



Muslim Hands

ANNUAL FINANCIAL REPORT 2018

Annual report and financial statements
for the year ended 31 December 2018

muslimhands.org.uk | 0115 911 7222



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TRUSTEES AND STATUTORY DIRECTORS

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

COMPANY NUMBER

05080486 (country of incorporation is England and Wales)

CHARITY REGISTRATION NUMBER

1105056 (country of registration is England and Wales)

REGISTERED OFFICE

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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



TRUSTEES' REPORT



INTRODUCTION

This is the 2018 annual report of the Trustees of the Muslim Hands. It is presented together with a Trustees' Responsibilities Statement on page 25, the Independent Auditor's Report on pages 26 to 29 and the financial statements for the year ended 31 December 2018 on pages 30 to 47.

The financial statements for the year ended 31 December 2018 have been prepared in accordance with the accounting policies set out in note to the financial statements [pgs. 30 to 47]. 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

Structure, Governance and Management

Muslim Hands was legally established as an international NGO in 1993 by a trust deed and registered with the Charity Commission under registration number 1029742 on 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 comprises of Syed Lakhte Hassanain as CEO with Shahid Bashir, Tariq Nasir, Shakil Sidat, Yasrab Shah, Munawar Patel, Irfan Khan and Syed Ali Haider as Executive Directors. The Trustees set the salaries for the CEO and the Senior Management Team's Salaries are set by the CEO. The salaries are benchmarked according to similar roles in the sector based on research conducted internally, furthermore they are adjusted according to the prevailing rate of inflation at the time.

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

The induction of new Trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new board member. An overview of the organisation and its activities is also provided. The board has commenced a process of giving short training sessions for Trustees at their meetings. A programmes committee has been established by the trustees for better control and governance. The Programmes Committee is a sub-committee of the board and provides assurance to the board that Muslim Hands has an effective Programmes Strategy in place with appropriate systems that will ensure the delivery of the strategic aims. The committee is formed of two external members, and one MHUK trustee who is also the committee chair.

Muslim Hands has been dependant on volunteer support in order to fulfil 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 world, 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, sickness and the provision of education worldwide. To provide an ethical service for the collection and distribution of funds in an effective, efficient, transparent and wholly accountable manner"*



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

All our charitable activities focus on furthering our charitable objectives for the public benefit. The section of this report above entitled 'Aims, objectives' sets out the aims and charitable objectives of the Charity.

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

- the aims of the Charity continue to be charitable;
- the charity serves individuals and communities in need;
- the aims and work done give identifiable benefits to the charitable sector both directly and indirectly
- the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- there is no detriment or harm arising from the aims or activities.



The Open Kitchen serves hot, nutritious meals twice a day, seven days a week. It is a safe, community-centred space where those experiencing food poverty are treated with respect and dignity.

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 2018 – Dec 2018. 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.

Muslim Hands experienced a momentous Ramadan fundraising campaign – whereby a lot of the success came from the Big Aid campaign that was carried out for its second year. The scale of this campaign was larger this year in contrast to its inaugural year.

Muslim Hands continued to grow from strength to strength by increasing the level of monitoring of its projects across the regions in which it operates. This was achieved by a rise in monitoring visits carried out by the MEL officer and thematic leads.

At the UK level, Muslim Hands opened a new community kitchen for the homeless, low-income families and needy children in Hounslow. The kitchen is open to all and the food served is free and it is expected that one hundred hot, nutritious meals will be served twice a day, seven days a week.

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 2018 we did not engage any Professional Fundraisers to solicit from the public. Muslim Hands continued its membership with the Fundraising Regulator – complying with its guidelines through training and development of all fundraisers.

To protect vulnerable people in the course of fundraising we take appropriate measures which include screening contact details against the TPS, 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. In addition to this, under GDPR where a supporter opts-out of receiving communication from Muslim Hands, the request is actioned within 48 hours.

Within the year there were two complaints received in the course of fundraising. The complaints were handled by processing the complaints in accordance to the appropriate procedure for the nature of the complaints.



KEY PROGRAMMATIC INTERVENTIONS



Indonesia Tsunami—Your Donations Saved Lives

Less than 15 years after the devastating tsunami of 2004, tragedy once again struck in Indonesia. On Friday 28th September, a 7.5 magnitude earthquake hit the island of Sulawesi, followed by a powerful tsunami. More than 2,000 people were killed and over 300,000 were left homeless. For a country that was only just recovering from the long-term effects of the 2004 disaster, it was like reliving that nightmare all over again.

Our teams on the ground in Palu, one of the worst-affected areas, were shocked by the extent of the damage, ‘What we saw there was nothing short of horrific—miles of land, homes and places of business devastated by the unstoppable power of an earthquake and tsunami, thousands left dead, many more missing and most likely never to be seen again. It will take months, maybe years, for Palu and Indonesia to recover from this.’

HOW YOU HELPED

Your donations provided a beacon of hope and support for the communities of Sulawesi when they needed it most. Here are just some of the ways you helped in the wake of the disaster:

You provided **25,200** cooked meals to homeless families through our community kitchen.



You donated **1,700** family food parcels which included staples such as water, rice, eggs, sugar and cooking oil.



You ensured that close to **8,000** people received everyday essentials like baby food, sanitary towels and nappies.



DONGGALA HIGH SCHOOL

ALASTING IMPACT

As well as providing emergency relief, your donations are supporting projects that will help re-build communities over the long-term.

When Donggala High School was reduced to rubble, the students were left with nowhere to study. Thanks to you, we were able to set up 16 large, UN-quality tents ensuring that all 779 children are continuing their education until their school is re-built. We also have a further eight tents we have made available to other affected schools.

SHELTER HOMES

We are currently building sturdy shelter homes to house the most vulnerable earthquake victims including widows, orphans and the elderly as well as a mosque that will serve as a focal point for the local community. We'll be updating you on our progress, so watch this space!





YOUR RECORD-BREAKING RESPONSE TO THE ROHINGYA

Almost 50% of refugees in Cox's Bazar were helped by your donations between 2017-18!

In Bangladesh, nearly 1 million Rohingya refugees are squeezed into the world's largest refugee settlement (UN). Having escaped violence and persecution in Myanmar with nothing but the clothes on their back, these people are now struggling to survive in squalid and dangerous conditions.

As one of the only international charities given permission to work in the camps, our interventions have been vital in alleviating the suffering of those living here. Alhamdulillah, your support for our Rohingya brothers and sisters has been unceasing, from when we first began working in Myanmar in 2008, right through to the big influx of refugees into Bangladesh in 2017. Thanks to you, we've reached nearly 50% of the camps' population with vital aid.

PREPARING FOR THE FUTURE

Unable to return home, but blocked from working or settling in Bangladesh, Rohingya refugees will be relying on your support to survive well into 2019. As well as continuing to provide water, food and healthcare, your donations will be used to strengthen homes in preparation for the cyclone season and provide important infrastructure such as street lighting which will allow women and girls to use public spaces in safety and security.

Solar Street Lights are being built inside the camp to improve safety for women at night.

NFIs (Non-food items) like winter clothes, shelter kits etc. will help families prepare for the cyclone season.

Find out how you can help the Rohingya online: muslimhands.org.uk/rohingya



HOW YOU HELPED

In the last year alone, your donations have provided:

Clean water, hygiene packs and safe bathing spaces to **192,500** beneficiaries.



5 Health Clinics in refugee camps where **24,559** sick people received medical treatment.



74,000 people with shelter kits to protect them in the monsoon season.



➔ To find out more about the Islamic importance of Yemen, head to our Yemen appeal page on muslimhands.org.uk and download our free Hadith collection. #IamYemeni #YemenCantWait

The Messenger of Allah (saw) said,
'THE BEST OF MEN ARE THE MEN OF YEMEN, BELIEF IS YEMENI, AND I AM YEMENI'.
 (Ahmad)



YEMEN: ON THE BRINK OF FAMINE

8 million people on the brink of starvation

Since civil war broke out in 2015, the blessed land of Yemen has seen unprecedented suffering, with the UN calling the situation, 'the worst man-made humanitarian crisis of our time'. Over 8 million people are on the brink of starvation and every 10 minutes a child is dying from preventable causes.

Alhamdulillah, your response to our Yemen Emergency Appeal has been overwhelming, but there is still so much more we must do. Your donations have so far provided life-saving food supplies to some of the worst hit areas of the country including Sana'a, Aden and Hadhramout. We are on the ground distributing winter food parcels containing such essentials as flour, rice and beans to families in Taiz.

Muslim Hands has been implementing several long-term projects to provide vital relief to the people of Yemen:



School Meals

Targeting children aged 6-12 years old in Ta'iz, providing them with on-site meals and take-home rations.

Water Well Digging new wells or rehabilitating existing ones to providing clean water to families in Abyan.



Medical Clinic

10 fully-equipped health clinics will be set up in rural areas, including physicians and paramedics.



Food Parcels

Each family will receive a monthly food pack consisting of essentials such as flour, rice, kidney beans, oil, vegetables, salt and sugar.

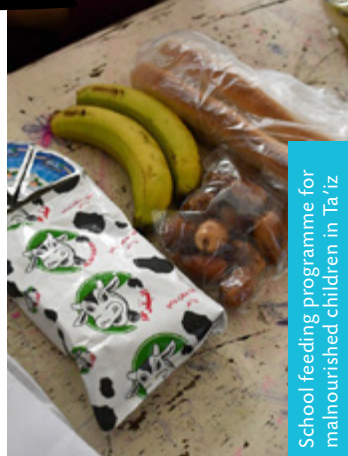
SAVING LIVES IN YEMEN



Mobile health clinics, targeting mothers and children



Food distributions in Ta'iz, Aden, Dhamar and Al-Bayda



School feeding programme for malnourished children in Ta'iz



Community wells, providing safe water for thousands and protecting children from diseases like cholera

May Allah reward you for your continuous support for the people of the Prophet (saw) in their time of need.

Light the lamps
of *Al-Aqsa*



YOU RAISED OVER
£400,000
FOR AL-AQSA LIGHTS





≡ BIG AID CONVOY



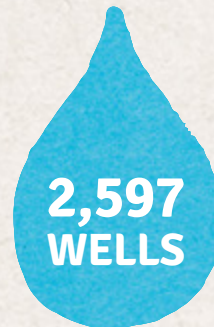
Mosques and community centres across the UK and South Africa filled a total of **65 containers** with **1,690 tonnes** of food for families in Syria.

65 CONTAINERS HEAD TO SYRIA 1,690 TONNES OF FOOD AID FOR REFUGEES



≡ SAFE WATER

You helped us **construct boreholes** in remote communities in Gambia and Mali bringing safe, clean water to **over 12,000 people** and their livestock. You also donated a further **2,597 wells** that will serve nearly **300,000 people** across Asia and Africa!



300,000 BENEFCIARIES



≡ MOSQUE COLLECTIONS

Worshippers throughout the country gave **over £95,000** towards helping people in Syria, Gaza and the Rohingya refugees as well as restoring the lighting system in Masjid Al-Aqsa.



Thank you to the congregation of **East London Mosque** who raised over **£20,000** for Masjid Al-Aqsa in just one night!

£95,000 FOR REFUGEES

CHILDREN OF WAR

Nearly **1,000 people** attended the Children of War walks in Bradford, Birmingham, London and Manchester, raising over **£125,000** for young people affected by conflict.





ORPHANS

700

MORE ORPHANS SPONSORED

You sponsored **700 orphans**, giving them an education, daily meals and medical check-ups

Muslim Hands Schools of Excellence

Your donations also provided **iftar** to orphans in our **Schools of Excellence** in Bangladesh, Mali, Pakistan, Sudan and Malawi.



MAJOR GIVING

The amazing generosity of our Major Giving donors in Ramadan is funding the construction of **51 new mosques** and the implementation of **£20,000 worth of livelihoods projects** across Asia and Africa, as well as two new school buses for orphans in Bangladesh. One donor even gave **£25,000 for 45 wells** that will provide clean, safe water for the people of Balkh Pro-vince, Afghanistan.

51 NEW RURAL MOSQUES

ONE DONOR GAVE £25,000 FOR 45 WATER WELLS

£20,000 FOR LIVELIHOODS



IFTAR 2018



You provided **3 million iftar meals** across **34 countries** including emergency zones like Syria, Yemen and Gaza

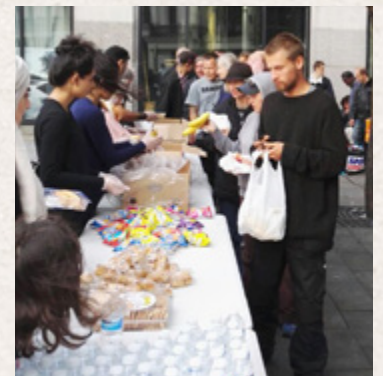
132 MOSQUE IFTARS

UK PROJECTS

Here in the UK, your donations **fed 500 homeless people daily in London**, and provided **Eid packs** containing Islamic reading materials, headscarves, musk, dates and prayer beads to **4,000 Muslim prison inmates**.

4,000 EID PACKS FOR MUSLIM PRISONERS

500 HOMELESS PEOPLE FED FOR 30 DAYS



Over 4 Million Qurbanis Worldwide

Since During the annual Qurbani programme we have had a record-breaking appeal this year thanks to the incredible generosity of our donors they provided over four million Qurbanis. The sacrifices fed nearly two million people worldwide, providing fresh meat to orphans, widows, refugees, the disabled and the elderly on the days of Eid.



During the days of Eid-ul-Adha, the Prophet (saw) would not only sacrifice an animal for himself, he would also offer a second Qurbani on behalf of those in his Ummah who couldn't afford to give one.

This year we encouraged you to revive this neglected Sunnah by giving a Prophetic Qurbani.

'The Prophet (saw) sacrificed for the one who could not sacrifice from his Ummah, one who bore witness to the Oneness of Allah and [His] Prophethood'.

[Tabarani and Ahmad]



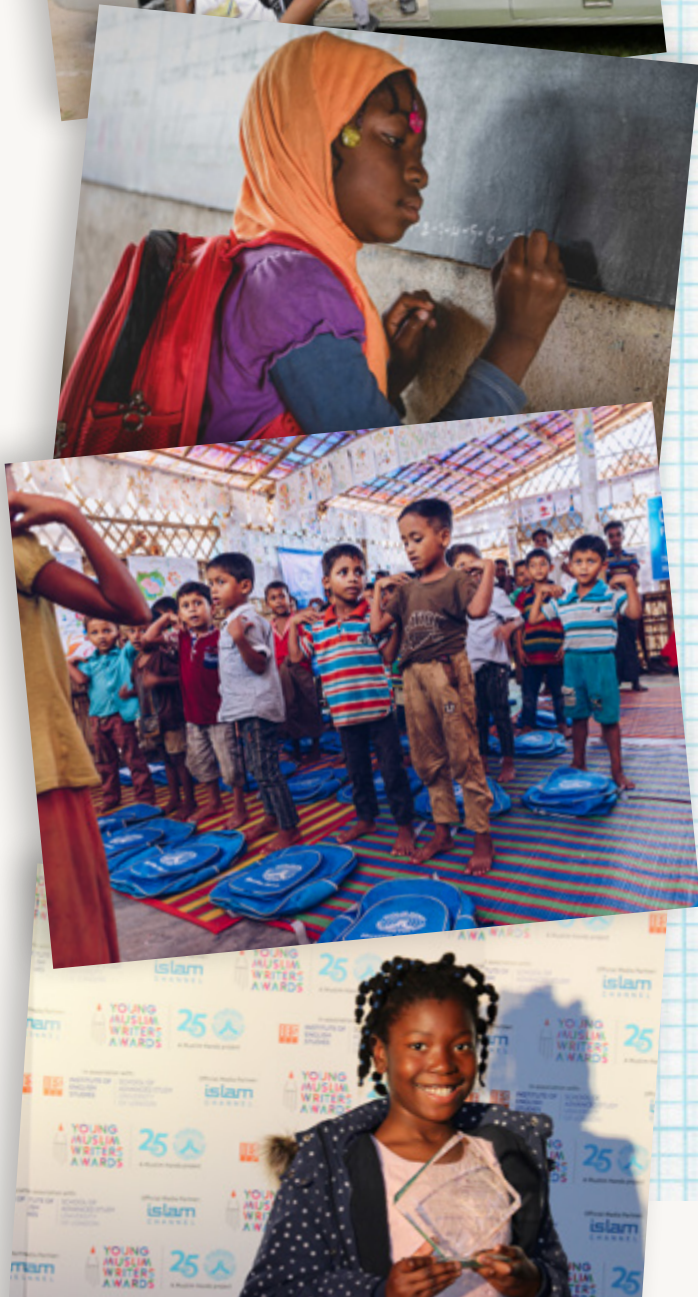
Education

Muslim Hands runs education projects around the world. The charity has supported a global network of schools, each catering to the specific needs of the area they are serving - ranging from modest classrooms serving isolated communities that would otherwise not have access to schooling, to campuses serving large groups of poor and disadvantaged children.

The schools offer high standards of learning facilities and follow a comprehensive curriculum, tailor-made by education specialists. The schools provide advanced learning resources including computer and science labs, libraries and sports facilities. The charity supports a range of educational programmes in a number of different areas, whether it is providing training for young adults in Afghanistan or supporting specialised learning for deaf children in Somalia. The work in education is all about providing opportunities that empower people to build a better future for themselves.

In 2018, the charity offered a range of educational projects. From Child Friendly Spaces for the children in the Rohingya camps to provide formal and informal education, supporting the establishment of a brand new school in Sylhet, Bangladesh, as well as organising the annual Young Muslim Writers Award that is held in the UK every year to celebrate child literacy and creative writing.

Currently, the charity supports over 130 schools across 18 countries, and catering for over 46,000 children in formal education. Furthermore, the charity supports informal education that ranges from religious education to vocational training to both children and adults. The teachers regularly receive training throughout their employment. The charity trains teachers to high standards, providing them with essential skills and recognised qualifications.





HOW YOU KEPT PEOPLE WARM IN WINTER

When temperatures drop below zero, those that lack the basic items they need to protect themselves are vulnerable to serious sickness and even death. Thanks to your donations, over 31,000 people were kept warm and alive this winter. Whether they were refugees in flimsy tents, victims of war in bombed-out houses, or poverty-stricken families unable to afford essential winter items, your generosity was a lifeline to them during the worst of the cold season.

To find out more about how you helped people in winter, visit muslimhands.org.uk/appeals

HOW YOU HELPED

You provided

4,200



beneficiaries in **AFGHANISTAN** with food parcels and other winter essentials.

You ensured that

5,145



people in **YEMEN** received family food parcels which included staples such as rice, flour, vegetables, sugar and cooking oil.



You provided

5,000



ROHINGYA refugees with warm clothes, blankets and other winter essentials.

OUR RESPONSE: VITAL RELIEF FOR SYRIAN REFUGEES



In the **Bekaa valley** alone, at least **847** refugees were **forced to relocate** due to the severe flooding that damaged their shelters.



This winter brought storms, rain and heavy snowfall to Lebanon, affecting over 70,000 Syrian refugees living in camps. When Storm Norma struck Lebanon in January, these refugees only had tarpaulin tents to protect them from its force.

Storm Miriam brought further snowfall, exposing vulnerable families to freezing conditions. Your donations provided them with vital items such as food and heating oil, protecting them from the worst of the cold season.

You helped

7,440



beneficiaries in **Lebanon**, providing family food parcels, heating oil and winter packs.

FINANCIAL REVIEW

Income and expenditure

This year, Muslim Hands raised £21.1m – with over three quarters received from our supporters who donated the generous sum of £18.5m with the balance of £ 2.6m coming from Gift Aid. The total income received in 2018 was up from the level of income raised in the previous year (£19.1m).

	2018	2017	2016
	(£m)	(£m)	(£m)
Donations from Supporters			
Donations for Non-Emergencies	15.4	14.1	12.4
Donations for Emergencies	3.1	2.6	1.1
Gift Aid	2.6	2.4	2.2
Total Income	21.1	19.1	15.7

During the year Muslim Hands spent over £21.2m. 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.

	2018	2017	2016
	(£m)	(£m)	(£m)
Cost of generating funds	2.3	2.6	2.3
Charitable Activities	18.5	12.2	16.7
Where Most Needed			
Orphans	2.6	2.0	3.8
Education	3.3	1.1	0.3
Health	0.8	0.3	0.2
Emergency	2.9	1.6	2.3
WASH	2.2	1.3	1.7
Food	2.1	1.2	1.3
Masjid	0.9	0.3	0.5
Support Costs & Staff	2.9	2.3	2.8
Total Resources Expended	21.2	14.8	18.9

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:

	2018	Details
Education	67,605	Delivered via Muslim Hands school, religious educational and orphans programmes
WASH	789,181	(through provision of deep water wells, hand pumps, water filtration units)
Health	348,907	(through Muslim Hands basic health units, maternal health clinics and eye camps)
Emergency	1,118,685	Inclusive of our Rohingya , Syria, Yemen and Indonesia
Food	1,118,309	Seasonal Food programmes qurbani & Iftaar
Livelihoods	458,760	Vocational Training centres and other small one-off livelihood programmes

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 poor and marginalised 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 needed and applied at the discretion of the trustees to further the charity's purposes. Over recent years, Muslim Hands voluntary income has seen steady growth. A significant proportion of this income is restricted funds for specific projects the majority of which is short-term aid responding to the basic needs (including food, water, clothing, shelter and basic education) of beneficiaries in areas blighted by conflict and areas that have suffered natural disasters. Given the charity's present level and nature of activities the unrestricted funds not committed or invested in tangible and intangible fixed assets ("the free reserves") held by the charity should not be less than £600,000.

At this level the Trustees feel that 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.

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

The level of free reserves held at the balance sheet date reflects funds received during the 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 **£16,126,675** (2017: £10,144,787). 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 to ensure adherence to MH objectives, programmes quality and financial sustainability. The trustees further obtain assurance by making visits to the programmes. The partners provide quarterly narrative and financial reports with explanations for variances.

Investment Policy

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



PRINCIPAL RISKS AND UNCERTAINTIES

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

The continuing success of the charity is dependent on continuing to receive sufficient support and donations from the community. Trustees mitigate this risk by ensuring that income and expenditure are closely monitored and reviewed.

During 2018, the Trustees identified the following key risk and the measures taken to address the key identified risks:

1. Change of organisational structure. A new Senior Management Team was appointed to deliver the recently launched organisational strategy. The trustees had been planning a strategic enhancement to the Senior Management Team and the organisations departments for several years. This year the plan was brought into action. The implementation risk of this was a key risk for the organisation, and in order to mitigate this risk relevant reporting structures were established. Moreover, the organisations systems and processes had been modified in order to accommodate the latest segregation of duties and structural changes.

2. 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 is now the influence of misleading communications created by unvetted sources misinforming the public about the activities of charities in the sector. The charity needs to manage donor perception through better education of its donors (both actual and potential) on what the disclosures in the reports convey.

3. Safeguarding continues to remain high in the press with the news of reputable charities not having appropriate safeguarding policies and processes. The trustees continue to assess the risks and take 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 revised set of policy and procedures were established to address this risk. This year has seen the implementation of this version of policy and procedures to incur some fees in order to deliver on its objectives.

4. The EU General Data Protection Regulation (GDPR).

This year GDPR began and the organisation had to adopt measures in its systems and structure to mitigate the risks of becoming non-compliant with the regulations. These measures included the appointment of an independent Data Protection Officer, the establishment of necessary policies and processes that were required under the GDPR and training relevant staff to comply with GDPR. This has helped to reduce the risk of failing to comply with the GDPR.



PLANS FOR THE FUTURE

Income Diversification

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.

Inhouse Systems

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

International Support Unit

Muslim Hands has been expanding its support to international partners by setting up the International Support Unit. This department will be expanded to eventually reach out to all of the Muslim Hands partners over the next five years. The purpose of this is to provide the partners with guidance on best practice, mentoring on operating within Muslim Hands guidelines and for compliance to the collaboration agreements in place.

UK Programmes

Muslim Hands is planning to expand its UK open kitchen programme to more towns and cities across the UK over the next three years. The interest that it has generated from supporters and the impact that it has had on the local public has demonstrated the value that this programme adds to the community that it serves. The positive outcome of this programme has provided the charity with the confidence that it can have a positive impact in other localities.



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 proper 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

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 2018 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 2018 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.

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)

		2018			2017		
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations		7,251,523	13,850,596	21,102,119	7,930,922	11,127,785	19,058,707
Bank Interest		34,377	-	34,377	37,907	-	37,907
Total income		7,285,900	13,850,596	21,136,496	7,968,829	11,127,785	19,096,614
Expenditure on:							
Raising funds	3	2,554,185	-	2,554,185	2,517,241	-	2,517,241
Charitable activities							
Grants payable and operational programmes	3	2,587,150	16,064,544	18,651,694	3,823,733	8,548,852	12,372,585
Total expenditure		5,141,335	16,064,544	21,205,879	6,340,974	8,548,852	14,889,826
Net income / (expenditure) for the year	4	2,144,565	(2,213,949)	(69,383)	1,627,855	2,578,933	4,206,788
Transfers between funds	12	(933,068)	933,068	-	(808,717)	808,717	-
Net movement in funds		1,211,498	(1,280,881)	(69,383)	819,138	3,387,650	4,206,788
Reconciliation of funds:							
Total funds brought forward		2,069,745	8,700,452	10,770,197	1,250,607	5,312,802	6,563,409
Total funds carried forward		3,281,242	7,419,571	10,700,814	2,069,745	8,700,452	10,770,197

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

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

MUSLIM HANDS BALANCE SHEET

	Note	2018 £	2017 As restated £
Fixed assets:			
Tangible assets	7	1,405,277	1,431,372
		<hr/>	<hr/>
		1,405,277	1,431,372
Current assets:			
Debtors	8	732,178	983,702
Short-term Deposits		2,684,373	2,652,369
Cash at bank and in hand		6,376,750	6,200,614
		<hr/>	<hr/>
		9,793,301	9,836,685
Liabilities:			
Creditors: amounts falling due within one year	9	(355,546)	(322,218)
:		<hr/>	<hr/>
Net current assets		9,437,755	9,514,467
		<hr/>	<hr/>
Total assets less current liabilities		10,843,032	10,945,838
Creditors: amounts falling due after one year	10	(142,217)	(175,641)
		<hr/>	<hr/>
Total net assets		10,700,814	10,770,197
		<hr/> <hr/>	<hr/> <hr/>
The funds of the charity:	12		
Restricted income funds		7,419,571	8,700,452
Unrestricted income funds		3,281,242	2,069,745
		<hr/>	<hr/>
Total charity funds		10,700,814	10,770,197
		<hr/> <hr/>	<hr/> <hr/>

Approved by the trustees on _____ and signed on their behalf by

Syed Lakhte Hassanain
Trustee

MUSLIM HANDS

STATEMENT OF CASH FLOWS

	Note	2018		2017	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	13		304,516		3,587,211
Cash flows from investing activities:					
Purchase of fixed assets		(62,952)		(70,327)	
Net cash provided by / (used in) investing activities			(62,952)		(70,327)
Cash flows from financing activities:					
Repayments of borrowing		(33,424)		(31,851)	
Net cash provided by / (used in) financing activities			(33,424)		(31,851)
Change in cash and cash equivalents in the year			208,140		3,485,033
Cash and cash equivalents at the beginning of the year			8,852,983		5,367,960
Cash and cash equivalents at the end of the year	14		9,061,123		8,852,983

MUSLIM HANDS

NOTES TO THE FINANCIAL STATEMENTS

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant

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

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have

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 On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the

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

h) Fund accounting

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary
- Expenditure on charitable activities includes grants payable to deliver operational programmes furthering the purposes of
- 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

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs

- | | |
|---------------------|-----|
| ● 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

- | | |
|---------------------|-----|
| ● 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

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

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is

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

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be

1 Accounting policies (continued)

m) 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

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

n) Debtors

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

o) 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

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial

2 Grants payable and operational programmes

Current year	Unrestricted funds	Restricted funds	Total 2018
	£	£	£
General	62,131	1,020,961	1,083,092
Orphans	-	2,638,471	2,638,471
Elderly	-	45	45
Children	-	67,215	67,215
Livelihoods	-	264,773	264,773
Education	-	3,209,625	3,209,625
Health	-	759,179	759,179
Emergency Aid	-	2,904,078	2,904,078
Shelter	-	26,779	26,779
Safe water	-	2,199,249	2,199,249
Food	-	2,091,715	2,091,715
Masjid	-	882,454	882,454
Qurbani	-	-	-
Grant payable	62,131	16,064,544	16,126,675
Wages and salaries	1,172,809	-	1,172,809
Support costs (note 3)	1,087,876	-	1,087,876
Governance costs (note 3)	264,334	-	264,334
	2,587,150	16,064,544	18,651,694
Prior year	Unrestricted funds	Restricted funds	Total 2017
	£	£	£
General	1,595,934	570,189	2,166,123
Orphans	-	2,056,632	2,056,632
Elderly	-	5,046	5,046
Children	-	86,520	86,520
Livelihoods	-	35,324	35,324
Education	-	1,018,372	1,018,372
Health	-	342,503	342,503
Emergency Aid	-	1,590,885	1,590,885
Shelter	-	3,585	3,585
Safe water	-	1,342,924	1,342,924
Food	-	1,182,719	1,182,719
Masjid	-	272,095	272,095
Qurbani	-	42,058	42,058
Grant payable	1,595,934	8,548,852	10,144,786
Wages and salaries	696,607	-	696,607
Support costs (note 3)	1,133,906	-	1,133,906
Governance costs (note 3)	398,804	-	398,804
	3,825,251	8,548,852	12,374,103

2 Grants payable and operational programmes (continued)

Cost	2018	2017
	£	£
Muslim Hands Partners (Related Parties)		
Pakistan	3,879,716	1,434,107
Palestine	2,823,808	989,111
Sudan	858,078	447,659
Bangladesh	495,739	448,035
Niger	470,144	194,236
Afghanistan	304,603	235,614
Iraq	31,599	127,241
Somalia	274,553	368,893
Mali	709,800	210,211
Malawi	246,436	121,992
Kenya	353	5,980
Nigeria	90,383	22,098
	10,185,213	4,605,177
Non Muslim Hands Partners		
Gambia	292,887	138,767
Sri Lanka	196,796	80,712
Lebanon	173,812	111,881
Indonesia	168,161	44,314
Syria	1,681,085	1,028,251
Myanmar	1,032,202	147,356
Kashmir (India)	85,730	107,655
China	–	8,973
Mauritania	159,621	57,635
Nepal	–	33,299
Senegal	170,724	88,873
	3,961,017	1,847,717
	14,146,230	6,452,894
Other grants less than £50,000 in the year	1,808,518	3,691,892
At the end of the year	15,954,748	10,144,786

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

3a Analysis of expenditure (current year)

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2018 Total £	2017 Total £
Grants payable (Note 2)	-	16,126,675	-	16,126,675	10,144,787
Staff costs (Note 5)	907,966	1,172,809	302,128	2,382,904	2,126,169
Premises costs	18,490	147,924	18,450	184,864	212,591
Office costs	106,903	855,228	92,407	1,054,538	734,624
Professional fees	112,024	84,724	18,828	215,576	204,610
Publications, advertising and postage	1,203,625	-	-	1,203,625	1,456,592
Audit and accountancy	-	-	23,160	23,160	10,452
Trustees expenses	-	-	14,536	14,536	-
	2,349,009	18,387,360	469,510	21,205,879	14,889,825
Support costs	-	-	-	-	-
Governance costs	205,176	264,334	(469,510)	-	-
Total expenditure 2018	2,554,185	18,651,694	-	21,205,879	
Total expenditure 2017	2,517,240	12,372,586	-	-	14,889,826

Of the total expenditure, £5,568,954 was unrestricted (2015: £3,527,633) and £13,377,820 was restricted (2015: £10,984,715).

Costs allocation includes an element of judgement and the Charity had had to consider the cost benefit of detailed

3b Analysis of expenditure (prior year)

	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	14,889,826	19,027,901
Governance costs	87,304	398,804	(486,108)	-	-
Total expenditure 2017	2,517,240	12,372,586	-	14,889,826	19,027,901
Total expenditure 2016	2,307,805	16,720,096	-	19,027,901	

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2018	2017
	£	£
Auditors' remuneration (excluding VAT):		
Audit	23,160	15,300
Under-provision in the prior year	-	-
Other services	-	-
Depreciation of tangible fixed assets	89,047	44,217

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

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	2,072,426	1,926,110
Social security costs	276,727	167,410
Employer's pension contributions to defined contribution scheme	33,752	32,649
	2,382,904	2,126,169

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

	2018	2017
	No.	No.
Direct charitable operations	36	47
Fundraising and publicity	48	41
Management and administration of the Charity	8	3
	92	91

The charity operates a defined contribution pension scheme: 2018 £33,752 (2017 32,649) has been charged in the Statement of Financial Activities during the year in

The total employee benefits including pension contributions and national insurance of the key management personnel were £410,737 (2017: £185,407).

There are zero employee with emoluments above £60,000. During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £58,245 (2017: £55,926) for his

At the year end the Charity was owed £9,779 (2017: £4,739) by Syed Lakhte Hassanain.

During the year £1,810 (2017: £3,794) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 3 Trustees (2017: 4

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

7 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Motor Vehicles	Total £
Cost					
At 1 January 2018	1,416,793	503,067	301,868	12,840	2,234,568
Additions in year	1,890	44,084	16,979	-	62,953
At 31 December 2018	1,418,683	547,151	318,847	12,840	2,297,521
Accumulated depreciation					
At 1 January 2018	181,605	441,915	179,000	677	803,197
Charge for the year	28,810	21,879	36,534	1,825	89,047
At 31 December 2018	210,415	463,794	215,534	2,502	892,244
Net book value					
At 31 December 2018	1,208,268	83,357	103,313	10,338	1,405,277
At 31 December 2017	1,235,188	61,152	122,868	12,163	1,431,372

Included in the net book value of freehold land and buildings of £1,208,268 (2017: £1,235,188) is £nil relating to non-depreciated land.

8 Debtors

	2018 £	2017 £
Other debtors	148,606	441,292
Prepayments and accrued income	583,572	542,410
	732,178	983,702

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

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	32,822	31,853
Trade creditors	292,995	263,128
Accruals and deferred income	26,032	26,645
Other creditors	742	668
	352,591	322,294

10 Creditors: amounts falling due after one year

	2018 £	2017 £
Bank loans	142,217	175,641
The bank loan is repayable as follows:		
Within one year	32,822	31,853
Between one and two years	33,821	32,822
Between two and five years	107,760	104,579
After five years	636	38,239
	175,040	207,493

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

11 Analysis of net assets between funds 2018

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,405,276	-	1,405,276
Net current assets	2,018,184	7,419,571	9,437,756
Long term liabilities	(142,217)	-	(142,217)
Net assets at 31 December 2018	3,281,243	7,419,571	10,700,814

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

12a Movements in funds 2018

	At 1 January 2018 £	Income 2018 £	Expenditure 2018 £	Transfers 2018 £	At 31 December 2018 £	
Restricted funds:						
Afghanistan	53,860	157,303	(304,603)	95,832	2,392	
Africa	202,515	19,443	-	-	221,958	
Albania	3,615	272	(97)	-	3,790	
Algeria	128	-	-	-	128	
Azerbaijan	16,832	24	-	-	16,856	
Bangladesh	86,753	431,636	(495,739)	217	22,866	
Bosnia	57	45	-	-	102	
Brazil	16	-	-	-	16	
Burma	1,208,428	-	-	-	1,208,428	
Central African Republic	42,954	-	-	-	42,954	
Chechnya	39,008	27	-	-	39,035	
China	17,219	32	-	-	17,251	
Congo	153	-	-	-	153	
Cuba	1,837	-	-	-	1,837	
Dagestan	-	-	-	-	-	
Djibouti	4	-	-	-	4	
Dominican Republic	-	-	-	-	-	
Ecuador	98	53	(3,203)	2,629	423	
Egypt	1,914	-	-	-	1,914	
Eritrea	5	25,185	(23,575)	-	1,615	
Ethiopia	11,656	132	-	-	11,524	
Europe Refugee Crisis	18,936	-	-	-	18,936	
France	-	159,786	(292,887)	124,910	8,192	
Gambia	8,892	9	-	-	8,901	
Ghana	498	904	(3,983)	2,294	287	
Guinea	1,276	14,825	(27,587)	2,668	8,819	
Guinea Bisua	12,222	1,428	-	-	13,650	
Haiti	29,305	21,018	(38,132)	6,097	18,288	
India	22,179	281,775	(168,161)	51	135,845	
Indonesia	29,017	-	-	-	29,017	
Iran	84,755	50,375	(31,599)	-	103,531	
Iraq	15,614	-	(6,839)	6,839	15,614	
Italy	-	-	-	-	-	
Ivory coast	24	-	-	-	24	
Japan	15,435	9	-	-	15,444	
Jordan	36	59,777	(85,730)	20,832	5,085	
Kashmir – India	16,211	490,181	(625,680)	733	118,555	
Kashmir – Pakistan	321,273	1,976	(353)	-	322,896	
Kenya	15,000	40	-	-	15,040	
Kosova	718	117,326	(173,812)	24,255	31,513	
Lebanon	43,621	163	(2,533)	1,853	43,103	
Liberia	518	5	-	-	523	
Libya	11,245	-	-	-	11,245	
Macedonia	7,172	-	-	-	7,172	
Majorca	99	204,236	(246,436)	45	42,056	
Malawi	69,417	90	-	-	69,507	
Malaysia	-	204,374	(709,800)	463,113	42,313	
Mali	44,573	43,475	(159,621)	92,597	21,024	
Mauritania	23,633	619	(4,373)	3,081	22,960	
Mauritius	946	5,896	(36,626)	25,120	4,664	
Mexico	7,954	-	-	-	7,954	
Middle East	2,655	-	-	-	2,655	
Montenegro	-	106	-	-	106	
Morocco	151	-	-	-	151	
Mozambique	4	1,010,102	(1,032,202)	-	22,095	
Nepal	1,895	39	-	-	1,934	
Niger	61,788	176,995	(470,144)	231,453	91	
Nigeria	2,300	43,325	(90,383)	47,635	2,877	
Non country specific restricted funds	2,036,774	3,351,192	(279,828)	(2,227,905)	2,880,233	
Pakistan	856,757	1,872,485	(3,879,716)	1,150,474	1	
Palestine	1,660,109	2,216,071	(2,823,808)	-	1,052,371	
Philippines	771	44	-	-	815	
Russia	-	-	(1,541)	1,541	-	
Rwanda	9,878	6,074	(7,484)	6,014	14,482	
Sub-total carried forward	0	7,120,703	10,968,609	(12,026,477)	82,374	6,145,209

Movements in funds 2018 (continued)

	At 1 January 2018 £	Income 2018 £	Expenditure 2018 £	Transfers 2018 £	At 31 December 2018 £
Sub-total brought forward	7,120,703	10,968,609	(12,026,477)	82,374	6,145,209
Senegal	40,013	115,994	(170,724)	84,358	69,641
Sierra Leone	11,410	5,822	(10,898)	3,804	10,138
Somalia	33,022	172,729	(274,553)	69,946	1,144
Somaliland	5	68,455	(64,084)	-	4,376
South Africa	3,725	440	-	-	4,165
South East Asia	-	-	-	-	-
South Sudan	25,399	352	-	-	25,751
Spain	20,334	-	(3,570)	535	17,299
Sri Lanka	23,772	54,725	(196,796)	118,428	129
Subcontinent	65,485	-	-	-	65,485
Sudan	182,867	671,769	(858,078)	4,801	1,359
Syria	1,081,589	1,369,684	(1,681,085)	-	770,188
Tajikistan	-	-	-	-	-
Tanzania	3,296	2,722	(35)	-	5,983
Tatarstan	-	-	-	-	-
Togo	52	475	(2,652)	2,126	-
Tunisia	-	-	-	-	-
Turkey	-	-	(157,097)	157,097	-
Uganda	3,594	3,729	(4,462)	-	2,861
UK	53,782	70,638	(533,960)	409,540	0
Uzbekistan	2,493	60	-	60	2,493
Yemen	28,912	344,512	(80,075)	-	293,350
Total restricted funds	8,700,452	13,850,596	(16,064,544)	933,068	7,419,571
General funds	2,069,745	7,285,900	(5,141,335)	(933,068)	3,281,243
Total funds	10,770,197	21,136,496	(21,205,879)	-	10,700,814

12b 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
Kosovo	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	-
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 restricted funds	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)	779,349	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)	779,349	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)	808,717	8,700,452
General funds	1,250,607	7,968,829	(6,340,974)	(808,717)	2,069,745
Total funds	6,563,410	19,096,614	(14,889,826)	-	10,770,197

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,

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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(69,383)	4,206,787
Depreciation charges	89,047	44,217
(Increase)/decrease in debtors	251,524	(748,314)
Increase/(decrease) in creditors	33,328	84,521
Net cash provided by / (used in) operating activities	304,516	3,587,211

14 Analysis of cash and cash equivalents

	At 1 January 2018	Cash flows	Other changes	At 31 December 2018
	£	£	£	£
Cash at bank and in hand	6,200,614	176,136	-	6,376,750
Short term deposits	2,652,369	32,004	-	2,684,373
Total cash and cash equivalents	8,852,983	208,140	-	9,061,123

15 Operating lease commitments

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

	Property	
	2018	2017
	£	£
Less than one year	65,000	65,000
One to five years	260,000	260,000
Over five years (Cancellable)	130,000	195,000
	455,000	520,000

16 Related party transactions

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

17 Ultimate controlling party

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

18 Legal status of the charity

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



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