



MUSLIM HANDS

*Annual report and financial statements
for the year ended 31 December 2019*

Company no. 05080486



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Legal and Administrative Information

Trustees and statutory directors

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

Sub-committees to the Board

Programmes Committee
Audit Committee
Fundraising Committee

Company number

05080486
(country of incorporation is England and Wales)

Charity registration number

1105056
(country of registration is England and Wales)

Registered office

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

Company secretary

Dr Musharraf Hussain, OBE, DL

Auditor

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

Internal Auditor

BDO LLP, Regent House, Clinton Avenue, Nottingham, NG5 1AZ

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
Knights PLC, 84 Friar Lane, Nottingham



MESSAGE FROM THE CHAIRMAN

Over the past 26 years, our teams at Muslim Hands have dedicated themselves to humanitarian work. This began when the horrors of the 1993 Bosnian crisis sent shockwaves through the UK, and a community in Nottingham came together to gather aid for those suffering because of the conflict.

More recently, communities in Syria, Yemen and elsewhere have been forced to live with the consequences of prolonged war. This is not limited to the hundreds of thousands of tragic deaths, or the millions that have been displaced from their homes – we simply can't see the psychological impact war has wreaked upon entire populations, nor the hidden scars the survivors live with every day.

Our teams on the ground in war-torn areas continue to witness these horrors as they work tirelessly to provide some measure of relief.

Nowhere have we witnessed conditions as desperate as those in Yemen, with 22 million people in need of aid and child malnutrition rampant across the country.

Yet, with the hard work of our supporters and our teams on the ground, we are making a difference: for example, our school-feeding programme has already benefitted 2,720 children in Yemen and we have built 3,100 new wells providing safe drinking water to needy communities.

We never could have envisaged the way our family of donors and volunteers would expand and evolve back in 1993. But no matter how long you have been with us or how you choose to get involved, there is one characteristic that you all share – your dedication to helping others. It is this commitment which has allowed us to not only provide emergency relief, but also transform lives in impoverished communities worldwide.

By empowering them, we are in fact ensuring that communities continue to flourish long into the future. That's why, since our first orphan sponsorship programme began in 1995, child welfare has been a central part of our work. Moving forward, as well as providing food, water and other necessities to those most in need, Muslim Hands will continue to expand our network of schools for disadvantaged children, strengthen our orphan sponsorship programme and provide vital healthcare facilities to even more vulnerable families.

By Allah, your continued support has helped millions of people throughout the years, and we look forward to working with you to tackle the root causes of poverty and injustice for many more years to come, in sha' Allah.

Wassalamu-alaikum

Syed Lakhte Hassanain



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 who are suffering from poverty, conflict and disaster.

OBJECTIVES, VISION, MISSION

Our aims and objectives reflect our beliefs.

AT MUSLIM HANDS, WE BELIEVE THAT:

Everyone, irrespective of race, colour or faith, has the fundamental right to a life of dignity, free of poverty and oppression.

Poverty can and must be eradicated, as it exists primarily due to the unjust distribution of resources.

By working directly with 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.



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.'

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 seeks to help. The review also helps the Trustees ensure the Charity's aims, objectives and activities have remained focused on its stated purposes.

WHAT WE STAND FOR

OUR MISSION

To be at the forefront in delivering relief from poverty and sickness, and in 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.



EQUALITY

Everyone, irrespective of race, colour or faith, has the fundamental right to a life of dignity, free from poverty and oppression.

POVERTY ERADICATION

Poverty can and must be eradicated, as it exists primarily due to the unjust distribution of wealth and resources.

EDUCATION

Literacy, education and job-skills training are fundamental in empowering needy communities to break out of poverty.

WORKING WITH COMMUNITIES

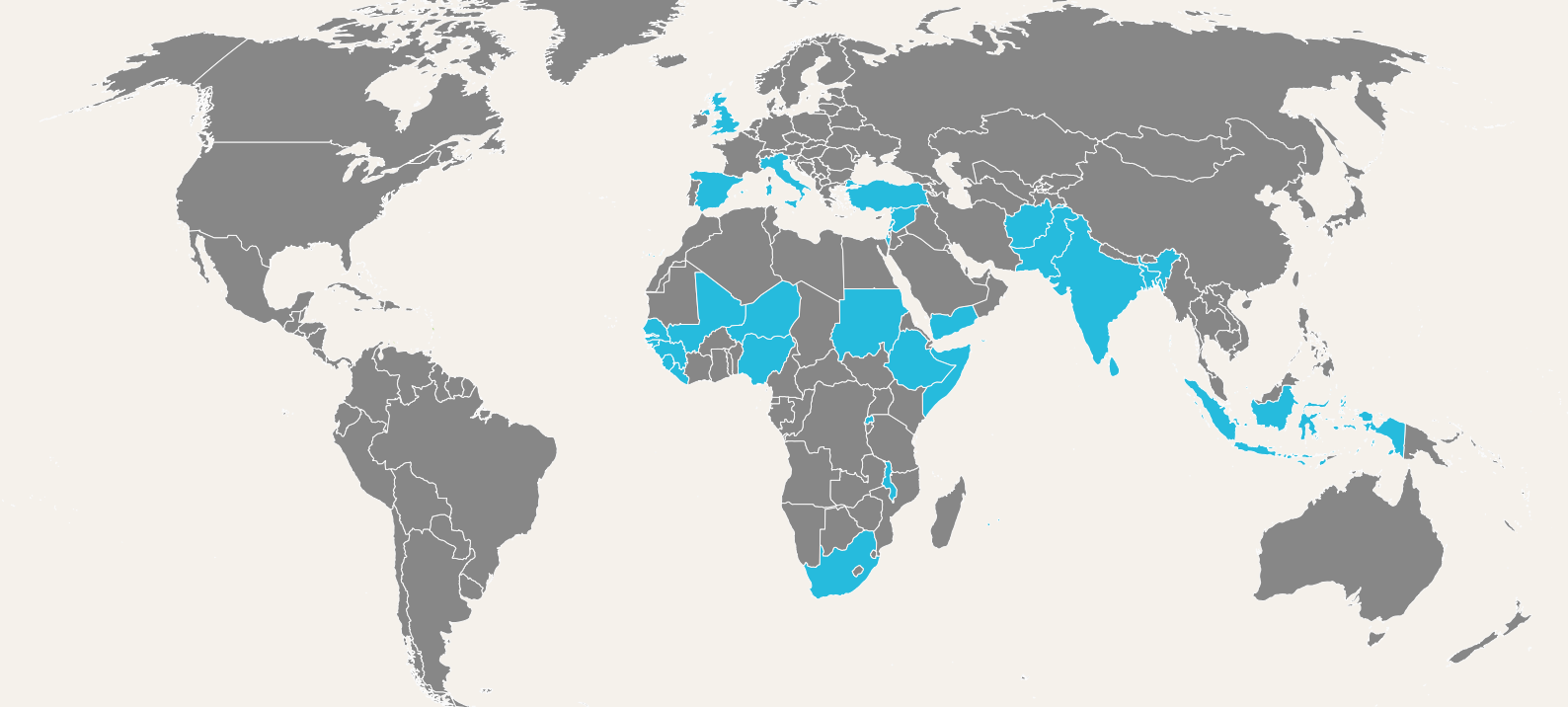
By working directly with poor communities, we can bring about positive changes from within those communities.

DUTY OF CARE

It is our duty to assist vulnerable people in times of crisis, such as war or natural disasters.

UNITED FOR THE NEEDY

We believe we are service providers to millions of people who share our view that 'together, we can help the needy fight poverty'.



WHERE WE WORK

Afghanistan	<i>43,142 beneficiaries</i>	Palestine	<i>87,589 beneficiaries</i>
Bangladesh	<i>737,209 beneficiaries</i>	Senegal	<i>237,128 beneficiaries</i>
Gambia	<i>169,122 beneficiaries</i>	Somalia	<i>349,815 beneficiaries</i>
India	<i>85,047 beneficiaries</i>	Sri Lanka	<i>20,766 beneficiaries</i>
Lebanon	<i>17,430 beneficiaries</i>	Sudan	<i>160,258 beneficiaries</i>
Malawi	<i>27,061 beneficiaries</i>	Syria	<i>178,151 beneficiaries</i>
Mali	<i>133,720 beneficiaries</i>	United Kingdom	<i>8,414 beneficiaries</i>
Niger	<i>188,868 beneficiaries</i>	Yemen	<i>66,048 beneficiaries</i>
Nigeria	<i>54,808 beneficiaries</i>	Other countries	<i>25,601 beneficiaries</i>
Pakistan	<i>1,099,553 beneficiaries</i>	TOTAL	<i>3,689,730 beneficiaries</i>

	2019	Details
Education	48,424	Delivered via Muslim Hands school, orphans and informal educational programmes
WASH	1,519,707	Through provision of deep water wells, hand pumps, and water filtration units
Health	282,363	Through Muslim Hands basic health units, maternal health clinics and eye camps
Emergency	986,59	Inclusive of our projects in Rohingya , Syria, Yemen and Indonesia
Food	743,964	Inclusive of seasonal food programmes such as Qurbani and Iftaar
Other	108,678	Programmes such as vocational training centres, environmental support, shelter and more
TOTAL	3,689,730	



INTRODUCTION

This is the 2019 annual report of the Trustees of the Muslim Hands. It is presented together with a Trustees' Responsibilities Statement on page 38, the Independent Auditor's Report on pages 32 and the financial statements for the year ended 31 December 2019 on page 35.

The financial statements for the year ended 31 December 2019 have been prepared in accordance with the accounting policies as shown in the note to the financial statements under page 38. The financial statements comply with the Charity's Governing Document, the Charities Act 2011 and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP, applicable to charities preparing their accounts in accordance with FRS 102.

STRATEGIC REPORT

Review of achievements and performance for the year

Muslim Hands Trustees are pleased to announce the remarkable work that the charity has carried out during the year Jan 2019 – Dec 2019. The dedicated staff and volunteers at Muslim Hands have continued to show their utmost professionalism in managing the Charity's day-to-day affairs in line with organisational values and objectives.

Muslim Hands experienced a momentous Ramadan fundraising campaign, especially due to the success of the Big Aid Convoy campaign.

Muslim Hands continued to grow from strength to strength by increasing the quality of projects across the regions in which it operates. This was achieved by improving project management systems, safeguarding procedures and project oversight through monitoring visitations.

At the UK level, Muslim Hands operated a community kitchen for the homeless, low-income families and needy children in Hounslow. The kitchen is open to all and it aims to serve 100 free, hot, nutritious meals 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.

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 2019, 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, and limiting the number of direct marketing communications to an average of two per quarter. Furthermore, 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 no complaints received in the course of fundraising.

YEMEN

Since 2011, Yemen has been suffering from a humanitarian crisis. Yemen is classified as 178 out of 189 countries as per the 2018 human development report. At least 50% of the population is estimated to live in poverty. The ongoing conflict has devastated communities and infrastructure, with 10 million people living in extreme hunger and 19.7 million people lacking access to basic healthcare. Every 10 minutes a child in Yemen under 5 dies. In 2019, Muslim Hands has been supporting the people of Yemen with a number of projects.



Yemen School Feeding

The school feeding programme targeted over 1,200 students in the city of Tai'z, providing them with on-site meals. The school meals has greatly impacted children's education status, increasing school enrollment and decreasing drop-out rates. The programme has also improved cognitive abilities and learning achievements within the schools targeted.



Mobile Medical Clinic

Muslim Hands have provided life-saving medical and nutrition services to deprived communities of Lahj governorate through two mobile clinics. The clinics increased access to primary health services, treatment and nutritious rations for malnourished and lactating mothers and children under the age of five. The clinics have also raised awareness within the communities of better health and nutrition.

Rehabilitation of Water Wells



Water Wells for Yemen

Already one of the most water-scarce areas in the world, the destruction of so much of Yemen's infrastructure has left millions without access to water.

We are helping vulnerable communities by rehabilitating water wells. For example, in Abyan, home to many people displaced by conflict, we have rehabilitated wells to provide daily drinking water in the villages of Wadi and Qarna'a. These wells are also solar-powered, which means they are sustainable and require little maintenance.



Muslim Hands have provided
3,000
people in Yemen
with access to clean water

ROHINGYA

Over 911,000 Rohingya refugees have fled violence in Myanmar since 2017. These refugees have settled in camps, such as Cox's Bazaar, the largest refugee settlement worldwide. Muslim Hands are one of many organisations responding to this emergency. Using our experience of intervening in many of the world's emergencies, we have been able to provide support to this persecuted community.



Child-Friendly Spaces

In the Cox's Bazaar camp Muslim Hands established two child-friendly spaces. These spaces provided children with education and recreational facilities to improve their mental and social health. Each of the child-friendly spaces included teachers, protection officers and volunteers. Children attending our friendly spaces were able to experience some sense of normality and have increased their self-confidence.



Women-Friendly Space

The women-friendly space provided a safe space for women traumatised by their refugee experiences. This safe space allowed women to discuss the persecution they endured as well as on-going issues and risks they were facing in the camps. Case officers could then take necessary action. Women also had the opportunity to gain new skills such as sewing. The safe space increased their confidence and was an important means of countering gender-based violence in the camps.



Medical Camps

Muslim Hands have supported health programmes within the Rohingya community and established two medical camps. Primary health care services have been provided, including counselling, and on average 200-220 people accessed the health care service daily. The communities accessed these camps for medication, consultation and health-checks.



Safe Water

Muslim Hands have also supported the camps through the provision of WASH programmes. This included training on good WASH practices, the provision of latrines, and the construction of deep water wells within the Rohingya camps. These wells provide communities with safe, clean, drinkable water and ensure the communities do not have to travel to unsafe areas for their water collection.

SYRIA

Over 5.6 million people have been forced to flee Syria and 6.1 million people are internally displaced; over 13 million people within Syria are in need of urgent need, 80% of whom are women and children. Many of these displaced families live in refugee camps in Syria and Lebanon. Muslim Hands have been supporting these communities through the provision of medical camps, food aid and educational facilities.



Medical Camps

Muslim Hands supported the operations of a medical centre in Kherbet Eljoz. The health centre provided specialised clinics in medicine and paediatric care. The centre has also provided general nursing care, such as wound care and nebulization. We supported over 6,300 patients. The centre provided essential health care to IDPs and vulnerable communities, and was specifically successful in targeting respiratory infections, influenza-like illnesses, and malnutrition.



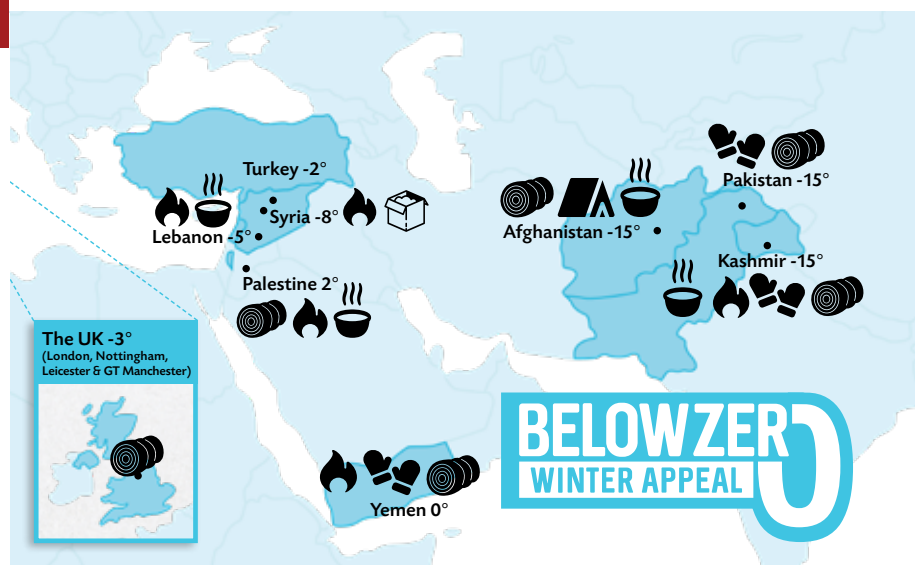
Orphans Education Centre

Supporting an orphans education centre in Idlib, Muslim Hands provided 225 students with education. Many of these students are unable to receive any form of education outside of this programme, and they urgently needed this vital opportunity to build a better future.

WINTER EMERGENCY

The Muslim Hands emergency programme provided winter aid to over 35,000 people in 10 locations. It protected people across the globe from below-freezing temperatures, from poor families in dilapidated shelters, to refugees living in tents, to rough sleepers right here in the UK. This relief included nutritious food, warm clothes, life-saving fuel and much more.

In the UK, we worked with Emmanuel House Support Centre, the British Red Cross and One Roof Winter Night Shelter to keep rough sleepers sheltered, warm and alive. This project protected vulnerable people such as refugees, asylum seekers and victims of abuse, sheltering them on some of the coldest nights of the year and giving them nutritious meals.



Food, blankets and plastic sheeting for poor families in Bamyan, Afghanistan • Winter kits and heating fuel for IDPs in Salqeen, Syria • Warm clothes, thermal blankets and stoves for IDPs in Ad-Dhali', Yemen • Warm clothes, thermal blankets and stoves for poor families in Swat, Pakistan • Warm clothes and blankets for poor families in Bagh and Rawalakot, Kashmir (Pakistan) • Food, firewood, warm clothes and blankets for curfew-affected areas in Kashmir (India) • Food and heating fuel for Syrian refugees in Aarsal and Central Bekaa, Lebanon • Plastic tent covers and warm clothes for Syrian refugees in Azez, Turkey • Blankets, heaters and food for poor families in Jerusalem • Sleeping bags for rough sleepers in the UK

PAKISTAN EARTHQUAKE: OUR INSTANT RESPONSE



On Tuesday 24th September 2019, a 5.8 magnitude earthquake struck East Pakistan, killing dozens of people and injuring hundreds more. The epicentre of the quake was near Jhelum (Punjab) and Mirpur (Pakistan-administered Kashmir).

Our teams were immediately on the ground in Mirpur providing emergency relief to victims.

Muslim Hands distributed 300 tents to families whose houses were completely destroyed due to the earthquake.



Working alongside the district, we also provided two ambulances and three medical services to the affected communities.

During the early stages of the emergency Muslim Hands set up a food distribution site providing dry and cooked food.

We also distributed over 200 hygiene kits to affected families, helping to reduce the spread of infections.



 **1,600** people given life-saving medical care

You provided **24,000** cooked meals 

 **300** emergency shelters provided

PROVISION OF EDUCATION SERVICES

Education has been at the heart of Muslim Hands' work for over 26 years. We believe that education unlocks opportunities and is a way out of poverty and a driving force for social change. Muslim Hands runs education programmes across the world, from building rural schools in remote communities to running large campuses which provide the highest quality of education. We have built a network of Schools of Excellence catering to the needs of the areas we are working in. Many of our students outperform national averages, and we are proud to have provided the foundation to tens of thousands of students.



MH Schools

Through a network of Muslim Hands schools, we ensure that students are provided with a quality education. Our schools focus on training talented and motivated teachers, providing them with recognised qualifications. We also ensure students follow a comprehensive localised curriculum. Our purpose-built schools also offer high standard of learning facilities such as computer and science labs. Working alongside the government of Pakistan, we have renovated 101 school through the Public School Support Programme (PSSP).



Orphan Sponsorship

Our orphan sponsorship scheme runs in over 18 countries. The scheme ensures that children have access to education, welfare, nutritional and health support. Moreover, our dedicated orphans welfare officers also provide psycho-social support through counselling to the orphans' families. We also deliver extensive support to the families we work with, including food security, building sustainable livelihoods and other projects.

Writing Workshop Roadshow

As part of our Young Muslim Writers Awards campaign, Muslim Hands provided a fun-filled Writing Workshop Roadshow. Focusing on urban and under-privileged children, the workshop provided after-school classes around literacy. This project has inspired creativity and developing skills in children, giving them confidence in reading and writing.

With the help of amazing authors, we ran five workshops in local libraries. The children learned essential skills for writing short stories and poems, and even produced their own work during the workshop.



'I wish the workshop was longer – time flies by when you're having fun! It was useful and I enjoyed the poetry tasks'.

– Khayriyah, aspiring writer



**YOUNG
MUSLIM
WRITERS
AWARDS**



PROVISION OF SAFE WATER

Over 785 million people do not have access to clean water close to their homes. That is 1 in 10 people worldwide. At Muslim Hands, we believe that everyone has the right to access clean water and sanitation, whether they are living in rural or urban communities. Inaccess to clean water not only raises the risk of disease for communities, it also means women and children spend several hours every day collecting water for their families. This keeps children out of school and takes up time parents could be using to earn money. Through our WASH programmes, we have provided over 1.5 million people with access to water and trained communities on hygiene and sanitation awareness.



Water Wells

Muslim Hands built over 3,100 new wells in 2019. These wells provide clean tested water to disadvantaged communities, transforming thousands of lives, including improving their livelihoods, agriculture, education and health. We also establish local water committees where we build these wells. These committees ensure the upkeep and maintenance of the wells and provide ongoing training and hygiene awareness in their communities.



Al Kawther Solar Well

One of our largest projects was upgrading the Al Kawther water well in Gaza to include a solar system, to ensure local communities have round-the-clock access to safe water in a city which often faces power blackouts. The pump is now able to provide 840m³ of water per day. This provides 15,000 individuals with reliable access to water across 3 municipal areas.



Balochistan Water

Another significant project was the solar-powered water well we built in Balochistan. In rural Balochistan, isolated communities can travel over three hours a day to access water. The water well we constructed is 32 metres deep, and serves 16 households as well as two community schools, providing drinking water to 435 students.

Moreover, local farmers have been able to improve their agriculture and care for livestock due to the easy access to water. Women and children in the communities no longer have to collect water from far distances, reducing the risk to their safety. This project provided a lifeline to 4,400 people in the villages.

FOOD SECURITY IN THE UK AND WORLDWIDE

Food and food-related assistance are essential to breaking the cycle of hunger and poverty. 1 in 9 people worldwide still do not have enough to eat. As part of the international community Muslim Hands have committed to end hunger, achieve food security and improve nutrition by 2030. We understand that for millions around the world the source of their next meal is a constant worry. Food insecurity is a result of the cycle of poverty, poverty leads to food insecurity, and food insecurity leads to poverty.



The Open Kitchen

Our Open Kitchen in Hounslow, London, is providing daily nutritious meals to vulnerable people. With a no-questions-asked-policy the kitchen is accessible to all in the community. As food poverty in the UK rises, The Open Kitchen provides a lifeline to the hundreds of people we are serving daily. The kitchen also a safe place area for the homeless and vulnerable families, providing a warm and welcoming environment where they are treated with respect and compassion.



Qurbani Programme

4.2 million meals this *Qurbani*

This year Muslim Hands were able to provide over 4.2 million meals through our Qurbani programme. For many of the families this is one of the only times they are able to access quality nutritional meat. Our programme ensures the health and welfare of the animals by local veterinarians and the meat and the meals that are provided are of high nutritional value.

“ Although we’ve never met the Qurbani donors, they send us meat every year for the sake of Allah. It’s a touching gift from afar’.

–Hawwa, a widow from Sri Lanka



PARTNERSHIPS

In line with SDG 17 “Revitalize the global partnership for sustainable development” Muslim Hands has strengthened its partnerships efforts to build a strong network of both local and international partners to increase our outreach to the most vulnerable communities. We believe that by strengthening local partners’ networks and ability to access resources through global partnerships improves the lives of the communities that we are also supporting. Through our capacity building programme, we have ensured that Muslim Hands and its local partners are positioned and capable of working through local and international partners.



Resource Mobilisation Conference

In July 2019, Muslim Hands held a resource mobilisation conference with a number of local partners from Pakistan, Afghanistan, Sri Lanka, Bangladesh, Mali and Somalia. The purpose of the conference was to help build the capacity and understanding of local partners of the global partnership model. The conference strengthened relationships between local and international partners. By providing a learning forum we believe that Muslim Hands can ensure the most vulnerable communities across our areas of intervention are heard.



Schneider Foundation

Alongside our partners in Pakistan and the Schneider Foundation, Muslim Hands was able to ensure the successful opening and operation of 52 vocational training centres across Punjab district in Pakistan. The centres provided 6,200 students with the knowledge and resources for electrician training.

Muslim Hands Partners

Working alongside and supporting our local partners, Muslim Hands have built a network of global institutions and we are proud to support and strengthen resource mobilisation and ensure the successful implementation of donor funded projects. Muslim Hands have worked with and are members of the following organisations alongside local and national government departments.



Financial Review

This year, Muslim Hands raised £22.7m – the sum of £16.7m was donated for non-emergencies, £3.3m for emergencies and £ 2.7m coming from Gift Aid. The total income received in 2019 was up from the level of income raised in the previous year (£21.1m).

	2019	2018	2017
Donations from Supporters	£m	£m	£m
Donations for Non-Emergencies	16.7	15.4	14.1
Donations for Emergencies	3.3	3.1	2.6
Gift Aid	2.7	2.6	2.4
Total Income	22.7	21.1	19.1

The Charity invested £2.6m to generate £20.0m. The net return was £17.4m.

The Charity invested 11% to generate a return of 89%. The Charity aims for an investment target of 10% in the current year. This is further broken down into 1/2 unrestricted/ restricted ratio respectively.

Financial Review

During the year, Muslim Hands spent over £21.5m. 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.

	2019	2018	2016
	£m	£m	£m
Cost of Generating Funds	2.6	2.5	2.6
Charitable Activities	16.2	18.5	12.2
Where Most Needed	1.3	1.3	2.1
Orphans	1.4	2.6	2.0
Education	3.1	3.3	1.1
Health	0.9	0.8	0.3
Emergency	3.3	2.9	1.6
WASH	2.2	2.2	1.3
Food	2.4	2.1	1.2
Masjids	1.5	0.9	0.3
Support Costs and Staff	2.8	2.9	2.3
Total Resources Expended	21.6	21.3	14.8

Expenditure

The management of the Charity is undertaken responsibly to safeguard and protect the funds the Charity is entrusted with from loss, corruption and fraud and the Charity has invested in the strength of its systems, offices and people. Therefore, £2.8m was invested in the organisation allowing the Charity to effectively use the funds and operate with accountability. In 2019 the charitable activities expended were £16.2m, out of which Zakat contributed to £6.2m. The previous table on page 8 provides some details of the various programmes we implement, the number of beneficiaries supported and achievements with respect of each project category.

During programmes implementation, there are a number of factors which can impact the project achievement targets, including donors commitments, availability of funding, socio-economic conditions of the donors or target beneficiaries, interventions by the respective government institutions, UN Agencies and the coverage of other humanitarian actors focusing on the same pool of target beneficiaries.

Muslim Hands is always committed to the poor and marginalised and vulnerable segments of society irrespective of race, religion and gender. Most of our implementation is ongoing so if targets are not met, we continue to work with the same communities the following year. Our partnerships, networking, policy level advocacy and lobbying components of the programme 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, social media, 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.

Reserves

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 to:

- 1. increase capacity to work in emergency zones;**
- 2. simultaneously consolidate the geographical and thematic spread of long-term projects and projects offices;**
- 3. developing closer working relationships with grassroots organisations in countries where we carry out projects;**
- 4. diversifying the donor base.**

These measures will bring further efficiencies and savings but still allow MH to increase the reach to beneficiaries, and they will also be instrumental to the success of the strategy.

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.

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 £16,224,649 (2018: £16,126,675). 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 results. Programmes monitoring and evaluation is carried out by MH staff to ensure adherence to MH objectives, programmes quality and financial sustainability. The Trustees further obtain assurance by making visits to the programmes. The partners provide quarterly narrative and financial reports, with explanations for variances.

Investment Policy

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

POST YEAR END

COVID-19

Muslim Hands set a fundraising record and saw a huge surge in donations despite the pandemic. Muslim Hands raised £2 million, from three live appeals on Islam Channel, in the month of Ramadan. A record-breaking amount of over £1 million was raised during the Yemen live appeal, which took place on the 27th night of Ramadan. Despite the pandemic, soaring unemployment rates and an economic crisis, Muslim Hands saw a huge surge in donations across all of its platforms. Though events such as flagship walks have been cancelled for the foreseeable future, supporters across the world were nevertheless forthcoming with their contributions, eager to make a difference.

With the onset of the lockdown it was anticipated that the Charity could lose up to 29% of income due to the postponement of events and mosque collections and the anticipated job losses in the first three months. On the contrary, income increased by 67% in the second quarter due to the successful online and social media marketing campaign. Expenditure reduced by 15% over quarter two due to the halt in expenditure on events, travel for collections and monitoring visits, and less usage of facilities.

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

Going Concern

As a response to the financial risks posed by Covid-19, MH began to scenario plan its cashflow and the variation in impact of increased and reduced cash scenarios. Furthermore, the Charity increased its rolling cashflow projections from 12 months to 24 months to better understand the going concern status of the Charity. The scenario planning showed that the Charity will continue and the surge in funds in 2020 supports this projection. It further allowed the Charity to consider the impact of a shortage in funding and the potential mitigators that would be required. With the success of fundraising this year, the Charity is confident of its continuation as a going concern.



STRUCTURE, GOVERNANCE AND MANAGEMENT

Muslim Hands was legally established as an international NGO in 1993 by a trust deed and registered with the Charity Commission under registration number 1029742 on 6th December 1993. In 2004, Muslim Hands changed its structure, registering as a company limited by guarantee at Companies House in England on 22nd March 2004 and with the Charity Commission on 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 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 to a small Senior Management Team 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 dependent on volunteer support in order to fulfil its 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.

Public Benefit Statement

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



PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Principal Risks and Uncertainties

During 2020, the Trustees identified the following key risks and the measures taken to address these risks:

Risks	Management Actions
<p>Programmes not delivered as expected by MH standards</p>	<ul style="list-style-type: none"> - Due Diligence Framework - Staff member trained to do due diligence checks - Director of Governance signs off of all Due Diligence checks - Board sign off of any Due Diligence checks escalated by Director of Governance - Monthly Review meetings reassess Partner RAG ratings. Partners may be put 'on hold' - Legal counsel and Programme Finance team review and approve the funding agreements - Muslim Hands Policies are shared with Partners - Education and training of partners regarding importance/ expectations - Field monitoring visits are regularly undertaken to verify the delivery of aid
<p>Violation or abuse of beneficiaries and safeguarding</p>	<ul style="list-style-type: none"> - Muslim Hands Safeguarding policies for: children and for vulnerable adults, Safeguarding Code of Conduct - Muslim Hands are part of 'Keep Children Safe Network', provider of online training facilities. - Partner office staff complete 'Keep Children Safe Network' training - Muslim Hands Whistleblowing policy in place - Programme Quality Framework includes a complaint programme which involves interviews with beneficiaries - Programme Quality Framework includes safeguarding spot checks - Reporting of Safeguarding issues to Management and Board
<p>Cashflow to meet charitable and operational commitments</p>	<ul style="list-style-type: none"> - Board oversight of spending in advance of approval of fundraising budget and targets - Board oversight of performance and likely year end position - Reporting of scenarios and the impact on cash flow - Periodic review of Financial Sustainability
<p>Loss/ theft of data including non-compliance with data protection regulation</p>	<ul style="list-style-type: none"> - GDPR policies including Data Breach Action Plan, data breach form in place - Monitoring GDPR compliance - Outsourced DPO service by Bulletproof Ltd - Monitoring of IT controls - Encryption-in-transit protects both systems and data - Procedures for penetration testing and system security checks
<p>Strategic Alignment of Programmes</p>	<ul style="list-style-type: none"> - Project Toolkit checklist - Partner office carries out a Project Needs and Beneficiary Selection Assessment - Scoring requirement built into Projects System - Programmes Director reports quarterly to the Programmes Committee on progress of the implementation of the corporate strategy

Internal Audit and Risk Assurance

The MH Board of Trustees is advised by an Audit Committee made up of Trustees and independent members who bring a broad range of expertise in this area. The Audit Committee meets at least four times a year and its terms of reference includes scrutiny and oversight of the way MH is managing risk. An independent Internal Audit function reports to the Audit Committee. The internal audit is provided by BDO LLP. They support with the risk register and carry out a risk-based audit programme, which follows an audit plan approved by the Audit Committee. The Senior Management Team regularly undertakes strategic and operational reviews to identify organisational risks and come up with plans to mitigate them. The team is then responsible for implementing those action plans, with the Audit Committee monitoring progress.

PLANS FOR THE FUTURE

Income Diversification

Muslim Hands has continued to grow steadily since its inception, reaching an increasing number of vulnerable and suffering communities year after year. To continue the mission of aiding more people as effectively and efficiently as possible, Muslim Hands will be focusing on organisational restructuring and internal development, placing stronger emphasis on forming partnerships with grassroots level delivery partners overseas and at home and increasing our income from trusts and institutional funders. Muslim Hands' skill and experience in 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 gaining sector-wide recognition and funding for its work.

In-house Systems

Muslim Hands is currently planning the development of its 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 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.

New Strategy

Muslim Hands is preparing its new five-year strategy following the success of its previous strategy. The strategy will focus on continuing the success story of Muslim Hands as it embarks on its next phase of growth in serving the poor and destitute.

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 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 16th October 2020 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 2019 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 2019 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
23 October 2020

for and on behalf of

Sayer Vincent LLP, Statutory Auditor Invicta House, 108-114
Golden Lane, LONDON, EC1Y 0TL

Financial Statements

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

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations		7,805,589	14,928,824	22,734,413	7,251,523	13,850,596	21,102,119
Bank Interest		37,808	-	37,808	34,377	-	34,377
Total income		7,843,397	14,928,824	22,772,221	7,285,900	13,850,596	21,136,496
Expenditure on:							
Raising funds	3	2,575,215	-	2,575,215	2,554,185	-	2,554,185
Charitable activities							
Grants payable and operational programmes	3	3,029,242	15,965,553	18,994,795	2,587,150	16,064,544	18,651,694
Total expenditure		5,604,457	15,965,553	21,570,010	5,141,335	16,064,544	21,205,879
Net income / (expenditure) for the year	4	2,238,940	(1,036,729)	1,202,211	2,144,565	(2,213,949)	(69,384)
Transfers between funds	13	(1,399,848)	1,399,848	-	(933,068)	933,068	-
Net movement in funds		839,092	363,119	1,202,211	1,211,498	(1,280,881)	(69,383)
Reconciliation of funds:							
Total funds brought forward		3,281,242	7,419,572	10,700,814	2,069,745	8,700,452	10,770,197
Total funds carried forward		4,120,334	7,782,691	11,903,025	3,281,242	7,419,571	10,700,814

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.

Financial Statements

Muslim Hands

Balance sheet

Company no. 05080486

As at 31 December 2019

		2019		2018	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	8		1,368,260		1,405,277
			1,368,260		1,405,277
Current assets:					
Debtors	9	790,472		732,178	
Short-term Deposits		2,716,764		2,684,373	
Cash at bank and in hand		7,792,804		6,376,750	
		11,300,040		9,793,301	
Liabilities:					
Creditors: amounts falling due within one year	10	(657,311)		(355,546)	
Net current assets			10,642,729		9,437,755
Total assets less current liabilities			12,010,989		10,843,032
Creditors: amounts falling due after one year	11		(107,964)		(142,217)
			11,903,025		10,700,814
The funds of the charity:					
Restricted income funds	13		7,782,691		7,419,572
Unrestricted income funds			4,120,334		3,281,242
Total charity funds			11,903,025		10,700,814

Approved by the trustees on **23.10.2020**

and signed on their behalf by

Syed Lakhte Hassanain
Trustee

Financial Statements

Muslim Hands

Statement of cash flows

For the year ended 31 December 2019

	Note	2019	2018
		£	£
Cash flows from operating activities	14		
Net cash provided by / (used in) operating activities		1,554,868	304,516
Cash flows from investing activities:			
Purchase of fixed assets		(72,170)	(62,952)
Net cash provided by / (used in) investing activities		(72,170)	(62,952)
Cash flows from financing activities:			
Repayments of borrowing		(34,253)	(33,424)
Net cash provided by / (used in) financing activities		(34,253)	(33,424)
Change in cash and cash equivalents in the year		1,448,445	208,140
Cash and cash equivalents at the beginning of the year		9,061,123	8,852,983
Cash and cash equivalents at the end of the year	15	10,509,568	9,061,123

Financial Statements

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2019

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.

Financial Statements

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2019

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.

Financial Statements

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2019

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.

Financial Statements

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2019

2 Grants payable and operational programmes

Current year	Unrestricted funds £	Restricted funds £	Total 2019 £
General	259,096	647,468	906,564
Children	-	72,263	72,263
Education	-	3,090,242	3,090,242
Elderly	-	20,163	20,163
Emergency Aid	-	3,266,702	3,266,702
Environment	-	65,050	65,050
Food	-	2,439,247	2,439,247
Health	-	854,789	854,789
Livelihoods	-	123,077	123,077
Masjid	-	1,548,184	1,548,184
Orphans	-	1,423,440	1,423,440
Shelter	-	197,559	197,559
Safe Water	-	2,217,370	2,217,370
Grant payable	259,096	15,965,553	16,224,649
Wages and salaries	1,560,911	-	1,560,911
Support costs (note 3)	962,431	-	962,431
Governance costs (note 3)	246,804	-	246,804
	3,029,242	15,965,553	18,994,795
Prior 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

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2 Grants payable and operational programmes (continued)

	2019	2018
	£	£
Cost		
Muslim Hands Partners (Related Parties)		
Pakistan	3,715,397	3,879,716
Palestine	2,078,652	2,823,808
Sudan	534,311	858,078
Bangladesh	775,253	495,739
Niger	403,417	470,144
Afghanistan	311,818	304,603
Iraq	-	31,599
Somalia	271,265	274,553
Mali	1,588,320	709,800
Malawi	244,952	246,436
Kenya	-	353
Nigeria	41,544	90,383
	<u>9,964,929</u>	<u>10,185,213</u>
Non Muslim Hands Partners		
Gambia	203,318	292,887
Sri Lanka	262,330	196,796
Lebanon	300,768	173,812
Indonesia	67,644	168,161
Syria	1,268,601	1,681,085
Myanmar	914,439	1,032,202
Kashmir (India)	233,438	85,730
China	-	-
Mauritania	111,805	159,621
Nepal	-	-
Senegal	269,517	170,724
	<u>3,631,860</u>	<u>3,961,017</u>
	<u>13,596,790</u>	<u>14,146,230</u>
Other grants less than £50,000 in the year	<u>2,627,860</u>	<u>1,808,518</u>
At the end of the year	<u>16,224,649</u>	<u>15,954,748</u>

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

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

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3a Analysis of expenditure (current year)

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2019 Total £	2018 Total £
Grants payable (Note 2)	-	16,224,649	-	16,224,649	16,126,675
Staff costs (Note 5)	773,181	1,560,911	314,391	2,648,483	2,382,904
Premises costs	19,518	156,145	19,518	195,181	184,864
Office costs	75,457	603,657	54,485	733,599	1,054,538
Professional fees	121,577	202,629	7,993	332,199	215,576
Publications, advertising and postage	1,385,894	-	-	1,385,894	1,203,625
Audit and accountancy	-	-	22,289	22,289	23,160
Trustees expenses	-	-	27,716	27,716	14,536
	2,375,627	18,747,991	446,392	21,570,010	21,205,879
Governance costs	199,588	246,804	(446,392)	-	-
Total expenditure 2019	2,575,215	18,994,795	-	21,570,010	
Total expenditure 2018	2,554,185	18,651,694	-	-	21,205,879

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

3b Analysis of expenditure (prior year)

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	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
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	-	-	14,889,825

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4 Net Income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Auditors' remuneration (excluding VAT):		
Audit	22,289	23,160
Under-provision in the prior year	-	-
Depreciation of tangible fixed assets	<u>109,186</u>	<u>89,047</u>

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	2,374,549	2,072,426
Social security costs	224,997	276,727
Employer's pension contributions to defined contribution scheme	<u>48,937</u>	<u>33,752</u>
	<u>2,648,483</u>	<u>2,382,904</u>

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

	2019 No.	2018 No.
Direct charitable operations	39	36
Fundraising and publicity	48	48
Management and administration of the Charity	<u>8</u>	<u>8</u>
	<u>95</u>	<u>92</u>

The charity operates a defined contribution pension scheme: 2019 £48,937 (2018: 33,752) 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 £487,607 (2018: £410,737).

There are zero employees with emoluments above £60,000. During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £58,545 (2018: £58,245) 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 £7,379 (2018: £9,779) by Syed Lakhte Hassanain.

During the year £6,911 (2018: £1,810) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 4 Trustees (2018: 8 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.

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7 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Motor Vehicles	Total £
Cost					
At 1 January 2019	1,418,683	547,151	318,847	12,840	2,297,521
Additions in year	-	36,656	35,514	-	72,170
At 31 December 2019	1,418,683	583,807	354,361	12,840	2,369,691
Accumulated depreciation					
At 1 January 2019	210,415	463,794	215,534	2,502	892,245
Charge for the year	28,374	37,631	41,631	1,550	109,186
At 31 December 2019	238,789	501,425	257,165	4,052	1,001,431
Net book value					
At 31 December 2019	1,179,894	82,382	97,196	8,788	1,368,260
At 31 December 2018	1,208,268	83,357	103,313	10,338	1,405,277

Included in the net book value of freehold land and buildings of £1,179,894 (2018: £1,208,268) is £nil relating to non-depreciated land.

8 Debtors

	2019 £	2018 £
Other debtors	643,397	148,606
Prepayments and accrued income	147,075	583,572
	790,472	732,178

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

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	33,833	32,822
Trade creditors	206,081	292,995
Accruals and deferred income	417,397	26,032
Other creditors	615	742
	657,926	352,591

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10 Creditors: amounts falling due after one year

	2019 £	2018 £
Bank loans	107,964	142,217
The bank loan is repayable as follows:		
Within one year	33,833	32,822
Between one and two years	34,863	33,821
Between two and five years	73,101	107,760
After five years	-	636
	141,797	175,040

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

11 Analysis of net assets between funds 2019

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,368,260	-	1,368,260
Net current assets	2,860,038	7,782,691	10,642,729
Long term liabilities	(107,964)	-	(107,964)
Net assets at 31 December 2019	4,120,334	7,782,691	11,903,025

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

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12a Movements in funds 2019

	At 1 January 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	At 31 December 2019 £	
Restricted funds:						
Afghanistan	2,392	152,924	(311,818)	158,584	2,082	
Africa	221,958	16,230	-	-	238,188	
Albania	3,790	147	-	-	3,937	
Algeria	128	-	-	-	128	
Azerbaijan	16,856	156	-	-	17,012	
Bangladesh	22,866	687,574	(775,253)	135,592	70,779	
Bosnia	102	-	-	-	102	
Brazil	16	-	-	-	16	
Burma	1,208,428	318,054	(914,439)	63,991	676,035	
Central African Republic	42,954	-	-	-	42,954	
Chechnya	39,035	-	-	-	39,035	
China	17,251	1,001	-	-	18,252	
Congo	153	35	-	-	188	
Cuba	1,837	378	-	-	2,215	
Dagestan	-	-	-	-	-	
Djibouti	4	-	-	-	4	
Dominican Republic	-	-	-	-	-	
Ecuador	423	-	-	423	-	
Egypt	1,914	62	-	-	1,976	
Eritrea	1,615	-	-	-	1,615	
Ethiopia	11,524	17,205	(15,037)	-	13,691	
Europe Refugee Crisis	18,936	-	-	-	18,936	
France	8,192	-	-	8,192	-	
Gambia	8,901	105,490	(203,318)	89,884	956	
Ghana	287	151	-	260	124	
Guinea	8,819	182	(4,463)	13,100	0	
Guinea Bisua	13,650	15,567	(18,917)	390	10,691	
Haiti	18,288	109	-	-	18,397	
India	135,845	1,907	(22,595)	-	115,157	
Indonesia	29,017	56,305	(67,644)	37,731	55,408	
Iran	103,531	-	-	-	103,531	
Iraq	15,614	24,634	-	-	40,248	
Italy	-	-	(6,168)	6,168	-	
Ivory coast	24	-	-	-	24	
Japan	15,444	-	-	-	15,444	
Jordan	5,085	-	-	5,085	0	
Kashmir - India	118,555	308,814	(233,438)	101,604	58,426	
Kashmir - Pakistan	322,896	742,482	(829,716)	17,134	252,796	
Kenya	15,040	1,180	-	-	16,220	
Kosova	31,513	41	-	31,472	0	
Lebanon	43,103	113,354	(300,768)	145,158	846	
Liberia	523	294	(2,066)	1,249	-	
Libya	11,245	62	-	-	11,307	
Macedonia	7,172	-	-	-	7,172	
Majorca	42,056	-	-	42,056	-	
Malawi	69,507	148,117	(244,952)	33,148	5,820	
Malaysia	42,313	-	-	42,313	-	
Mali	21,024	653,638	(1,588,320)	913,658	0	
Mauritania	22,960	73,957	(111,805)	36,032	21,143	
Mauritius	4,664	694	(4,388)	8,358	-	
Mexico	7,954	6,319	(31,957)	20,028	2,344	
Middle East	2,655	-	-	-	2,655	
Montenegro	106	-	-	-	106	
Morocco	151	107	-	-	258	
Mozambique	22,095	89	-	22,006	-	
Nepal	1,934	31	-	-	1,965	
Niger	91	159,323	(403,417)	244,302	299	
Nigeria	2,877	13,429	(41,544)	25,303	65	
Non country specific restricted funds	2,880,233	3,537,187	(286,705)	(3,443,574)	2,687,140	
Pakistan	1	2,118,134	(3,715,397)	1,617,627	20,364	
Palestine	1,052,371	2,538,231	(2,078,652)	-	1,511,950	
Philippines	815	-	-	-	815	
Russia	-	-	-	-	-	
Rwanda	14,482	1,909	(20,003)	16,180	12,569	
Sub-total carried forward	0	6,145,209	11,815,503	(12,232,780)	393,454	6,121,385

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Movements in funds 2019 (continued)

	At 1 January 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	At 31 December 2019 £
Sub-total brought forward	6,145,209	11,815,503	(12,232,780)	393,454	6,121,385
Senegal	69,641	138,967	(269,517)	88,718	27,810
Sierra Leone	10,138	1,907	(6,310)	-	5,735
Somalia	1,144	143,364	(271,265)	126,948	191
Somaliiland	4,376	21	(455)	-	3,942
South Africa	4,165	-	(4,161)	4,161	4,165
South East Asia	-	-	-	-	-
South Sudan	25,751	267	-	-	26,018
Spain	17,299	-	(25,855)	19,121	10,566
Sri Lanka	129	89,444	(262,330)	172,812	55
Subcontinent	65,485	-	-	-	65,485
Sudan	1,360	480,379	(534,311)	241,578	189,006
Syria	770,188	984,673	(1,268,601)	-	486,260
Tajikistan	-	-	-	-	-
Tanzania	5,983	581	-	-	6,564
Tatarstan	-	-	-	-	-
Togo	-	-	-	-	-
Tunisia	-	-	-	-	-
Turkey	-	-	(74,845)	74,845	-
Uganda	2,861	5,186	(11,690)	3,710	67
UK	-	90,879	(348,487)	274,501	16,893
Uzbekistan	2,493	-	-	-	2,493
Yemen	293,350	1,177,652	(654,947)	-	816,055
Total restricted funds	7,419,572	14,928,824	(15,965,553)	1,399,848	7,782,691
General funds	3,281,242	7,843,397	(5,604,457)	(1,399,848)	4,120,334
Total funds	10,700,814	22,772,221	(21,570,010)	-	11,903,025

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12b 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	7,120,703	10,968,609	(12,026,477)	82,374	6,145,209

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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	7,419,570
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

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.

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

	2019 £	2018 £
Net Income / (expenditure) for the reporting period (as per the statement of financial activities)	1,202,211	(69,383)
Depreciation charges	109,186	89,047
(Increase)/decrease in debtors	(58,294)	251,524
Increase/(decrease) in creditors	301,765	33,328
Net cash provided by / (used in) operating activities	1,554,868	304,516

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14 Analysis of cash and cash equivalents

	At 1 January 2019	Cash flows	Other changes	At 31 December 2019
	£	£	£	£
Cash at bank and in hand	6,376,750	1,448,445	-	7,825,195
Short term deposits	2,684,373	-	-	2,684,373
Total cash and cash equivalents	9,061,123	1,448,445	-	10,509,568

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	
	2019	2018
	£	£
Less than one year	65,000	65,000
One to five years	260,000	260,000
Over five years (Cancellable)	65,000	130,000
	390,000	455,000

16 Related party transactions

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

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

M N Syed the son of Syed Lakhte Hassanain, a Trustee of the Charity, is employed by Muslim Hands and was paid a salary of £26,518 for the period (2018: £22,027).

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

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

17 Ultimate controlling party

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

18 Legal status of the charity

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