



Muslim Hands Annual & Financial Report 2015



Muslim Hands

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MUSLIM HANDS

Annual report and financial statements for the year ended 31 December 2015

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Trustees and statutory directors

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

Company number

05080486

Charity registration number

1105056

Registered office

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

Company secretary

Dr Musharraf Hussain

Auditor

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

Bankers

National Westminster Bank plc, Hyson Green, Nottingham,
Santander UK plc, Manchester Business Centre, Manchester,
Islamic Bank of Britain plc, Edgbaston House Birmingham,

Solicitors

Freeth Cartwright LLP, Cumberland Court, Nottingham,

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Trustees' Report for the year ended 31 December 2015

Introduction

This is the 2015 annual report of the Trustees of the Muslim Hands. It is presented together with a Trustees' Responsibilities Statement on page 11, the Independent Auditor's Report on page 12 and the financial statements for the year ended 31 December 2015 on page 13.

The financial statements for the year ended 31 December 2015 have been prepared in accordance with the accounting policies set out in note 1 to the financial statements. The financial statements comply with the Charity's Governing document, the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102

Muslim Hands was legally established as international NGO in 1993 by a trust deed and registered with the Charity Commission under registration number 1029742 on the 6th December 1993. In 2004, Muslim Hands changed its structure registering as a company limited by guarantee at Companies House in England on the 22nd March 2004 and with the Charity Commission on the 22nd July 2004 under registration number 1105056. The funds in the original Trust were transferred to the newly incorporated company and thereafter the original trust was de-registered on the 8th November 2006. Muslim Hands has been operating under the company structure to this day.

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

The Trustees of the Charity are legally responsible for the Charity and set the strategic direction with operational matters delegated small Senior Management Team of three individuals including the CEO. The Senior Management Team are supported by dedicated staff. The current Senior Management Team comprise Sayyed Lakhte Hassanain Shah as CEO with Shahid Bashir and Tariq Nasir as Executive Directors. The Trustees set the salaries for the Senior Management Team and the Senior Management Team set the salaries for the staff supported by the HR Department.

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

The induction of new Trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new member to the Board of Trustees. An overview of the organisation and its activities is also provided and the Trustees have commenced a process of giving short training sessions for Trustees at their meetings.

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

Objectives, Vision, Mission and Activities

Muslim Hands' objectives are:

- The relief of poverty and sickness anywhere in the world, and in particular amongst those affected by natural disasters or by wars and other conflicts, by the provision of financial or other assistance including medicines, hospitals, shelter and food;
- To advance education amongst those in need anywhere in the work, with particular regard to orphans; and
- The advancement of Islamic faith through education and the promotion of interreligious harmony through dialogue and cooperation with other faiths and traditions.

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

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

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. At Muslim Hands, we believe that: -

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

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

Public benefit statement

The section of this report above entitled 'Aims, objectives and activities' sets out the aims and priorities of the Charity.

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

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

STRATEGIC REPORT

Review of achievements and performance for the year

The Trustees of Muslim Hands, in acknowledging with deep gratitude the hard work of our dedicated staff and volunteers and the unwavering commitment of our supporters, are pleased with the progress made by the charity during the year beginning 1st January 2015 to 31st December 2015. In fulfilling our objectives in accordance with our mission to be at the forefront in delivering relief from poverty and sickness our aim is being realised through the efficient response of our teams to reaching those most in need in places like Somalia, Syria, Iraq and Gaza and Somalia, as well responding to emerging crises like the plight of Rohingya refugees and the unfolding European refugee crisis. Further specific details of these interventions and the specific projects carried out in these countries are detailed in the paragraphs below. The success of strategy to respond efficiently and quickly to reach those in need has been seen very clearly on the ground with lives being saved and beneficiaries in these regions having their basic needs met. Emergency interventions such as these are part of the immediate and short-term strategies to meet the objectives of Muslim Hands in accordance with its mission and in fulfilment of its vision.

Our development programmes in education as well as the provision of clean water and sustainable livelihoods aim to provide long term solutions to relieving poverty and sickness as well as education to those in need with a special focus on orphans. These projects also continue to serve an increasing number of individuals and families across some of the most deprived countries. The Water, Sanitation and Hygiene (WASH) programme of Muslim Hands has evolved, in order to provide increased access to safe drinking water as well as promoting health and hygiene through training and awareness, ultimately leading to a reduction in water borne diseases in the target communities. The participatory and consultative approach in the design of our safe water and sustainable livelihoods programmes allows not only engagement of all stakeholders but ensures that services and resources are appropriately managed and maintained by local leaders and Community Based Organisations.

Education remains at the core of Muslim Hands' long-term development work and 2015 saw further improvements at Muslim Hands schools in terms of infrastructure and the quality of care and education they deliver. The monitoring of performance in our schools has become more standardised and robust, and is beginning to show remarkable improvements in the standards of all of the locations in which the new monitoring procedures have been implemented – most notably in Pakistan, Kashmir, Sri Lanka and Indonesia. We believe that by providing education, clear water and sustainable livelihoods, beneficiaries can be lifted out of poverty and their health and mental well-being improved. Further details of these long-term development programmes are detailed in the paragraphs below.

At home in the UK, Muslim Hands' Community Development team has carried out a range of projects, from youth empowerment, partnering with Prison Services and supporting victims of domestic abuse to establishing food banks and providing relief to victims of the December floods.

Emergency Response

Somalia

Our work in Somalia began as an emergency response to the devastating drought and famine of 2011. Since then, we have increased our aid efforts substantially, establishing a permanent field office in the capital, Mogadishu in order to carry our longer term development projects to help lift communities out of poverty and improve their health and well-being. Access to clean water has remained one of the biggest challenges for Somali communities. To address this, we have built hundreds of wells and installed irrigation systems and filtration units in villages and IDP camps. In 2015, we constructed a well that is providing safe water to 10,000 internally displaced people who have fled drought and conflict in the south of the country.

The lack of a central government has also led to significant shortcomings in Somalia's healthcare. Maternal healthcare is a particular problem with one in twelve Somali mothers dying due to pregnancy-related causes. We now run three mother and child health clinics in Wardhiigley, Kaxda and Kismayo, providing anti and post-natal health services, general medical care to outpatients, immunisation programmes, health education and food demonstration services to the communities in which they are located and beyond. We also operate a fleet of five ambulances providing a lifeline to vulnerable and isolated groups including mothers, young children and the elderly.

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Trustees' Report for the year ended 31 December 2015

Education is a vital component of supporting communities in Somalia to get back on their feet after decades of conflict. To this end, we are supporting six schools providing education to 862 children aged between 6 and 18 years old.

Syria

Muslim Hands has been active in Syria since 2012. As well as continuing our support of communities within Syria, we provide vital aid to refugees who have taken refuge in the neighbouring countries of Lebanon, Turkey, Iraq and Jordan. In 2015 alone, Muslim Hands provided 15,000 families with essential food items and delivered medical treatment to over 25,000 patients.

With the destruction of thousands of schools within Syria and millions of refugees staying in makeshift camps on its borders, Syrian children with little or no access to education are at a very real risk of becoming a lost generation. Muslim Hands is working hard to combat this. We support three schools within Syria, providing an education to over 1,500 children. We also support Kumlu school which provides an education to 600 refugee children in South-East Turkey.

In Lebanon, Muslim Hands provided Syrian refugees with food parcels, safe drinking water, sanitation and medical care as well as vital winter relief. We also provided clean drinking water for the Insani school for Syrian refugees and our mobile medical clinic makes 12 visits per month to refugee settlements across Southern Lebanon and sees between 600-700 patients each month.

Iraq

In northern Iraq there are almost 250,000 Syrian refugees, the majority of whom live in squalid and overcrowded camps in the Kurdish province of Duhok. Local families in Duhok are hosting a smaller number of children. Muslim Hands has been supporting refugees within the camps and also the host families with food parcels and other essential household items. Aid efforts were stepped up in the winter months and an extra 800 families in Mama and Kawa regions near Erbil also received Muslim Hands food parcels.

Gaza

Muslim Hands has supported communities suffering from the ongoing crisis in Gaza with medical aid, food parcels and cooked meals and winter supplies since 2007. We also sponsor nearly 2,500 orphans. Our orphan care not only includes provisions for education, but also psycho-social support in the form of counselling, organised activities and special days out for both orphans and widowed mothers living with the trauma of an eight-year military blockade and ongoing conflict.

We have also been working with the Al Aqsa Mosque Waqf to provide much needed maintenance and renovation work to this place of worship which serves as an important spiritual and communal heart for the Palestinian community and indeed for the wider Muslim world. This year we have been working on a complete renovation of the wudhu area at Bab al-Ghawanimah, beside the western wall of the site. The renovation includes a specialised wudhu area, toilets and wash basins and will allow as many as 140 people to use the facilities at any one time.

Rohingya

Muslim Hands has been working in Myanmar since 2008 and our commitment to the Rohingya community remains solid long after their plight has ceased to be front page news. As well as providing essential food, water and hygiene kits to hundreds of Rohingya refugees in Indonesia and those in need inside Myanmar, this year we are constructing sturdy, sustainable homes in Rakhine state, providing shelter to over 600 people displaced by conflict and violence.

European Refugee Crisis

When over 1 million families fleeing war, poverty and disaster in countries like Syria, Iraq and Eritrea crossed into Europe seeking refuge, Muslim Hands was quick to respond. We have distributed thousands of food packs, blankets, bottles of water and essential hygiene items to families across the continent as well as providing hundreds of thousands of hot meals to refugees in Asfinag Camp in Austria and in Calais, Marseilles and Paris.

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Trustees' Report for the year ended 31 December 2015

Review of achievements and performance for the year (*continued*)

Pakistan

Muslim Hands has helped over 12 million beneficiaries in Pakistan over the last twenty-two years. In 2015, we provided frontline healthcare in the form of medical camps, ambulance services and pharmacies, education for orphaned and needy children through our schools and livelihoods programmes and vocational training support to young people and vulnerable groups like widows. We are also supporting thousands of street children with access to food, shelter, medical care and jobs training.

Long-term Projects

As outlined above, our long-term projects in the areas of education, water and sanitation and orphan sponsorship are intended to supplement our short terms projects which aim to provide immediate relief from poverty, sickness and a lack of opportunities in education and work. We provide here a brief summary of the longer-term projects to give an idea of the scale of the work carried out by Muslim Hands globally and the resources used.

Education

25,000 children across the world are receiving a Muslim Hands supported education. We employ 1,000 teachers over 130 schools globally. This year, The Bamako School of Excellence in Mali which has been operating from a rented building since 2007 has undergone major changes including the construction of the first floor of a brand new school building which will soon include a larger library, new science and IT labs and a health clinic.

Meanwhile, in Somalia, the Somali National Association of the Deaf School, supported by Muslim Hands since 2013, has received two brand new school buses thanks to the generosity of our donors, allowing students to travel safely to school every day.

Water and Sanitation

For over 1 billion people, access to safe drinking water remains one of the largest challenges they face hence it is a key area of work for all Muslim Hands offices around the world. This year Muslim Hands has built over 3,500 wells across Asia and Africa providing hundreds of thousands of people with clean, safe water.

Orphan Sponsorship

Muslim Hands currently sponsors over 12,000 orphans worldwide, all of whom are receiving an education. As well as supporting children in attending local schools we also run a network of our own tailor-made educational establishments delivering a high standard of education, daily meals and medical care to orphans, completely free of charge. 140 dedicated Orphan Care Workers ensure that orphans are safe and cared for at home and school and that both children and their guardians are receiving the support they need.

UK Projects

Since its establishment in 2008, the Muslim hands UK Community Development Department has gone from strength to strength. The objectives of our UK Projects are to alleviate poverty and social exclusion through empowering communities to combat poverty and marginalisation in the long-term, promoting success and inclusion amongst minority ethnic groups in the education sector and encouraging harmony and unity amongst the diverse communities of the UK irrespective of religious beliefs, cultural traditions and social backgrounds. We aim to support UK initiatives which help people out of vulnerable situations. Our current focus includes those in poverty, destitution, and marginalized situations. We seek to build the confidence, awareness and skill base of individuals so that they feel self-empowered to take on new challenges. Some of our UK initiatives include;

- Investment in supplementary educational support programmes for deprived children where lack of resources, deprivation or discrimination and other mitigating factors may be holding them back from realizing their full potential.
- Activating and helping women to realise their potential. Unfortunately, statistics show up to 68% of south Asian women are economically inactive. In building the capacity and leadership of this group via tailored programmes, we enable them to be more proactive in the economic, social and political life of our community.

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Our Interfaith programmes such as World congress of Faiths and the Bradford interfaith group means we can sponsor a number of interfaith events which promote peace, harmony, understanding and solidarity among people of faith and no faith. These ethical values fit in with the core aims of the Charity and are essential in the current tempestuous climate.

In conjunction with our senior management we have clearly defined areas of work which help to inform our aims and objectives. By regularly cross referencing and enforcing clear milestones we are able to stick to clear and concise work programmes. Regular evaluation, team meetings and supervision plays a key role in this too. Regular community consultation, as well as with stakeholders and donors is imperative in informing our work programmes.

In 2015, the team were instrumental in helping to publish the ground-breaking 'Muslim Women in Prison' report, an important study into the needs and experiences of Muslim women at HMP & YOI New Hall & Askham Grange prisons during custody and post release.

In December, the department organised Christmas meals for the elderly with the aim of reducing loneliness and isolation, a growing problem for older people in the UK and the 2015 Young Muslim Writer's Awards which took place at Senate House, created a real media buzz with newspapers like the Guardian publishing an article on the event.

Some of the overt evaluation methods which we have employed in 2015 have been; we have actively sought to push our work in the mainstream media as well as social media via blogs and updates. Outside of this we have been able to measure our impact via compilation of reports which inform services and highlight our work, individual case studies, feedback from beneficiaries and also from our partner organisations and the communities which we work in.

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Financial review

Income and expenditure

This year, Muslim Hands raised £14.4 – with over three quarters received from our supporters who donated the generous sum of £12.5m with the balance of £ 1.9m coming from Gift Aid. The total income received in 2015 was down from the record level of income raised in the previous year (£14.7m).

	2013	2014	2015
	£m	£m	£m
Donations from Supporters	10.9	9.2	11.3
Donations for Emergencies	1.4	3.4	1.2
Gift Aid	1.9	2.1	1.9
Total Income	14.2	14.7	14.4

During the year Muslim Hands spent over £14.5m. 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.

	2013	2014	2015
	£m	£m	£m
Cost of generating funds	1.5	1.6	2.3
Charitable Activities	10.1	13.1	12.2
Where Most Needed	3.0	3.2	3.5
Orphans	2.6	3.0	2.9
Education	0.3	0.4	0.3
Health	0.3	0.2	0.1
Emergency aid	0.8	2.2	1.4
Safe water	0.5	0.9	0.8
Food	0.8	1.2	1.2
Support Costs and Staff	1.8	2.0	2.0
Total Resources Expended	11.6	14.7	14.5

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

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Programme	Target Beneficiaries	Achievement
Safe Water	2.1 million (women, men and children)	2 million (through provision of deep water wells, hand pumps, water filtration units)
Health	350,000 people	300,000 (through Muslim Hand BHU's, disability centres, MCH's and ambulance service)
Education including Orphans	25,000	25,000 (through provision of education, health, and food)
Emergency Aid	3.5 million	2.5 million (through provision of food, shelter, water, non-food items, livelihoods)
Food	2 million	2.2 million (food distribution in three major projects; Ramadan: 500,000 Qurbani: 1.5 million General: 200,000

Principal sources of funding

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

Reserves

From its inception, Muslim Hands has raised funds for specific projects (restricted funds) and funds which are not specified for a particular project (unrestricted funds) which would be utilised where most needy and applied at the discretion of the trustees to further the charity's purposes. Over the past three years (2012 – 2015), Muslim Hands voluntary income has remained steady at approximately £12.4m. 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 depends on unrestricted funds to fund its long term developmental programmes particularly in regions which have not received media coverage in recent months and years which has led to increased demand on unrestricted funds. In light of this and the donor giving patterns of recent years Muslim Hands has continued with its plan initiated in 2014 to: -

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

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

In the event of a significant drop in funding, the Trustees feel that they would be able to continue the current activities of the Charity through the availability of reserves. It would obviously be necessary to consider how the funding would be replaced as activities changed. The Charity needs to be able to respond quickly to appeals for the relief of suffering in varied communities around the world. The Charity is presently achieving this aim and further aims to increase its unrestricted reserves position year on year.

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Financial review (continued)

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

In the event of a significant drop in funding, the Trustees feel that they would be able to continue the current activities of the Charity through the availability of reserves. It would obviously be necessary to consider how the funding would be replaced as activities changed. The Charity needs to be able to respond quickly to appeals for the relief of suffering in varied communities around the world. The Charity is presently achieving this aim and further aims to increase its unrestricted reserves position year on year.

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

Nature of funds

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

Grant making policy

During the period the Charity awarded grants totalling £9,901,727 (2014: £11,183,720). The Charity's policy is to make gifts of this nature to individuals and organisations which further the objectives of the Charity and each request is reviewed by the Trustees on this basis. 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. The Trustees approach is that where possible, the bulk of the grants should go to other Muslim Hands entities rather than relying on third party organisations and individuals to carry out activities on the Charity's behalf.

Investment policy

Surplus funds are usually kept in a high interest reserve 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 Muslim community. Trustees mitigate this risk by ensuring that income and expenditure are closely monitored and reviewed.

Plans for the future

Muslim Hands has continued to grow steadily since its inception, reaching an increasing number of vulnerable and suffering communities' year on year. To continue the mission of aiding more people and delivering more developmental projects, organisational growth is required. In the coming years our focus will be on raising more funds from institutions and developing stronger partnerships with grass roots organisations for our project delivery.

Muslim Hands enjoys a good/high level of efficiency based on its IT systems and low staff to income ratio, and we hope to increase our efficiency by investing in improved staff training and developing better IT systems. Muslim Hands already has a large number of volunteers and we will endeavour to recruit more volunteers.

Alongside responding to natural disasters and providing aid in conflict zones, Muslim Hands will be increasing its capacities to deliver food security in Sub-Saharan Africa and access to drinking water. Both areas will require Muslim Hands to work more in partnership with other INGOs. By forging partnerships with other International NGOs Muslim Hands can not only ensure greater efficiency but also take advantage of existing capacity of other INGOs who are already present and carrying out similar activities.

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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 26 September 2016 and signed on their behalf by

Dr Musharraf Hussain
Trustee

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Independent auditors' Report for the year ended 31 December 2015

We have audited the financial statements of Muslim Hands for the year ended 31 December 2015 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of trustees and auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Jonathan Orchard (Senior statutory auditor)
28 September 2016
for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Muslim Hands

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

For the year ended 31 December 2015

	Note	Unrestricted £	Restricted £	2015 Total £	Restated Unrestricted £	Restated Restricted £	2014 Total £
Income from:							
Donations		5,066,204	9,328,897	14,395,101	6,676,583	7,997,880	14,674,463
Bank Interest		47,531		47,531	52,080	-	52,080
Total income		5,113,736	9,328,897	14,442,632	6,728,663	7,997,880	14,726,543
Expenditure on:							
Raising funds	3	-	2,332,649	2,332,649	1,422,763	-	1,422,763
Charitable activities							
Grants payable and operational programmes	3	3,527,633	8,652,066	12,179,699	3,405,915	9,879,282	13,285,197
Total expenditure		3,527,633	10,984,715	14,512,348	4,828,678	9,879,282	14,707,960
Net income / (expenditure) before net gains / (losses) on investments		1,586,102	(1,655,818)	(69,716)	1,899,985	(1,881,402)	18,583
Net gains / (losses) on investments		-	-	-	11,934	-	11,934
Net income / (expenditure) for the year	4	1,586,102	(1,655,818)	(69,716)	1,911,919	(1,881,402)	30,517
Transfers between funds	13	(955,015)	955,015	-	(760,502)	760,502	-
Net movement in funds		631,087	(700,803)	(69,716)	1,151,417	(1,120,900)	30,517
Reconciliation of funds:							
Total funds brought forward		2,115,123	7,748,144	9,863,267	963,706	8,869,044	9,832,750
Total funds carried forward		2,746,210	7,047,341	9,793,551	2,115,123	7,748,144	9,863,267

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 incoming resources and resources expended derive from continuing activities.

The surplus for the year for Companies Act purposes comprise the net incoming resources for the year, excluding unrealised deficits on the revaluation of investments and was £(69,716) (2014: £18,583).

Muslim Hands**Balance sheet**

Company no. 05080486

As at 31 December 2015

	Note	£	2015 £	2014 As restated £
Fixed assets:				
Tangible assets	8		<u>1,459,689</u>	<u>1,510,856</u>
			1,459,689	1,510,856
Current assets:				
Debtors	9	112,103	1,878,473	
Cash at bank and in hand		<u>8,680,005</u>	<u>6,879,439</u>	
		8,792,109	8,757,912	
Liabilities:				
Creditors: amounts falling due within one year	10	<u>(219,609)</u>	<u>(136,849)</u>	
Net current assets			<u>8,572,499</u>	<u>8,621,063</u>
Total assets less current liabilities			10,032,188	10,131,919
Creditors: amounts falling due after one year	11		<u>(238,636)</u>	<u>(268,652)</u>
Total net assets			<u>9,793,551</u>	<u>9,863,267</u>
The funds of the charity:	13			
Restricted income funds			<u>7,047,342</u>	7,748,144
Unrestricted income funds			<u>2,746,209</u>	<u>2,115,123</u>
Total charity funds			<u>9,793,551</u>	<u>9,863,267</u>

Approved by the trustees on 26 September 2016 and signed on their behalf by

Dr Musharraf Hussain
Trustee

Muslim Hands

Statement of cash flows

For the year ended 31 December 2015

	Note	2015	2014
		£	£
Cash flows from operating activities	14		
Net cash provided by / (used in) operating activities		1,889,694	12,837
Cash flows from investing activities:			
Purchase of fixed assets		<u>(59,998)</u>	<u>(30,202)</u>
Net cash provided by / (used in) investing activities		(59,998)	57,992
Cash flows from financing activities:			
Repayments of borrowing		<u>(29,130)</u>	<u>(27,464)</u>
Net cash provided by / (used in) financing activities		<u>(29,130)</u>	<u>(27,464)</u>
Change in cash and cash equivalents in the year		1,800,566	43,365
Cash and cash equivalents at the beginning of the year		<u>6,879,439</u>	<u>6,836,074</u>
Cash and cash equivalents at the end of the year	15	<u><u>8,680,005</u></u>	<u><u>6,879,439</u></u>

1 Accounting policies

a) 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) 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.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. No adjustments were identified on transition.

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.

Key judgements that the charitable company has made which have a significant effect on the accounts include the ongoing Education programmes worldwide.

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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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.

1 Accounting policies (continued)

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 incoming resources received or generated for the charitable purposes.

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

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

Resources expended are 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 salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

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 | 15% |
| ● Direct Charitable | 85% |
- 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 | 42% |
| ● Direct Charitable | 56% |
| ● Governance Costs | 2% |

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) Operating leases

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

l) Tangible fixed assets

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

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

1 Accounting policies (continued)**l) 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

m) 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.

n) 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.

o) 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.

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

2 Grants payable and operational programmes

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
General	1,954,303	1,121,561	3,075,864	3,239,321
Orphans	–	2,935,581	2,935,581	3,057,874
Education	–	352,316	352,316	273,084
Health	–	139,617	139,617	135,034
Emergency Aid	–	1,412,096	1,412,096	2,195,994
Shelter	–	4,354	4,354	9,575
Sate water	–	718,273	718,273	910,963
Food	–	1,178,650	1,178,650	1,215,353
Masjid	–	110,478	110,478	168,353
Qurbami	–	(25,504)	(25,504)	(22,155)
Grant payable	1,954,303	7,947,424	9,901,727	11,183,720
Wages and salaries	299,503	704,642	1,004,145	987,833
Support costs (note 3)	1,224,991	–	1,224,991	1,085,945
Governance costs (note 3)	48,836	–	48,836	27,699
	3,527,633	8,652,066	12,179,699	13,285,197

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2015

2 Grants payable and operational programmes (continued)

Cost	Number of gifts	2015 £	Number of gifts	2014 £
Muslim Hands Partners (Related Parties)				
Pakistan	33	1,892,599	11	2,725,138
Palestine	13	1,113,610	15	1,893,026
Sudan	20	483,534	6	780,437
Bangladesh	16	209,328	6	453,791
Niger	9	105,654	7	339,690
Afghanistan	13	225,493	5	547,261
Iraq	5	85,547	5	312,637
Somalia	10	238,192	5	427,636
Mali	12	86,612	6	277,083
Malawi	11	124,530	3	160,565
Kenya	11	61,481	9	44,899
Nigeria	3	13,732	2	4,969
		<u>4,640,311</u>		<u>7,967,132</u>
Non Muslim Hands Partners				
Gambia	8	120,694	5	257,012
Sri Lanka	6	89,177	5	272,419
Lebanon	8	73,334	7	485,039
Indonesia	6	88,110	6	202,213
Syria	21	459,542	8	460,054
Myanmar	8	243,097	4	95,021
Kashmir (India)	8	69,942	11	84,804
China	5	64,122	9	96,447
Mauritania	6	61,494	8	52,746
Nepal	8	185,181	6	14,240
Senegal	6	71,605	5	129,191
		<u>1,526,298</u>		<u>2,149,186</u>
		<u>6,166,609</u>		<u>10,116,318</u>
Other grants less than £50,000 in the year		<u>3,735,118</u>		<u>1,062,433</u>
At the end of the year		<u>9,901,727</u>		<u>11,183,720</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.

During the year the Charity contributed £nil (2014: £nil) towards the office expenditure of Muslim Hands France, a separate charity registered in that country.

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2015

3 Analysis of expenditure

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2015 Total £	2014 Total £
Grants payable (Note 2)	-	9,901,727	-	9,901,727	11,183,720
Staff costs (Note 5)	508,745	1,143,104	3,389	1,655,238	1,542,965
Premises costs	38,327	217,189	-	255,516	174,586
Office costs	139,040	787,894	-	926,934	770,965
Professional fees	61,206	80,949	1,974	144,129	112,190
Publications, advertising and postage	1,585,331	-	-	1,585,331	902,555
Audit and accountancy	-	-	24,621	24,621	17,720
Trustees expenses	-	-	18,852	18,852	3,259
	<u>2,332,649</u>	<u>12,130,863</u>	<u>48,836</u>	<u>14,512,348</u>	<u>14,707,960</u>
Support costs	-	-	-	-	-
Governance costs	-	48,836	(48,836)	-	-
Total expenditure 2015	<u>2,332,649</u>	<u>12,179,699</u>		<u>14,512,348</u>	<u>14,707,960</u>
Total expenditure 2014	<u>1,422,763</u>	<u>13,285,197</u>	-	<u>14,707,960</u>	

Of the total expenditure, £3,527,633 was unrestricted (2014: £4,828,678) and £10,984,715 was restricted (2014: £9,879,282).

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

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2015 £	2014 £
Auditors' remuneration (excluding VAT):		
Audit	14,785	14,000
Under-provision in the prior year	9,836	-
Other services	-	3,720
Depreciation of tangible fixed assets	111,165	83,059
	<u>111,165</u>	<u>83,059</u>

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

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	1,192,494	1,093,009
Social security costs	442,123	428,939
Employer's pension contributions to defined contribution scheme	20,621	21,016
	<u>1,655,238</u>	<u>1,542,964</u>

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

	2015 No.	2014 No.
Direct charitable operations	23	24
Fundraising and publicity	31	20
Management and administration of the Charity	19	19
	<u>73</u>	<u>63</u>

The charity operates a defined contribution pension scheme. £20,621 (2014: £21,016) 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 of the key management personnel were £175,336 (2014: £173,525).

There are no employees with emoluments above £60,000. During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £51,802 (2014: £51,237) for his services to the charity as an employee. These payments are approved by the Charity Commission.

At the year end the Charity was owed £4,414 (2014: £5,914) by Syed Lakhte Hassanain.

During the year £18,852 (2014: £20,579) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 6 Trustees (2014 6 Trustees).

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2015

6 Taxation

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

7 Intangible fixed assets

	Donor Mailing List £
Cost	
At 1 January 2015 and 31 December 2015	64,567
Amortisation	
At 1 January 2015 and 31 December 2015	64,567
Net book value	
At 31 December 2015 and 31 December 2014	-

8 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2015	1,415,557	399,512	269,144	2,084,213
Additions in year	1,236	35,242	23,520	59,998
At 31 December 2015	1,416,793	434,754	292,664	2,144,211
Accumulated depreciation				
At 1 January 2015	121,724	344,354	107,279	573,357
Charge for the year	28,694	55,406	27,065	111,165
At 31 December 2015	150,418	399,760	134,344	684,522
Net book value				
At 31 December 2015	1,266,375	34,993	158,320	1,459,689
At 31 December 2014	1,293,833	55,158	161,865	1,510,856

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

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2015

9 Debtors

	2015 £	2014 £
Other debtors	43,752	1,857,064
Prepayments and accrued income	68,352	21,409
	<u>112,103</u>	<u>1,878,473</u>

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans	30,001	29,115
Trade creditors	161,566	78,049
Accruals and deferred income	19,195	19,195
Other creditors	8,847	10,490
	<u>219,609</u>	<u>136,849</u>

The following liabilities disclosed under amounts due within one year are secured by the company:

Bank loan	<u>30,001</u>	<u>29,115</u>
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The bank loan is secured by a legal charge over the freehold property this which it relates.

11 Creditors: amounts falling due after one year

	2015 £	2014 £
Bank loans	<u>238,636</u>	<u>268,652</u>

The following liabilities disclosed under amounts due within one year are secured by the company:

Bank loan	<u>30,001</u>	<u>29,115</u>
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The bank loan is repayable as follows:

Within one year	30,001	29,115
Between one and two years	30,913	30,001
Between two and five years	98,497	95,589
After five years	109,227	143,062
	<u>268,637</u>	<u>297,767</u>

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

12 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,459,688	–	1,459,688
Net current assets	1,525,158	7,047,342	8,572,499
Long term liabilities	(238,636)	–	(238,636)
Net assets at the end of the year	<u>2,746,209</u>	<u>7,047,342</u>	<u>9,793,551</u>

13 Movements in funds

	At the start of the year As restated £	Income £	Expenditure £	Transfers £	At the end of the year £	
Restricted funds:						
Afghanistan	169	252,675	-	296,959	71,108	26,992
Africa	661,308	1,817	-	211,815	2,500	453,810
Albania	-	21,886	-	34,853	16,648	3,682
Algeria	30	150	-	-	-	180
Azerbaijan	-	21,526	-	-	-	21,526
Bangladesh	2,637	207,710	-	209,328	43,981	45,001
Burma	757,702	477,508	-	259,826	-	975,384
Central African Republic	53,910	6,253	-	2	-	60,161
Chechnya	54,219	313	-	-	-	54,532
China	27	61,472	-	64,122	18,527	15,904
Ethiopia	223	45,218	-	23,519	1,018	22,940
Gambia	555	85,511	-	120,694	48,130	13,501
Haiti	47,214	1,562	-	17,718	11,147	42,205
India	8,226	30,364	-	45,538	14,510	7,562
Indonesia	6,464	122,665	-	88,110	10,773	51,792
Iran	113,761	-	-	-	-	113,761
Iraq	14,489	111,032	-	85,547	37,074	77,048
Japan	21,654	-	-	-	-	21,654
Kashmir – India	4,887	89,778	-	69,942	7,849	32,572
KASHMIR – Pakistan	100,954	359,629	-	329,507	19,145	150,221
Kenya	4,481	28,285	-	61,481	36,186	7,471
Kosova	19	17,693	-	22,348	7,406	2,769
Lebanon	417	166,768	-	73,334	9,355	103,206
Libya	15,765	50	-	200	67	15,681
Macedonia	-	14,472	-	5,567	5	8,910
Majorca	-	1,500	-	1,425	-	75
Malaysia	-	-	-	51	51	-
Malawi	24	103,294	-	124,530	21,881	669
Mali	-	81,470	-	87,912	36,665	30,223
Mauritania	408	57,417	-	61,494	9,931	6,261
Mexico	11	203	-	2,601	2,397	10
Middle East	3,725	-	-	50,259	50,259	3,725
Nepal	-	255,967	-	198,611	-	57,356
Niger	-	64,907	-	105,654	53,593	12,846
Pakistan	38,821	1,267,685	-	1,925,109	628,662	10,059
Palestine	2,204,196	1,206,529	-	1,150,086	84,126	2,344,765
Philippines	581	500	-	1,000	1,000	1,081
Rwanda	8	8,823	-	9,496	687	21
Senegal	-	59,807	-	71,605	19,392	7,593
Sierra Leone	11,009	1,372	-	5,090	3,718	11,009
Somalia	600	115,054	-	238,192	136,349	13,811
South East Asia	13,691	-	-	-	13,691	-
Sri Lanka	-	71,547	-	89,195	33,824	16,177
Subcontinent	36,591	147,345	-	113,588	-	70,348
Sudan	21,833	354,511	-	484,743	132,443	24,044
Syria	743,081	492,558	-	503,051	-	732,587
UK	-	1,566	-	171,948	170,382	-
Europe Refugee Crisis	-	71,084	-	35,516	-	35,568
Non country specific	2,792,108	2,783,502	-	3,475,883	804,079	1,295,649
Bosnia	80	-	-	-	-	80
Brazil	22	-	-	-	-	22
Congo	365	46	-	-	-	411
Cuba	-	825	-	-	-	825
Dagestan	-	-	-	-	-	-
Djibouti	-	-	-	-	-	-
Dominican Republic	-	-	-	-	-	-
Egypt	19	95	-	2,060	2,000	54
Eritrea	8	-	-	-	-	8
France	-	-	-	-	-	-
Sub-total carried forward	7,736,292	9,271,943	(10,929,507)	925,017	7,003,745	

	At the start of the year As restated £	Income £	Expenditure £	Transfers £	At the end of the year £
Sub-total brought forward	7,736,292	9,271,943	(10,929,507)	925,017	7,003,745
Ghana	-	-	-	-	-
Guinea	1	165	-	3,667	1
Guinea Bisua	-	17,223	-	2,777	4,524
Liberia	-	120	-	1,490	-
Ivory coast	33	-	-	-	33
Jordan	-	50	-	-	50
Mauritius	-	420	(2,795)	2,375	-
Montenegro	-	-	-	-	-
Morocco	-	-	-	-	-
Mozambique	-	-	-	-	-
Nigeria	-	1,787	(13,732)	11,946	-
South Africa	882	785	(1,123)	1,123	1,667
Tunisia	-	-	-	-	-
Tajikistan	-	-	(1,800)	1,800	-
Tanzania	796	3,437	(4,347)	2,052	1,938
Tatarstan	-	-	-	-	-
Turkey	-	-	-	-	-
Uganda	6,573	3,820	(5,720)	-	4,673
Uzbekistan	3,497	-	-	-	3,497
Yemen	45	29,146	(4,943)	2,934	27,183
Total restricted funds	7,748,119	9,328,897	(10,984,720)	955,015	7,047,310
General funds	2,115,123	5,113,736	(3,527,633)	(955,015)	2,746,211
Total funds	9,863,242	14,442,633	(14,512,353)	(0)	9,793,521

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.

The prior year adjustment reflects the restatement of funds brought forward from prior years. A detailed review of restricted funds at the project level was undertaken during the year. This review demonstrated that unrestricted funds had been used in prior years to cover annual deficits on restricted funded projects. Restricted funding has since been received to cover these deficits and therefore, where this has been the case, the unrestricted funds have been reimbursed. The trustees consider that this now reflects a truer balance between restricted and unrestricted funds going forward.

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

	2015 £	2014 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(69,716)	18,583
Depreciation charges	111,165	83,059
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/decrease in debtors	1,766,370	(80,892)
Increase/(decrease) in creditors	81,875	(7,913)
Net cash provided by / (used in) operating activities	1,889,694	12,837

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2015

15 Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash at bank and in hand	6,879,439	1,800,566	-	8,680,005
Total cash and cash equivalents	6,879,439	1,800,566	-	8,680,005

16 Fixed asset investments

Investments in listed UK Securities	2015 £	2014 £
<i>Market value:</i>		
At beginning of the year	-	76,260
Changes in the year	-	(76,260)
At the year end	-	-

17 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 2015 £	2014 £
Less than one year	81,250	-
One to five years	260,000	-
Over five years (Cancellable)	325,000	-
	666,250	-

18 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.

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

19 Ultimate controlling party

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

20 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.

21 Prior year adjustment

Reserves position	Unrestricted	Restricted	Total
	31 December 2014		
	£	£	£
Funds previously reported	1,409,558	8,453,679	9,863,237
Prior year adjustment Restatement of Funds	705,535	(705,535)	-
Funds restated on transition	<u>2,115,093</u>	<u>7,748,144</u>	<u>9,863,237</u>