**

Since the conflict began in Yemen, the Aden water system has sustained around \$60 million worth of structural damages. The structural damages have severe health implications on the residents of Aden, with outbreaks of cholera and diphtheria. The Rehabilitation of the wells in Aden hopes to improve the lives of 1.7 million people by providing clean running water.



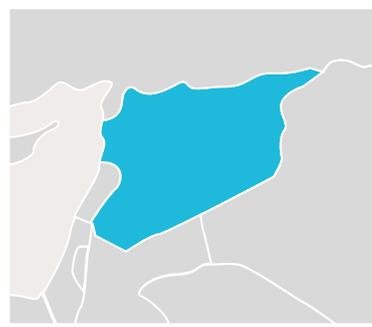


# HOMES FOR SYRIAN FAMILIES

## 650 briquette homes for Syrian families

**Muslim Hands Briquette Housing based in Idlib, which host around 1.7 million internally displaced Syrians. There is severe housing crisis in the region, with many families living in overcrowded shelters.**

Muslim Hands' 650 Briquette housing project aims to elevate the burden that many of the Syrian families are currently facing, by providing spacious shelters, with fitted kitchen, furniture and living room. The team on the ground have also constructed water sealed pit latrines – one for each house.





# DAILY BREAD FOR SYRIANS

**51,750** breads distributed daily, 7 days a week

**Many Syrian IDPs are currently residing in Afrin – their situation is catastrophic. With the economic instability in the region, they have seen an increase in food prices, and with a lack of employment opportunities –they face starvation.**

The Afrin bread factory – is a long-term projects, which aims to tackle food insecurity in the region head-on. The bread factory in Afrin aims to distribute approximately 51,750 (5175 packs of 10 bread pieces each) of bread daily.



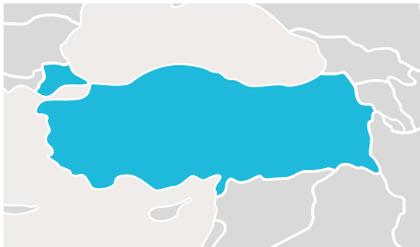


# FIGHTING WILDFIRES IN TURKEY

**1,600** – Total emergency beneficiaries in Turkey

**In the summer, Turkey faced one of the worst wildfires in over a decade, destroying over 100,00 hectares of land over 17 different regions.**

Muslim Hands distributed food and water to 1600 beneficiaries directly affected by the fire in the east and west of Turkey.





# AFGHANISTAN IN CRISIS

**41,900 – Total beneficiaries in Afghanistan**

**The conflict in Afghanistan and the increase in food prices impacted over 22 million Afghans who have faced hunger. It is estimated that around 1 million children are at risk of dying.**

Our team on the ground has assessed the needs and concluded the most vulnerable are the IDPs living near the capital who had to relocate due to the conflict. Our humanitarian intervention was to tackle the famine by providing the IDPs with food parcels. The first phase of the project supported 19,450 beneficiaries, and the second phase supported 22,450 beneficiaries.

Marwa, 8, lost her father and her uncle in an attack on a wedding hall. Her mother became the breadwinner after the death of her father, however, when the new administration came into power, her mother lost her job, and she couldn't work. She is currently unemployed and she now works as a cleaner in people's houses to earn money for a living.



Because of the economic situation – Marwa and her family are unable to support themselves, and the donor intervention has elevated some of the burden that they have faced.





# SUPPORTING KASHMIR (INDIA)

**At the beginning of 2021 – Muslim Hands provided emergency support in food, non-food items, and health care facility to beneficiaries residing in India Kashmir. With the ongoing crisis in India Kashmir it required urgent relief as the pandemic severely impacted the economic situation in the region.**

With the winter approaching, many of the India Kashmiri could not purchase the necessities – Muslim Hands provided blankets, winter coats, shoes and socks, firewood, essential food items, and hygiene products.

The second project that we undertook in India Kashmir was providing free medical camps for the elderly population in the region. The project provided patients with free medicine, blood test, and pressure. The project also aimed to raise awareness of the importance of having a regular health check.

Rafiq (picture on the right), a 36-year-old widow, as the sole breadwinner, she has been feeling the effects of Covid-19 and continuous lockdown. The lockdown has prohibited Rafiq from working - she was unable to earn a penny for three months, unable to feed her family. Because of their situation – they were able to their children one time a day. Because of our intervention – Rafiq was able to feed her family for two months.





# ROHINGYA REFUGEES

**7,035** – Total Rohingya Beneficiaries

**Muslim Hands has been supporting the Rohingya refugees since 2017. During the last couple of years, we have provided a safe space for women who have faced sexual assault, grievous injuries, and traumatic experiences. Muslim Hands have also started a child-friendly space supporting children facing exploitation.**

In 2021, we supported Rohingya refugees through two projects, the Rohingya Shelter Programme, and we provided food and non-food times to Rohingya's affected by monsoon flooding. MH assisted a total of 7,035 beneficiaries in 2021.





# SURVIVING WINTER

**70,345 – Total Winter Aid Beneficiaries**

**This year our beneficiaries were facing harsher winter, and one of the reasons was the impact of climate change. Many of the beneficiaries' shelters and clothing are not equipped for sub-zero weather. Many of them have had underlying health conditions – the harsh weather further intensifies their illness. Furthermore, many young children do not have suitable clothing to withstand the cold, which often leads to cold or even pneumonia.**

We have assisted 70,345 beneficiaries to stay warm this year. We provided relief in Pakistan, Afghanistan, Lebanon, India Kashmir, Turkey, and Yemen.



Warda is a 16th-year-old orphan. She is responsible for taking care of her two brothers, Warda's father has died of short illness, while her mother is undergoing cancer treatment in Syria. Their situation is catastrophic. The recent snowstorm Yasmine has further exacerbated their already unbearable living conditions. The tents, mainly made from wood and plastic, cracked under snow – and as the snow started to melt, the water leaked and flooded into

their home, destroying their already non-existent property. Warda and her brother do not go to school – as they cannot afford to go to school. Warda wants to go to school to learn how to read and write – “my dream is to receive an education – to become something.” Warda is tired – the responsibility for a 16-year-old is too much for her to bear. “I feel like an old woman – I am the mum and dad.”



# CLIMATE RESILIENCE ENVIRONMENT

**The project will focus on the preparedness, mitigation, and prevention activities planned before the occurrence of the disaster to reduce the risk of disaster.**

The Monsoon Contingency Plan was launched in mid-August 2021 by involving all stakeholders of the Federal Government, Provincial line departments, district administration, and development partners. This enables the communities to conduct their hazard, vulnerability, and capacity analysis, including the underlying causes of disaster risks, and integrate these into their village development plans.



# WOMEN IMPACTED BY CLIMATE CHANGE



## 90 beneficiaries of sand-cropping project

**Muslim Hands’ second climate change-led project aimed to ensure food security and engagement of landless poor in agri-base income-generating activities.**

It aimed to transform traditional agriculture into a woman & youth-led agribusiness model through a climate-smart Sandbar cropping Technology. The result was for the beneficiaries to producers and develop a sustainable community-led model and build self-resilience to run independently.

Sandbar cropping is Innovative new technology that permits landless families in Bangladesh to grow pumpkins and other crops on barren lands. The project teaches farmers how to identify sandbar cropping space, dig pits, fill them with compost and add pumpkin seeds. Obtaining Pumpkin through sandbar enables the beneficiaries to store the Pumpkin – and sell them at a reasonable price during monsoon season. This project has benefitted 90 beneficiaries.





## PLANTING TREES

**67,600** olive trees were planted

**Planting trees is one way to combat climate change – trees are often described as carbon storage machines, as one hectare can store 400 tons of carbon. Planting trees does more than capture carbon – it can prevent flooding, reduce city temperature, and reduce pollution.**

Muslim Hands has been actively working on planting trees in Palestine and Pakistan. Our project is not only a source of income for beneficiaries, but also it is at the forefront of combatting climate change. In total of 67,600 olive trees have been planted, benefitting 1687 beneficiaries (farmers). Each farmer will obtain 40 olive trees aged between 3-5 years old.





# HEALTH PROJECTS



**408,436 – Total health projects beneficiaries**

**Our health project has supported 408,436 beneficiaries countries such as Yemen, Somalia, Pakistan and Afghanistan, where urgent medical is needed.**

In 2021 the world was in turmoil. Many families were facing the impact of the pandemic – with families losing loved ones. Another determinantal impact of the pandemic and the lockdowns was that it directly affected many people’s livelihoods and mental health. Muslim Hands was at the forefront of supporting our beneficiaries affected by the pandemic.

One of the interventions was in India – as death toll rose rapidly, and they urgently needed oxygen concentrators. One aspect of our emergency was to supply hospitals with oxygen concentrators.

The second aspect of the emergency was to distribute cooked food. The hot meal was distributed, under Covid-19 guidelines, to families who were unable to purchase any meals. In total, MH has supported 26,000 beneficiaries with our Emergency Covid relief in India.





# SUPPORTING MOTHERS AND CHILDREN

**74,050** mother and baby beneficiaries

**One of MH’s flagship projects is the MotherKind Clinics in Somalia and Afghanistan. Both countries face conflict, instability and drought, and the availability of free maternal health care alleviates some of the issues women and children encounter.**

The clinic provides first-class pre- and post-natal care. In Somalia, 700 hundred babies have been safely delivered in the last three years. The clinic also trains midwives, offers vaccination, and provides free medicines and vitamins.

Furthermore, the clinic holds awareness-raising sessions on nutrition and hygiene. There are also counsellors available for those dealing with traumatic experiences. In both Afghanistan and Somalia we have assisted 74,050 mothers and children.

Dr. Hawo has worked at the MotherKind Clinic for over three years – and during her time at the clinic, she has provided care to children and their mothers and offered counselling sessions to rape victims.

Working at the clinic has enabled her to continue her father’s legacy *“seeing him take care of the neighbours fuelled me to become a doctor. Working at MotherKind, I can help those who are the most vulnerable and continue what my father started.”*





# EYECARE FOR ELDERLY

**18,103** cataract surgery beneficiaries

**Muslim Hands has provided cataract surgery to 18,103 beneficiaries in countries such as Niger, Sri Lanka, Pakistan, and Afghanistan. Cataract surgery aims to improve the patient's vision.**

Cataract forms when the lens of the eye becomes clouded over by protein. The cloud of proteins continues, which results in obstructing the vision. Cataract surgery is straightforward and painless and lasts around 10-15 minutes.

Developing cataracts is unavoidable with age. However, according to World Economic Forum, 90% of the world's blind live in low-income countries, and

the leading cause of this often needless, and frequently avoidable blindness is cataracts. Our cataract surgery programme aims to remove the barriers that many of the beneficiaries face by providing free cataract surgery.





# PROVIDING EDUCATION

**42,521** children received education

**Providing free accessible education is a fundamental human right – yet 61 million children in underdeveloped countries do not have access to such rights. One of the primary reasons children are not in education full-time is conflict. Conflict creates an atmosphere where education is not a priority.**

Many children do not have the means to pay for their education, and in some cases, children become the primary providers. Providing free accessible education to children in the emergency zone eliminates the pressures that young children face – it gives them a sense of hope, the possibility that everything is possible.

Currently, we have Muslim Hands School of Excellence located in Asia, the Middle East, and Africa. Our school teaches curriculum in guidelines with the country they are based in – we also provide Islamic education. The school teaches orphans and non-orphans students – in 2021, our MH SOE school has taught 10,567 children.





# SUPPORTING DISABLED STUDENTS

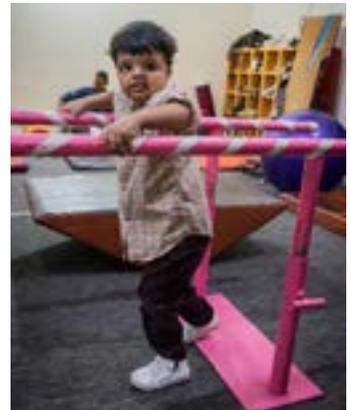
**Children with disability are more likely to miss out on education than any other children – this is down to multiple factors. The stigma that many disabled children face in communities prohibits children from accessing education. Rural schools do not provide adequate support for the students.**

In most cases, they lack the funding to provide the necessary support for the students. The Muslim Hands disability project aims to remove some of the barriers that special needs students encounter.

One aspect of our Muslim Hands project is forming partnerships with different schools that already support disabled students. We aim to support these schools that have

limited budgets and resources. The purpose is to enhance their facilities, which results in the children studying a better environment.

In the second phase, the project provides financial grants, furniture for children, Braille papers, Embosser Machines, CCTV machines, and routine operating costs. All these institutions that we support are based in District Mirpur. Our project has helped 713 special needs students.





## NEW SCHOOL IN ADEN

**In 2021, the first Muslim Hands School Of Excellence was launched in Yemen. The school in Aden, taught 270 orphan students. Yemen is facing an education crisis – with around 2 million children unable to attend school.**

Our school aims to provide stability, normality, and a future to children who have faced a traumatic experience. The building of the school contains nine classes. We are currently providing free educations to are ages 6 to 14 years old.

Ayman, 9, lost his father due to a heart attack. Ayman was traumatised by his father's death, and he was in denial. And he expressed his refusal to let them bury him.

Thanks to our MH School, Ayman is currently in a much better place.

*'I am thrilled to attend school, and my appetite has become more open while my hopes have come alive because of the school's various services'.*





# HELPING ORPHANS

Over **13,000** orphans were sponsored

**Muslim Hands orphan sponsorship runs in 16 countries, including Palestine, Yemen, and Pakistan. The orphan sponsorship programme supports orphans whom many have faced hardship from an early age.**

Not only does the MH school Orphan programme provide the school fees, but they also receive school uniforms for the year, books, and stationary. Muslim Hands also covers medical and health checks and provides nutritious food and transportation. The orphan sponsored have gone on to graduate start employment or start their own business.

## ORPHAN SUCCESS STORY

MH has supported Zakir from the age of seven, and after the death of his father, his mother began to struggle financially. Zakir received assistance from MH Orphan Sponsorship Programme where he received support with education and welfare assistance, as well as a monthly stipend to allow.

*'After my father died, I had no one to lean on. My main objective was to get a degree and do something significant with my life. I believe that my relationship with MH and my donor has been very positive because through this sponsorship, my family and I have gotten support in a variety of ways',* Zakir says.

He discussed his feelings about his sponsor, as well as the reasons why he holds such great regard for them.

*'I am incredibly grateful to my donor since they have taken care of me since I was a child'.*





# FOOD SECURITY

We helped **1,693,339** food insecure beneficiaries

**The rise in the cost of living, drought, conflict, and climate change has fuelled food insecurity. Many of our beneficiaries faced unprecedented hardship, with 957 million people across 93 countries who do not have enough to eat.**

Muslim Hands has worked in the world's poorest countries to tackle food insecurity for over 25 years. Our project includes a short-term solution where we provide emergency food parcels and food parcels during Ramadan and Qurbani. For our long-term project includes our Fareshare partnership and our Open Kitchen.

While in Britain, 3.6% (1 million) adults reported that they or someone in their household have had to go a whole day without eating in the past month because they couldn't afford or access food.

Homelessness in the Britain is on the rise – which is mainly fuelled by the rise of cost of living. Our Open Kitchen in Hounslow has been addressing food insecurity issues in Britain for the last three years, and currently, we have been serving 500 meals a day. Seeing the need to support families who have been struggling to put food on the table, Muslim Hands opened its door to the first-ever Open Kitchen in Nottingham.





# FEEDING NOTTINGHAM

**Our Open Kitchen Nottingham has become an important staple in the community, it provides the beneficiaries with fresh-made hot cooked meal, water, and a piece of fruit. The daily distribution aims to give the meals to whoever visits our kitchen, and it aims to provide parents and children with healthy nutritious meals that they would not receive otherwise.**

Phil (pictured right) is one of the users at our Open Kitchen. He does not cook food at home but only uses the microwave to

heat a meal from the Open Kitchen for dinner. The only electricity use 'treat' he allows himself is using the kettle for hot drinks. Before the pandemic, he worked as a kitchen porter in different pubs around Nottingham, but he lost his last job in the lockdowns and struggled to find a new one. But finding a job nowadays happens online, which creates a barrier for him. The Open Kitchen is his haven. He spends an hour here every day to sit down for his lunch and a chat and then takes one meal home to have for dinner later. Our Open Kitchen Nottingham coordinator gave Phil a reference that he needed for an upcoming job interview.





# RAMADAN IFTAR

We distributed iftar food to **182,032** beneficiaries

**Ramadan is one of the holiest months in the Islamic Calendar, and in 2021, we wanted to provide a sense of hope to our beneficiaries. Many of our beneficiaries were inflicted by hardship, unable to afford and purchase necessities to break their fast.**

Beneficiaries were worried about where they would get food to break their fast – our food package eliminated that worry. Our Ramadan nutritious food parcels contained dates, lentils, rice, and beans. Because of our food package, the beneficiaries were now able to focus on the spiritual aspect of Ramadan. In 2021, we gave hope to 182,032 beneficiaries.





# QURBANI DISTRIBUTION

We distributed Qurbani to **900,000** beneficiaries

**During Qurbani, we have distributed meat to beneficiaries across 25 locations. For many of our beneficiaries, meat is an item of luxury, and during Qurbani, Muslim Hands ensure that they receive fresh meat during Eid.**

We have provided 900,000 people with meat in 28 countries! The meat was distributed in Yemen, Syria, and India-administered Kashmir, as well as communities suffering poverty in Somalia, Rwanda, and Mali.

We also distributed fresh meat through our Open Kitchen in Hounslow, where we served a delicious Eid feast to 3,000 vulnerable people and provided 90 families suffering food insecurity with fresh meat.





# EMPOWERING WOMEN

Muslim Hands provided **10,161** livelihoods

**Our livelihood project is woman-centric, empowering women who have faced obstacles and barriers. Sewing Machine Project has empowered women in Afghanistan, Mauritania, Pakistan, and Niger, where they learn a new skill that would benefit them and their families.**

The project provided the women with training on using the sewing machine effectively. Upon completing the course, the women were provided with a sewing

machine to start their business. We have helped 220 women to become independent.

Meena, 45, is a widow living in Afghanistan. After her husband died of cancer, she became the sole breadwinner of the family. Before this project, she was looking for a job in a sewing workshop, but she couldn't find a job because she did not know how to sew correctly. Because of our intervention, Meena is hopeful she will now find an excellent job with a good source of income.





# HOPE SHOPS

Muslim Hands provided **332** hope shops

**Our hope shop project provides livelihood for women with limited or no access to opportunities.**

The shop aims to give women, who are IDPs an independence – the ability to provide for their family without any restriction. Muslim Hands provided 332 women with their own shops. The shops are based in Mali, Niger, Somalia, and Pakistan.





# SAFE WATER

**3,520,694** safe water beneficiaries

**Globally 771 million people don't have clean water, 1.7 billion people don't have access to a decent toilet, and 31% of schools don't have clean water. Muslim Hands has been tackling this issue by designing water well for vulnerable communities.**

MH's intervention has already reached millions of people in some of the most inaccessible places in the world. MH has WASH projects running in countries such as Mali, Sri Lanka, Gambia, Malawi, Pakistan, Somalia, and Yemen.

Currently, Muslim Hands provides WASH Projects in most needed communities – a dig-a-well and tube well. A dig-a-well supports up to 200 people and 35 families. The well is drawn up from 40 metres beneath the ground – the project is suitable for families who depend on agriculture and family.

Whereas the tube well is dug from 30 metres beneath the ground, it operates manually and lasts up to ten years. Having a tube well is that it is suitable all year long. The tube well is built in convenient locations, often between a cluster of houses.

Our environment-friendly solar panel wells provide clean water by digging a hole in the ground and extracting water using solar power. This is more sustainable than extracting water using a motor that relies on diesel .





# TOILETS FOR GIRLS

**In Pakistan, nearly 80% of women in Pakistan do not manage their periods hygienically, and our project in the Punjab province aimed to tackle the problem head-on. Furthermore, In Pakistan, 28% of girls miss school and work due to a lack of WASH facilities.**

The Sustainable Development Goal (SDG) 6 aims to achieve universal access to sanitation and hygiene for all by 2030 – with special priority on the needs of girls and women. Working in partnership with the Girls Guide Association, we established Girls Friendly Washrooms (GFWs) at five divisional centres. We have prioritised the hygiene requirements of young girls and women by establishing these toilet facilities. We will also continue to conduct awareness sessions with the girls and women.

A teacher at one of the facilities said:

***'Sanitation needs of women and girls must be kept in mind during the construction of toilet facilities. Due to the lack of sanitation facilities, we face many problems which often lead to health problems. Hygiene facilities and girls-friendly toilets must be provided in all the schools to meet the needs of teachers and students'***





# RAIN HARVESTING

## **Our Rain harvesting project provided clean water to women and children in Pakistan.**

The concept of rain harvesting is to catch the rainwater where it falls, such as roof buildings made of either reinforced cement concrete (RCC), galvanized iron, or corrugated sheets. Once the water is collected, it can be stored in a water tank or an artificial recharge system. This project will provide continuous clean water to the local community, but it also has also created employment opportunities to the local community.



# RELIGIOUS EDUCATION

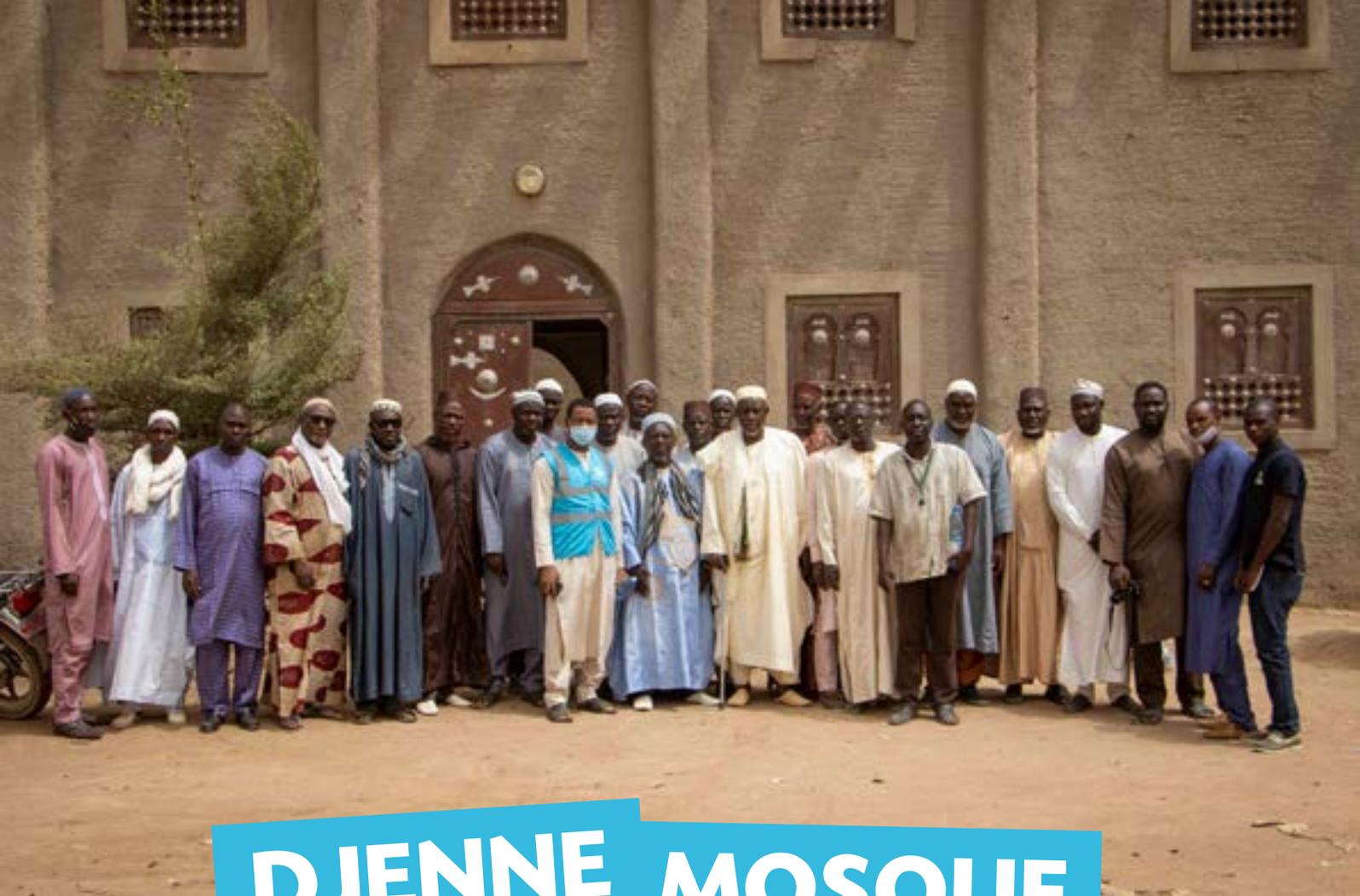


**250** mosques built for rural communities

**In 2021, Muslim Hands built 250 mosques in remote locations, where many religious institutions were either uninhabitable or derelict.**

This intervention enabled worshippers to pray in a mosque instead of in their homes which they often did. The mosque also serves as an educational facility, and they can hold meetings, resolve disputes, and conduct marriage ceremonies. In 2021, we built mosques in Rwanda, Uganda, Mali, Pakistan, Sri Lanka, and Bangladesh.





# DJENNE MOSQUE

**Djenne Mosque, constructed in the 13th century, is one of the oldest mosques in the world. A classic example of Sudano-Sahelian architecture, it was designated a World Heritage Site by UNESCO in 1988.**

Muslim Hands has been supporting the mosque by improving the general state of the mosque, providing better working conditions for the mosque staff, and maintaining the Islamic library. Furthermore, it will provide salaries to the Imams, cleaners, and Islamic Library caretakers.





# GIVING THE YOUTH A VOICE



Since its inception in 2006, the Young Muslim Writers Awards (YMWA) has been working towards raising the standards of child literacy and creative writing for 5 – 16 years olds across the UK.

As only 0.4% of journalists in the UK are Muslim, the YMWA wants to encourage more young Muslims to pursue a career in journalism and the creative industry. We aim to showcase that a career in the field of media is attainable by giving the youth much-needed confidence.

Our competitions encourage the youth to explore creative writing and journalism. The competition accepts short stories, poems, articles, screenplays, and play scripts that are submitted and are assessed by poets, authors and other notable figures from the arts and media industry.



# Core Humanitarian Standard

The Core Humanitarian Standards (CHS) aim to showcase good humanitarian action. The CHS is there to help and support organisations design, implement, assess, improve, and recognise quality and accountability in assistance and programmes.

## THE STRUCTURE OF THE CHS

- Nine Commitments to communities and people affected by the crisis.
- Supporting Quality Criteria.
- Actions to be undertaken to fulfill the Commitments
- Organisational Responsibilities to support the consistent and systematic implementation of the Key Actions throughout the organisation



By applying the CHS nine Commitment, staff will have a benchmark on how best to operate.

Beneficiaries will know that they will get the assistance they require, and donors will have better insight into how their funding is being spent.

## MUSLIM HANDS AND THE CORE HUMANITARIAN STANDARD

Muslim Hands priority is to ensure that we continue to meet the CHS commitments by putting individuals and communities at the centre of everything we do. CHS certification emphasises the importance of accountability and transparency - it certifies that our work is carried out to the highest standard.

Receiving a CHS will showcase that we are designing programmes that create a positive impact on individuals and communities.

Muslim Hands was recently audited by an independent consultant - who assessed six offices - Pakistan, Bangladesh, Niger, Gambia, Yemen, and Somalia - along with our headquarters in the UK.

While the independent consultant has concluded - that there are areas for improvement – he highlighted many positive aspects.

As the progress is at such an early stage, Muslim Hands has taken many steps to ensure that we meet the requirement of Core Humanitarian Standard.

# Sustainable Development Goals

## WHAT ARE SUSTAINABLE DEVELOPMENT GOALS?

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Led by the United Nations Development Programme, this set of 17 goals imagines a future free from poverty and hunger and safe from the worst effects of climate change.

## WHAT DO THEY MEAN FOR OUR WORK?

Muslim Hands aim to ensure that the work we do is targeting these goals as part of a united global effort. Our approach is to work in line with the SDGs, while putting a special focus on children who are suffering from poverty, conflict and disaster.



# HIPD Partnerships

## CLIMATE CHANGE CONFERENCE

Muslim Hands attended the UN Climate Change Conference (COP26) in Glasgow in November. The COP26 summit brought participants together to step up action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. Attending as an Observers capacity – at the event, we had the opportunity to participate in the conference.

## PAKISTAN

We established a partnership with British Council where we targeted school dropouts, retention, and children unable to attend education facilities. The “Take a Child to School” project focused on District Charsadda, Khyber Pakhtunkhwa, and Guranwala, Punjab. More than 25000 students were enrolled and retained in low-performing private schools. In addition, more than 1600 youth were trained in child education, focusing on girls’ education.

Another project we implemented with Scottish Scholarship Scheme were we granted 250 female students scholarship in district Swat and Peshawar. The scholarships were provided to 13 to 18-year students. Scholarships were in the form of providing them with uniforms, shoes, stationery, and books.

Another partnership with the British Council was to train more than 7000 teachers under the slogan “Connecting Classrooms.”

Muslim Hands also worked with UNOCHA-PHPF. The consortium worked together to initiate a project to support the communities which were affected by COVID-19 in Baluchistan. The project

targeted beneficiaries through integrated interventions covering food security, livelihoods, and WASH. In total, the project supported 1037 households.

## TURKEY

In Turkey, we continued to partner with major organisations, including Doctors Worldwide, Hayrat Aid, and Diyanet Foundation. Through Diyanet Foundation, we implemented WASH projects in Pakistan and food distribution projects worth more than £1.8 million. Our partnership with Hayrat Aid, we supported beneficiaries by providing clean water and food security-related projects in Mali, Gambia, Niger, Sri Lanka, and Pakistan. Finally, Doctors Worldwide initiated WASH projects and eye camps across Pakistan, Mali, and Niger. From this, 2,700 surgeries were successfully carried out, and we reached more than 8,000 beneficiaries across all countries.

## AFGHANISTAN

Muslim Hands Afghanistan office successfully partnered with education sector donors of GPE and ECW represented by UNICEF in 2021 by signing three education projects worth \$4.5 million. The education project covered two provinces in Afghanistan, Wardak, and Badghis. The first project was “Continuity of Education for COVID-19 Emergency-affected Children.” The second project was “Provide Access to Education for Emergency-affected children,” part of Access to Education for COVID-19 Emergency-affected Children in Afghanistan for Wardak province.

The project supported 62000 Students, 520 Teachers, and 2000 School Management Shura members. The project aimed to reach areas and COVID-19 high-risk provinces to give them access to education and

mitigate COVID-19. The final project was “Education Cannot Wait (ECW) Multi-Year Resilience Programme (MYRP) Year 2” for Badghis Province.

Education Cannot Wait (ECW) Multi-Year Resilience Programme (MYRP) Year 2 for Badghis Budget supported 14600 Students, 432 Teachers, and 2700 School Shura Members.

The outcome of the project:

### Outcome 1:

Access to education for emergency-affected girls and boys is increased.

### Outcome 2:

Child-friendly and inclusive learning environments are created.

### Outcome 3:

Continuity of education for emergency-affected girls and boys is increased.

### Outcome 4:

Quality of learning for emergency-affected girls and boys is improved.

### Outcome 5:

Safe and protective learning environment for emergency-affected girls and boys, especially the most marginalized, is established.

Complying with the CBE policy, MoE regulations, donor guidelines, global education policies, and EiE standards. Muslim Hands International closely worked with the government, UNICEF, and other education actors, which resulted in a successful track record of delivering high-quality education services in Afghanistan. Timely and quality implementation further strengthened the trust of UNICEF to put MHI on its list of reputable partners.

# Financial Review

This year, Muslim Hands raised £37.1million. £29.4 million was donated for non-emergencies, £3.1million for emergencies and £4.6 million was received from Gift Aid. The total income in 2021 was up from the level of income raised in the previous year (£32.4 million).

	2021	2020	2019
<b>Donations from Supporters</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Donations for Non-Emergencies</b>	<b>29.4</b>	<b>23.5</b>	<b>16.7</b>
<b>Donations for Emergencies</b>	<b>3.1</b>	<b>4.8</b>	<b>3.3</b>
<b>Gift Aid</b>	<b>4.6</b>	<b>4.1</b>	<b>2.7</b>
<b>Total Income</b>	<b>37.1</b>	<b>32.4</b>	<b>22.7</b>

The charity invested 2.8m to generate 37.1m.

The net return was 34.3m.

The charity invested 7.5% to generate a return of 92.5%.

The charity aims for an investment target of 10% in the current year.

This is further broken down into 1/3 unrestricted/restricted ratio respectively.



# Financial Review

During the year Muslim Hands spent over £32.6m. This helped us reach a larger number of beneficiaries particularly in areas affected by conflict or natural disasters. The funds used included appeal funds raised in prior years.

	2021	2020	2019
	£m	£m	£m
<b>Cost of generating funds</b>	<b>2.8</b>	<b>2.9</b>	<b>2.5</b>
<b>Charitable Activities</b>	<b>25.4</b>	<b>21.4</b>	<b>15.8</b>
<b>Where Most Needed</b>	<b>2.2</b>	<b>2.9</b>	<b>1.3</b>
<b>Orphans</b>	<b>2.5</b>	<b>2.1</b>	<b>1.4</b>
<b>Education</b>	<b>3.9</b>	<b>3.3</b>	<b>3.1</b>
<b>Health</b>	<b>1.1</b>	<b>1.3</b>	<b>0.9</b>
<b>Emergency</b>	<b>3.5</b>	<b>2.6</b>	<b>3.2</b>
<b>WASH</b>	<b>5.0</b>	<b>4.8</b>	<b>2.2</b>
<b>Food</b>	<b>5.7</b>	<b>3.4</b>	<b>2.4</b>
<b>Masjids</b>	<b>1.5</b>	<b>1.0</b>	<b>1.3</b>
<b>Support Costs and Staff</b>	<b>4.4</b>	<b>3.3</b>	<b>2.8</b>
<b>Total Resources Expended</b>	<b>32.6</b>	<b>27.6</b>	<b>21.1</b>

# Expenditure

The charity has invested £4.4 million into its systems, offices and people to safeguard and protect the funds we are entrusted with from loss, corruption and fraud, ensuring Muslim Hands effectively uses the funds and operates with accountability.

## In 2021 the charitable activities expended were £25.4 m.

The following table provides some details of the various programmes we implement, the number of beneficiaries supported and achievements in respect of each project category: -

During programmes implementation there are several factors that can affect

whether a project achieves its targets. This includes availability of funding, socio-economic conditions of the donors or target beneficiaries and interventions by the respective government institutions, UN Agencies and the other humanitarian actors focusing on the same areas. Muslim Hands is always committed to the poor and marginalised and vulnerable segments of society irrespective of race, religion and gender. Most of our implementation is ongoing, so if targets are not met, we continue to work with the same communities the following year. Our partnerships, networking, policy level advocacy and lobbying components of the program also support the target beneficiaries.



THEMATIC	FIGURES	DETAILS
Emergency	2,959,081	Projects include our Syria housing project and Yemen Bread factory. We also provided emergency intervention in Afghanistan and India Kashmir.
Education	42,521	Our MH School of Excellence, Model School, religious educational and orphans programmes.
WASH	3,520,694	Tube wells, boreholes, water filtration units, rain harvesting and Girl-friendly toilet.
Health	408,436	Our Motherkind Clinic in Afghanistan and Somalia. Basic health units, Cataract Eye Surgery and Covid intervention in India.
Food	1,693,339	Qurbani and Ramadan. Our Open Kitchen in Nottingham and Hounslow.
Livelihoods	10,161	Sewing Machine, Hope shop Project and chicken farming project.



## PRINCIPAL SOURCES OF FUNDING

### The principal source of funding is from individual donors from within the UK

who respond to paid marketing campaigns like Google and radio ads, direct marketing via email, traditional mail and social media or through other fundraising activities like television appeals and events. The continuing support of our donors is what makes our work possible.

## RESERVES

### From its inception, Muslim Hands has raised funds for specific projects (restricted funds) and funds which are not specified for a particular project (unrestricted funds) which are utilised where they are most needed and applied at the discretion of the trustees to further the charity's purposes.

Over recent years, Muslim Hands' voluntary income has seen steady growth. A significant proportion of this income is restricted funds for specific projects, the majority of which is short-term aid responding to the basic needs (including food, water, clothing, shelter and basic education) of beneficiaries in areas blighted by conflict and areas that have suffered

natural disasters. Given the charity's present level and nature of activities, the unrestricted funds not committed or invested in tangible and intangible fixed assets ("the free reserves") held by the charity should not be less than £600,000. At this level the trustees feel that the current activities of the charity could continue in the event of a significant drop in funding. Muslim Hands has addressed the shortfall in this through new budgets and systems to limit variances. Muslim Hands depends on unrestricted funds to implement its long-term developmental programmes, particularly in regions which have not received media coverage in recent months and years which has led to increased demand on unrestricted funds. In light of this, and the donor giving patterns of recent years, Muslim Hands has continued with its plan to: -

1. **Increase capacity to work in emergency zones**
2. **Simultaneously consolidate the geographical and thematic spread of long-term projects and projects offices**
3. **Developing closer working relationships with grass root organisations in countries where we carry out projects**
4. **Diversifying the donor base**

These measures will bring further efficiencies and savings but still allow MH to reach more beneficiaries.

The charity needs to continue to be able to respond quickly to appeals for the relief of suffering in varied communities around the world. The charity is presently achieving this aim and further aims to increase its unrestricted reserves position year on year.

With the increase in inflation and cost of living crisis Muslim Hands expects to see a reduction in the availability of its unrestricted reserve whilst it continues to meet its programmes commitments.



## NATURE OF FUNDS

The trustees confirm that, on a fund-by-fund basis, the assets are available and are adequate to fulfil the obligations of the charity.

## GRANT MAKING POLICY

**During the period the Charity awarded grants totalling £25,885,416 (2020: £21,851,980).**

Our policy is to make gifts of this nature to individuals and organisations which further the objectives of the charity. The majority of the grants are given to other Muslim Hands entities in various countries around the world, who implement projects on behalf of the organisation, thereby assisting Muslim Hands in fulfilling its objectives.

Muslim Hands invites proposals from existing partners. The applications received are scrutinised to ensure they meet MH criteria with respect to its objectives and monitorable results.

Programmes monitoring and evaluation is carried out by MH staff to ensure adherence to MH objectives, programmes quality and financial sustainability. The trustees further obtain assurance by making visits to the programmes. The partners provide quarterly narrative and financial reports with explanations for variances.

## INVESTMENT POLICY

Surplus funds are usually kept in an Al Rayyan Deposit account to ensure the best return for the Charity.

## POST YEAR END

**Despite the effects of the pandemic and increased cost of living, Muslim Hands supporters across the world were generous with their charitable giving, eager to make a difference.**

With the return of in-person events such as the flagship Gaza walks, supporters continued to make their valuable contributions.

In the month of Ramadan, an incredible amount of over £1 million was raised during the live appeal, which took place on the 27th night of Ramadan.

Muslim Hands undertook several mitigating actions to manage the impact of the pandemic and the increased cost of living on the charity. Scenario planning was organised to identify the impact of scenarios forecasted with variations embedded. Furthermore, change management was planned and implemented with a focus on data privacy and cyber security for managing IT controls. Health and safety measures for employees and partners delivering aid for MH were enhanced to prevent them from contracting Covid-19. This included closing our offices and advising partners to ensure proper safeguards, including social distancing were applied when delivering programmes. The organisation also funded PPE provisions for partners that they used as part of the emergency crisis response. eager to make a difference.



## GOING CONCERN

**As a response to the financial risks posed by the evolving economic situation, the charity continued to scenario plan its cashflow and the variation in impact of increased and reduced cash scenarios.**

Furthermore, the charity increased its rolling cashflow projections from 12 months to 24 months to better understand the going concern status

of the charity. The scenario planning showed that the charity will continue and the surge in funds in 2021 supports this projection. The planning also allowed the charity to consider the impact of a shortage in funding and the potential mitigators that would be required. With the success of fundraising this year the charity is confident of its continuation as a going concern.



## Structure, Governance and Management

**Muslim Hands was legally established as an international NGO in 1993 by a trust deed and registered with the Charity Commission under registration number 1029742 on 6 December 1993.**

In 2004, Muslim Hands changed its structure, registering as a company limited by guarantee at Companies House in England on 22 March 2004 and with the Charity Commission on 22 July 2004 under registration number 1105056. The funds in the original trust were transferred to the newly incorporated company and thereafter, the original trust was de-registered on 8 November 2006. Muslim Hands has been operating under the company structure to this day.

As the charity is constituted as a company limited by guarantee, it is therefore governed by a memorandum and articles of association. Eligibility for membership of the charity and membership of the Board of Trustees is governed by the memorandum and articles of association. Currently, all of the members of the charity also serve as directors of the company who are the trustees of the charity. The charity is not a member of a wider network or umbrella group, save for being the founding entity for other legal entities established in other jurisdictions and who operate under the

name and logo of Muslim Hands.

The trustees are legally responsible for the charity and set the strategic direction with operational matters delegated to the Senior Management Team. The Senior Management Team are supported by dedicated staff. The current Senior Management Team comprises of Syed Lakhte Hassanain as CEO with Shahid Bashir, Tariq Nasir, Shakil Sidat, Yasrab Shah, Munawar Patel, Irfan Khan and Syed Ali Haider as Executive Directors. The trustees set the salaries for the CEO and the Senior Management Team's salaries are set by the CEO. The salaries are benchmarked according to similar roles in the sector based on research conducted internally. Furthermore, they are adjusted according to the prevailing rate of inflation at the time.

The process of recruiting trustees involves determining the optimum skills, knowledge and experience mix for the current operational climate and needs. Identifying potential trustees, promoting and explaining the activities of the Board to potential trustees and the decision to appoint new trustees is then taken by the Board of Trustees.

The induction of new trustees would include an explanation of the functioning of the Board of Trustees and appointing a mentor for the new board member. An overview of the organisation and its activities is also provided. The board has

commenced a process of giving short training sessions for trustees at their meetings.

A Programmes Committee has been established by the trustees for better control and governance. The Programmes Committee is a sub-committee of the board and provides assurance to the board that Muslim Hands has an effective programmes strategy in place with appropriate systems that will ensure the delivery of the strategic aims. The committee is formed of two external members and one MHUK trustee who is also the Committee Chair.

Muslim Hands has been dependant on volunteer support in order to fulfil its objectives, vision and mission and to carry out its activities. The trustees would like to thank all those who have volunteered their time to Muslim Hands.



# OBJECTIVES, VISION AND MISSION

## MUSLIM HAND'S OBJECTIVES ARE:

**The relief of poverty and sickness anywhere in the world and in particular, amongst those affected by natural disasters or by wars and other conflicts, by the provision of financial or other assistance including medicines, hospitals, shelter and food.**

**To advance education amongst those in need anywhere in the world, with particular regard to orphans.**

**The advancement of Islamic faith through education and the promotion of interreligious harmony through dialogue and cooperation with other faiths and traditions.**

The fulfilment of the above objectives is enshrined in our mission statement:

***"To be at the forefront in delivering relief from poverty, sickness and the provision of education worldwide. To provide an ethical service for the collection and distribution of funds in an effective, efficient, transparent and wholly accountable manner".***

The trustees review the aims, objectives and activities of the charity each year. This report will look at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

Our vision is:

***'Inspired by the values of our faith, Muslim Hands is working towards tackling the root causes of poverty and creating a fairer world for everyone. We believe that every human being has the right to an education, access to clean water and food and the means to support themselves, their family and their community. themselves, their family and their community'.***

Our aims and objectives are a reflection of our beliefs. At Muslim Hands, we believe that:

- **Everyone, irrespective of race, colour or faith has the fundamental right to a life of dignity, free of poverty and oppression.**
- **Poverty can and must be eradicated, as it exists primarily due to the unjust distribution of resources.**
- **By working directly with disadvantaged communities, we can bring about positive changes from within those communities.**
- **Literacy, education and job-skills training are fundamental to the development of disadvantaged communities and are the most effective tools for empowering people to break out of poverty.**
- **It is our duty to assist vulnerable people in times of crisis, such as war or natural disaster.**



## Public Benefit Statement

**All our charitable activities focus on furthering our charitable objectives for the public benefit. The section of this report entitled Objectives, Vision and Mission sets out the aims and charitable objectives of the Charity.**

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. The trustees have concluded that: charitable

objectives of the Charity.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees have concluded that:

- **The aims of the charity continue to be charitable.**
- **The charity serves individuals and communities in need.**

- **The aims and work done give identifiable benefits to the charitable sector both directly and indirectly.**
- **The benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay.**
- **There is no detriment or harm arising from the aims or activities.**

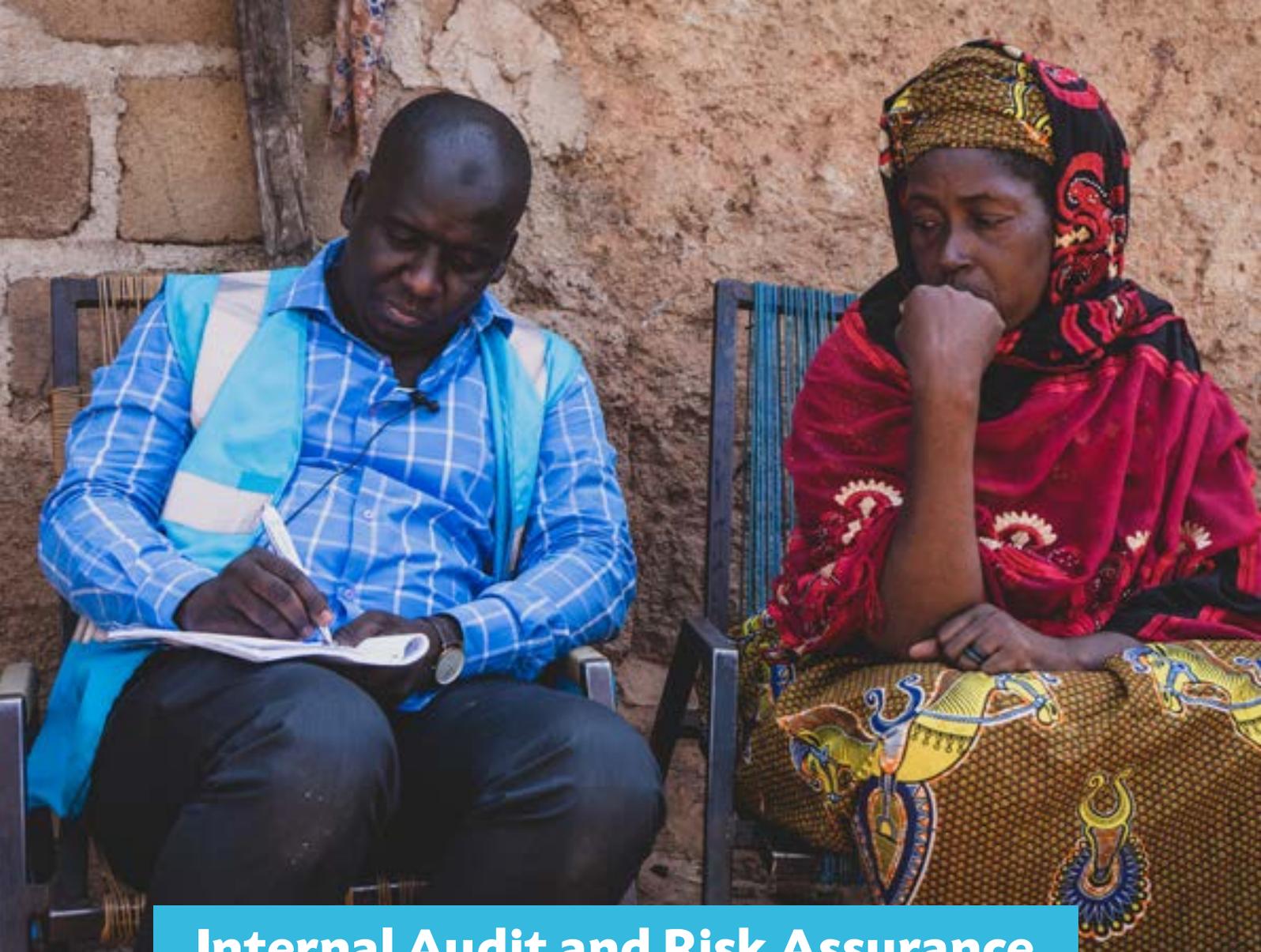
# Principal Risks and Uncertainties

The trustees have, during the year, considered the material risks facing the charity and have put in place mitigating controls to address those risks.

The continuing success of the charity is dependent on continuing to receive sufficient support and donations from the community. Trustees mitigate this risk by ensuring that income and expenditure are closely monitored and reviewed. Trustees identified the impact of Covid-19 on the risks faced by the charity and the need to align risk management to mitigate the threats the virus posed to the operations of the charity. The risk management actions below have embedded actions to limit the impact of Covid-19 related risks.

During 2021, the trustees identified the following key risks and the measures taken to address them:

Risk	Management Actions
Programmes not delivered as expected by MH standards	<ul style="list-style-type: none"> <li>• Due Diligence Framework.</li> <li>• Staff member trained to do due diligence checks.</li> <li>• Director of Governance signs off of all Due Diligence checks.</li> <li>• Board sign off of any Due Diligence checks escalated by Director of Governance.</li> <li>• Monthly Review meetings reassess Partner RAG ratings. Partners may be put 'on hold'</li> <li>• Legal counsel and Programme Finance team review and approve the funding agreements.</li> <li>• Muslim Hands Policies are shared with Partners.</li> <li>• Education and training of partners regarding expectations.</li> <li>• Field monitoring visits are regularly undertaken to verify the delivery of aid.</li> </ul>
Violation or abuse of beneficiaries and safeguarding	<ul style="list-style-type: none"> <li>• Muslim Hands' safeguarding policies for children and vulnerable adults and safeguarding code of conduct.</li> <li>• Safeguarding Code of Conduct</li> <li>• Muslim Hands are part of 'Keep Children Safe Network', provider of online training facilities.</li> <li>• Partner office staff complete 'Keep Children Safe Network' training.</li> <li>• Muslim Hands Whistleblowing policy in place.</li> <li>• Programme Quality Framework includes a complaint programme which involves interviews with beneficiaries.</li> <li>• Programme Quality Framework includes safeguarding spot checks.</li> <li>• Reporting of Safeguarding issues to Management and Board.</li> </ul>
Cashflow to meet charitable and operational commitments due to emerging cost of living crisis	<ul style="list-style-type: none"> <li>• Board oversight of spending in advance of approval. of fundraising budget and targets.</li> <li>• Board oversight of performance and likely year end position.</li> <li>• Reporting of scenarios and the impact on cash flow.</li> <li>• Periodic review of Financial Sustainability.</li> <li>• Budget Re-forecasting to ensure changing financial conditions are well managed.</li> </ul>
Cyber Security	<ul style="list-style-type: none"> <li>• GDPR policies including Data Breach Action Plan, data breach form in place.</li> <li>• Monitoring GDPR compliance.</li> <li>• Outsourced DPO service by Bulletproof Ltd.</li> <li>• Single Sign On and Multi Factor Authentication with controlled conditional access.</li> <li>• Enabled Encryptions deployed over SCCM.</li> <li>• Maintaining third-party cyber security defence and anti-virus software.</li> <li>• Timely patches for server and desktop systems.</li> <li>• Monitoring of IT controls.</li> <li>• Robust IT Policies.</li> <li>• Adopting VLAN.</li> <li>• Encryption-in-transit protects both systems and data.</li> <li>• Procedures for penetration testing and system security checks.</li> <li>• Business Continuity and Disaster Recovery Planning.</li> </ul>
Strategic Alignment of Programmes	<ul style="list-style-type: none"> <li>• Project Toolkit checklist</li> <li>• Partner office carries out a Project Needs and Beneficiary Selection Assessment</li> <li>• Scoring requirement inbuilt into Projects System</li> <li>• Programmes Director reports quarterly to the Programmes Committee on progress with implementation of the corporate strategy</li> <li>• Project Risk Management undertaken for all projects</li> </ul>

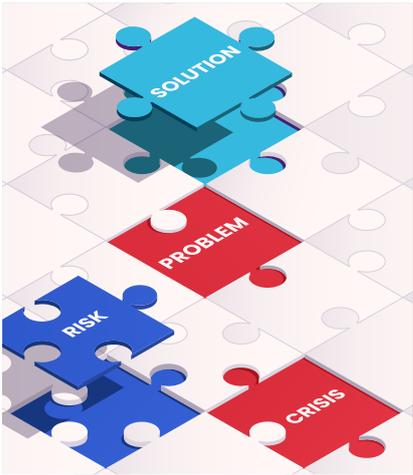


# Internal Audit and Risk Assurance

**The MH Board of Trustees is advised by an Audit Committee made up of trustees and independent members who bring a broad range of expertise in this area.**

The Audit Committee meets at least four times a year and its terms of reference include scrutiny and oversight of the way MH is managing risk. An independent internal audit function reports to the Audit Committee. The internal audit is

provided by BDO LLP. They support with the risk register and carry out a risk-based audit programme, which follows an audit plan approved by the Audit Committee. The Senior Management Team regularly undertakes strategic and operational reviews to identify organisational risks and come up with plans to mitigate them. The team is then responsible for implementing those action plans, with the Audit Committee monitoring progress.





## Plans for the Future

### INCOME DIVERSIFICATION

**Muslim Hands has continued to grow steadily since its inception, reaching an increasing number of disadvantaged communities year after year.**

To continue the mission of aiding more people as effectively and efficiently as possible, Muslim Hands will be focusing on organisational restructure and internal development, stronger emphasis on forming partnerships with grass-roots level delivery partners overseas and at home and increasing our income from trusts and institutional funders. Muslim Hands' educational and training projects are a long standing and recognised strength, and they will be the primary area of focus going forward.

### INHOUSE SYSTEMS

Muslim Hands is continuing the development of the next generation, web-based CRM, financial management and programmes systems to add to the level of data processing and reporting of impact on its activities, encouraging better collaboration and increased learning and oversight with our partners.

### NEW STRATEGY

**Muslim Hands has begun its new strategy following the success of its previous strategy.**

The strategy has focused on continuing the success story of Muslim Hands as it embarks on its next phase of growth in serving those in need both abroad and here in the UK.

### UK PROGRAMMES

**Muslim Hands is planning to expand its UK Open Kitchen programme to more towns and cities over the next three years.**

The interest that our kitchens have generated from supporters and the impact they have had on the local communities they serve has demonstrated their value.

# Statement of Trustees' Responsibilities

**The trustees (who are also directors of Muslim Hands for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards FRS 102.**

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the stated year. In preparing those financial statements, the trustees are required to:

- **Select suitable accounting policies and then apply them consistently.**
- **Observe the methods and principles in the Charities SORP.**
- **Make judgements and estimates that are responsible and prudent.**
- **State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.**
- **Prepare the financial statements on the going-concern basis unless it is not appropriate to presume that the charity will continue in business.**

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps towards the prevention and detection of fraud and other irregularities.

In so far as the trustees, individually, are aware:

- **There is no relevant audit information of which the charity's auditor is unaware.**
- **The trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.**

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

The Trustees' Annual Report, which includes the strategic report, has been approved by the trustees on date and signed on their behalf by

SL Hassanain. Trustee and Chairman

# Independent Auditor's Report

## OPINION

We have audited the financial statements of Muslim Hands (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- **Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended**
- **Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice**
- **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 charitable company in accordance with the ethical requirements

that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Conclusions relating to going concern In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## OTHER INFORMATION

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- **The information given in the trustees' annual report, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements;**
- and
- **The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.**

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified

material misstatements in the trustees' annual report including the strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or**
- **The financial statements are not in agreement with the accounting records and returns; or**
- **Certain disclosures of trustees' remuneration specified by law are not made; or**
- **We have not received all the information and explanations we require for our audit;**

## RESPONSIBILITIES OF TRUSTEES

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

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

## 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 are set out below.

Capability of the audit in detecting irregularities

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

- **We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:**
- **Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;**

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

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

Jonathan Orchard  
(Senior statutory auditor)

for and on behalf of  
Sayer Vincent LLP, Statutory Auditor

Invicta House,  
108-114 Golden Lane,  
LONDON, EC1Y 0TL

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

# Statement of Financial Activities

## Muslim Hands

### Statement of financial activities (incorporating an income and expenditure account)

#### For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
<b>Income from:</b>							
Donations		12,683,898	24,415,916	<b>37,099,814</b>	11,995,658	20,428,713	32,424,371
Bank Interest		29,328		<b>29,328</b>	34,389	-	34,389
<b>Total income</b>		<b>12,713,226</b>	<b>24,415,916</b>	<b>37,129,142</b>	<b>12,030,047</b>	<b>20,428,713</b>	<b>32,458,760</b>
<b>Expenditure on:</b>							
Raising funds	3	2,840,369	-	<b>2,840,369</b>	2,996,745	-	2,996,745
Charitable activities							
Grants payable and operational	3	4,450,483	26,179,013	<b>30,629,496</b>	3,232,419	21,424,399	24,656,818
<b>Total expenditure</b>		<b>7,290,852</b>	<b>26,179,013</b>	<b>33,469,865</b>	<b>6,229,164</b>	<b>21,424,399</b>	<b>27,653,563</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>5,422,374</b>	<b>(1,763,097)</b>	<b>3,659,277</b>	<b>5,800,883</b>	<b>(995,686)</b>	<b>4,805,197</b>
Net gains / (losses) on investments		-	-	-	-	-	-
<b>Net income / (expenditure) for the year</b>	4	<b>5,422,374</b>	<b>(1,763,097)</b>	<b>3,659,277</b>	<b>5,800,883</b>	<b>(995,686)</b>	<b>4,805,197</b>
Transfers between funds	12	(2,571,162)	2,571,162	-	(4,605,282)	4,605,282	-
<b>Net movement in funds</b>		<b>2,851,212</b>	<b>808,065</b>	<b>3,659,277</b>	<b>1,195,601</b>	<b>3,609,596</b>	<b>4,805,197</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		5,315,935	11,392,287	<b>16,708,222</b>	4,120,334	7,782,691	11,903,025
<b>Total funds carried forward</b>		<b>8,167,147</b>	<b>12,200,352</b>	<b>20,367,499</b>	<b>5,315,935</b>	<b>11,392,287</b>	<b>16,708,222</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

# Balance Sheet

## Muslim Hands

### Balance sheet

Company no. 05080486

As at 31 December 2021

	Note	£	2021 £	2020 £
<b>Fixed assets:</b>				
Tangible assets	7		1,249,679	1,301,625
			<u>1,249,679</u>	<u>1,301,625</u>
<b>Current assets:</b>				
Debtors	8	1,338,202	959,523	
Short-term Deposits		2,778,553	2,749,457	
Cash at bank and in hand		16,356,599	14,009,416	
		<u>20,473,354</u>	<u>17,718,396</u>	
<b>Liabilities:</b>				
Creditors: amounts falling due within one year	9	(1,319,519)	(2,239,234)	
<b>Net current assets</b>			<u>19,153,835</u>	<u>15,479,162</u>
<b>Total assets less current liabilities</b>			<u>20,403,514</u>	<u>16,780,787</u>
Creditors: amounts falling due after one year	10		(36,014)	(72,565)
			<u>20,367,500</u>	<u>16,708,222</u>
<b>The funds of the charity:</b>				
Restricted income funds	12		12,200,353	11,392,288
Unrestricted income funds			8,167,147	5,315,934
<b>Total charity funds</b>			<u>20,367,500</u>	<u>16,708,222</u>

Approved by the trustees on

and signed on their behalf by

Syed Lakhte Hassanain  
Trustee

# Statement of Cash Flows

## Muslim Hands

### Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>	13				
<b>Net cash provided by / (used in) operating activities</b>			2,455,693		6,318,424
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(42,865)		(33,721)	
<b>Net cash provided by / (used in) investing activities</b>			(42,865)		(33,721)
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		(36,550)		(35,398)	
<b>Net cash provided by / (used in) financing activities</b>			(36,550)		(35,398)
<b>Change in cash and cash equivalents in the year</b>			2,376,278		6,249,305
Cash and cash equivalents at the beginning of the year			16,758,873		10,509,568
<b>Cash and cash equivalents at the end of the year</b>	14		<u>19,135,151</u>		<u>16,758,873</u>

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2021

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#### 1 Accounting policies

##### a) Statutory Information

Muslim Hands is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 148 – 164 Gregory Boulevard, Nottingham, NG7 5JE.

##### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

##### c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any 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 reporting period.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2021

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#### 1 Accounting policies (continued)

##### i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes grants payable to deliver operational programmes furthering the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the overhead costs of the central function is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity. The salaries for this are classified within charitable giving.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- |                     |     |
|---------------------|-----|
| ● Fundraising       | 17% |
| ● Direct Charitable | 83% |

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- |                     |     |
|---------------------|-----|
| ● Fundraising       | 54% |
| ● Direct Charitable | 45% |
| ● Governance Costs  | 1%  |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

##### k) Grants Payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

##### l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

##### m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2021

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#### 1 Accounting policies (continued)

##### n) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                                 |                      |
|---------------------------------|----------------------|
| ● Freehold Property             | 2% straight line     |
| ● Computer and Office Equipment | 25% straight line    |
| ● Fixtures and Fittings         | 15% reducing balance |
| ● Motor Vehicle                 | 15% reducing balance |

##### o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.



# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2021

#### 2 Grants payable and operational programmes (continued)

Cost	2021	2020
	£	£
<b>Muslim Hands Partners (Related Parties)</b>		
Pakistan	6,881,434	6,064,474
Sudan	885,283	908,269
Bangladesh	1,598,874	1,119,593
Niger	557,205	659,709
Afghanistan	507,255	503,244
Turkey	346,299	141,887
Somalia	420,758	433,366
Mali	2,286,903	2,210,636
Malawi	409,773	228,783
Yemen	3,677,918	1,458,570
Kashmir (Pakistan)	863,625	785,947
	<u>18,435,327</u>	<u>14,514,478</u>
<b>Non Muslim Hands Partners</b>		
Gambia	196,627	248,498
Sri Lanka	504,141	445,586
Lebanon	349,014	221,445
Indonesia	87,660	26,354
Syria	58,669	149,365
Myanmar	-	-
Kashmir (India)	630,414	245,209
Mauritania	219,087	212,505
Senegal	175,468	273,302
Palestine	3,369,409	3,645,794
Turkey	1,159,348	475,017
	<u>6,749,837</u>	<u>5,943,076</u>
	<u>25,185,164</u>	<u>20,457,554</u>
Other grants less than £50,000 in the year	1,505,833	1,394,426
At the end of the year	<u>26,690,997</u>	<u>21,851,980</u>

A full list of individual grants and the projects that are funded is available from our principal office.

All of the "Muslim Hands" overseas charity operations are controlled at a local level and have not been consolidated into these financial statements. In a number of cases, one or more UK Trustees sit on the local boards but the overseas operations have local registration. All country level operations are treated as independent partners. There is no intention on behalf of the UK board to control any country level entities even where there are common Board members, they are related parties.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

#### For the year ended 31 December 2021

#### 3a Analysis of expenditure (current year)

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2021 Total £	2020 Total £
Grants payable (Note 2)	-	26,690,997	-	<b>26,690,997</b>	21,851,980
Staff costs (Note 5)	807,807	1,801,115	418,442	<b>3,027,364</b>	2,773,464
Premises costs	8,372	150,700	8,372	<b>167,444</b>	163,268
Office costs	55,210	993,781	54,897	<b>1,103,888</b>	932,413
Professional fees	27,373	492,719	27,373	<b>547,465</b>	239,990
Publications, advertising and postage	1,915,294	-	-	<b>1,915,294</b>	1,655,978
Audit and accountancy	-	-	17,100	<b>17,100</b>	35,520
Trustees expenses	-	-	313	<b>313</b>	950
	<b>2,814,056</b>	<b>30,129,312</b>	<b>526,497</b>	<b>33,469,865</b>	<b>27,653,563</b>
Governance costs	26,325	500,173	(526,497)	-	-
<b>Total expenditure 2021</b>	<b>2,840,381</b>	<b>30,629,485</b>	<b>-</b>	<b>33,469,865</b>	
Total expenditure 2020	<b>2,996,745</b>	<b>24,656,818</b>	<b>-</b>	<b>-</b>	<b>27,653,563</b>

Costs allocation includes an element of judgement and the Charity had had to consider the cost benefit of detailed calculations and record keeping. All categories have been allocated on a basis consistent with the use of resources.

#### 3b Analysis of expenditure (prior year)

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2020 Total £	2019 Total £
Grants payable (Note 2)	-	21,851,980	-	<b>21,851,980</b>	16,224,649
Staff costs (Note 5)	874,249	1,526,931	372,284	<b>2,773,464</b>	2,648,483
Premises costs	16,327	130,614	16,327	<b>163,268</b>	195,181
Office costs	93,336	746,691	92,386	<b>932,413</b>	733,599
Professional fees	114,995	104,996	19,999	<b>239,990</b>	332,199
Publications, advertising and postage	1,655,978	-	-	<b>1,655,978</b>	1,385,894
Audit and accountancy	-	-	35,520	<b>35,520</b>	22,289
Trustees expenses	-	-	950	<b>950</b>	27,716
	<b>2,754,885</b>	<b>24,361,212</b>	<b>537,466</b>	<b>27,653,563</b>	<b>21,570,010</b>
Support costs	-	-	-	-	-
Governance costs	241,860	295,606	(537,466)	-	-
<b>Total expenditure 2020</b>	<b>2,996,745</b>	<b>24,656,818</b>	<b>-</b>	<b>27,653,563</b>	
Total expenditure 2019	<b>2,575,215</b>	<b>18,994,795</b>	<b>-</b>	<b>-</b>	<b>21,570,010</b>

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2021

#### 4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Auditors' remuneration (excluding VAT):		
Audit	17,100	16,300
Depreciation of tangible fixed assets	94,810	100,356
Foreign Currencies Losses	83,047	419
	<b>174,957</b>	<b>117,075</b>

#### 5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	2,686,066	2,478,133
Social security costs	257,933	240,863
Employer's pension contributions to defined contribution scheme	83,228	54,468
	<b>3,027,227</b>	<b>2,773,464</b>

The average number of employees (on a head count basis) analysed by function was:

	2021 No.	2020 No.
Direct charitable operations	53	42
Fundraising and publicity	49	46
Management and administration of the Charity	9	8
	<b>111</b>	<b>96</b>

The charity operates a defined contribution pension scheme: £83,229 (2020: £54,468) has been charged in the Statement of Financial Activities during the year in relation to this pension scheme.

The total employee benefits including pension contributions and national insurance of the key management personnel were £613,167 (2020: £541,410).

There were 3 employee with emoluments between £60,000 – £69,999 and 0 above £70,000 (one above £60,000 in 2020). During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £65,805 (2020: £59,999) for his services to the charity as an employee. These payments are approved by the Charity Commission.

At the year end the Charity was owed £4,070 (2020: £5,870) by Syed Lakhte Hassanain.

During the year £0 (2020: £302) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 2 Trustees (2020: 4 Trustees).

#### 6 Taxation

No corporation tax has been provided in the financial statements as Muslim Hands is a registered charity and is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2021

#### 7 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Motor Vehicles	Total £
<b>Cost</b>					
At 1 January 2021	1,418,683	612,709	359,180	12,840	<b>2,403,412</b>
Additions in year	-	40,221	2,644	-	<b>42,865</b>
At 31 December 2021	1,418,683	652,930	361,824	12,840	<b>2,446,277</b>
<b>Accumulated depreciation</b>					
At 1 January 2021	267,163	541,106	288,148	5,370	<b>1,101,787</b>
Charge for the year	28,374	41,342	23,975	1,120	<b>94,811</b>
At 31 December 2021	295,537	582,448	312,123	6,490	<b>1,196,598</b>
<b>Net book value At 31 December 2021</b>	<b>1,123,146</b>	<b>70,482</b>	<b>49,701</b>	<b>6,350</b>	<b>1,249,679</b>
At 31 December 2020	1,151,520	71,603	71,032	7,470	1,301,625

Included in the net book value of freehold land and buildings of £1,123,146 (2020: £1,151,520) is £nil relating to non-depreciated land.

#### 8 Debtors

	2021 £	2020 £
Other debtors	1,306,141	880,191
Prepayments and accrued income	32,061	79,332
	<b>1,338,202</b>	959,523

All of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 10 and 11 below.

#### 9 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	35,957	34,878
Trade creditors	277,717	163,439
Accruals and deferred income	1,005,845	2,014,279
Other creditors	-	26,638
	<b>1,319,519</b>	2,239,234

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2021

#### 10 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	<b>36,014</b>	72,565

The bank loan is repayable as follows:

Within one year	<b>35,957</b>	34,878
Between one and two years	<b>36,014</b>	35,939
Between two and five years	-	36,626
	<b>71,971</b>	107,443

The bank loan is secured by a legal charge over the freehold property to which it relates. The loan is repayable in monthly instalments and bears interest at 2.5% over base rate.

#### 11 Analysis of net assets between funds 2021

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,249,680	-	<b>1,249,680</b>
Net current assets	6,953,481	12,200,353	<b>19,153,834</b>
Long term liabilities	(36,014)	-	<b>(36,014)</b>
<b>Net assets at 31 December 2021</b>	<b>8,167,147</b>	<b>12,200,353</b>	<b>20,367,500</b>

#### Analysis of net assets between funds 2020

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,301,625	-	<b>1,301,625</b>
Net current assets	4,086,874	11,392,288	<b>15,479,162</b>
Long term liabilities	(72,565)	-	<b>(72,565)</b>
<b>Net assets at 31 December 2020</b>	<b>5,315,934</b>	<b>11,392,288</b>	<b>16,708,222</b>

# Notes to the Financial Statements

## Notes to the financial statements

For the year ended 31 December 2021

### 12a Movements in funds 2021

Theme	Opening Balance £	Incoming Funds £	Expenditure £	Transfers £	Closing Balance £
Children	110,240	30,728	(110,449)	4,206	<b>34,725</b>
Education	312,393	427,733	(3,955,763)	3,489,630	<b>273,993</b>
Elderly	28,850	25,165	(36,880)	-	<b>17,135</b>
Emergency	4,058,767	3,123,118	(3,452,750)	(161,856)	<b>3,567,279</b>
Environment	790,768	266,008	(99,669)	99,669	<b>1,056,776</b>
Food	747,330	3,875,891	(5,526,914)	1,787,355	<b>883,662</b>
General	902,437	2,826,669	(1,778,026)	(1,637,630)	<b>313,450</b>
Health	117,181	441,746	(1,082,679)	613,822	<b>90,070</b>
Livelihoods	136,741	243,918	(293,308)	20,001	<b>107,352</b>
Mosques	1,365,631	2,901,792	(1,528,989)	(940,344)	<b>1,798,090</b>
Orphans	1,881,475	4,182,066	(2,538,724)	(1,890,953)	<b>1,633,864</b>
Shelter	272,140	1,635,996	(784,113)	95,441	<b>1,219,464</b>
WASH	668,336	4,435,087	(4,990,748)	1,091,818	<b>1,204,493</b>
Grand Total	<b>11,392,289</b>	<b>24,415,917</b>	<b>(26,179,012)</b>	<b>2,571,159</b>	<b>12,200,353</b>
Unrestricted Reserves	5,315,934	12,713,225	(7,290,853)	(2,571,159)	8,167,147
Total	<b>16,708,223</b>	<b>37,129,142</b>	<b>(33,469,865)</b>	-	<b>20,367,500</b>

# Notes to the Financial Statements

## Notes to the financial statements

For the year ended 31 December 2021

### 12b Movements in funds

Theme	Opening Balance	Incoming Funds	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
Children	158,501	30,296	(78,557)	-	110,240
Education	509,250	318,540	(3,343,728)	2,828,331	312,393
Elderly	11,943	30,456	(13,549)	-	28,850
Emergency	1,853,129	4,837,340	(2,631,702)	-	4,058,767
Environment	558,794	309,968	(77,994)	-	790,768
Food	906,365	3,041,338	(3,429,091)	228,718	747,330
General	950,952	839,534	(2,328,591)	1,440,542	902,437
Health	121,626	492,865	(1,285,134)	787,824	117,181
Livelihoods	12,862	265,418	(141,539)	-	136,741
Mosques	469,793	1,880,875	(985,038)	-	1,365,630
Orphans	809,568	3,897,596	(2,145,557)	(680,132)	1,881,475
Shelter	353,685	87,378	(168,922)	-	272,141
WASH	1,066,223	4,397,109	(4,794,997)	-	668,335
<b>Grand Total</b>	<b>7,782,691</b>	<b>20,428,713</b>	<b>(21,424,398)</b>	<b>4,605,283</b>	<b>11,392,289</b>
Unrestricted Reserves	4,120,334	12,030,047	(6,229,165)	(4,605,283)	5,315,933
<b>Total</b>	<b>11,903,025</b>	<b>32,458,760</b>	<b>(27,653,563)</b>	<b>-</b>	<b>16,708,222</b>

### Purposes of restricted funds

The Restricted Fund contains funds restricted to a particular location and a group of up to thirteen funds restricted to each location. These funds include Children, Elderly, Emergencies, Orphans, Education, Food, Health, Safe Water, Shelter, Field, Masjid, WASH and Environment.

The Restricted Funds have been restated from a location breakdown to a thematic fund breakdown. This provides insight into the charitable funds based on the fund restrictions placed by all donors.

### 13 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021	2020
	£	£
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>3,659,277</b>	4,805,197
Depreciation charges	94,810	100,356
(Increase)/decrease in debtors	(378,679)	(169,051)
(Increase)/decrease in creditors	(919,715)	1,581,922
<b>Net cash provided by / (used in) operating activities</b>	<b>2,455,693</b>	6,318,424

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2021

14 Analysis of cash and cash equivalents	At 1 January 2021	Cash flows	Other changes	At 31 December 2021
	£	£	£	£
Cash at bank and in hand	14,009,416	2,376,278	–	<b>16,385,694</b>
Short term deposits	2,749,457	–	–	<b>2,749,457</b>
<b>Total cash and cash equivalents</b>	<b>16,758,873</b>	<b>2,376,278</b>	<b>–</b>	<b>19,135,151</b>

### 15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	<b>65,000</b>	65,000
One to five years	<b>195,000</b>	260,000
	<b>260,000</b>	325,000

### 16 Related party transactions

The Charity works in close co-operation with other Muslim Hands charities worldwide. The relationship of these charities to Muslim Hands in the UK is described in Note 2.

Muslim Hands in the UK has common trustees with Muslim Hands Pakistan, Palestine, Sudan, Bangladesh, Niger, Nigeria, Afghanistan, Iraq, Somalia, and Mali. Muslim Hands in the UK also has 5 common trustees with Muslim Hands Malawi and 2 common trustees with Muslim Hands Kenya. Grants made to these charities during the year are disclosed in note 2 of these accounts.

M N Syed the son of Syed Lakhte Hassanain, a Trustee of the Charity, is employed by Muslim Hands and was paid a salary of £28,501 for the period (2020: £29,057). The Chairman's sons also employed were H Syed – paid £1,213, and MH Syed – paid £9,436

Tariq Nasir is a governor of Figtree Primary School which receives a grant of £40,000 per annum.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 17 Ultimate controlling party

The trustees do not consider there to be an ultimate controlling party.

### 18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.