



ANNUAL FINANCIAL REPORT 2017

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TRUSTEES AND STATUTORY DIRECTORS

- Dr Musharraf Hussain
- Pir Mohammad Amin-ul Hassanat Shah
- Syed Lakhte Hassanain
- Sahibzada Ghulam Jillani
- Saffi Ullah
- Muhammad Arshad Jamil

COMPANY NUMBER

05080486 (country of registration is England & Wales)

CHARITY REGISTRATION NUMBER

1105056 (country of incorporation is the UK)

REGISTERED OFFICE

148-164 Gregory Boulevard,
Hyson Green, Nottingham, NG7 5JE

COMPANY SECRETARY

Dr Musharraf Hussain

AUDITOR

Sayer Vincent LLP, Chartered Accountants & Statutory
Auditors, 108-114 Golden Lane, London, EC1Y 0TL

BANKERS

- National Westminster Bank plc, Hyson Green, Nottingham
- Santander UK plc, Manchester Business Centre, Manchester
- Al Rayyan Bank plc, Edgbaston House, Birmingham

SOLICITORS

Freeth Cartwright LLP, Cumberland Court, Nottingham

A high-angle photograph of a group of people in a meeting huddle. They are wearing dark blue or black shirts with light blue collars. Their hands are stacked in the center. A large, white, geometric star shape is overlaid on the image, centered on the text. The background is a blurred indoor setting.

TRUSTEES' REPORT



INTRODUCTION

This is the 2017 annual report of the Trustees of the Muslim Hands. It is presented together with a Trustees' Responsibilities Statement on page 34, the Independent Auditor's Report on pages 35-37 and the financial statements for the year ended 31 December 2017 on pages 38-54.

The financial statements for the year ended 31 December 2017 have been prepared in accordance with the accounting policies set out in note to the financial statements [pages 42-54]. 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.

Muslim Hands was legally established as international NGO in 1993 by a trust deed and registered with the Charity Commission under registration number 1029742 on the 6th December 1993. In 2004, Muslim Hands changed its structure registering as a company limited by guarantee at Companies House in England on the 22nd March 2004 and with the Charity Commission on the 22nd 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 the 8th 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 of the Charity are legally responsible for the Charity and set the strategic direction with operational matters delegated small Senior Management Team of three individuals including the CEO. The Senior Management Team are supported by dedicated staff. The current Senior Management Team comprise Syed Lakhte Hassanain as CEO with Shahid Bashir and Tariq Nasir as Executive Directors. The Trustees set the salaries for the Senior Management Team and the Senior Management Team set the salaries for the staff supported by the HR Department. The Board sets the salaries of the CEO and Senior Management Team, it is set according to the average salary for similar roles and 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 function of the Board of Trustees and appointing a mentor for the new member to the Board of Trustees. An overview of the organisation and its activities is also provided and the Trustees have commenced a process of giving short training sessions for Trustees at their meetings.

Muslim Hands has been dependant on volunteer support in order to fulfil the objectives, vision, 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, MISSION & ACTIVITIES

Muslim Hands' 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 work, with particular regard to orphans; and
- 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.

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.'

Our aim and objectives are a reflection of our beliefs.



OUR MISSION

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



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 poor communities we can bring about positive changes from within those communities.
- literacy, education and job-skills training are fundamental to the development of needy communities and are the most effective tool for empowering the poor to break out of poverty.
- it is our duty to assist impoverished people in times of crisis such as war or natural disaster.

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 remained focused on its stated purposes.



PUBLIC BENEFIT STATEMENT

The section of this report above entitled 'Aims, objectives and activities' sets out the aims and priorities 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 aims and work done give identifiable benefits to the charitable sector both directly and indirectly to individuals in need;
- the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- there is no detriment or harm arising from the aims or activities.





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 year Jan 2017 – Dec 2017. In the wake of an increasingly challenging financial environment due to external factors such as the sterling's drop in value, increased competition for funds within the sector and increased regulation of the Charitry sector particularly for charities working overseas 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.

The introduction of Sustainable Development Goals encourages Muslim Hands to continue running its programmes on Education, Water Sanitation & Hygiene, Health Care, and Livelihood support by targeting deprived communities and strengthening their ability to combat poverty. Muslim Hands successfully implemented projects by making grants to its partners and implementing organisations in Asia, Africa, The Middle East, and Europe.

Muslim Hands continued its humanitarian work in Syria, Sudan, Somalia, Pakistan, Afghanistan, Iraq, Palestine and other locations and showed its commitment to support the agenda for humanity which was announced during the last World Humanitarian Summit and endorsed by UN agencies, donors and civil societies from across the world. Muslim Hands also made a commitment to bringing quality into its work by signing up to core humanitarian standards on quality and accountability.

At UK level, the charity continued supporting its existing commitment by making grants to local organisations and networks for implementing community development projects with focus on women empowerment, poverty alleviation, prisoner rehabilitation, and youth and education.

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.



WHAT ARE SDGs?

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, just 15 years from now, free from poverty and hunger and safe from the worst effects of climate change.

WHAT DO THEY MEAN FOR OUR WORK?

Muslim Hands aims 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 suffering from poverty, conflict and disaster.

FUNDRAISING

At Muslim Hands we raise funds from the public by mobilising our teams to engage in organising charitable collections, events, challenges, and direct marketing. In 2017 we did not engage any Professional Fundraisers' to solicit from the public.

During the year Muslim Hands continued its membership with the Fundraising Regulator – complying with its guidelines through training and development of all fundraisers. Within the year there were no complaints received in the course of fundraising.

To protect vulnerable people in the course of fundraising we take appropriate measures which include screening contact details against the TPS, 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 recent donors of a similar campaign.

PROGRAMMATIC INTERVENTIONS

Please see the annual feedback report >>>



“ The example of those who spend their wealth in the way of Allah is like a seed of grain which grows seven ears; in each ear is a hundred grains. And Allah multiplies His reward for whom He wills. And Allah is all-Encompassing and all-Knowing.

[Qur'an, 2:261]

FEEDBACK REPORT

2018

FOR
THE
NEEDY

25

YEARS



EMERGENCIES



PROVIDING A LIFELINE IN TIMES OF CRISIS

We have been responding to emergencies for the last 25 years. When an emergency arises, we work hard to provide essential relief immediately. From reacting to the needs of war-torn refugees, to assisting those affected by natural disasters, MH is on the ground when it counts.

“

The Prophet (saw) said that

The believers, in their mutual love, mercy and compassion, are like one body. When one limb aches, the whole body reacts with sleeplessness and fever.

[Sahih Muslim]

Born out of your response to the Bosnian crisis, Muslim Hands continues to provide life-saving aid in times of emergency. Alhamdulillah, for the past 25 years, you have provided over 5 million people with emergency relief.

Your donations not only provide emergency supplies such as food, water and medicine but also support longer-term projects, which enable communities to rebuild their homes and livelihoods for the future.

1993: BOSNIA Our first appeal

The plight of war-torn Bosnia moved a community in Nottingham to come to the assistance of those caught up in the conflict. With the unrest in the Balkans at its peak in the early 90s, a small group of volunteers went out to collect money, clothes and supplies for the people of Bosnia. They **worked tirelessly to pack trucks full of supplies and these first aid convoys were, in many instances, delivered to Bosnia by the volunteers themselves.**



2011: SYRIA Supporting lives in an on going war

Seven years since the start of the conflict in Syria, over half the country's population is still in need of urgent humanitarian assistance. As well as providing vital food aid through emergency distributions and the establishment of bread factories, **you have provided over 4,000 children with an education, delivered healthcare to over 40,800 people and ensured thousands have access to clean water.**



HOW YOU CAN HELP:



Family Food Parcel
£95

2004: INDONESIA After the earthquake

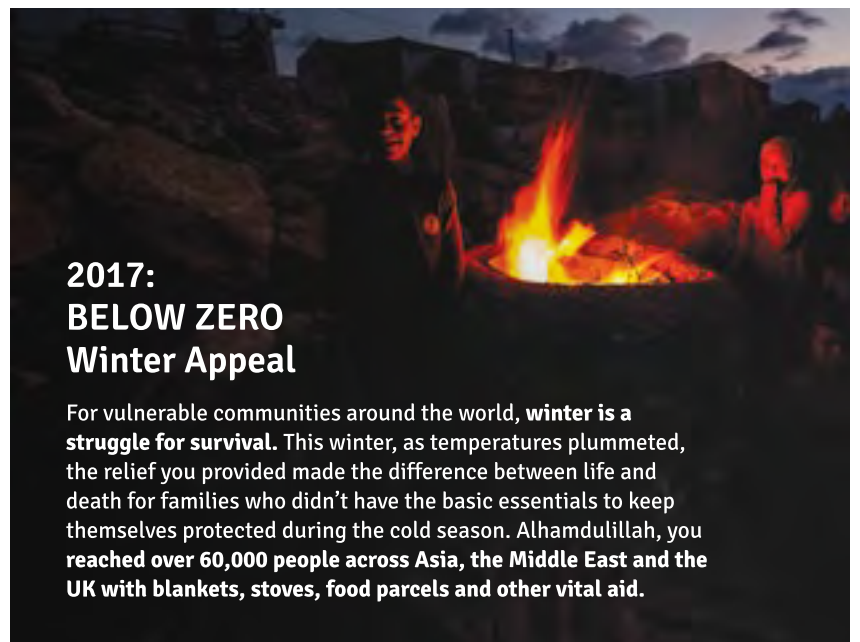
When an earthquake and tsunami killed over 300,000 people in Indonesia, India, Malaysia and Sri Lanka, **you responded by donating over £1.2 million.** MH was immediately on the ground **establishing camps and providing food, medical treatment and clean water to survivors.** Your generosity lives on through **the orphan sponsorship, housing, medical, income generation and environmental programmes that are still running today** in Indonesia and Sri Lanka.



HOW YOU HELPED LAST YEAR: ROHINGYA

Last year, **your quick response to the drastic escalation of violence in Myanmar enabled us to deliver over £400,000 of emergency relief to Rohingya refugees** in various camps in Bangladesh. Thanks to you, **over 90,000 beneficiaries received much needed nutritious food, household and hygiene items** as well as specialised packs to combat the fast

approaching winter months. Your donations also provided temporary shelters for the stream of refugees fleeing their homes every day, **a medical camp and a steady supply of clean water** through the construction of **ten small wells and one deep water well - the largest we've ever built - helping over 10,000 people every day.**



2017: BELOW ZERO Winter Appeal

For vulnerable communities around the world, **winter is a struggle for survival.** This winter, as temperatures plummeted, the relief you provided made the difference between life and death for families who didn't have the basic essentials to keep themselves protected during the cold season. Alhamdulillah, you **reached over 60,000 people across Asia, the Middle East and the UK with blankets, stoves, food parcels and other vital aid.**



“ The Prophet (saw) said that Blessed is the wealth of the Muslim, from which he gives to the poor, the orphan and the wayfarer. [Muslim]

CHILDREN TO THE FOREFRONT ORPHANS



With over 20 years of experience in caring for orphans, our sponsorship programme contributes to the following aspects of a child’s wellbeing: access to education, the provision of nutritious meals, healthcare and emotional support.



Muslim Hands’ donors are supporting over 12,000 orphans worldwide and together we have laid the foundations for a brighter future, not only for the children but for the communities they are such a vital part of.

ALHAMDULILLAH, YOUR SUPPORT OVER THE LAST 25 YEARS HAS NURTURED THE GROWTH OF EACH ORPHAN IN OUR CARE, GIVING THEM THE CONFIDENCE AND SKILLS THEY NEED TO SUCCEED IN LIFE.

We believe that education is the most important part of orphan care. Your donations over the years have contributed towards an orphan’s education, school meals and health care. To ensure that we deliver the highest levels of service, the majority of our sponsored orphans attend our very own Schools of Excellence.

You are the reason thousands of our orphans have grown to become successful young men and women studying in further education or working to support themselves, their families and their communities.

HOW YOU CAN HELP:



Sponsor an orphan
£29.50 per month or
£354 per year



After I lost my mother, I lost my confidence and felt hopeless. Now, I'm starting to feel happy again. I love football and my favourite subject is maths. Being at school has really helped me.

– 8-year-old Aman, Malawi

OUR ORPHAN SPONSORSHIP HISTORY

1995 The orphan sponsorship programme began in Africa. The programme aims to provide needy orphans within the region with a **sound level of education and training** to enable them to work and earn a living when they leave school or college.

1996 Fiaz Ahmed became the **first orphan sponsored in Pakistan** by MH.

2003 MH starts building its own schools. These **Schools of Excellence** prioritise places for the growing number of sponsored orphans.

HOW YOU HAVE HELPED LAST YEAR

2017 Last year, in the midst of the **Syrian conflict**, your support was crucial to thousands of orphans whose lives have been devastated by war. In a place where the future is difficult to predict, and with psychological effects of the conflict taking a toll on the development of children, one of the most vital gifts you gave was the continuation of their education. You funded an **MH orphanage in Salqin, Idlib** where orphans were provided with **schooling, as well as food, clothing, medical care and shelter.**





Education is at the heart of what we do. As well as establishing our own schools, we run a varied range of educational programmes, in different areas, that cater to the specific needs of the community they are serving. This ranges from modest classrooms serving isolated communities to campuses serving large groups of children.

Over the past 25 years, one of the most precious gifts you have given to children across the globe is access to education. Your donations have helped eliminate obstacles to learning in some of the most disadvantaged communities in the world. From providing school buses for deaf children in Somalia, to school meals for orphans in famine stricken parts of Malawi, your support has been truly life-changing. You have enabled us to establish our own schools which have been tailored to the specific and local needs of students.



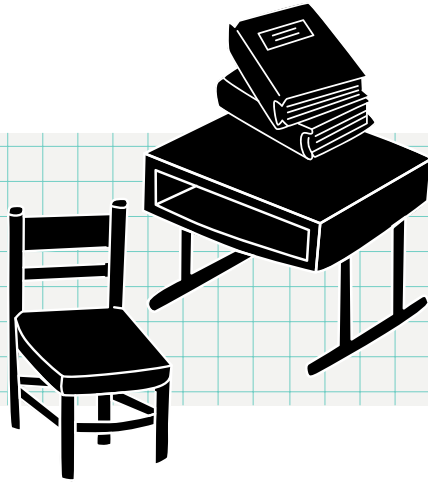
“Whoever travels a path in search of knowledge, Allah makes easy for him a path to Paradise.”
[Sahih Muslim]

1994 A primary school for Afghan refugees is established in Peshawar, Pakistan. We open a new primary school in Gambia.

2003 MH starts building its own schools which prioritise places for the growing number of sponsored orphans.

2008 MH supplies school equipment and stationery to 2,000 students in 20 of the poorest schools in Gaza, Palestine.

HOW YOU CAN HELP:



School kit £20

7 School desks £70

9 School chairs £95

MUSLIM HANDS SCHOOLS OF EXCELLENCE

MH schools are geared towards helping students from the poorest backgrounds receive a standard of education on a par with local private schools.

As well as receiving a high standard of education, every child that attends an MH school is given books and stationery, a uniform, school meals, regular health checks and a safe, secure environment in which to learn.

OUR WORK IN 2017

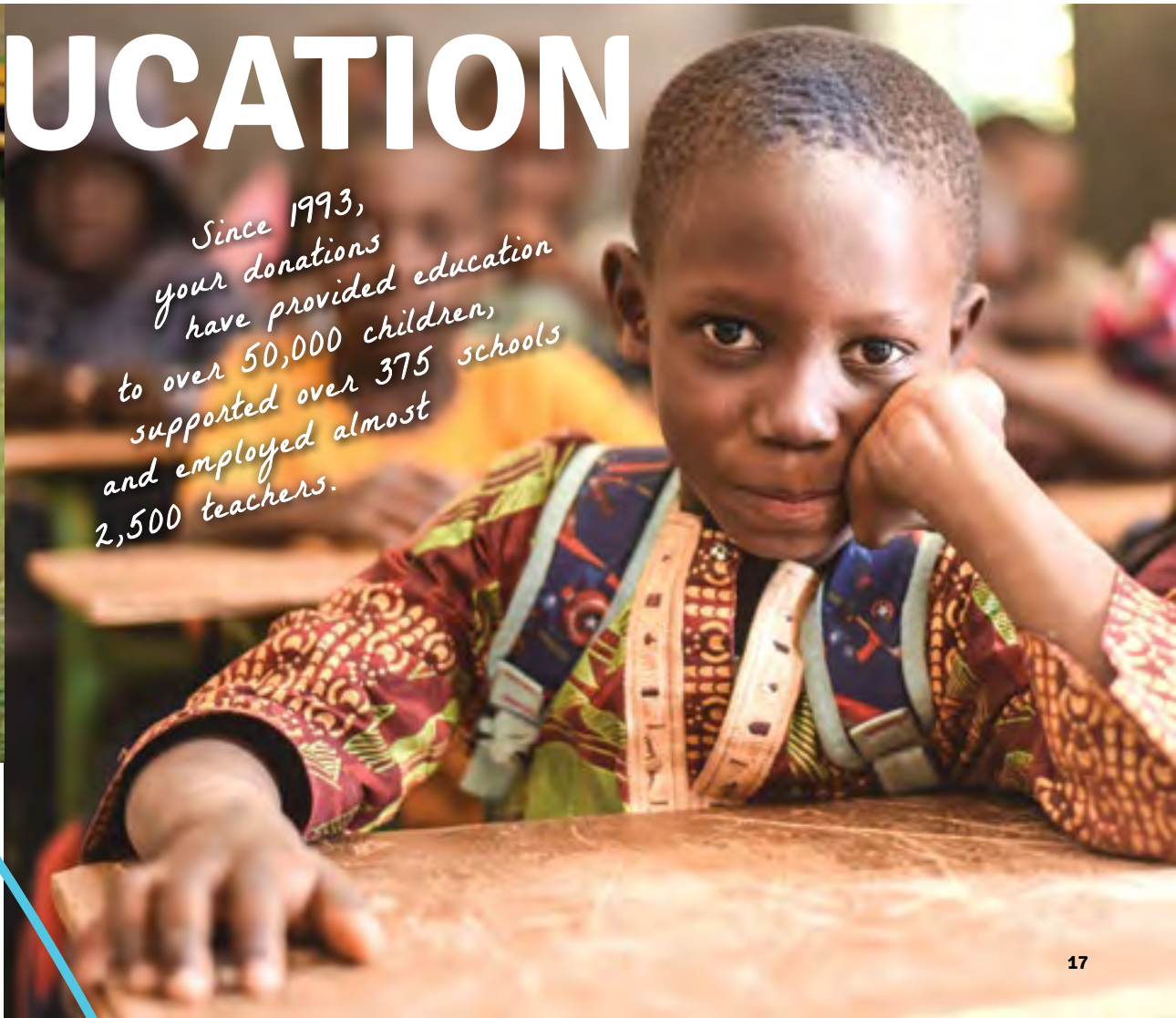
Last year, a small group of university friends raised funds to construct a four-storey primary school building for orphans and needy children in Sylhet, Bangladesh.

Your amazing support contributed to the building of an adjoining secondary school and buses to transport students safely to and from school. During this project, your long term donations came full circle as orphans who have benefited from our sponsorship programme, and had previously attended the former MH School of Excellence, returned to help establish the new school.



EDUCATION

*Since 1993,
your donations
have provided education
to over 50,000 children,
supported over 375 schools
and employed almost
2,500 teachers.*



WATER

A staggering two billion people around the world still consume water from contaminated sources. A lack of clean water can cause illnesses such as malaria, diarrhoea and typhoid, which can hinder the development and welfare of communities. That's why Muslim Hands works globally to provide people with access to clean water and sanitation.

Your donations have contributed to the provision of safe water to millions of people across the globe. The clean water you provide is vital in all aspects of everyday life. Whether it is used for drinking, washing or feeding livestock, it is certainly no exaggeration to say that clean water is a lifeline for the communities it benefits. The Prophet Muhammad (saw) said,

'THE BEST FORM OF CHARITY IS GIVING WATER'

[Ahmad]

And indeed, it is one of the reasons why we drill and dig thousands of wells of various sizes and depths all over the world, year on year. However, wells are not the only water relief you have provided.

OUR APPROACH TO WATER INCLUDES:

Hygiene training: Year-round workshops on hygiene training are provided to improve standards and prevent water-borne diseases.

Sustainability: Our implementation includes the formation of Community Based Organisations (CBOs), which train local people on maintaining water sources, as well as giving them a say on how the water is used.

Child welfare: Research shows that children are often late to school because of long journeys to collect water in the morning and by the time they are in the classroom are often too exhausted to focus. By ensuring that families have access to clean water close to home, children can attend school on time and energised.

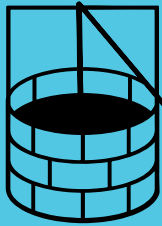


IN THE LAST 25 YEARS,
WITH YOUR HELP,
WE BUILT OVER 12,000 TUBE WELLS, INSTALLED OVER 900 COMMUNITY WELLS
AND PROVIDED
OVER 2.5 MILLION PEOPLE WITH SAFE WATER





TUBE WELL



2017

In the arid desert lands of North Kordofan in **Sudan**, families were having to walk up to 37km to the nearest source of safe water. Alhamdulillah, due to **your generosity** we were able to construct a borehole at a cost of over £60,000, which is now **providing clean water to almost 32,000 local people**, who were previously drinking from stagnant pools of dirty rainwater.

Last year, not only did you reduce the risk of sickness and disease for thousands of families, but you also saved thousands of women and girls from making the long, dangerous journey to fetch water.



COMMUNITY WELL

DIG-A-WELL



1998

A comprehensive programme for **rebuilding homes, repairing infrastructure and installing hand pumps** is initiated in Bangladesh.

2001

Over 850 wells are installed in Pakistan, India, Bangladesh, Gambia and Senegal.

2004

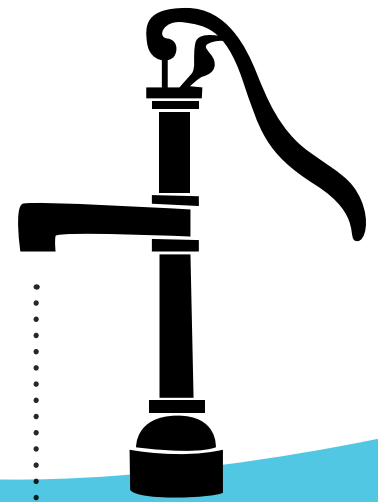
The **Bam earthquake** kills more than 45,000 and leaves 100,000 homeless. For sanitation, **30 latrines and 20 field showers are installed.**

2005

Safe water, an electricity generator and water treatment plant in Baghdad are also set up as well as **care homes** supporting the elderly and disabled.

2013

After a fire ravages **Birta Village in Nepal's Rautahat district** in April, the Muslim Hands emergency response team oversees the **repair of 27 tube wells, ensuring villagers have access to clean water supplies.**



HOW YOU CAN HELP:



Tube well £190

Community well £2,600

Dig-a-well £660

AFRICA ON THE EDGE

Severe drought, flooding and conflict has left over 30 million people in parts of East, South and West Africa on the brink of starvation. Thanks to your generous donations, we have been providing life-saving relief to displaced families in desperate need of humanitarian aid. Last year, **over 17,050 starving people in Somalia, South Sudan, Kenya and Malawi received essential food supplies.**



SYRIA BREAD FACTORY

Alhamdulillah, since 2013, you have supported a **bread factory in Idlib, Syria** which produces up to **32,000 fresh loaves a day, feeding thousands.** In a country where food production has dropped by a staggering 40%, your support has been essential. **You have helped alleviate hunger as well as provide a sense of stability and normality to a community** devastated by years of conflict.



FOOD 4 KIDS

Malnutrition is one of the biggest obstacles to the development of children in the poorest communities. By contributing to the provision of **daily nutritious meals to students attending our schools**, you have had a **huge impact on the wellbeing of over 11,000 orphaned and disadvantaged children across Asia and Africa.**

QURBANI

Every year, your donations ensure that thousands of families across nearly 40 countries get to enjoy a healthy and hunger free Eid. Many of these families only ever consume meat once a year, all due to your donations. Your Qurbani also supports local farmers, allowing them to provide for their families and benefit the local economy.

IFTAR

Our global Iftar programme **provides for those most in need throughout the holy month of Ramadan.** From delivering food parcels to the elderly and disabled, to holding **community iftars for orphans and widows**, your donations ensure that the most vulnerable communities can look forward to a **nutritious meal after a long day's fasting.**

FOR MANY FAMILIES, THE IFTAR MEALS YOU PROVIDE ARE THE FIRST NUTRITIOUS FOOD THEY HAVE EATEN FOR MONTHS.



“BOTH PEOPLE AND ANIMALS ARE DYING BECAUSE OF THE LACK OF WATER AND FOOD. THANK YOU FOR SUPPORTING US IN THIS DIFFICULT SITUATION.”

– 65-year-old Hassan Ahmed at an MH distribution in Heraale , Central Somalia

HUNGER

Worldwide, a shocking 815 million people suffer from a lack of food and nutrition – 52 million being children under 5 years old.

Whether it is distributing food aid to victims of war and famine or providing communities with the tools they need to feed themselves over the long-term, we take a practical and dynamic approach to the complicated issues related to hunger.

The Prophet (saw) said,

‘THE BELIEVER IS NOT HE WHO EATS HIS FILL WHILE HIS NEIGHBOUR IS HUNGRY’

[Sahih Al Bukhari]

For 25 years your donations have tackled hunger in over 50 countries. You have given sustenance to children suffering from malnutrition, food aid to victims of war and disaster and iftar meals to families who are forced to fast long after sunset during the holy month of Ramadan. Every donation that you have given has been invaluable in our fight against hunger and malnutrition.

HOW YOU CAN HELP:



Food 4 Kids **£10 a month**

Syria Bread Factory **£380**

Africa On The Edge **£50 food parcel**

Muslim Hands livelihoods projects are designed to give people the opportunity to care for their families with dignity.

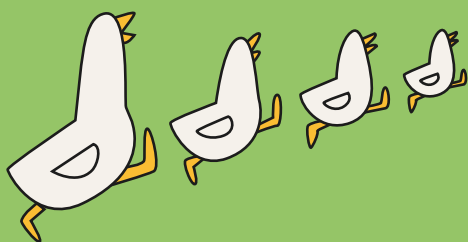
Whilst our education programmes ensure children are receiving the support they need to become productive and happy adults, your donations to our livelihood projects are empowering whole communities, creating opportunities for everyone to thrive.



LIVELIHOODS

HOW YOU CAN HELP:

Four Chickens
£20



For 25 years, you have enabled people in developing countries to work their own way out of poverty. From micro-loans and vocational training, to the provision of livestock and agricultural equipment, you have provided countless opportunities to people striving to find sustainable ways of supporting themselves and their families.

1996 Four vocational training centres, helping widows and other vulnerable women, are established in Kashmir.

2003 Muslim Hands launches a programme to assist Gambian fisherwomen in becoming self-sufficient.

2014 A large, multifaceted livelihoods project is undertaken in Sri Lanka by MH. This includes the distribution of livestock, seeds and farming tools and the planting of fruit trees to support rural communities.

2017 Your support provided local women in Malawi with the skills and financial means to set up their own businesses. Each woman took part in a five-day training programme in business management where they learned how to ensure their own ventures were profitable and sustainable. Alhamdulillah, the programme resulted in the women setting up a successful tailoring business, a beauty salon and a bicycle-hire scheme, all of which are already benefiting the local community.



“

Indeed the world is sweet and green, and indeed Allah has put you in charge of it ... and is watching how you behave.

[Sahih Muslim]



ENVIRONMENT

At Muslim Hands, we believe in operating projects in partnership with communities to deliver effective support that works in harmony with the surrounding environment. This means working locally to find sustainable solutions to the problems that people face.

The health of the environment is inextricably linked to the health of the communities that rely on it. For this reason, environmental sustainability is a priority when implementing all our projects. Here are a few ways in which we achieve this:

KEEPING IT LOCAL: When you donate to a cause, rather than flooding markets with foreign produce, we purchase goods locally, not only reducing the carbon footprint, but boosting the local economy.

ORCHARDS: Many of the communities we work in are rural and rely on the land to sustain them. Rather than clearing land for farming, we encourage the planting of orchards to bind the soil and provide people with a natural, long-term income source.

RENEWABLE ENERGY: Instead of relying on generators to produce electricity on new builds, we use solar energy to reduce CO2 emissions.

EDUCATION: The environment forms an important part of our school curriculum, ensuring that the green message is passed onto future generations.



HOW YOU CAN HELP:



Olive Tree
£15



HOW YOU HAVE HELPED

2005

MH partners with IFEEES and WWF to run programmes in Aceh and North Sumatra in Indonesia aimed at protecting the country from deforestation and river pollution. Muslim Hands holds **workshops** for fishermen and local community leaders, senior government officials and other charities active in the area, **looking at sustainable ways of fishing and farming.**

2015

400 trees are planted, and 50 waste disposal units installed in Wazirabad, Pakistan as part of our **environmental conservation and waste management programme.**

2017

MH launches an olive tree planting agricultural project in Gaza, **benefiting 100 families and creating 25 sustainable job opportunities.**

“

The Prophet (saw) said,
Make use of medical treatment, for Allah has not made a disease without appointing a remedy for it, with the exception of one disease, namely old age.

[Abu Dawud]



HEALTH

At least half of the world’s population does not have access to essential health services, and at least 100 million people are being pushed into extreme poverty because of healthcare costs. Every year, your donations provide life-saving medical care to those who would otherwise have no way of accessing even the most basic of services.

TREATMENTS WE PROVIDE:	<u>Infant mortality reduction</u>	<u>HIV & Aids prevention</u>
<u>Cholera & Malaria treatment</u>	<u>Polio eradication</u>	<u>Maternal health</u>

Access to healthcare should be a right for everyone. Unfortunately, millions of people are either too far away from healthcare facilities to benefit from them or simply cannot afford to pay the costs associated with them. Thanks to your generosity, some of the most vulnerable people in the world are receiving the care they so desperately need. Here are just some of the ways your donations have helped:

OVER THE YEARS, YOUR DONATIONS HAVE:

- Been a lifeline to people in conflict zones like Gaza and Syria, providing much needed mobile medical units as well as counselling and support for traumatised children.
- Funded tens of thousands of cataract removal operations in poverty-stricken communities in Asia.
- Transformed maternal health in Afghanistan and Somalia with the provision of specialist clinics, trained midwives and medical equipment.
- Treated victims of malaria and cholera in Malawi, Mali and Sierra Leone.

HOW YOU HAVE HELPED

1994 Fierce fighting in Kashmir forced entire families to flee their homes. This led to the establishment of our Muzaffarabad Medical Centre in Kashmir to serve refugees and locals. Alhamdulillah, 15 years later, it has served more than 300,000 patients providing check-ups, medicine and an ambulance service.

2005 Green Ribbon Week was launched to raise awareness of the plight of countless children of war in some of the most devastated countries in the world.

Through the funds raised; 75 children in Afghanistan were fitted with prosthetic limbs at an MH Orthopaedic and Prosthetic Clinic in Kabul, schools in Iraq were provided with sports equipment to help children feel a sense of normality in their difficult living conditions and Sudanese children in Darfur were granted vaccinations and healthcare.



2017 Our Motherkind clinic in Kabul, Afghanistan was established in 2011, and now serves approximately 9,700 patients a month, offering life-saving prenatal and postnatal care to mothers and babies.



UK PROJECTS

Understanding and fulfilling the rights of our neighbours is an important part of Islam. Whilst your generosity here in the UK has allowed us to carry out relief work in locations across the globe, there is also a great need within our local communities, right here on our doorstep.

Since 2012, our UK Community development department has been working to tackle issues of poverty, exploitation and exclusion. Since then, we have invested in programmes over five key areas: **poverty alleviation, youth empowerment, women leadership, ex-offender rehabilitation and drug rehabilitation.**

Our work has transformed the lives of thousands of people across the country through projects in livelihoods training, domestic violence awareness, and academic support for disadvantaged children.

Young Muslim Writers Award

In 2010 we set up the Young Muslim Writers Awards (YMWA), our flagship UK youth literacy development programme.

Throughout the year we hold workshops in schools up and down the country, encouraging creative thinking and communication skills, culminating in an exciting awards ceremony celebrating the achievements of young writers within our communities.



The competition has been assessed by over 100 accomplished authors, poets and journalists, including award-winning authors Louis de Bernières, Elizabeth Laird and Tim Bowler.

This year's competition is open until 31st July



**And be good to the neighbour
who is your relative and to the neighbour
who is not a relative...**

- [Qur'an, 4:36]

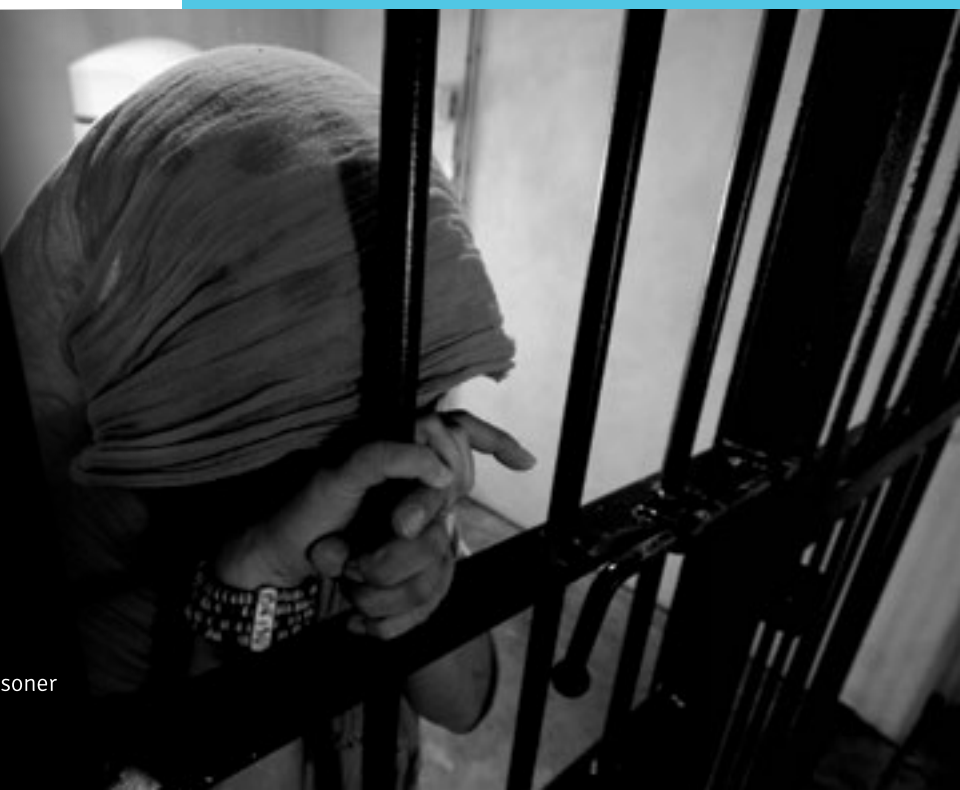
Muslim female prisoner Rehabilitation

In 2014 we released a ground-breaking and award-winning report on Muslim women in prison, which identified their specific needs during and following their imprisonment.

This year, in partnership with the Barrow Cadbury Trust, we released our second report which aims to bring their unheard voices to the forefront, add to the gaps in knowledge in this area and address the often overlooked crossover of faith, ethnicity and gender in prison.

'...they (extended family) don't support me, I don't hear from them, it's like I died. That's what I told my brother, it's like I died.'

- Muslim female prisoner



*'Showing we care
doesn't have to
cost us anything.'*

– 23-year-old primary school worker,
Kora Rogowska (MH Volunteer)

2007

Some of the first international events we organised involved trekking the Great Wall of China and climbing Mount Kilimanjaro in Tanzania. This tradition continues with new faces joining us every year. Since 2007, our trekkers have raised £368,000 for orphans in sub-Saharan Africa, maternal health clinics in Afghanistan and children of war across the globe.

2010

Year on year, hundreds of people across the UK came together to climb the highest mountains in England, Scotland and Wales to raise funds for orphans and underprivileged children. Not just challenging, but great fun for everyone, and in the last eight years, our fantastic participants have raised over £210,000.

2017

Last Ramadan, Muslim Hands launched the Big Aid Convoy - a project aimed at assisting needy families in Syria living in camps near the Turkish border. Alhamdulillah, you filled a total of 19 containers with just under 400 tonnes of food, including rice, flour and tinned foods worth a stunning £480,000.



VOLUNTEERS WITNESS OUR WORK FIRST-HAND

Last December, our team took a group of volunteers to Pakistan for a ten day programme to work on a range of educational, health, water and sanitation projects. From joining in a teacher training session in a MH school, to participating in the installation of a water well in the remote village of Sialkot, it was an invaluable hands-on experience for the volunteers. Through their fundraising efforts, they also managed to raise £53,350 for orphans and children in Pakistan.

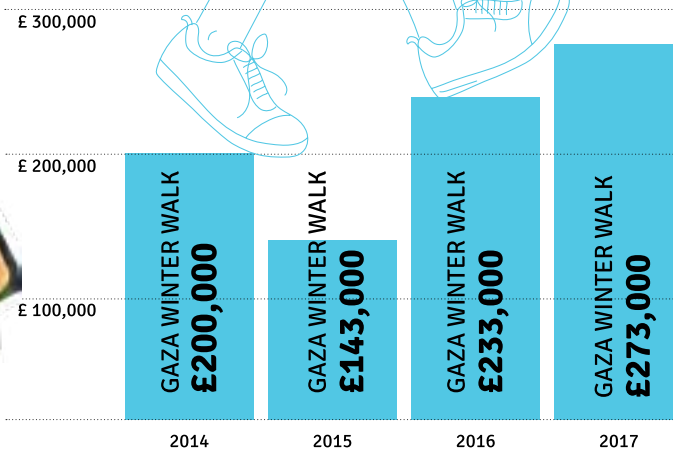


EVENTS & VOLUNTEERS

THANK YOU TO ALL OUR HEROES!



MONEY RAISED WALKING



We would like to say a

HUUUUUUGE THANK YOU

to all of our amazing volunteers and event participants throughout the years.

Last year, you raised a staggering

£1.3 MILLION

for some of the poorest people in the world.

By donating your time and smashing your fundraising targets, you have changed the lives of millions of people across the globe, alhamdulillah!

UPCOMING EVENTS

THE BIG DIVE

28th July

ZIP WORLD VELOCITY

30th June

WALK FOR THE CHILDREN OF WAR

May 19th, 26th, 27th and June 2nd



Join us!

And take advantage of the many volunteering opportunities we offer!
It's easy, all you have to do is:

1. Register online
2. Receive a friendly welcome call from one of our team members
3. Stay alert for the call to action



MAJOR GIVING

'...and from what We have provided for them, they spend freely.'

[Qur'an, 2:3]

HOW YOU CAN HELP:

SOLAR POWERED WATER WELL

Provide clean water for families, livestock and crops in arid areas where water is scarce.

from £3,000



BUILD A MASJID

Provide a community with a centre for prayer, hope and religious guidance.

from £3,000



BUILD A CLASSROOM

Give children the chance to receive an education in a purpose built classroom, where they will grow, prosper and eventually escape poverty, in'sha'Allah.

from £3,000



LIVELIHOODS

Enable a family to provide for themselves by supporting them with agricultural machines, seeds, livestock, vocational skills training and vehicles to travel to work or university, etc.

from £3,000



Let our team of experts here and abroad help you to deliver your unique charitable project, according to your plan, time and budget.

15 YEARS OF GIVING

Major Giving (formerly known as Special Programmes and It's My Project) was established 15 years ago to provide tailor-made support for donors who want to fund their

own charitable project. Over the years, our Major Giving donors have constructed deep water wells, mosques, large educational complexes and state of the art primary and secondary schools throughout Africa and Asia.

If you are interested in your own project, please contact us at majorgiving@muslimhands.org.uk

One generous donor funded a monthly food bank project in Owode Ijako, Nigeria where over 30,000 people live on under \$2 per day. The project continues to provide food to 100 of the poorest families in the area. Previously, nearly a quarter of these families had no source of income and relied on gifts, donations and loans just to feed themselves.



FINANCIAL REVIEW

Income and expenditure

This year, Muslim Hands raised £19.1m – with over three quarters received from our supporters who donated the generous sum of £16.7m with the balance of £ 2.4m coming from Gift Aid. The total income received in 2017 was up from the level of income raised in the previous year (£15.7m).

	2017	2016	2015
	(£m)	(£m)	(£m)
Donations from Supporters			
General Donations	14.1	12.4	11.3
Donations from Emergencies	2.6	1.1	1.2
Gift Aid	2.4	2.2	1.9
Total Income	19.1	15.7	14.4

During the year Muslim Hands spent over £14.8m. 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.

	2017	2016	2015
	(£m)	(£m)	(£m)
Cost of generating funds	2.6	2.3	2.3
Charitable Activities	12.2	16.7	12.2
Where Most Needed	2.1	3.8	3.4
Orphans	2.0	3.8	2.9
Education	1.1	0.3	0.3
Health	0.3	0.2	0.1
Emergency Aid	1.6	2.3	1.4
Safe Water	1.3	1.7	0.8
Food	1.2	1.3	1.2
Masjid	0.3	0.5	0.1
Support Costs & Staff	2.3	2.8	2.0
Total Resources Expended	14.8	18.9	14.5

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:

	2017	Details
Orphans (General)	5,500	
Education	25,000	MH school including school going orphans
WASH	1,140,000	(through provision of deep water wells, hand pumps, water filtration units)
Health	540,000	(through Muslim Hand BHU's, disability centres, MCH's and ambulance service)
Emergency	161,000	Syria and Rohingya phase 1
Food	3,000,000	Seasonal Food programmes qurbani & Iftaar
Livelihoods	5,000	Vocational Training centres and other small one-off livelihood programme
Religious	3,500	Small religious programmes plus construction of masjids

During programmes implementation, number of factors, like donors commitments, availability of funding, socio-economic conditions of the donors or target beneficiaries, interventions by the respective government institutions, UN Agencies and other humanitarian actors coverage of same pool of target beneficiaries can impact the project achievement targets at both control or treatment scenarios.

Muslim Hands is always committed to the poorest of the poor and most marginalized and vulnerable segments of society irrespective of race, religion and gender. Most of our implementation is ongoing so if target 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.

Principal sources of funding

The principal source of funding is from individual donors from within the UK who respond to appeals via mail, email, website or other forms of fundraising through the radio or television.

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 would be utilised where most needy and applied at the discretion of the trustees to further the charity's purposes.

Over the past three years (2014 – 2017), Muslim Hands voluntary income has seen steady growth over recent years. 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 they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Muslim Hands have addressed the shortfall in this through new budgets and systems to limit variances.

Muslim Hands depends on unrestricted funds to fund 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 initiated in 2014 to:

1. Increase our 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, which will bring further efficiencies and saving but still allow us to increase our reach to beneficiaries, will also be instrumental to the success of this plan.

In the event of a significant drop in funding, the Trustees feel that they would be able to continue the current activities of the Charity through the availability of reserves. It would obviously be necessary to consider how the funding would be replaced as activities changed. The Charity needs 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.

The level of free reserves held at the balance sheet date reflects funds received during the three months prior to the year-end which were utilised early in the new year. In addition, the Charity receives significant donations during the period of Ramadan in the second half of the financial year. These donations are retained and utilised systematically to support necessary projects during the next twelve months.

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 **£10,144,787** (2016: £14,250,585). The Charity's 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 to other Muslim Hands entities in various countries around the world who implement projects on behalf of the Charity thereby assisting the Charity 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 result.

Programmes monitoring and evaluation is carried out by MH staff and trustees to ensure adherence to MH objectives and financial sustainability. The partners provide quarterly narrative and financial reports with explanations for variances. In addition, Internal Audit & Compliance teams also visit field offices and various programmes to ensure financial compliance.

Investment policy

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



PRINCIPAL RISKS & 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.

During 2017, the Trustees identified the following key risk and the measures taken to address the key identified risks:-

1.Reduced access to monitor programmes in conflict zones. The Charity has a good record of responding to humanitarian need during natural or man-made disasters such as war, conflict and civil strife. In many cases, the Charity relies on partners to implement its programmes in those areas, however there is a need to measure the effectiveness and safe implementation of these programmes but due to a myriad of reasons, it is not possible for the Charity's staff to access some conflict zones. The Trustees will address this by making use of third party professional auditors and evaluators to access the difficult to reach areas in order to assess the situation on the ground and to be able to report on effective implementation of projects;

2.Lack of Security for staff working in conflict zones. In recent years more and more international NGOs are reporting attacks on their staff and in some cases these have proved fatal resulting in death. The Trustees have long been concerned about its staff working in such areas and as a result commissioned external specialist advisors to put together a set of policies and procedures in order to mitigate this risk. Designated in house staff have been given responsibility to ensure that there polices and processes are being implemented;

3.The Muslim Community in the UK have been identified as being the biggest charitable givers compared to other faith and non-faith groups. Whilst this represents an opportunity for the Charity to continue to grow, the community has also seen an increase in charitable activity through the registration of charities and the soliciting of funds targeted towards the Muslim community. There are some who entice the donor by giving assurances that 100% of their donations will be used on charitable causes.

The charity does not make such claims and needs to manage donor perception through better education of its donors (both actual and potential) on why it is necessary for charities to incur some fees in order to deliver on its objectives.

4.Safeguarding has become a serious in the press with the news of reputable charities not having appropriate safeguarding policies and processes, this has made the trustees reassess the risks and has led the trustees to review latest alerts from the commission. Based on this Muslim Hands have taken appropriate steps to review safeguarding of staff, volunteers and beneficiaries by looking at case studies and guidance on necessary measures to safeguard stakeholders of the charity. A policy and procedures have been drafted to address this risk.

5.The EU General Data Protection Regulation (GDPR) updates current EU data privacy rules, which were originally implemented in 1995 before the digital -revolution truly took hold. The latest regulation recognises that innovations like cloud technology have not only changed the way that data is stored, transferred and used, but have heightened information security risks. The board of trustees understand the need to assess data protection risks and that they receive ongoing attention and review. This includes evaluating existing contracts with third-party service providers with which companies share personal data to ensure they include all of the mandatory obligations prescribed by the new regulations. This also includes understanding the data held within the charity in relation to where and when it was acquired from and with whom it is shared with. Muslim Hands is proactively taking measures to ensure compliance with GDPR and enhanced data protection across its operations.



PLANS FOR THE FUTURE

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

To continue the mission of aiding more people effectively and efficiently as possible, Muslim Hands will be focusing on organisational restructure and internal development, stronger emphasis on forming partnerships with grass-root level delivery partners overseas and at home and increasing our income from trusts and institutional funders.

Muslim Hands' skill and experience establishing and running educational projects is a long standing and recognised strength and it will be the primary area of focus going forward. Muslim Hands will be focusing building on these strengths and gain sector-wide recognition and funding for its work.

In recent years, Muslim Hands has invested great effort in developing in-house CRM and project management systems and consequently enjoys a good level of efficiency in this area demonstrated by a relatively low staff-to income ratio. Muslim Hands is currently developing a new generation of web-based CRM, financial management and programmes systems to achieve better control, more collaboration and increase learning with our partners.

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 the 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 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 inappropriate 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 hence for taking reasonable steps for 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; and
- 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

_____ and signed on their behalf by

SL Hassanain,
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSLIM HANDS

Opinion

We have audited the financial statements of Muslim Hands (the 'charitable company') for the year ended 31 December 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- 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.
- The financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of trustees' remuneration specified by law are not made.
- 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Jonathan Orchard,
Senior statutory auditor

for and on behalf of
Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL



FINANCIAL STATEMENTS

MUSLIM HANDS

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations		7,930,922	11,127,785	19,058,707	4,593,908	11,093,346	15,687,254
Bank Interest		37,907	-	37,907	110,505	-	110,505
Total income		7,968,829	11,127,785	19,096,614	4,704,413	11,093,346	15,797,759
Expenditure on:							
Raising funds	3	2,517,241	-	2,517,241	-	2,307,805	2,307,805
Charitable activities							
Grants payable and operational programmes	3	3,823,733	8,548,852	12,372,585	5,630,194	11,089,902	16,720,096
Total expenditure		6,340,974	8,548,852	14,889,827	5,630,194	13,397,707	19,027,901
Net income / (expenditure) for the year	4	1,627,856	2,578,932	4,206,787	(925,781)	(2,304,361)	(3,230,142)
Transfers between funds	13	(808,718)	808,718	-	(569,822)	569,822	-
Net movement in funds		819,138	3,387,650	4,206,788	(1,495,603)	(1,734,539)	(3,230,142)
Reconciliation of funds:							
Total funds brought forward		1,250,607	5,312,802	6,563,409	2,746,210	7,047,341	9,793,551
Total funds carried forward		2,069,745	8,700,452	10,770,197	1,250,607	5,312,802	6,563,409

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.

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

All income and expenditure derives from continuing activities.

MUSLIM HANDS BALANCE SHEET

Company no. 05080486

As at 31 December 2017

	Note	£	2017 £	2016 As restated £
Fixed assets:				
Tangible assets	8		1,431,372	1,405,261
			1,431,372	1,405,261
Current assets:				
Debtors	9	983,702		235,388
Short-term Deposits		2,652,369		-
Cash at bank and in hand		6,200,614		5,367,951
			9,836,685	5,603,339
Liabilities:				
Creditors: amounts falling due within one year	10	(322,218)		(237,697)
			9,514,467	5,365,642
Total assets less current liabilities			10,945,838	6,770,903
Creditors: amounts falling due after one year	11		(175,641)	(207,494)
			10,770,197	6,563,409
The funds of the charity:	13			
Restricted income funds			8,700,452	5,312,802
Unrestricted income funds			2,069,745	1,250,607
			-	-
Total charity funds			10,770,197	6,563,409

Approved by the trustees on 26th September 2018 and signed on their behalf by

Syed Lakhte Hassanain
Trustee

MUSLIM HANDS STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Note	2017		2016	
		£	£	£	£
Cash flows from operating activities	14				
Net cash provided by / (used in) operating activities			3,587,212		(3,260,881)
Cash flows from investing activities:					
Purchase of fixed assets		(70,327)		(20,030)	
Net cash provided by / (used in) investing activities			(70,327)		(20,030)
Cash flows from financing activities:					
Repayments of borrowing		(31,851)		(31,143)	
Net cash provided by / (used in) financing activities			(31,851)		(31,143)
Change in cash and cash equivalents in the year			3,485,034		(3,312,054)
Cash and cash equivalents at the beginning of the year			5,367,960		8,680,005
Cash and cash equivalents at the end of the year	15		8,852,984		5,367,960

MUSLIM HANDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

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 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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 September 2015) 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.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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.

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

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.

2 Grants payable and operational programmes

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
General	1,595,934	570,189	2,166,123	3,885,635
Orphans	-	2,056,632	2,056,632	3,875,120
Elderly	-	5,046	5,046	
Children	-	86,520	86,520	
Livelihoods	-	35,324	35,324	
Education	-	1,018,372	1,018,372	310,034
Health	-	342,503	342,503	221,352
Emergency Aid	-	1,590,885	1,590,885	2,271,727
Shelter	-	3,585	3,585	1,975
Safe water	-	1,342,924	1,342,924	1,762,104
Food	-	1,182,719	1,182,719	1,393,894
Masjid	-	272,095	272,095	541,765
Qurbani	-	42,058	42,058	(13,022)
Grant payable	1,595,934	8,548,852	10,144,786	14,250,584
Wages and salaries	696,607	-	696,607	862,405
Support costs (note 3)	1,133,906	-	1,133,906	1,563,012
Governance costs (note 3)	398,804	-	398,804	44,094
	3,825,251	8,548,852	12,374,103	16,720,096

2 Grants payable and operational programmes (continued)

Cost	Number of	2017	Number of	2016
	gifts	£	gifts	£
Muslim Hands Partners (Related Parties)				
Pakistan	33	1,434,107	6	1,738,539
Palestine	13	989,111	9	3,183,614
Sudan	20	447,659	5	415,871
Bangladesh	16	448,035	4	382,306
Niger	9	194,236	4	236,793
Afghanistan	13	235,614	4	208,343
Iraq	5	127,241	3	40,139
Somalia	10	368,893	4	299,738
Mali	12	210,211	4	327,694
Malawi	11	121,992	4	86,389
Kenya	11	5,980	4	43,341
Nigeria	3	22,098	1	774
		4,605,177		6,963,541
Non Muslim Hands Partners				
Gambia	8	138,767	4	157,597
Sri Lanka	6	80,712	4	143,448
Lebanon	8	111,881	6	219,267
Indonesia	6	44,315	4	41,584
Syria	21	1,028,251	18	594,124
Myanmar	8	147,356	4	292,870
Kashmir (India)	8	107,655	4	177,242
China	5	8,973	4	42,827
Mauritania	6	57,635	5	39,826
Nepal	8	33,299	1	22,200
Senegal	6	88,873	4	109,226
		1,847,717		1,840,211
		6,452,895		8,803,752
Other grants less than £50,000 in the year		3,691,892		5,446,832
At the end of the year		10,144,786		14,250,584

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.

During the year the Charity contributed £nil (2016: £nil) towards the office expenditure of Muslim Hands France, a separate charity registered in that country.

3 Analysis of expenditure

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2017 Total £	2016 Total £
Grants payable (Note 2)	-	10,144,787	-	10,144,787	14,250,585
Staff costs (Note 5)	862,609	981,013	282,547	2,126,169	1,879,855
Premises costs	21,259	170,073	21,259	212,591	304,434
Office costs	73,614	587,396	73,614	734,624	1,531,850
Professional fees	104,684	92,788	7,138	204,610	190,989
Publications, advertising and postage	1,369,288	-	87,304	1,456,592	847,648
Audit and accountancy	-	-	10,452	10,452	22,540
Trustees expenses	(1,518)	(2,276)	3,794		-
	2,429,936	11,973,781	486,108	14,889,827	19,027,901
Governance costs	87,304	398,804	(486,108)	-	-
Total expenditure 2017	2,517,240	12,372,586	-	14,889,827	19,027,901
Total expenditure 2016	2,307,805	16,720,096	-	19,027,901	

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.

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2017 £	2016 £
Auditors' remuneration (excluding VAT):		
Audit	15,300	15,000
Under-provision in the prior year	-	-
Depreciation of tangible fixed assets	44,217	74,458

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,926,110	1,721,248
Social security costs	167,410	130,968
Employer's pension contributions to defined contribution scheme	32,649	27,639
	2,126,169	1,879,855
	2,126,169	1,879,855

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

	2017 No.	2016 No.
Direct charitable operations	47	39
Fundraising and publicity	41	46
Management and administration of the Charity	3	1
	91	86
	91	86

The charity operates a defined contribution pension scheme: 2017 £32,649 (2016 £27,639) 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 £185,407 (2016: £181,487).

There are zero employee with emoluments above £60,000. During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £55,223 (2016: £54,218) 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 £4,739 (2016: £2,914) by Syed Lakhte Hassanain.

During the year £3,794 (2016: £19,206) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 4 Trustees (2016: 6 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.

7 Intangible fixed assets

	Donor Mailing List £
Cost	
At 1 January 2017 and 31 December 2017	-
Amortisation	
At 1 January 2017 and 31 December 2017	-
Net book value	
At 31 December 2017 and 31 December 2016	-
	-

8 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Motor Vehicles	Total £
Cost					
At 1 January 2017	1,416,793	450,276	297,172	-	2,164,241
Additions in year	-	52,791	4,696	12,840	70,327
At 31 December 2016	1,416,793	503,067	301,868	12,840	2,234,568
Accumulated depreciation					
At 1 January 2017	179,145	421,689	158,146	-	758,980
Charge for the year	2,460	20,226	20,854	677	44,217
At 31 December 2017	181,605	441,915	179,000	677	803,197
Net book value					
At 31 December 2017	1,235,188	61,152	122,868	12,163	1,431,372
At 31 December 2016	1,237,648	28,587	139,026	-	1,405,261

Included in the net book value of freehold land and buildings of £1,293,833 (2016: £1,293,833) is £nil relating to non-depreciated land.

9 Debtors

	2017 £	2016 £
Other debtors	441,292	6,629
Prepayments and accrued income	542,410	228,759
	983,702	235,388

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.

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	31,853	32,223
Trade creditors	263,128	131,411
Accruals and deferred income	26,645	64,685
Other creditors	668	9,378
	322,294	237,697

11 Creditors: amounts falling due after one year

	2017 £	2016 £
Bank loans	175,641	207,494
The bank loan is repayable as follows:		
Within one year	31,853	30,913
Between one and two years	32,822	31,853
Between two and five years	104,579	101,492
After five years	38,239	74,149
	207,493	238,407

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.

12 Analysis of net assets between funds 2017

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,431,371	-	1,431,371
Net current assets	814,015	8,700,452	9,514,467
Long term liabilities	(175,641)	-	(175,641)
Net assets at 31 December 2017	2,069,745	8,700,452	10,770,197

Analysis of net assets between funds 2016

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,405,261	-	1,405,261
Net current assets	52,840	5,312,802	5,365,642
Long term liabilities	(207,494)	-	(207,494)
Net assets at 31 December 2016	1,250,607	5,312,802	6,563,409

13 Movements in funds 2017

	At 1 January 2017 £	Income 2017 £	Expenditure 2017 £	Transfers 2017 £	At 31 December 2017 £
Restricted funds:					
Afghanistan	21,418	124,278	(235,614)	143,777	53,860
Africa	354,655	84,002	(251,738)	15,596	202,515
Albania	3,661	6,940	(7,194)	208	3,615
Algeria	128	-	-	-	128
Azerbaijan	16,247	585	-	-	16,832
Bangladesh	82,429	373,714	(448,035)	78,646	86,753
Burma	540,955	814,830	(147,356)	-	1,208,428
Central African Republic	42,954	-	-	-	42,954
Chechnya	38,970	38	-	-	39,008
China	13,683	12,510	(8,973)	-	17,219
Ecuador	98	-	-	-	98
Ethiopia	8,762	23,037	(27,526)	7,383	11,656
Gambia	21,427	78,601	(138,767)	47,631	8,892
Haiti	38,726	1,067	(47,483)	36,995	29,305
India	5,940	18,083	(4,719)	2,875	22,179
Indonesia	38,815	27,175	(44,315)	7,342	29,017
Iran	81,089	3,666	-	-	84,755
Iraq	79,558	54,707	(127,241)	8,591	15,614
Japan	15,435	-	-	-	15,435
Kashmir – India	16,088	62,834	(107,655)	44,944	16,211
Kashmir – Pakistan	120,526	402,195	(308,590)	107,143	321,273
Kenya	6,303	12,136	(5,980)	2,541	15,000
Kosova	299	3,454	(3,051)	15	718
Lebanon	29,078	116,498	(111,881)	9,926	43,621
Libya	11,178	68	-	-	11,245
Macedonia	6,871	301	-	-	7,172
Majorca	99	-	-	-	99
Malaysia	-	-	-	-	-
Malawi	33,945	145,820	(121,992)	11,644	69,417
Mali	14,005	181,409	(210,211)	59,369	44,573
Mauritania	20,233	49,708	(57,635)	11,327	23,633
Mexico	9,292	4,947	(6,286)	1	7,954
Middle East	2,655	-	-	-	2,655
Nepal	25,722	117	(33,299)	9,355	1,895
Niger	9,920	182,103	(194,236)	64,001	61,788
Pakistan	164,802	1,507,970	(1,434,107)	618,093	856,757
Palestine	1,137,698	1,380,016	(989,111)	131,506	1,660,109
Philippines	771	-	-	-	771
Rwanda	1,111	10,998	(2,231)	-	9,878
Russia	121	-	(3,622)	3,501	0
Senegal	15,383	73,097	(88,873)	40,406	40,013
Sierra Leone	9,270	2,141	-	-	11,410
Somalia	59,499	273,301	(368,893)	69,115	33,022
Somaliland	-	5	-	-	5
South East Asia	-	-	-	-	-
Sri Lanka	9,838	50,489	(80,712)	44,156	23,772
Spain	20,236	3,035	(2,936)	-	20,334
Subcontinent	65,485	-	-	-	65,485
Sudan	82,214	448,128	(447,659)	100,184	182,867
South Sudan	-	25,399	-	-	25,399
Syria	846,499	1,263,341	(1,028,251)	-	1,081,589
UK	9,747	89,308	(84,450)	39,178	53,782
Europe Refugee Crisis	18,936	-	-	-	18,936
Non country specific	1,110,810	3,146,477	(1,284,300)	(936,214)	2,036,774
Bosnia	57	-	-	-	57
Brazil	16	-	-	-	16
Congo	335	28	(211)	1	153
Cuba	1,198	639	-	-	1,837
Dagestan	-	-	-	-	-
Djibouti	4	-	-	-	4
Dominican Republic	-	-	-	-	-
Egypt	386	1,790	(375)	112	1,914
Eritrea	5	-	-	-	5
France	-	-	-	-	-
Sub-total carried forward	5,265,584	11,060,986	(8,465,509)	779,348	8,640,409

Movements in funds 2017 (continued)

	At 1 January 2017 £	Income 2017 £	Expenditure 2017 £	Transfers 2017 £	At 31 December 2017 £
Sub-total brought forward	5,265,584	11,060,986	(8,465,509)	779,348	8,640,409
Ghana	470	-	-	28	498
Guinea	378	898	-	-	1,276
Guinea Bisua	6,539	14,133	(8,449)	-	12,222
Liberia	264	519	(265)	-	518
Ivory coast	24	-	-	-	24
Italy	-	-	(1,418)	1,418	-
Jordan	36	-	-	-	36
Mauritius	114	946	(114)	-	946
Montenegro	-	-	-	-	-
Morocco	57	93	-	-	151
Mozambique	4	-	-	-	4
Nigeria	617	13,420	(22,098)	10,361	2,300
South Africa	2,539	1,186	-	-	3,725
Tunisia	-	-	-	-	-
Tajikistan	-	-	-	-	-
Tanzania	2,426	1,688	(818)	-	3,296
Tatarstan	-	-	-	-	-
Turkey	-	-	(17,563)	17,563	-
Togo	-	524	(472)	-	52
Uganda	3,726	2,949	(3,081)	-	3,594
Uzbekistan	2,493	-	-	-	2,493
Yemen	27,532	30,444	(29,065)	-	28,912
Total restricted funds	5,312,802	11,127,785	(8,548,852)	808,718	8,700,452
General funds	1,250,607	7,968,829	(6,340,974)	(808,718)	2,069,745
Total funds	6,563,409	19,096,614	(14,889,826)	-	10,770,197

Movements in funds 2016

	At 1 January 2016 £	Income 2016 £	Expenditure 2016 £	Transfers 2016 £	At 31 December 2016 £
Restricted funds:					
Afghanistan	26,992	166,511	(218,824)	46,739	21,418
Africa	453,810	85,051	(184,205)	-	354,655
Albania	3,682	20,191	(22,490)	2,278	3,661
Algeria	180	-	(52)	-	128
Azerbaijan	21,526	1,267	(6,546)	-	16,247
Bangladesh	45,001	328,674	(419,281)	128,036	82,429
Burma	975,384	76,477	(510,907)	-	540,955
Central African Republic	60,161	100	(17,307)	-	42,954
Chechnya	54,532	139	(15,701)	-	38,970
China	15,904	46,118	(48,340)	-	13,683
Ecuador	-	761	(663)	-	98
Ethiopia	22,940	27,252	(42,076)	645	8,762
Gambia	13,501	115,049	(166,085)	58,962	21,427
Haiti	42,205	23,463	(26,943)	-	38,726
India	7,562	22,110	(35,558)	11,827	5,940
Indonesia	51,792	41,170	(57,222)	3,075	38,815
Iran	113,761	-	(32,672)	-	81,089
Iraq	77,048	74,705	(72,195)	-	79,558
Japan	21,654	-	(6,219)	-	15,435
Kashmir – India	32,572	115,371	(183,724)	51,868	16,088
KASHMIR – Pakistan	150,221	362,294	(421,462)	29,473	120,526
Kenya	7,471	22,106	(45,881)	22,607	6,303
Kosova	2,769	13,548	(19,540)	3,522	299
Lebanon	103,206	151,593	(231,015)	5,293	29,078
Libya	15,681	-	(4,632)	129	11,178
Macedonia	8,910	729	(2,768)	-	6,871
Majorca	75	355	(966)	635	99
Malaysia	-	-	-	-	-
Malawi	669	136,746	(103,469)	-	33,945
Mali	30,223	125,885	(333,337)	191,235	14,005
Mauritania	6,261	56,365	(47,978)	5,585	20,233
Mexico	10	9,400	(118)	-	9,292
Middle East	3,725	-	(1,070)	-	2,655
Nepal	57,356	930	(32,564)	-	25,722
Niger	12,846	95,271	(240,790)	142,593	9,920
Pakistan	10,059	1,525,540	(1,804,658)	433,860	164,802
Palestine	2,344,765	1,920,338	(3,668,338)	540,934	1,137,698
Philippines	1,081	-	(311)	-	771
Rwanda	21	11,009	(9,922)	3	1,111
Russia	-	170	(49)	-	121
Senegal	7,593	91,434	(115,424)	31,779	15,383
Sierra Leone	11,009	1,996	(3,735)	-	9,270
Somalia	13,811	369,399	(323,711)	-	59,499
South East Asia	-	-	(29,000)	29,000	-
Sri Lanka	16,177	60,294	(147,412)	80,779	9,838
Spain	-	21,136	(901)	-	20,235
Subcontinent	70,348	21,523	(26,385)	-	65,485
Sudan	24,044	441,222	(448,997)	65,944	82,214
Syria	732,587	1,094,444	(980,533)	-	846,499
UK	-	14,324	(8,892)	4,315	9,747
Europe Refugee Crisis	35,568	42,378	(59,010)	-	18,936
Non country specific	1,295,680	3,317,728	(2,178,388)	(1,324,210)	1,110,810
Bosnia	80	-	(23)	-	57
Brazil	22	-	(6)	-	16
Congo	411	60	(135)	-	335
Cuba	825	855	(482)	-	1,198
Dagestan	-	-	-	-	-
Djibouti	-	5	(1)	-	4
Dominican Republic	-	-	-	-	-
Egypt	54	448	(115)	-	386
Eritrea	8	-	(2)	-	5
France	-	-	-	-	-
Sub-total carried forward	7,003,776	11,053,935	(13,359,033)	566,906	5,265,584

Movements in funds 2016 (continued)

	At 1 January 2016 £	Income 2016 £	Expenditure 2016 £	Transfers 2016 £	At 31 December 2016 £
Sub-total brought forward	7,003,776	11,053,935	(13,359,033)	566,906	5,265,584
Ghana	-	660	(190)	-	470
Guinea	1	530	(152)	-	378
Guinea Bisua	4,524	17,193	(17,871)	2,692	6,539
Liberia	-	370	(106)	-	264
Ivory coast	33	-	(9)	-	24
Jordan	50	-	(14)	-	36
Mauritius	-	160	(46)	-	114
Montenegro	-	-	-	-	-
Morocco	-	80	(23)	-	57
Mozambique	-	5	(1)	-	4
Nigeria	-	1,415	(1,022)	224	617
South Africa	1,667	1,895	(1,023)	-	2,539
Tunisia	-	-	-	-	-
Tajikistan	-	-	-	-	-
Tanzania	1,938	1,465	(977)	-	2,426
Tatarstan	-	-	-	-	-
Turkey	-	-	-	-	-
Uganda	4,673	4,194	(5,141)	-	3,726
Uzbekistan	3,497	-	(1,004)	-	2,493
Yemen	27,183	11,443	(11,093)	-	27,532
Total restricted funds	7,047,341	11,093,346	(13,397,707)	569,822	5,312,802
General funds	2,746,210	4,704,413	(5,630,194)	(569,822)	1,250,607
Total funds	9,793,551	15,797,759	(19,027,901)	-	6,563,409

Purposes of restricted funds

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

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

	2017	2016
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	4,206,787	(3,230,142)
Depreciation charges	44,217	74,458
(Increase)/decrease in debtors	(748,314)	(123,285)
Increase/(decrease) in creditors	84,521	18,088
Net cash provided by / (used in) operating activities	3,587,211	(3,260,881)

Analysis of cash and cash

15 equivalents

	At 1 January 2017	Cash flows	Other changes	At 31 December 2017
	£	£	£	£
Cash at bank and in hand	5,367,951	3,485,034	(2,652,369)	6,200,616
Short term deposits	-	-	2,652,369	2,652,369
Total cash and cash equivalents	5,367,951	3,485,034	-	8,852,985

16 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	
	2017	2016
	£	£
Less than one year	65,000	65,000
One to five years	260,000	260,000
Over five years (Cancellable)	195,000	260,000
	520,000	585,000

17 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.

Tariq Nasir is a governor of Figtree Primary School which receives a grant of £20,000 per annum.

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

18 Ultimate controlling party

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

19 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.





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