



Muslim Hands

# MUSLIM HANDS

*Annual Report and Financial Statements  
For the Year Ending 31 December 2020*

Company number 05080486



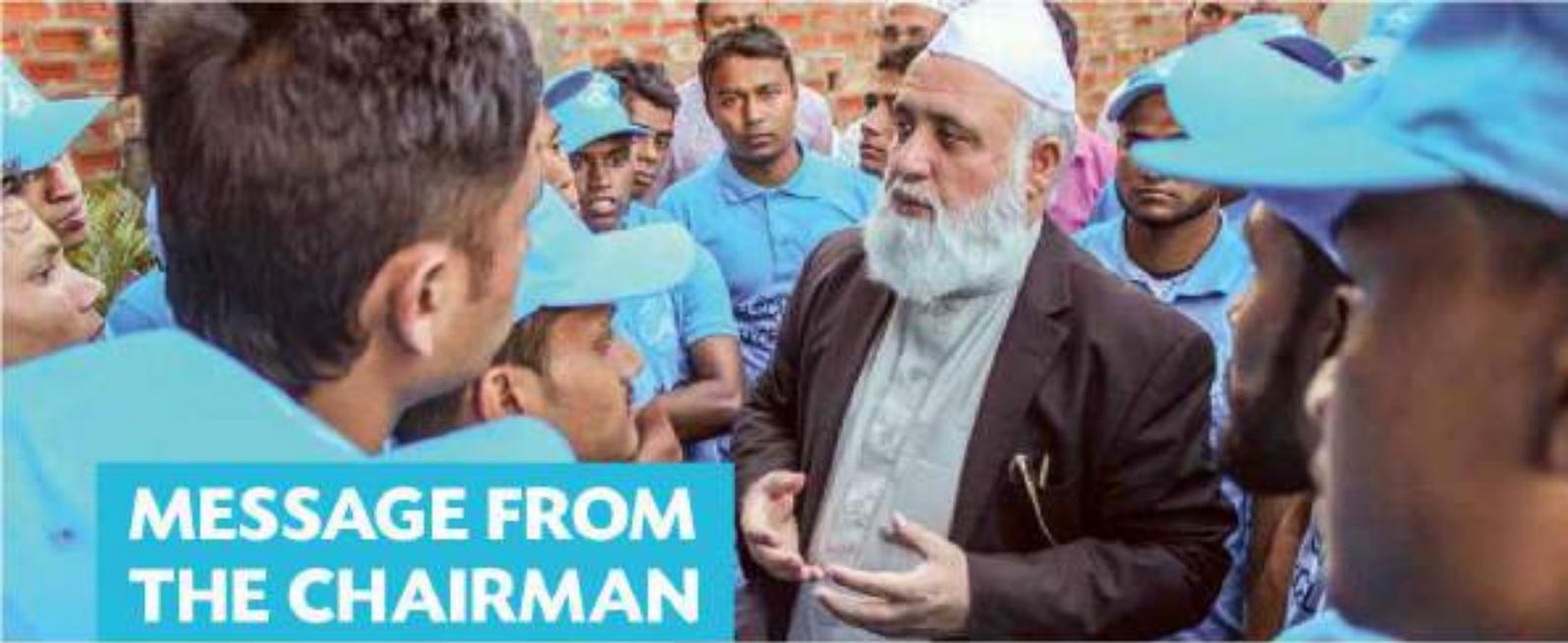
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## Legal and Administrative Information

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



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

2020 was a year of opportunities and challenges and we are extremely grateful to our donors for continuing to support those in need despite the pandemic. Their inspirational generosity allowed our teams and partners to build on the foundations of vital projects worldwide. We were able to carry on educating children in our schools, expand our work in Yemen beyond what anyone could have imagined, provide thousands of communities with life-saving water and so much more.

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

In 2020, our donors and our award-winning volunteer team also responded to growing concerns around food insecurity in the UK. Through The Open Kitchen in London, we targeted the most vulnerable members of the community, providing essential meals to hundreds of families a day. We also successfully partnered with FareShare UK to supply over 1 million meals through FareShare's network of partners and organisations.

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

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

**Wassalamu Alaikum,**  
**Syed Lakthe Hassanain**



## 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.

# HIGHLIGHTS OF 2020

## IMPACT NUMBERS



**3.8+ MILLION**

People supported across 29 locations

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**1.9+ MILLION**

Women supported

---

**1.5+ MILLION**

Children supported

---

**12,000**

Orphans sponsored

**94**

Muslim hands schools

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**122**

Government partnership schools

---

**13,000**

Wells built

---

**133**

Religious institutions



## WHERE WE WORK

<b>Afghanistan</b>	<b>123,385 beneficiaries</b>	<b>Mexico</b>	<b>1,700 beneficiaries</b>
<b>Albania</b>	<b>1,463 beneficiaries</b>	<b>Niger</b>	<b>157,394 beneficiaries</b>
<b>Bangladesh</b>	<b>292,105 beneficiaries</b>	<b>Pakistan</b>	<b>1,111,463 beneficiaries</b>
<b>Gambia</b>	<b>49,663 beneficiaries</b>	<b>Palestine</b>	<b>105,859 beneficiaries</b>
<b>India</b>	<b>4,425 beneficiaries</b>	<b>Rwanda</b>	<b>3,375 beneficiaries</b>
<b>Indonesia</b>	<b>3,581 beneficiaries</b>	<b>Senegal</b>	<b>142,203 beneficiaries</b>
<b>Kashmir (India)</b>	<b>61,453 beneficiaries</b>	<b>Somalia</b>	<b>374,565 beneficiaries</b>
<b>Kashmir (Pakistan)</b>	<b>341,703 beneficiaries</b>	<b>Sri Lanka</b>	<b>66,862 beneficiaries</b>
<b>Lebanon</b>	<b>55,557 beneficiaries</b>	<b>Sudan</b>	<b>133,087 beneficiaries</b>
<b>Malawi</b>	<b>36,679 beneficiaries</b>	<b>Turkey</b>	<b>123,957 beneficiaries</b>
<b>Mali</b>	<b>276,458 beneficiaries</b>	<b>United Kingdom</b>	<b>204,762 beneficiaries</b>
<b>Mauritania</b>	<b>12,607 beneficiaries</b>	<b>Yemen</b>	<b>189,564 beneficiaries</b>

### **On the Frontline of Emergencies | 626,000 people supported**

Emergencies have always been one of the most important areas of MH's programme work. We understand that when an emergency hits, we need to ensure families and communities have access to basic needs quickly and effectively. This can be the difference between life and death. Muslim Hands has over 27 years of experience in responding to emergencies and has built a global network of partners and organisations in order to access the most remote areas efficiently. This year alone, our supporters responded to over 12 emergencies worldwide. These included complex and protracted crises, such as the conflicts in Yemen and Syria, to other lesser-known emergencies, such as the floods in Pakistan. As a result, we were able to give relief to over **626,000 people**.

### **SDG End poverty in all its forms everywhere | Target 1.3**

Social protection is a human right, a social and economic necessity and plays a key role in preventing child labour. In Yemen, our efforts in extending social protection have underlined its importance in reducing poverty and vulnerability, redressing inequality and increasing inclusive growth. Therefore, our emergency programmes aim to implement appropriate social protection systems and measures for all.

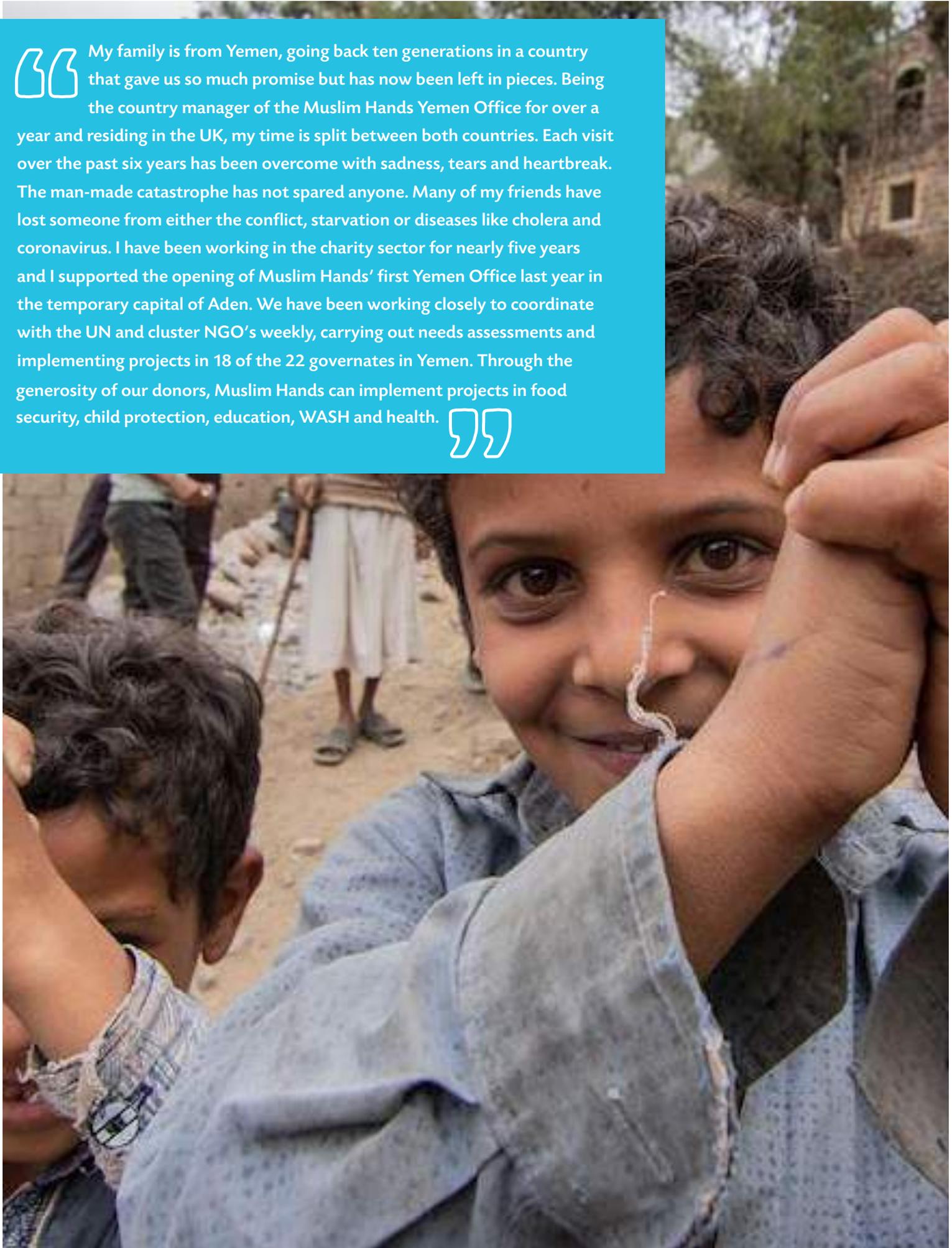
#### **Yemen**

The situation in Yemen has continued to deteriorate due to the ongoing hostilities. Currently, Yemen is experiencing one of the largest humanitarian crises in the world. **24.3 million people** are in need and over 4 million have been displaced. 16.2 million (over half the population) are food insecure and over 2 million children are still out of school. Since 2019, our supporters have been funding essential food, WASH and health programmes in Yemen. In 2020, we reached nearly **200,000 individuals**.

## YEMEN CASE STUDY



My family is from Yemen, going back ten generations in a country that gave us so much promise but has now been left in pieces. Being the country manager of the Muslim Hands Yemen Office for over a year and residing in the UK, my time is split between both countries. Each visit over the past six years has been overcome with sadness, tears and heartbreak. The man-made catastrophe has not spared anyone. Many of my friends have lost someone from either the conflict, starvation or diseases like cholera and coronavirus. I have been working in the charity sector for nearly five years and I supported the opening of Muslim Hands' first Yemen Office last year in the temporary capital of Aden. We have been working closely to coordinate with the UN and cluster NGO's weekly, carrying out needs assessments and implementing projects in 18 of the 22 governates in Yemen. Through the generosity of our donors, Muslim Hands can implement projects in food security, child protection, education, WASH and health.





## **SCHOOL MEALS**

Our supporters have been providing free school meals across three schools in Taiz city, reaching over 2,000 students daily. Our impact assessment has shown that through the provision of food at the schools, not only has the programme decreased malnutrition, it has also increased attendance and enrolment within the education programmes across the district.



## **SAFE DRINKING WATER**

Our teams on the ground found that due to the internal displacement of many communities, families did not have adequate access to safe drinking water facilities. We supported these communities by rehabilitating existing WASH facilities and infrastructure, ensuring that the needs of the population can be met. This included the installation of solar panels and new water access points.



## BREAD FACTORIES

Muslim Hands has been running two bread bakeries in Aden and Ma'rib. The bakeries provide 6,000 loaves of bread a day, helping to ensure that these communities have access to a core, staple food item. With multiple access points across the city, this project provides the most vulnerable members of society with the reassurance that their basic needs are being met.



## ETHIOPIA CONFLICT

In November 2020, more than 50,000 people fled conflict in Ethiopia's Tigray region, escaping to eastern Sudan. Many of those who fled were sheltered in existing camps in the Gadrif and Kassal states. Working with local and state actors, Muslim Hands was able to provide 3,000 families with essential food and NFI provisions. Due to the ongoing risk of COVID-19 in those camps, we also worked within the local health infrastructure to provide families with essential PPE equipment.



## **SINDH FLOOD EMERGENCY RESPONSE IN PAKISTAN**

In August 2020, the monsoon rains affected communities in both rural and urban Sindh, causing 136 deaths and several injuries. Essential infrastructure, including roads, bridges and homes were severely damaged. Our donors provided cooked food, dry food, non-food items, health hygiene kits and safe drinking water in temporary shelters to the villages that were affected by the flooding. In total, we managed to reach 9,000 individuals within Karachi, Badin and Thatta.



## LEBANON BEIRUT EXPLOSION

Working with our partner in Lebanon, we responded to the explosion in Beirut through two phases. In the first phase, we supported 6,540 beneficiaries by providing them with food parcels and drinking water. The second phase focused on two projects: rehabilitating houses that were affected by the explosion and helping to run two mobile health clinics, providing free medications and prescriptions for patients. This project targeted the elderly within the areas impacted by the explosion, improving their access to healthcare services. These areas included Mar Mikhael, Gemayzi, Bourj Hammoud and Karantina regions. Through our partner, we provided an ambulance that serviced eight mobile clinics, distributing medications and offering primary healthcare services – an essential project after many of Beirut’s hospitals were destroyed.

## Winter Campaign

Our donors fund an annual winter relief campaign and this year we worked in Afghanistan, India-administered Kashmir, Lebanon, Mauritania, Palestine, Pakistan and Turkey, reaching nearly 22,000 individuals in total. This campaign involved distributing food and non-food

items, such as clothes, blankets and heaters. These winter kits were provided to widows, orphans, the elderly, people with disabilities and vulnerable families living within the target communities.



### WINTER CASE STUDY

**23-year-old Razia, a mother in Kabul, Afghanistan, is the only breadwinner for her four young daughters. Razia has been solely responsible for her children since 2016 when her husband went to look for work in Iran. She hasn't heard from him since then and has no idea if she is a widow and her children are orphans.**

During winter, life gets extremely hard for Razia and her children. In Afghanistan, temperatures can drop as low as -15 degrees. Her daughters do not have proper shoes, let alone winter clothes and blankets to keep warm. They face heavy snowfall, icy rain and below-freezing temperatures without the most basic protection.

Razia recounted to our team a painful memory from a previous winter. Her home does not have electricity, so her neighbours had given them candles to use. Razia was so tired one evening that, when she lit one of the candles, she accidentally set a fire and was unable to control it. All their belongings burned - their clothes, blankets, everything. Our annual winter campaign lifts a huge burden off mothers like Razia, providing them with blankets and warm clothes, as well as basic foods like rice, pulses and cooking oil, helping them get their families through the worst of the cold season.





## **SYRIA**

In 2020, we implemented a bread distribution project in Idlib, Syria, to tackle two problems: families being unable to afford bread and a lack of employment opportunities in the local area. Over 2,000 bread packages a day have been distributed, reaching over 6,500 beneficiaries daily. The bread factory is also providing employment to fifteen members of the local community.



## **COVID-19 RESPONSE**

As part of our global response to the pandemic, we supported health infrastructure in 12 locations. This included supplying emergency PPE to frontline health workers and medical practitioners, allowing them to safely deliver a vital response to COVID-19 outbreaks. Our PPE distribution reached over 123,000 health workers worldwide.

Many educational institutions had to shut down for most of the academic year, due to COVID-19. The pandemic also resulted in the closure of our schools; however, maintaining pupils' learning was essential. Therefore, our schools deployed a 'School Home Learning Strategy' to cope with the new learning conditions. This allowed teachers to communicate with pupils and their parents and guardians. Where possible,

we organised online teaching by our school teachers, using virtual meeting apps such as Zoom and re-designed schemes of work to suit an online learning environment. Working alongside the governmental education infrastructure, Muslim Hands ensured limited disruption to the education of tens of thousands of students who rely on us for education.



**COVID-19 AND MUSLIM HANDS' SCHOOLS**

**Establishment of STSs (Specialist Technology Schools)**

In 2020, Muslim Hands initiated an STS programme in Pakistan. Five Schools of Excellence (SOEs) were selected and given funds to implement the STS concept.

This programme uses digital technology to help children acquire the skills necessary to obtaining future jobs involving new technologies. This model creates a balance between traditional methodologies of teaching and new technology for digital learning skills. Schools were given funding for technological classroom advancements in learning, including computers, interactive whiteboards, tablets and software packages, all to support schools in their journey towards becoming a specialist technological school. The results from this intervention were impressive and SOEs have benefitted from this opportunity.

**Teacher Training**

In Pakistan, Muslim Hands has now introduced Advanced Skills Teacher (ASTs) training. High-achieving teachers are

selected to be part of this in-house training programme to increase capacity and ensure that teachers have access to good practice notes to continually improve their skillset. Muslim Hands believes that having dedicated and highly-trained teachers thoroughly improves the quality of education that is provided throughout our institutes, giving our students the best possible foundation for their future. SDG Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

**Target 4.1**

Muslim Hands strives to ensure that girls and boys have access to completing a free, equitable and quality education.

**Target 4.c**

We aim to not only substantially increase the supply of qualified teachers, but also provide our teachers with quality training programmes, ensuring that there is constant international cooperation within the countries we work in.



## ORPHAN SPONSORSHIP

This year, our donors supported our orphans programme in 16 countries across Asia, Africa, and the Middle East, sponsoring around 12,000 orphans. The primary purpose of the sponsorship is to allow orphan students to access education. Through this interventions, many orphan students have been able to graduate or start employment. We always ensure that there is a good gender balance of beneficiaries within our programmes; in 2020, around 47% of sponsored orphans were female and 53% were male.



### ORPHAN CASE STUDY

Nahlia's father passed away in a car accident when she was only nine years old. Her mother, already partially blind, became very ill after his death and Nahlia became the primary carer for her mother and her two elderly grandparents. They relied on handouts from family, neighbours and friends, living on less than £7 a week.

At aged 11, a generous donor sponsored Nahlia to become a student at our Omdurman School of Excellence in Sudan - and it transformed her life. Nahlia's teachers encouraged her to make friends and join the sports and English clubs and her grades improved dramatically. At aged 17, Nahlia achieved a mark of 92% in her university exams and became the first woman in her family to attend university and graduate in medicine. She is now on her way to becoming a qualified doctor.

Thanks to our generous orphan sponsors and inspirational teachers, thousands of children like Nahlia are fulfilling their dreams every day.

# CASH TRANSFER PROGRAMME

This year, our sponsorships team introduced Cash Transfer Guidelines, to help build the capacity of our partner organisations. We provided online training courses to partner offices to ensure the guidelines were understood and followed in the implementation of the programmes. The impact of this training workshop has been extremely successful and we aim to carry out further training throughout 2021.

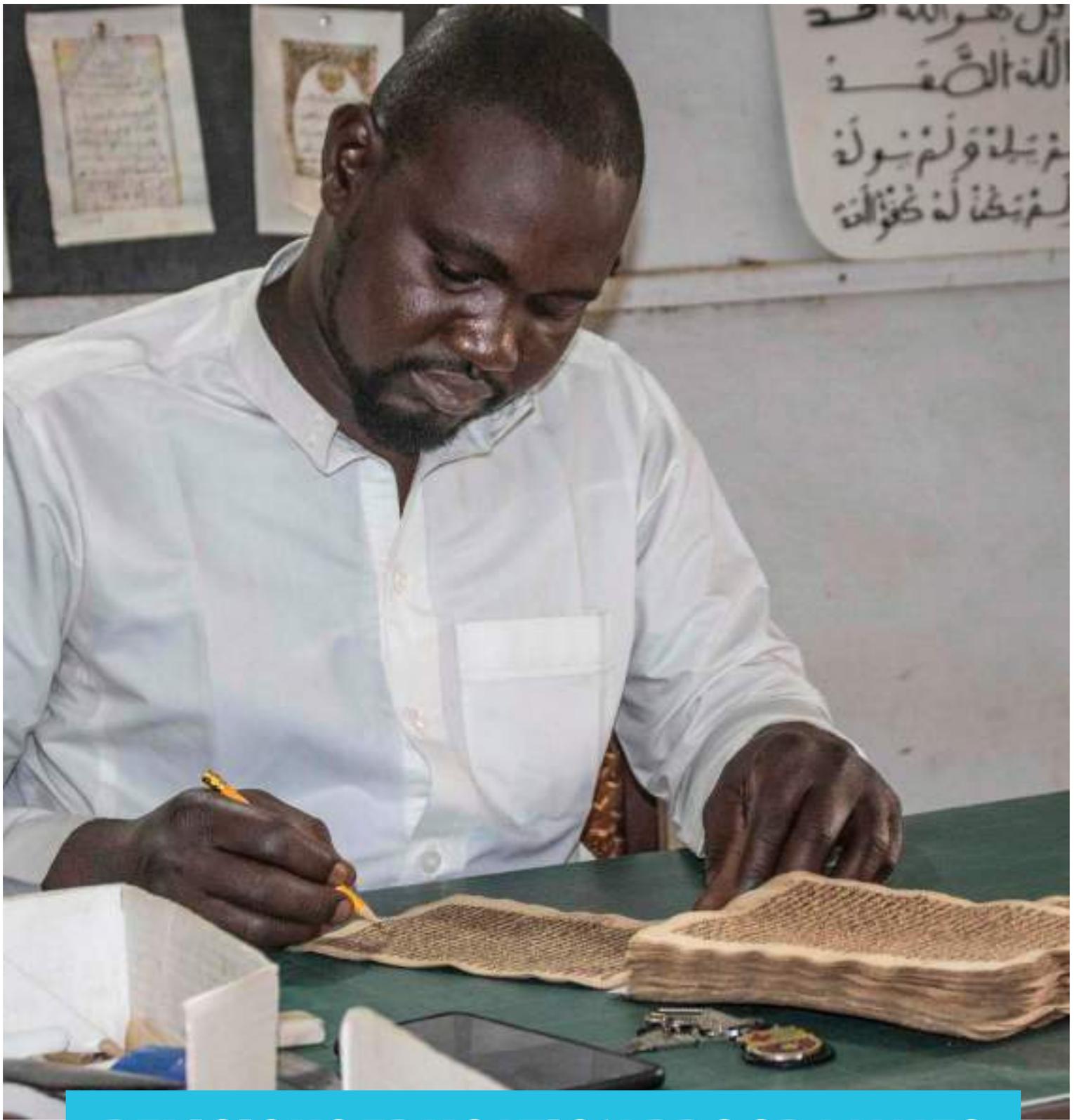
We also introduced a scholarship programme to support higher education students in continuing their studies. This programme provides students in colleges, universities and vocational training centres with bespoke support as needed.





## DISABILITY SUPPORT

Over 750 special needs students were supported in five Disability Education Centres across Pakistan. This programme provided the centres with essential equipment, such as braille textbooks and wheelchairs. This project guarantees that there is sufficient support available for all students and ensures that there are no obstacles in the way of their education.



## RELIGIOUS EDUCATION PROGRAMMES

**Over 72,560 people supported | 133 religious institutions built**

The spiritual and moral teachings of Islam are a gift that allows mankind to flourish. History bears witness to the transformative effects the faith has on individuals and societies when practised correctly.

For over 20 years, we have been committed to supporting the religious education of Muslims around the world, from rural villages in Africa to renowned Islamic institutes in Pakistan, to convert communities in Mexico. By focusing on the spiritual wellbeing of our beneficiaries, Muslim Hands has contributed to producing religiously literate, compassionate and altruistic individuals who are now benefiting the wider society.



## RURAL MASJIDS PROGRAMME

A masjid is at the heart of any local Muslim community. It provides a place for its worshippers to pray and contemplate, as well as a centre for educational programmes, meetings, resolving disputes, conducting marriage ceremonies and other important services. Masjids help people learn more about Islam and nurture their moral and spiritual development.

Muslim Hands donors have been building masjids in rural areas where communities cannot afford to build their own. This year, we constructed masjids in locations across Asia and Africa, including Bangladesh, Niger, Sri Lanka, Malawi, Pakistan.



## AL-AQSA LIGHTING

Masjid Al-Aqsa, located in Jerusalem, is the third holiest site in Islam. Our donors have been given many opportunities to help preserve this sacred site since 2008 and they have always responded with incredible generosity. This year, we embarked on a major renovation of the Qibali Masjid, the main masjid in the Al-Aqsa complex.

This project involves working with our partner to install a state-of-the-art lighting system, replacing the 30-year-old lighting system that had become a fire hazard. So far, we have rewired and installed a state-of-the-art LED lighting system in half the Masjid. Three out of four phases have been completed; once the renovation is finished, we will have rewired the lighting system of the entire Masjid, added new spotlights throughout the building and installed a new lighting system that is both safe and befitting of this important historical and religious site.



## DJENNE MASJID

Since 2008, our supporters have been helping to maintain The Great Mosque of Djenne in Mali. It was first built in the 13th century and the current structure has stood there since 1907. As one of the most famous landmarks in Africa, the Great Mosque hosts both an Islamic Library and Heritage Centre, housing texts dating back to the 14th century. It is the largest mud-built structure in the world and is considered a UNESCO World Heritage Site. Muslim Hands regularly supports the staff who work here with their salaries, helping to maintain this great landmark of Islamic history and promote religious education. This year, we also supported the manuscript preservation which is taking place in the Djenne Library, asking our donors to fund new computers, printers, scanners and cameras to assist them with this difficult, yet crucial task.



## ADVOCACY

In 2020, Muslim Hands established its first-ever global advocacy campaign on child mental health in the developing world. We successfully carried out field research in Bangladesh, Malawi and Pakistan, analysing the current understanding of child mental health. Our campaign aims to address the importance of child and adolescent mental health and well-being in low-middle income countries (LMIC), looking at the importance of giving teachers and caregivers access to mental health training within schools. From our research, we have

developed a toolkit that aims to train teachers on what mental well-being is and how to address any concerns of mental health within students.

Our advocacy campaign aims to ask governments in LMIC to invest more in mental health and raise awareness of mental well-being amongst communities. We hope to be the first Muslim INGO that advocates for mental well-being within schools and the wider community.

Globally, 1 in 10 people do not have access to safewater and Muslim Hands is addressing this by designing and developing water wells for vulnerable communities worldwide. In 2020, we introduced a range of improvements to well designs and implementations, including installing solar-powered systems to improve accessibility and to clean water.



In the last year, our supporters have built 13,000 new water wells across the globe. This improvement in water access has improved health and hygiene, increased water usage and improved the education enrolment in rural villages, as well as reducing the risk associated with water collection. We strive to meet the specific needs of communities by offering a wide range of WASH programmes, such as domestic water access points, community water programmes and filtration plants.



## WASH Case Study

Batamo is a 26-year-old mother who lives in the village of Taliko, 17km from Bamako, the capital of Mali. Batamo and her 10-year-old daughter, Alou, used to spend hours every day walking to collect water from a mountain stream and then carrying the water down to their village. If they made this long journey during the day, Alou had to miss school. Alou was already falling behind and she didn't have the time to build the foundation that would help her in further education and her later life. Batamo felt that she was neglecting her duties as a mother by taking Alou away from school and would often collect water at night instead, leaving her children and husband at home after dinner to walk into the mountains.

When a generous donor constructed a water well in their village, it instantly transformed their lives. Alou can now go to school and her grades are improving. Batamo is so grateful that she will never have to ask her two younger children, Zoumana (aged 5) and Farima (aged 3) to miss school so they can help her collect water. Her three children will have the opportunity to attend school every day, paving the way for a brighter future. Batamo has more time to spend with her family, a simple happiness that she was unable to experience before the well was constructed.

Moreover, Batamo's children are much healthier now that they are only consuming water from a safe well. Clean water and sanitation reduce the spread of waterborne diseases such as diarrhoea, often saving children's lives.



## School WASH Improvements

A recent government study in Pakistan found that 62.5% of students are facing difficulty in getting enough water for handwashing facilities and many schools do not meet the student-to-toilet ratio. This lack of sanitation is the major factor for school dropouts, especially amongst young girls. To tackle this problem, our team carried out a WASH improvement programme across schools in the Punjab province of Pakistan.



Muslim Hands identified 73 schools around the city of Lahore and thereafter constructed new washrooms and repaired and upgraded old washrooms. We also installed 35 new drinking points for cool water within the schools, while 28 of the schools were provided with safe hand washing points. Moreover, eight schools were selected to be provided with boreholes with electric water pumps and the sewerage system was upgraded in 18 schools.

In all 73 schools, we set up WASH clubs and ran training sessions to ensure both students and teachers were aware of the need for safe drinking water and hygiene practices.



Good health is a fundamental right for all and a lack of access to affordable healthcare can have a detrimental impact on individuals and their families. In many of the countries we work in, the lack of a social security net and free access to healthcare means that families must choose between healthcare, food and employment.



Our health programmes support and build on existing infrastructure, addressing gaps within health services and systems. Our donors support a range of interventions worldwide, from individual-focused projects such as cataract eye camps, to community-based interventions such as malaria prevention programmes, to running clinics and basic health units like our Motherkind clinics.

**SDG 3 Ensure healthy lives and promote well-being for all ages.**





save a mother and child today



One of our aims at Muslim Hands is to help reduce the global maternal mortality ratio and end preventable deaths of new-borns and children. To this end, our supporters are funding mother-and-child health centres in Afghanistan and Somalia, known as Motherkind clinics.

These local clinics provide comprehensive pre-natal and post-natal care; they train midwives, provide safe delivery, run vaccination programmes, supply medicines and vitamins and raise awareness through sessions on nutrition and hygiene. Our Afghanistan clinic alone assists around 360,000 people each year.





## NEONATAL HEALTH PROJECT IN PALESTINE

One of our key projects is the neonatal health project in Gaza (Palestine). A study conducted by UNRWA in 2016 revealed that the infant mortality rate in Gaza was 21.3 per 1000 live births, with neonatal mortality of 14 per 1000 live births. This problem is further exacerbated by the continuous and critical shortages of medicines and supplies in Gaza's hospitals. Through our partners, we ran workshops for over 200 staff at neonatal units, training them on neonatal life support, the safe retrieval system, infection control measures and procedures and prevention of retinopathy of prematurity. In addition to this, six neonatal units at Gaza's hospitals were supplied with lifesaving drugs, essential equipment and infection control supplies. This project provided a lifeline to the struggling neonatal health service within Palestine.



## CATARACT EYE SURGERIES

It is estimated that 3 in 4 people who suffer from blindness could avoid going blind if affordable healthcare were easily accessible. Thus, millions of people are needlessly left without sight because they are unable to access simple surgery or treatment. For many of the communities that we work with, blindness means that they are unable to work, look after family members or play a role within their society. Muslim Hands runs cataract eye camps for vulnerable patients, providing them with a life-transforming surgery to safeguard their sight. This year, our donors have provided 11,600 individuals with this vital eye surgery.

Food insecurity is a global issue that affects 820 million people worldwide. Through providing nourishment, creating livelihoods and bringing communities together, food is central to an individual's well-being. However, the changing climate, deep-rooted and long-running conflicts and economic instability are now making hunger even more widespread.



We work to tackle hunger in some of the world's poorest countries. Our projects include providing both long-term, sustainable food solutions for communities (such as cattle rearing) and offering short-term, lifesaving food parcels in response to emergencies.

SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Moreover, our Ramadan and Qurbani programmes ensure access to safe, nutritious food on a seasonal basis.

#### **RAMADAN FEEDING PROGRAMME**

This year, our annual Ramadan project reached more than 78,000 people, providing them with food parcels across 22 countries globally. Our iftar programme consists of three major interventions: family food parcels, cooked meals and community iftars which occur throughout the holy month.

In total, our supporters provided 2.3 million meals this Ramadan.



# Qurbani

SACRIFICE FOR THE SUFFERING



## QURBANI

Qurbani is a seasonal project and, this year, our teams distributed meat to 393,000 individuals across 25 locations. For many people around the world, Qurbani is their only opportunity to enjoy meat in the whole year. Muslim Hands ensures that the meat that is distributed is fresh, nutritious and provided during the days of Eid.

## QURBANI CASE STUDY

This year, many Qurbani farmers have been financially impacted by coronavirus. Our team in Senegal interviewed a farmer to find out how coronavirus has affected his cattle-rearing business.

Abdul Rahman Toure is 60 years old and has been raising animals since 1981. He inherited it from his father, and his great-grandfather also reared cattle. He was born into this family business. He didn't go to school - cattle-rearing is his passion. On average, he sells around four to five animals per month, with most of his customers being butchers who buy cattle and sell the meat in the local markets. During Qurbani season, he sells around 80 animals - more than he sells in the other eleven months of the year. Qurbani is thus essential for Abdul Rahman to support the fourteen people that he provides for - not just his nine children, but his daughters-



in-law and his grandchildren as well. The money he makes is used to buy them food, clothes and medicine and to pay school fees for the children.

This year has been one of the most stressful years for cattle owners like Abdul Rahman. Coronavirus has had a huge impact on him financially, and sometimes he sells one bull in the whole month. Restaurant owners who used to buy bulls from him are no longer operating, as their restaurants have closed; meanwhile his customers outside Senegal can't buy from him, because the borders have been closed. Due to this, his income has dropped since the pandemic began and it is now much harder to provide food for his family. He can't even afford to buy sanitiser and face masks for them.

Qurbani season is the most important time for farmers like Abdul Rahman. If Muslim Hands did not buy Qurbani animals from him, he wouldn't be able to feed his family - or even take care of his cattle by purchasing food and medicine. Many of his animals would die.

This case study shows how our seasonal Qurbani programme not only benefits the recipients of meat, but also the wider community and local economy including cattle owners like Abdul Rahman.



## LIVELIHOODS

Our livelihoods projects cater to the specific needs of the communities that we work with and can range from providing small businesses to ensuring families have access to sustainable sources of income, to the distribution of crops and equipment to farming families. We believe it is necessary to empower people to help themselves. Our supporters have provided livelihoods to over 4,000 individuals this year.

### Small Businesses

We offer small loans for business ventures as well as business training to families, so they can run their businesses efficiently. With a secure income, they can afford to not only feed their families but also send their children to school, giving them a way out of poverty.



## FARMING

Our teams continue to provide livestock rearing and farming tools across many countries where communities rely on agriculture as a means of survival. With our help, rural families are growing their incomes while also protecting their local environment for generations to come.

Through supplying people with the tools and practical skills to become self-supporting, our donors are reducing poverty, helping farmers to grow and sell more crops and giving them access to training and resources so they can set up their own cattle rearing. From Malawi to Sri Lanka, we have distributed farming equipment and provided goats, chickens and cows to help families become self-sufficient.

## LIVELIHOODS CASE STUDY

Habib Hussein runs a series of beauty salons in Kachere, Malawi. A hard-working mother, she has attracted lots of customers within a short period and with the savings that she makes from her business, she now manages to pay her hospital bills. Habib's health has been a challenge and if it were not for Muslim Hands' livelihoods programme, she may not have made it through the year. This programme has enabled her to look after her children and cover her hospital expenses, empowering her and her family to work their way out of poverty.





### **OLIVE TREES**

Our olive tree scheme is one of the most popular projects amongst our donorbase and Muslim Hands have been distributing seeds and training local farmers for twenty years. This enables families to improve their livelihoods and increase their income. Our olive tree plantation in Palestine supports 300 families by providing them with 28 saplings each to help grow their olive trees, which they are then able to sell on. The olive trees become a pivotal part of these farmers' income, which in turn helps their families to become self-sufficient.

### **FRUIT TREES**

In Mirpur, Pakistan, Muslim Hands planted 13,000 fruit trees across nine regions. This project aimed to help farmers who previously only had picking rights, own their fruit trees and provide them with an income through selling surplus fruit. In some instances, fruit trees were planted in neighbourhoods for local communities to use, as well as giving a sustainable income to farmers who sell the fruits to local markets.





## UK PROGRAMMES

Poverty in the UK is increasing and there is a vital need for us all to do more to tackle the problem. Currently, there are 280,000 people regarded as homeless in England and an estimated 8.4 million people in the UK are living in food poverty, with BAME, disabled and older people being the worst affected. Civil society organisations play a crucial role in this service gap, assisting local governments in new and better approaches when addressing food poverty and other societal issues.

Thanks to the support of our donors, Muslim Hands has been able to intervene on key issues and support local community activities in partnership with local authorities and other NGO's, strengthening trust and commitment so that we can work together flexibly for the benefit of our communities.



## OPEN KITCHENS

100,000 meals

The Open Kitchen in London provides an honest and transparent service and is open to anyone who needs to access free, hot meals in a safe, welcoming environment. Our Open Kitchen recently celebrated its second anniversary and continues to support the community of Hounslow in London, despite the isolation that has been brought about by the pandemic. We have introduced a home delivery service as well as outside distribution points for people to continue to access food and advice. Since its launch, over 100,000 nutritious meals have been distributed to low-income families, the elderly, refugees and rough sleepers.

### COVID-19 TEMPORARY OPEN KITCHENS

Muslim Hands expanded its flagship project, the Open Kitchen, across the UK during COVID-19 to help community groups support vulnerable people living in poverty. During the first lockdown, our donors provided 12,000 meals across six cities in the UK, including Birmingham, Bradford, Edinburgh, Glasgow, Manchester and Stoke-On-Trent. We partnered with local community centres and religious institutes in order to run these temporary Open Kitchens.

During the second lockdown, our donors provided a further 13,000 meals across London, Nottingham, Glasgow, Manchester and Stoke-On-Trent. These temporary Open Kitchens gave nutritious food and hot meals to vulnerable people in the local areas.



### OPEN KITCHEN CASE STUDY

Rico is one of the thousands who are living on the streets in Hounslow and who has been benefiting from the Open Kitchen. After losing his job in catering, where he had worked for over a decade, and with no income, home or family, Rico ended up begging for money and food just to get by. Two years after losing his job, he had hoped that he would find another role and get back on his feet, but this proved to be much more difficult than he imagined.

Winters are incredibly difficult for rough sleepers in London and finding shelter and food is a priority. The Open Kitchen not only addresses the concerns of food poverty, it also transforms the way that people access support, creating a safe, welcoming space that is always open to those who need it. Rico hopes that with The Open Kitchen, he will have the help he needs to get back on his feet. 'The Open Kitchen will benefit not only me but so many homeless people in London. To have somewhere where we can get two meals a day and sit down in a comfortable setting like everyone else will change our lives'.

# FARESHARE PARTNERSHIP

## MIGHTY MEALS

### 1 MILLION MEALS

In response to the pandemic, FareShare Midlands and Muslim Hands formed a partnership to collaboratively fight food poverty and food waste across the Midlands. Surplus food equivalent to over 1 million meals has been redistributed across to frontline charity organisations across the region. The scheme provides all the essentials that families need to make nutritious meals and it was created with the vision that no food should be wasted, and no person should go hungry.



Every day, we redistribute enough food for around 10,000 meals. The food is redistributed from FareShare Midlands' new depot and we target refugees, low-income families and those who have been forced into hardship because of the pandemic. The new depot has provided an opportunity to reach more communities and groups in the area and allowed FareShare to extend its School Holiday Provision in the summer of 2020, reaching 3,485 students per week and 36 Community

Food Members (CFMs) with food for local children.

This partnership has provided support for people living in the most financially deprived areas of Nottingham, as well as being a vital lifeline for newly vulnerable families experiencing loss of income because of unemployment.



# YOUNG MUSLIM WRITERS AWARDS

**YMWA**

The Young Muslim Writers Awards is a project which serves to increase literacy and creative writing amongst children within the BAME community in the United Kingdom. The writing competition allows children from Muslim communities to explore avenues of expressing themselves creatively, whilst enhancing their writing and reading skills. 2020 welcomed the 10th anniversary of YMWA, which featured inspiring speeches from judges and partners, as well as readings from the winners. During a feedback survey following the competition, 80% of respondents said being shortlisted in the Young Muslim Writers Awards made them more confident to share their writing with other people and in other competitions.



## **YMWA OUTREACH PROGRAMME**

At the beginning of 2020, the decision was made to deliver online workshops and training across the country. Over the course of the year, nine events were delivered, including short story, screenplay, poetry and journalism workshops. These workshops targeted children through their schools as well as partnerships with libraries and other extracurricular institutes.

**Muslim Hands Capacity Building and Learning**  
At Muslim Hands, we realise that the work that we are doing can only be achieved through strong implementing partners. Using our experience and knowledge of the sector, we work alongside these partners to build physical and skills capacity. Over the last year, we have invested heavily in the introduction of a Muslim Hands Project Management Toolkit as well as improvements to the learning and training platforms that we use. All of this is to ensure that the work which our partners implement is of high quality and meets the requirements of the communities that we are assisting.





### **Africa Conference**

In November 2020, Muslim Hands conducted a region-wide Africa conference using the online platform Zoom, which lasted for three days. This conference was established to allow our partners and implementing offices to share ideas and knowledge on various topics. It provided an opportunity to meet our partners within Africa and exchange discourse regarding future strategies and plans, as well as review the learning from past projects and initiatives. This was achieved through a series of workshops hosted by the UK Programmes Team, as well as 'learning forum' presentations hosted by each partner on various development subjects.

### **Project Management Toolkit**

In 2020, we introduced the Project Management Toolkit (PMT) to ensure there was an adequate process and structure for projects at Muslim Hands. The toolkit ensures that all Muslim Hands programmes follow the correct procedures by providing our partners with tools and templates for the effective implementation and management of Muslim Hands projects. Alongside the toolkit, we have also started a process of external training to ensure that the staff implementing Muslim Hands' programmes are sufficiently trained within the PMDPro and FMDPro certification. Over 62 partner staff have now successfully enrolled in these programmes.





## RISK MITIGATION REPORTS

Due to the nature of the work that we do, ensuring that risks in our projects are sufficiently managed is of utmost priority. The introduction of risk assessment and risk mitigation reports provides Muslim Hands with the knowledge to understand the risk associated with both the partner and Muslim Hands, while ensuring that mitigation plans are followed through. This not only safeguards the organisations that are involved, but also ensures that the projects are implemented effectively and there are no negative impacts on the community and the individuals that we are supporting.



## PROGRAMME QUALITY FRAMEWORK

The Muslim Hands Programme Quality Framework (PQF) ensures that our programmes are designed and implemented to take into account key programme quality aspects. We have taken learnings from international good practice notes and other frameworks, and our PQF consists of five pillars: Experience, Learning, Accountability, Capacity and Resources, and Monitoring. These aspects contribute to making sure our programmes are high in quality and that we are supporting communities effectively.



## Partnerships

In 2020, Muslim Hands focused on expanding our portfolio of partnerships with major institutions and donors. Despite COVID-19, we continued to build new partnerships and strengthen existing ones. We have been able to establish partnerships with large donors such as UN institutions, allowing us to improve the quality of our programmes, adopt higher standards and reach some of the most vulnerable communities around the world in an impactful way.

## PAKISTAN

At the beginning of the year, we established a project partnership agreement with the European Commission on Humanitarian Aid and Civil Protection (ECHO) and secured funding to reach out to people affected by the severe cold weather in Ziarat, Baluchistan.

Through this intervention, we were able to reach out to 295 households by distributing Cash for Food and Cash for Work, as well as rehabilitating shelters which were damaged due to heavy rains and snowfall. We also rehabilitated water facilities and drinking water supply schemes and supplied hospitals with PPE kits to help respond to COVID-19.

In total, we were able to reach 10,000 individuals, including local communities and government stakeholders.



In Pakistan, we also managed to build partnerships at the local level with UNOCHA, UNICEF, the British Council and other institutions for the provision of Education, WASH, Food Security and livelihood interventions in different parts of the country.



## AFGHANISTAN

Muslim Hands were able to submit a proposal to UNICEF for the 'Education Cannot Wait' and 'Global Partnership for Education', which were successfully shortlisted. This project will be carried out in 2021. In addition to securing funds, we aim to share knowledge and experience with the wider NGO community, by attending various online webinars and events organised by think tanks and donor groups.

## TURKEY

In Turkey, we successfully established partnerships with several organisations, including Doctors Worldwide, Hayrat Aid and Diyanet Foundation.

Through Diyanet Foundation, we implemented WASH projects in Pakistan, Sri Lanka and Mali. Also, we implemented food distribution projects worth more than £1.3 million, reaching more individuals than ever before.



Our partnership with Hayrat Aid provided support to our WASH projects and food distribution projects in Mali, Gambia and Pakistan.

Finally, Doctors Worldwide initiated WASH projects and eye camps across Pakistan, Mali and Niger. From this, 2,820 surgeries were successfully carried out and we managed to reach more than 8,000 beneficiaries across all countries.

## Palestine

Meetings were held with representatives of the United Nations Relief and Works Agency for Palestine refugees (UNWRA). Through this partnership, Muslim Hands will be supporting the Palestinian communities through primary and vocational education projects, health care and emergency response activities.

# 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 2020, 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 the 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.



## Financial Review

This year, Muslim Hands raised £32.4m – the sum of £23.5m was donated for non-emergencies, £4.8m for emergencies and £4.1m coming from Gift Aid. The total income received in 2020 was up from the level of income raised in the previous year (£22.7m).

	2020	2019	2018
<b>Donations from Supporters</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Donations for Non-Emergencies</b>	<b>23.5</b>	<b>16.7</b>	<b>15.4</b>
<b>Donations for Emergencies</b>	<b>4.8</b>	<b>3.3</b>	<b>3.1</b>
<b>Gift Aid</b>	<b>4.1</b>	<b>2.7</b>	<b>2.6</b>
<b>Total Income</b>	<b>32.4</b>	<b>22.7</b>	<b>21.1</b>

The charity invested £2.8m to generate £28.3m. The net return was £25.5m  
The charity invested 10% to generate a return of 90%. 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 £27.6m. This helped us reach a larger number of beneficiaries particularly in areas affected by conflict or natural disasters. The funds used included appeal funds raised in prior years.

	2020	2019	2018
	£m	£m	£m
<b>Cost of generating funds</b>	<b>2.9</b>	<b>2.6</b>	<b>2.5</b>
<b>Charitable Activities</b>	<b>21.4</b>	<b>16.2</b>	<b>18.5</b>
<b>Where Most Needed</b>	<b>2.9</b>	<b>1.3</b>	<b>1.3</b>
<b>Orphans</b>	<b>2.1</b>	<b>1.4</b>	<b>2.6</b>
<b>Education</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>
<b>Health</b>	<b>1.3</b>	<b>0.9</b>	<b>0.8</b>
<b>Emergency</b>	<b>2.6</b>	<b>3.3</b>	<b>2.9</b>
<b>WASH</b>	<b>4.8</b>	<b>2.2</b>	<b>2.2</b>
<b>Food</b>	<b>3.4</b>	<b>2.4</b>	<b>2.1</b>
<b>Masjids</b>	<b>1.0</b>	<b>1.5</b>	<b>0.9</b>
<b>Support Costs and Staff</b>	<b>3.3</b>	<b>2.8</b>	<b>2.9</b>
<b>Total Resources Expended</b>	<b>27.6</b>	<b>21.6</b>	<b>21.3</b>

## Expenditure

The management of the charity is undertaken responsibly to safeguard and protect the funds the charity is entrusted with from loss, corruption, fraud and the charity has invested in the strength of its systems, offices and people. Therefore, £3.3m was invested in the organisation allowing the charity to effectively use the funds and operate with accountability.

In 2020, the charitable activities expended were £27.7m.

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, 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") charity should not be less than £600,000.

The current reserves held by the charity is £1,400,000. 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 grass root organisations in countries where we carry out projects;**
4. **Diversifying the donor base**

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

During this period, the Charity awarded grants totalling **£21,851,980 (2019: £16,224,649)**. 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.

## Grant Making Policy

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.



## Going Concern

MH continued to scenario plan its cashflow and the variation in impact of increased and reduced cash scenarios. The Charity increased its rolling cashflow projections from 12 months to 24 months to better understand the going concern status of the Charity. The scenario planning showed that the Charity will continue and the surge in funds in 2021 supports this projection. 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 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 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 as Deputy CEO, Tariq Nasir, Shakil Sidat, Yasrab Shah, Munawar Patel, Irfan Khan, Raja Arslan Nusrat 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.

In order to ensure its effectiveness, the Board recruited two additional trustees with professional and diverse skills. 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.

Along with Programmes Committee which was established by the Trustees for better control and Governance, two additional committees have been launched as sub-committees of the Board to provide assurance to the Board that Muslim Hands has effective and appropriate systems that will ensure the delivery of the strategic aims. The Fundraising Committee will provide expert insight and assurance to the Board that Muslim Hands has an effective Fundraising Strategy in place with appropriate risk management. The Audit Committee will review the audited financial statements of Muslim Hands and recommend them to the Board and review the Muslim Hands risk register and reports on internal controls and its compliance. Each committee is formed with 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.

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## Objectives, Vision, Mission

### MUSLIM HANDS' OBJECTIVES ARE:

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

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

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

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

***'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 manne'.***

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'.***

## Public Benefit Statement

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

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

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

## 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 risk and the measures taken to address the key identified risks:

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

## Internal Audit and Risk Assurance

The MH Board of Trustees is advised by an Audit Committee made up of Trustees and independent members who bring a broad range of expertise in this area. The Audit Committee meets at least four times a year and its terms of reference 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.

## Inhouse Systems

Muslim Hands is currently completing the first phase of the development of its web-based CRM system. The new versions of the financial management and programmes systems are work in progress and will add to the level of data processing and reporting of impact on its activities, encouraging better collaboration and increased learning and oversight with our partners.

## New Strategy

Muslim Hands has launched its new five-year strategy following the success of its previous strategy. The strategy focuses on continuing the success story of Muslim Hands as it embarks on its next phase of growth in serving the poor and destitute. The strategy aims to strongly align MH activities with elements of the UN Sustainable Development Goals focusing on the alleviation of hunger, improving the health of the most needy, providing quality education, and clean water. The strategy leads Muslim Hands on its journey in strengthening processes and accountability for continued oversight of the work delivered on the ground and to further increase sustainability of its programme.

## 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 29/09/2021 and signed on their behalf by**

**SL Hassanain. Trustee**

# Independent Auditor's Report

## Opinion

We have audited the financial statements of Muslim Hands (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for

our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

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

- We enquired of management, which

included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all

irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### **Use of our report**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Jonathan Orchard (Senior statutory auditor)**

Date 29 September 2021

for and on behalf of

**Sayer Vincent LLP, Statutory Auditor**

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

# Financial Statements

## Muslim Hands

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

#### For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Donations		11,995,658	20,428,713	<b>32,424,371</b>	7,805,589	14,928,824	22,734,413
Bank Interest		34,389	-	<b>34,389</b>	37,808	-	37,808
<b>Total income</b>		<b>12,030,047</b>	<b>20,428,713</b>	<b>32,458,760</b>	<b>7,843,397</b>	<b>14,928,824</b>	<b>22,772,221</b>
<b>Expenditure on:</b>							
Raising funds	3	2,996,745	-	<b>2,996,745</b>	2,575,215	-	2,575,215
Charitable activities							
Grants payable and operational	3	3,232,419	21,424,399	<b>24,656,818</b>	3,029,242	15,965,553	18,994,795
<b>Total expenditure</b>		<b>6,229,164</b>	<b>21,424,399</b>	<b>27,653,563</b>	<b>5,604,457</b>	<b>15,965,553</b>	<b>21,570,010</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>5,800,883</b>	<b>(995,686)</b>	<b>4,805,197</b>	<b>2,238,940</b>	<b>(1,036,729)</b>	<b>1,202,211</b>
Net gains / (losses) on investments		-	-	-	-	-	-
<b>Net income / (expenditure) for the year</b>	4	<b>5,800,883</b>	<b>(995,686)</b>	<b>4,805,197</b>	<b>2,238,940</b>	<b>(1,036,729)</b>	<b>1,202,211</b>
Transfers between funds	12	(4,605,282)	4,605,282	-	(1,399,848)	1,399,848	-
<b>Net income / (expenditure) before other</b>		<b>1,195,601</b>	<b>3,609,596</b>	<b>4,805,197</b>	<b>839,092</b>	<b>363,119</b>	<b>1,202,211</b>
Gains / (losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains / (losses) on defined benefit		-	-	-	-	-	-
Other gains / (losses)		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>1,195,601</b>	<b>3,609,596</b>	<b>4,805,197</b>	<b>839,092</b>	<b>363,119</b>	<b>1,202,211</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		4,120,334	7,782,691	<b>11,903,025</b>	3,281,242	7,419,572	10,700,814
<b>Total funds carried forward</b>		<b>5,315,935</b>	<b>11,392,287</b>	<b>16,708,222</b>	<b>4,120,334</b>	<b>7,782,691</b>	<b>11,903,025</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in

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 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets:</b>					
Tangible assets	7		1,301,625		1,368,260
			<u>1,301,625</u>		<u>1,368,260</u>
<b>Current assets:</b>					
Debtors	8	959,523		790,472	
Short-term Deposits		2,749,457		2,716,764	
Cash at bank and in hand		14,009,416		7,792,804	
		<u>17,718,396</u>		<u>11,300,040</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	9	(2,239,234)		(657,311)	
<b>Net current assets</b>			<u>15,479,162</u>		<u>10,642,729</u>
<b>Total assets less current liabilities</b>			<u>16,780,787</u>		<u>12,010,989</u>
Creditors: amounts falling due after one year	10		(72,565)		(107,964)
			<u>16,708,222</u>		<u>11,903,025</u>
<b>The funds of the charity:</b>					
Restricted income funds	12		11,392,288		7,782,691
Unrestricted income funds			5,315,934		4,120,334
<b>Total charity funds</b>			<u>16,708,222</u>		<u>11,903,025</u>

Approved by the trustees on 27th September 2021 and signed on their behalf by

Syed Lakhte Hassanain  
Trustee

## Financial Statements

### Statement of cash flows

For the year ended 31 December 2020

	Note	2020	2019
		£	£
Cash flows from operating activities	13		
Net cash provided by / (used in) operating activities		6,318,424	1,354,868
Cash flows from investing activities:			
Purchase of fixed assets		(33,721)	(72,170)
Net cash provided by / (used in) investing activities		(33,721)	(72,170)
Cash flows from financing activities:			
Repayments of borrowing		(35,398)	(34,253)
Net cash provided by / (used in) financing activities		(35,398)	(34,253)
Change in cash and cash equivalents in the year		6,249,305	1,448,445
Cash and cash equivalents at the beginning of the year		10,509,568	9,061,123
Cash and cash equivalents at the end of the year	14	16,758,873	10,509,568

# Financial Statements

## Muslim Hands

### Notes to the financial statements

#### For the year ended 31 December 2020

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#### 1 Accounting policies

##### a) Statutory Information

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

##### b) Basis of preparation

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

## Notes to the financial statements

For the year ended 31 December 2020

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### 1 Accounting policies (continued)

#### i) Expenditure and irrecoverable VAT

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

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

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

#### j) Allocation of support costs

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

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

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

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

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

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

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

#### k) Grants Payable

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

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

#### l) Operating leases

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

#### m) Tangible fixed assets

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

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

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2020

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### 1 Accounting policies (continued)

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

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

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

#### 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

## Notes to the financial statements

For the year ended 31 December 2020

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

	2020	2019
	£	£
<b>Cost</b>		
<b>Muslim Hands Partners (Related Parties)</b>		
Pakistan	6,064,474	3,715,397
Palestine	3,645,794	2,078,652
Sudan	908,269	534,311
Bangladesh	1,119,593	775,253
Niger	659,709	403,417
Afghanistan	503,244	311,818
Turkey	141,888	17,214
Somalia	433,366	271,265
Mali	2,210,636	1,588,320
Malawi	228,783	244,952
Yemen	1,458,570	680,171
Kashmir (Pakistan)	785,947	829,716
	<u>18,160,273</u>	<u>11,450,486</u>
<b>Non Muslim Hands Partners</b>		
Gambia	248,498	203,318
Sri Lanka	445,586	262,330
Lebanon	221,445	300,768
Indonesia	26,354	67,644
Syria	149,365	1,268,601
Myanmar	-	914,439
Kashmir (India)	245,209	233,438
Mauritania	212,505	111,805
Senegal	273,302	269,517
Turkey	475,017	57,631
	<u>2,297,281</u>	<u>3,689,491</u>
	<u>20,457,554</u>	<u>15,139,977</u>
Other grants less than £50,000 in the year	1,394,426	1,084,672
	<u>21,851,980</u>	<u>16,224,649</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.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2020

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

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

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

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

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	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	1,203,626
Audit and accountancy	-	-	22,289	22,289	23,160
Trustees expenses	-	-	27,716	27,716	14,536
	<b>2,375,627</b>	<b>18,747,991</b>	<b>446,392</b>	<b>21,570,010</b>	<b>21,205,879</b>
Governance costs	199,588	246,804	(446,392)	-	-
<b>Total expenditure 2019</b>	<b>2,575,215</b>	<b>18,994,795</b>	<b>-</b>	<b>21,570,010</b>	
<b>Total expenditure 2018</b>	<b>2,554,185</b>	<b>18,651,694</b>	<b>-</b>	<b>-</b>	<b>21,205,879</b>

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2020

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

This is stated after charging / (crediting):

	2020	2019
	£	£
Auditors' remuneration (excluding VAT):		
Audit	16,300	18,000
Under-provision in the prior year	-	-
Depreciation of tangible fixed assets	100,356	109,186

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

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	2,478,133	2,374,549
Social security costs	240,863	224,997
Employer's pension contributions to defined contribution scheme	54,468	48,937
	<u>2,773,464</u>	<u>2,648,483</u>

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

	2020	2019
	No.	No.
Direct charitable operations	42	39
Fundraising and publicity	46	48
Management and administration of the Charity	8	8
	<u>96</u>	<u>95</u>

The charity operates a defined contribution pension scheme: 2020 £54,468 (2019: £48,937) 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 £541,410 (2019: £487,581).

There was one employee with emoluments between £60,000 – £69,999 and zero above £70,000 (zero above £60,000 in 2019). During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £59,999 (2019: £58,545) 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 £5,870 (2019: £7,379) by Syed Lakhte Hassanain.

During the year £302 (2019: £6,911) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 4 Trustees (2019: 4 Trustees).

### 6 Taxation

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

## Financial Statements

Muslim Hands

Notes to the financial statements

For the year ended 31 December 2020

### 7 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Motor Vehicles	Total £
<b>Cost</b>					
At 1 January 2020	1,418,683	583,807	354,361	12,840	2,369,691
Additions in year	-	28,902	4,819	-	33,721
<b>At 31 December 2020</b>	<b>1,418,683</b>	<b>612,709</b>	<b>359,180</b>	<b>12,840</b>	<b>2,403,412</b>
<b>Accumulated depreciation</b>					
At 1 January 2020	238,789	501,425	257,165	4,052	1,001,431
Charge for the year	28,374	39,681	30,983	1,318	100,356
<b>At 31 December 2020</b>	<b>267,163</b>	<b>541,106</b>	<b>288,148</b>	<b>5,370</b>	<b>1,101,787</b>
<b>Net book value</b>					
At 31 December 2020	1,151,520	71,603	71,032	7,470	1,301,625
At 31 December 2019	1,179,894	82,382	97,196	8,788	1,368,260

Included in the net book value of freehold land and buildings of £1,151,520 (2019: £1,179,894) is £nil relating to non-depreciated land.

### 8 Debtors

	2020 £	2019 £
Other debtors	880,191	643,397
Prepayments and accrued income	79,332	147,075
	<b>959,523</b>	<b>790,472</b>

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

	2020 £	2019 £
Bank loans	34,878	33,853
Trade creditors	163,439	206,081
Accruals and deferred income	2,014,279	417,397
Other creditors	26,038	-
	<b>2,238,634</b>	<b>657,331</b>

## Financial Statements

### Notes to the financial statements

For the year ended 31 December 2020

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

	2020 £	2019 £
Bank loans	72,565	107,964
The bank loan is repayable as follows:		
Within one year	34,878	35,855
Between one and two years	35,959	34,863
Between two and five years	36,626	73,101
After five years	-	-
	<u>107,443</u>	<u>141,797</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.

#### 11 Analysis of net assets between funds 2020

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

#### Analysis of net assets between funds 2019

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,368,200	-	1,368,200
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	<u>4,120,334</u>	<u>7,782,691</u>	<u>11,903,025</u>

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2020

### 12a. Movements in funds 2020

	At 1 January 2020 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	At 31 December 2020 £
<b>Restricted funds:</b>					
Afghanistan	2,082	178,213	(503,244)	343,704	20,755
Africa	238,188	12,988	-	-	251,176
Albania	3,937	258	(28,271)	28,271	4,195
Azerbaijan	17,012	51	-	-	17,063
Bangladesh	70,780	802,173	(1,119,593)	365,523	118,883
Burma	676,034	274,947	-	-	950,981
Central African Republic	42,954	-	-	-	42,954
Chechnya	39,035	5	-	-	39,040
China	18,252	440	-	-	18,692
Cuba	2,215	-	-	-	2,215
Egypt	1,976	55	-	-	2,031
Eritrea	1,615	-	-	-	1,615
Ethiopia	13,692	23,621	(7,371)	-	29,942
Europe Refugee Crisis	18,936	-	-	-	18,936
Gambia	956	116,356	(248,498)	133,622	2,436
Guinea Bissau	10,691	14,704	(2,466)	-	22,929
Haiti	18,397	154	-	-	18,551
India	115,157	10,997	(4,928)	-	121,226
Indonesia	55,408	25,847	(26,354)	-	54,901
Iran	103,531	-	-	-	103,531
Iraq	40,248	3,207	-	-	43,455
Japan	15,444	-	-	-	15,444
Kashmir – India	58,426	330,239	(245,209)	19,986	163,442
Kashmir – Pakistan	252,796	405,003	(785,947)	523,168	395,020
Kenya	16,221	1,190	-	-	17,411
Lebanon	846	286,094	(221,445)	139,806	205,301
Libya	11,307	2	-	-	11,309
Macedonia	7,172	5	-	-	7,177
Malawi	5,820	227,332	(228,783)	88,893	93,262
Mali	-	346,324	(2,210,636)	1,936,064	71,752
Mexico	2,344	7,311	(33,393)	30,222	6,484
Middle East	2,655	-	-	-	2,655
Nepal	1,965	79	-	-	2,044
Niger	300	317,940	(659,709)	377,613	36,144
Non country specific	2,687,140	5,829,752	(196,375)	(6,781,148)	1,539,369
Pakistan	20,364	2,775,132	(6,064,474)	3,640,014	371,036
Palestine	1,511,950	2,969,078	(3,645,794)	1,238,551	2,073,785
Rwanda	12,569	29,783	(38,562)	5,581	9,371
Sierra Leone	5,735	644	-	-	6,379
Somalia	192	287,536	(433,366)	180,037	34,399
Somaliland	3,943	22	-	-	3,965
South Africa	4,165	5	-	-	4,170
South Sudan	26,018	276	-	-	26,294
Sri Lanka	54	186,582	(445,586)	277,927	18,977
Asia Subcontinent	65,486	-	-	-	65,486
Sudan	189,005	453,653	(908,269)	589,579	323,968
Syria	486,260	934,048	(149,365)	75,857	1,346,800
Tanzania	6,564	613	-	-	7,177
Uzbekistan	2,493	-	-	-	2,493
Yemen	816,055	3,213,145	(1,458,570)	34,530	2,605,160
Other Locations	78,306	362,909	(1,758,190)	1,357,482	40,507
<b>Total restricted funds</b>	<b>7,782,691</b>	<b>20,428,713</b>	<b>(21,424,398)</b>	<b>4,605,282</b>	<b>11,392,288</b>
<b>General funds</b>	<b>4,120,334</b>	<b>12,030,047</b>	<b>(6,229,165)</b>	<b>(4,605,282)</b>	<b>5,315,934</b>

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For the year ended 31 December 2020

## 12b Movements in funds 2019

	At 1 January 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	At 31 December 2019 £
<b>Restricted funds:</b>					
Afghanistan	2,392	152,924	(311,818)	158,584	2,082
Africa	221,958	16,230	-	-	238,188
Albania	3,790	147	-	-	3,937
Azerbaijan	16,856	156	-	-	17,012
Bangladesh	22,866	687,574	(775,253)	135,592	70,779
Burma	1,208,428	318,054	(914,439)	63,991	676,034
Central African Republic	42,954	-	-	-	42,954
Chechnya	39,035	-	-	-	39,035
China	17,251	1,001	-	-	18,252
Cuba	1,837	378	-	-	2,215
Egypt	1,914	62	-	-	1,976
Eritrea	1,615	-	-	-	1,615
Ethiopia	11,524	17,205	(15,037)	-	13,692
Europe Refugee Crisis	18,936	-	-	-	18,936
Guinea Bisua	13,650	15,567	(18,917)	390	10,690
Haiti	18,288	109	-	-	18,397
India	135,845	1,907	(22,595)	-	115,157
Indonesia	29,017	56,305	(67,644)	37,731	55,409
Iran	103,531	-	-	-	103,531
Iraq	15,614	24,634	-	-	40,248
Japan	15,444	-	-	-	15,444
Kashmir – India	(118,555)	308,814	(233,438)	101,604	58,425
Kashmir – Pakistan	322,896	742,482	(829,716)	17,134	252,796
Kenya	15,040	1,180	-	-	16,220
Libya	11,245	62	-	-	11,307
Macedonia	7,172	-	-	-	7,172
Malawi	69,507	148,117	(244,952)	33,148	5,820
Mauritania	22,960	73,957	(111,805)	36,032	21,144
Mexico	7,954	6,319	(31,957)	20,028	2,344
Middle East	2,655	-	-	-	2,655
Nepal	1,934	31	-	-	1,965
Non country specific	2,880,233	3,537,187	(286,705)	(3,443,574)	2,687,141
Pakistan	(1)	2,118,134	(3,715,397)	1,617,627	20,363
Palestine	1,052,371	2,538,231	(2,078,652)	-	1,511,950
Rwanda	14,482	1,909	(20,003)	16,180	12,568
Senegal	69,641	138,967	(269,517)	88,718	27,809
Sierra Leone	10,138	1,907	(6,310)	-	5,735
Somaliland	4,376	21	(455)	-	3,942
South Africa	4,165	-	(4,161)	4,161	4,165
South Sudan	25,751	267	-	-	26,018
Spain	17,299	-	(25,855)	19,121	10,565
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
Tanzania	5,983	581	-	-	6,564
UK	-	90,879	(348,487)	274,501	16,893
Uzbekistan	2,493	-	-	-	2,493
Yemen	293,350	1,177,652	(654,947)	-	816,055
Other Locations	(83,295)	1,284,821	(3,174,580)	1,977,302	4,248
<b>Total restricted funds</b>	<b>7,419,572</b>	<b>14,928,823</b>	<b>(15,965,552)</b>	<b>1,399,848</b>	<b>7,782,691</b>
<b>General funds</b>	<b>3,281,242</b>	<b>7,843,397</b>	<b>(5,604,457)</b>	<b>(1,399,848)</b>	<b>4,120,334</b>
<b>Total funds</b>	<b>10,700,814</b>	<b>22,772,220</b>	<b>(21,570,009)</b>		<b>11,903,025</b>

### 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

	2020 £	2019 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	4,805,197	1,202,211
Depreciation charges	100,356	109,186
(Increase)/decrease in debtors	(169,051)	(58,294)
Increase/(decrease) in creditors	1,581,922	301,765
<b>Net cash provided by / (used in) operating activities</b>	<b>6,318,424</b>	<b>1,554,868</b>

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14 Analysis of cash and cash equivalents	At 1 January 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Cash at bank and in hand	7,825,195	6,184,221	-	14,009,416
Short term deposits	2,684,373	65,084	-	2,749,457
<b>Total cash and cash equivalents</b>	<b>10,509,568</b>	<b>6,249,305</b>	<b>-</b>	<b>16,758,873</b>

### 15 Operating lease commitments

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

	Property 2020 £	2019 £
Less than one year	65,000	65,000
One to five years	260,000	260,000
Over five years (Cancellable)	-	65,000
	<b>325,000</b>	<b>390,000</b>

### 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 £29,057.24 for the period (2019: £26,518).

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.