



Muslim Hands

# ANNUAL REPORT

2023

ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2023

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# Message from the Chairman

**Assalamu Alaikum, For over thirty years, Muslim Hands has remained at the forefront of addressing major humanitarian crises and engaging in development work. All our efforts over the last three decades, from providing emergency relief to running schools, sponsorships, and other long-term projects, have only been possible thanks to the generosity of our donors and the dedication of our teams.**

In 2023, Muslim Hands responded to new and ongoing emergencies across the world. When a powerful earthquake hit Morocco, devastating floods struck Libya, and the conflict in Gaza escalated, we were on the ground providing essential aid to those affected.

Muslim Hands has also continued to address ongoing emergencies in Somalia, Yemen, and Afghanistan through a range of interventions, which this report will detail.

Through our two Open Kitchens in London and Nottingham, we supported the most vulnerable communities in the UK by providing cooked meals and other services to hundreds of families and individuals. Over the past year, we have delivered more than a million meals through a wide network of partner organisations.

Our development work, encompassing education, orphan sponsorship, WASH (Water, Sanitation, and Hygiene), income generation, and healthcare, has in 2023 directly benefited 9,872,661 individuals.

We are extremely grateful for the overwhelming support we have received, despite the difficult economic circumstances faced by our donors. The trust placed in Muslim Hands by our generous supporters has enabled us to respond effectively to emergencies and continue our ongoing development work. By the grace of Allah, your support has helped millions of people, and we look forward to continuing our work together to tackle the root causes of poverty and injustice in the years to come, in sha Allah..

Wassalamu Alaikum,

Syed Lakthe Hassanain



# Legal and Administrative Information

<u>Trustees and statutory directors</u>	Dr Musharraf Hussain (Resigned 04 January 2023) Muhammad Amin-ul Hasnat Shah Syed Lakhte Hassanain Sahibzada Ghulam Jeelani Saffi Ullah Mohammad Arshad Jamil Mohammed Zameer (Resigned 06 December 2022) Abdul Qudeir Khan Iftikhar Ahmed (appointed 11 December 2023)
<u>Sub-Committees to the Board</u>	Programmes Committee Audit Committee Fundraising Committee
<u>Company number</u>	05080486 (country of incorporation is England and Wales)
<u>Charity registration number</u>	1105056 (country of registration is England and Wales)
<u>Registered office</u>	148-164 Gregory Boulevard, Hyson Green, Nottingham, NG7 5JE
<u>Company secretary</u>	Abdul Qudeir Khan
<u>Auditor</u>	Sayer Vincent LLP, Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
<u>Bankers</u>	National Westminster Bank plc, Hyson Green, Nottingham Santander UK plc, Manchester Business Centre, Manchester Al Rayyan Bank plc, Edgbaston House Birmingham Barclays Bank, Churchill Place, Leicester
<u>Solicitors</u>	Freeth Cartwright LLP, Cumberland Court, Nottingham Knights PLC, 84 Friar Lane, Nottingham Mills and Reeves Solicitors, One Centenary Way, Birmingham, B3 3AY



# INTRODUCTION

**This year, countless individuals around the world have faced the devastating impacts of natural disasters, conflict, and economic instability.**

Muslim Hands was on the ground, providing urgent relief to earthquake victims in Türkiye, Afghanistan, and Morocco, many of whom have endured immense tragedy. Thanks to the unwavering support of our dedicated donors, we have continued to help communities rebuild through our livelihood projects across multiple locations.

These initiatives empower beneficiaries to start their own businesses, enabling them to support themselves and their families.

The Muslim School of Excellence has remained committed to offering free, accessible education to the next generation. Our educational facilities across Asia, the Middle East, and Africa have inspired children to pursue further education, encouraging them to follow their dreams and aspirations.

For the past three decades, Muslim Hands has been dedicated to alleviating hardship for communities worldwide. In the face of ongoing conflicts, our mission is more critical than ever, as many communities urgently need our support.

**This is the 2023 annual report of the Muslim Hands trustees.**

It is presented together with a Trustees' Responsibilities Statement on page **page 581**, the Independent Auditor's Report on pages **page 56** and the financial statements for the year ending 31 December 2023 on pages **page 62**

The financial statements for the year ending 31 December 2023 have been prepared in accordance with the accounting policies set out in the note to the financial statements. The financial statements comply with the Charity's Governing Document, the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.



# STRATEGIC REPORT

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

**In 2023, Muslim Hands made significant progress in implementing robust systems to support its five-year strategy, provide ongoing capacity building support to its charitable partners and foster improved accountability through effective evidence and information management.**

This was made achievable by monitoring and evaluation of the strategy's implementation, ensuring alignment with organisational objectives. Furthermore, efforts were made to empower partner offices to effectively cascade and integrate the organisational strategy, to improve the precision in targeting beneficiaries needs. This year, Muslim Hands successfully laid the foundation for a data-driven approach, strengthening its partners' ability to deliver impactful programmes,

foster growth and enhance overall organisational performance.

Muslim Hands implemented a comprehensive, tailor-made capacity building programme for its partners, aimed at enhancing their capabilities and enabling effective implementation of the strategy the benefits of this include improving oversight and control of funding through standardisation of MH grant management systems, financial reporting and compliance.

Muslim Hands also went through the development and implementation of a highly sophisticated Strategy Tracker, which serves as a comprehensive tool to monitor the progress of programmes across partner offices. Muslim Hands firmly believes that the Strategy Tracker represents a significant leap forward for the organisation, empowering us to establish and monitor results, track progress, and make informed decisions more effectively for optimal resource allocation.

Throughout 2023, the Strategy Tracker played a pivotal role in providing Muslim Hands, its partners and trustees with

real-time access to essential information and a holistic view of progress across all stakeholders. This centralised platform facilitated streamlined communication and enabled all parties to have instant access to vital data from a single, easily accessible location. Looking ahead, Muslim Hands is committed to further enhancing the Strategy Tracker by incorporating additional features. By integrating additional elements, the Strategy Tracker will remain a dynamic tool that continues to evolve and adapt to meet the emerging needs of the charity, manage risks, safeguard beneficiaries and improve the charities learning process.

Muslim Hands acknowledges the significance of research and development in guiding the organisation towards a learning culture that prioritises evidence-based practices and an impact-oriented approach. With the introduction of the new MEAL framework, a "Results Monitoring" mechanism was piloted and scaled up to assist in evaluating its programmes worldwide to determine whether they are achieving the desired results. Muslim Hands aims to utilise the evidence from these findings to review its work each year and plan accordingly.



# FUNDRAISING

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

**Our teams raise funds from the public by organising charitable collections, events, challenges, TV appeals and through direct marketing.**

Muslim Hands continued its membership with the Fundraising Regulator – complying with its guidelines through training and development of all fundraisers.

To protect vulnerable people in the course of fundraising, we take appropriate measures which include screening contact details against the TPS

and using our own 'do not contact' list, allowing all individuals the opportunity to opt out of communications, limiting the number of direct marketing communications to an average of two per quarter. Furthermore, the communication is often limited to those who have donated recently to 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. There were 7 complaints received in the course of fundraising during the stated period.



## Where we work

Muslim Hands partners with independent charities across the world to deliver its charitable programmes. Muslim Hands establishes its partnerships with a series of Trademark Licenses for MH branded partners and Collaboration Agreements with all partners. The partners are reviewed periodically as part of the Charity's partner Due Diligence. Their capacity is assessed to ensure they have reliable Governance arrangements, the ability to deliver programmes and to ensure that there is reliable financial management of charitable funds.

The partnerships are overseen on an ongoing basis by methods including sharing some common trustees for oversight, in-depth monitoring and evaluation to evidence the following: end use of funds, programmes quality and compliance to policy. Muslim Hands also carries out physical verification by visiting partners throughout the year. During visits Muslim Hands' teams check the existence of programmes, their delivery and completion and cross-check partners' records, reports and Photographic/ Videographic evidence submitted. During the visits, they

also conduct quality checks with the support of specialists for programme quality and safety. Furthermore, Muslim Hands has an outsourced Internal Audit department which provides independent assurance on its Control Environment including the implementation of Programmes. Recent locations visited for monitoring include Afghanistan, Gambia, Indonesia, Lebanon, Mauritania, Malawi, Mali, Pakistan, Somalia, Turkey and Yemen. The partners where Muslim Hands deliver its programmes are based in the locations listed below.

<b>Afghanistan</b>	342,090 beneficiaries	<b>Niger</b>	78,557 beneficiaries
<b>Bangladesh</b>	120,956 beneficiaries	<b>Pakistan</b>	962,534 beneficiaries
<b>Gambia</b>	21,314 beneficiaries	<b>Palestine</b>	758,204 beneficiaries
<b>India</b>	65,904 beneficiaries	<b>Rwanda</b>	2,113 beneficiaries
<b>Indonesia</b>	778 beneficiaries	<b>Senegal</b>	339,528 beneficiaries
<b>Kashmir (India)</b>	197,840 beneficiaries	<b>Somalia</b>	314,261 beneficiaries
<b>Kashmir (Pakistan)</b>	1,629,704 beneficiaries	<b>Sri Lanka</b>	59,286 beneficiaries
<b>Lebanon</b>	18,867 beneficiaries	<b>Sudan</b>	75,221 beneficiaries
<b>Malawi</b>	72,311 beneficiaries	<b>Turkey</b>	544,144 beneficiaries
<b>Mali</b>	237,685 beneficiaries	<b>United Kingdom</b>	434,347 beneficiaries
<b>Mauritania</b>	7,887 beneficiaries	<b>Yemen</b>	2,287,430 beneficiaries



# EMERGENCY RESPONSE

**3,212,095** – Total Emergency Aid Beneficiaries

**For the past three decades, Muslim Hands has been on the frontline, supporting communities affected by disasters.**

This year, various emergencies impacted millions of vulnerable, marginalised communities worldwide. Our humanitarian response included delivering food parcels and non-food items, setting up medical camps, and distributing clean water to affected beneficiaries.





**At the beginning of the year, Türkiye experienced one of the worst earthquakes in history.**

In the early hours of Monday, 6th February, two deadly earthquakes of 7.7 and 7.6 magnitude struck Türkiye and northwest Syria. The epicentre was in Gaziantep, a region in southern Türkiye home to thousands of Syrian refugees.

The earthquake resulted in the death of at least 54,000 people across Türkiye and Syria, with at least 230,000 buildings damaged or destroyed across 11 provinces in Türkiye. In Syria, at least 10,000 buildings were either partially or completely destroyed.

As families faced the daunting task of rebuilding their lives amidst snowy and freezing conditions, Muslim Hands responded immediately. We dispatched a team to assess the situation and determine the best course of action.

Phase One: Our initial emergency intervention provided hot meals, water bottles, blankets, hygiene and dignity kits, and clothing sets to the affected communities. This aimed to offer comfort and protection during winter.

Phase Two: We focused on providing shelters to beneficiaries in Northern Syria, setting up a camp of 200 tents in a suitable location. Each tent was designed to house a family of six and was equipped with basic amenities such as beds, blankets, and a small stove for cooking. Additionally, we supplied essential hygiene items like soap, toothbrushes, and towels to ensure their health and dignity.

Phase Three: Our long-term solution involved providing families with container homes. Each container home included a toilet, kitchen, and two rooms, offering stability and a fresh start to families who had lost everything.



The devastating earthquake in Türkiye profoundly affected Esra's life. She shared with our team, ***"Before the earthquake, we used to go on picnics every weekend. But now, we spend our time in a tent with our children. Muslim Hands' intervention has alleviated some of our family's burdens; we have received water, non-food items, and three hot meals a day."***



# AFGHANISTAN EARTHQUAKE

**Muslim Hands has been tirelessly supporting Afghan communities, addressing food insecurity and implementing various projects over the past year.**

Our initiatives included emergency food distribution, the Muslim Hands School of Excellence, education facilities, livelihood projects such as chicken farming, and assistance for returnees at the Torkham Border.

One of our key emergency relief efforts was assisting earthquake victims in Herat. On 7th October, two separate 6.3 magnitude earthquakes struck near Herat in northwest Afghanistan, causing significant damage and resulting in thousands of deaths.

According to UNOCHA, approximately 43,395 people were directly affected by the multiple earthquakes, severely impacting a community already struggling with hardship. In response, Muslim Hands distributed aid, including food parcels, blankets, and hygiene kits.

One of the beneficiaries of our emergency intervention was Hafizullah. Tragically, he lost his wife, sister, and one of his sons in the earthquake, while his other son and daughter were injured. Hafizullah and his family face numerous challenges in their daily lives, including a lack of basic necessities such as food, shelter, and healthcare, which significantly impacts their ability to live stable and secure lives. Hafizullah expressed gratitude for the intervention by Muslim Hands, saying it provided them with ***“a sense of relief and hope, improving our overall well-being.”***



# ROHINGYA PHASE SEVEN



Since 2017, we have been steadfastly supporting Rohingya refugees, providing clean water and sanitation facilities, aiding communities during Ramadan, building shelters, and assisting during emergencies such as fires or cyclones.

This year, our Rohingya intervention included establishing health posts and a Women-Friendly Space (WFS).

One of the beneficiaries, Rashida, visited the Women-Friendly Space for support after struggling with traumatic experiences and mental health issues.

She shared with our team *"I deeply appreciate the valuable guidance and support I have received from WFS. I have found inner peace and mental stability. I have been actively engaging in my daily tasks and am spreading awareness about gender-based violence to my neighbouring community. I am committed to providing support to victims of violence."*

The second aspect of this project involves providing health facilities to the Rohingya people. The objective of the health post is to deliver life-saving assistance, enhance resilience, and improve the living conditions of the Rohingya community. Muslim Hands is committed to providing essential medical and psychosocial support to survivors of gender-based violence.



# GAZA

# EMERGENCY



**Since 2007, Muslim Hands has been dedicated to supporting Palestine, providing vital medical aid, food distributions during Ramadan and Qurbani, and livelihoods through initiatives such as olive tree plantations.**

Amidst the ongoing Gaza Emergency, we have partnered with the United Nations Relief and Works Agency (UNRWA) to support those affected by the conflict.

We have provided vital aid worth over one million dollars to Palestinians facing this tragic ordeal. With the support of our long-term partner UNRWA, we have successfully distributed water, high-energy biscuits, tons of canned meats and fish, blankets, and diapers.

As the situation continues to evolve, we remain committed to ensuring that those impacted by the conflict receive urgent humanitarian aid.



**In April 2023, fighting erupted in Sudan, sparking a humanitarian crisis. Since the conflict began, 5.7 million people have fled their homes, seeking refuge within Sudan or in neighbouring countries.**

Muslim Hands' team on the ground promptly began distributing humanitarian aid to families affected by this crisis. We have assisted 16,680 Sudanese beneficiaries, providing vital resources to those seeking to leave the country.

The emergency distribution took place in Madani, the capital of Al Jazirah state, where we provided food parcels, non-food items, and cooked meals.





# MOROCCO EARTHQUAKE

**A devastating earthquake struck central Morocco, killing 3,000 people and affecting millions.**

It was estimated that at least 78,000 homes were damaged or destroyed. Many residents in remote villages have been displaced and are facing overcrowded conditions.

Muslim Hands' Surge Team travelled to the hardest-hit villages to assess the damage and determine our response. Without an office in Morocco, we partnered with a local agency to distribute food and non-food items.

The distribution included food parcels with wheat, sugar, pasta, honey, and dates, and non-food items such as winter kits, socks, warm coats, blankets, and foam mattresses.





# LIBYA

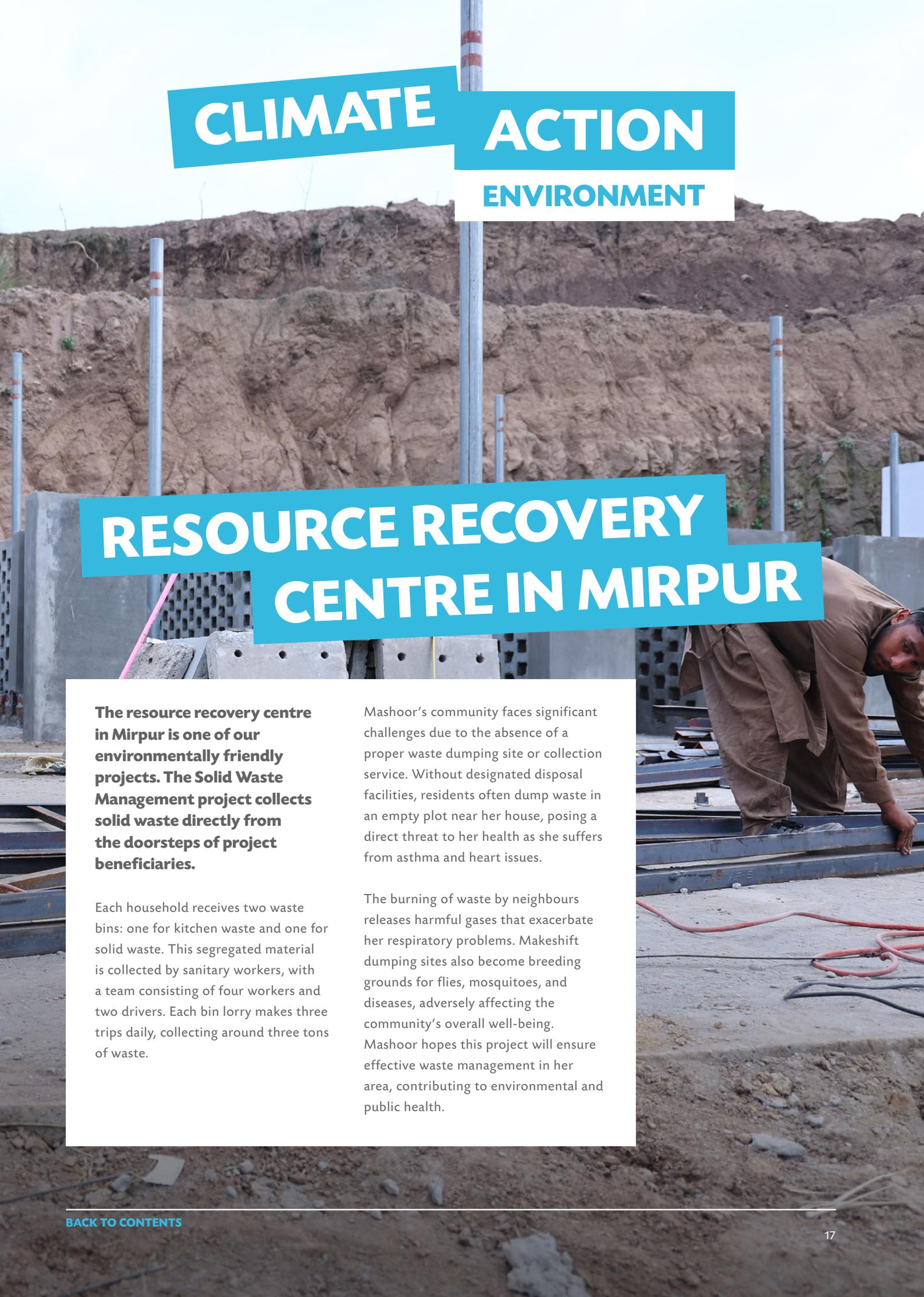
# FLOODING

**Storm Daniel brought eight months' worth of rain to Libya's northeast region, causing two dams to collapse. The resulting floods caused around 25 percent of the city to disappear, affecting at least 100,000 people.**

Muslim Hands worked with a local partner to distribute vital aid to beneficiaries in Tobruk and Derna. During the first two phases of distribution, we provided 600 food baskets, 200 hygiene kits, and 400 mattresses. We also offered crucial mental health and psychological support

to flood-affected residents in Derna and held an event to empower children through sports and activities, promoting mental wellbeing and resilience. Niama, 55, a widow, was forced to relocate to Tobruk City with her children and extended family due to the catastrophic floods in Derna. Her entire family is cramped into a two-bedroom shelter near the beach in dire condition. The shelter has broken windows, and they have to share five old mattresses and three worn-out blankets. As winter approaches and temperatures are expected to drop below five degrees Celsius, they lack central heating, adequate blankets, or mattresses. Without the financial means to purchase these essential items, Niama and her family face a harsh winter. Our intervention has provided vital aid to keep Niama and her family warm this winter.





# CLIMATE

# ACTION

## ENVIRONMENT

## RESOURCE RECOVERY CENTRE IN MIRPUR

**The resource recovery centre in Mirpur is one of our environmentally friendly projects. The Solid Waste Management project collects solid waste directly from the doorsteps of project beneficiaries.**

Each household receives two waste bins: one for kitchen waste and one for solid waste. This segregated material is collected by sanitary workers, with a team consisting of four workers and two drivers. Each bin lorry makes three trips daily, collecting around three tons of waste.

Mashoor's community faces significant challenges due to the absence of a proper waste dumping site or collection service. Without designated disposal facilities, residents often dump waste in an empty plot near her house, posing a direct threat to her health as she suffers from asthma and heart issues.

The burning of waste by neighbours releases harmful gases that exacerbate her respiratory problems. Makeshift dumping sites also become breeding grounds for flies, mosquitoes, and diseases, adversely affecting the community's overall well-being. Mashoor hopes this project will ensure effective waste management in her area, contributing to environmental and public health.



# AGRICULTURE AND LIVELIHOOD IN LEBANON

**Lebanon is highly susceptible to climate change, which particularly impacts marginalised farmers whose agricultural livelihoods are at risk.**

With the country facing economic instability and rising poverty, agriculture is often the only means of sustenance for many farmers. However, they encounter setbacks such as high production costs and low-value outputs amidst the climate crisis.

The Towards Food Sustainability project aims to mitigate some of these challenges. We have provided 1,000 Lebanese and Syrian beneficiaries in Mount Lebanon, Iklem, with seeds and plants to improve food security.

This area was chosen for its viable agricultural spaces, bordered by the sea on the west and a mountain on the east, offering diverse land suitable for different types of agriculture.

Each family received an agricultural basket containing 11 different plants and seeds, including tomato, courgette, melon, cowpea, and parsley. Additionally, we provided farmers with medication, fertilizers, and sprinklers.

Omar, a beneficiary of the project, believes it has been beneficial for his family. The main issue in their agricultural activities was the absence of a stable water flow, which the project helped address, improving their farming outcomes



# LIVELIHOODS



**26,200** – Total livelihoods beneficiaries

## WOMEN'S ECONOMIC EMPOWERMENT IN YEMEN

**The sewing machine project in Aden is designed to support 25 female internally displaced persons (IDPs) in their quest to start their own businesses and support their families.**

This economic empowerment initiative aims to foster Yemeni women's financial independence, boost their confidence, and equip them with necessary skills. Yemen has one of the highest rates of malnutrition globally, with 2.2 million children under five requiring treatment for acute malnutrition and 17 million people facing food insecurity.

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The economic collapse has severely impacted the Yemeni labour market, affecting millions across the country, including countless women.

Jawaher, one of the beneficiaries, shared how receiving a sewing machine and raw materials has enabled her to establish a small-scale sewing business.

This project has allowed her to generate income independently, improve her financial situation, and potentially create employment opportunities for others in the community. She described the anxiety and fear her children feel due to their current situation, unable to attend school and lacking basic necessities.

Thanks to Muslim Hands, she now has the means to support her family and provide a better future for her children.





# BEE FARMS IN PAKISTAN

**The Muslim Hands Honey Bee Farming project in Pakistan supports beneficiaries' livelihoods while also combating the global decline in bee populations.**

Bees play a crucial role in pollinating over 70% of crops, making them an integral part of Earth's ecosystems. With global bee populations threatened by unethical farming practices, climate change, and excessive use of agrochemicals, this beekeeping project in Gilgit Baltistan ensures bees are protected while providing communities with livelihood opportunities.

Gilgit Baltistan, abundant in bee-flora plants, attracts millions of indigenous and exotic honeybees each year.

This project will support 1,190 beneficiaries, providing sustainable livelihoods, reducing poverty, strengthening entrepreneurship, and supporting women-led businesses. Each farmer receives hives, wax sheets, bee suits, a honey extraction machine, wax-making equipment, and a large honey jar.





# HOPE SHOP

**Muslim Hands’ Hope Shop in Somalia aims to lift widows out of poverty by providing them with income-generating shops.**

Drought, conflict, and economic instability are pushing women to the brink, with nearly 8 million people, almost half the population, facing food insecurity.

Women often bear the brunt of instability, especially in the face of climate change or conflict.

Muslim Hands’ Hope Shop aims to mitigate these crises by providing widows with businesses that enable them to support themselves and their families.

Qadra, a beneficiary, shared that she faced many difficulties, including financial worries, and felt helpless before Muslim Hands’ intervention. She expressed that the project has not only provided her with a steady income but also granted her a hopeful future.





# TACKLING FOOD INSECURITY

We helped **1,314,285** food insecure beneficiaries

As countries grappled with the cost-of-living crisis, climate change and ongoing conflicts have exacerbated food insecurity, leaving many families around the world going to bed on an empty stomach – as many as 783 million people are facing chronic hunger. In 2023, many beneficiaries experienced natural disasters and conflict, heightening insecurity. Our teams distributed vital nutritional aid to those directly impacted by these crises.





**While we were on the ground for emergency food distribution, our seasonal projects, such as Ramadan and Qurbani, continued to support beneficiaries during these holy months.**

Muslim Hands' Ramadan 'You Are Their Hope' campaign provided nutritional food parcels to families across 19 countries to sustain them throughout the month of Ramadan. With inflation at an all-time high, many beneficiaries were affected by rising food prices. The team provided food parcels to fasting families abroad and in Britain to mitigate this food insecurity crisis.

We also provided orphans and their families with nutritious meals to sustain them for the entire month of Ramadan. Items included staples such as flour, rice, pulses, and dates. This year, we provided 2.5 million meals, including essentials such as dates, lentils, rice, beans, and daily hot meals.





**We continued our successful partnership with Hill Farm Finest to offer a special organic UK Qurbani.**

Two-thirds of the free-range, grass-fed hogget was delivered directly to the donor’s front door. The remaining one-third was distributed to low-income families, refugees, and the homeless at Muslim Hands’ Open Kitchen in Hounslow.

Across Africa, Asia, and the Middle East, we provided fresh meat to communities struggling with food insecurity, poverty, and economic instability. With high meat prices, these parcels allowed families to celebrate Eid without the burden of financial hardship.

Aminata from Mali was one of the beneficiaries we supported during Ramadan. She shared her experience, *“I feel enormously relieved after these generous gestures from Muslim Hands. I was worried about how I would feed my family during this blessed month of Ramadan. To my great surprise, Muslim Hands gave me food parcels containing household staples such as rice, sugar, oil, and spaghetti.”*





**157,864** education beneficiaries

## MUSLIM HANDS EDUCATIONAL FACILITIES

**Muslim Hands' educational facilities, including the School of Excellence and Model School, have supported 157,864 students this year.**

Providing free, accessible education is a fundamental human right, and at Muslim Hands, we strongly emphasize the importance of the Sustainable Development Goals, which advocate for "inclusive and equitable quality education and lifelong learning opportunities for all."

Offering free education is crucial for Muslim Hands, as many parents lack the means to afford their children's schooling, often compelling children to work from a young age to contribute to household income. Our educational facilities across Asia, Africa, and the Middle East support disadvantaged children, inspiring them to pursue their dreams and ambitions.





# ORPHANS

**The Muslim Hands orphan sponsorship programme supports orphans in 18 countries, including Yemen, Somalia, Mauritania, Pakistan, and Sri Lanka.**

This programme aids orphans who have faced hardship from a young age. We not only cover their school fees but also provide school uniforms, books, and stationary. Medical checkups and nutritious daily meals are also part of our comprehensive support.

*"I lost my father at an early age, shattering my world. When I entered MHSOE, I was cared for by teachers and supervisors. At that time, the school only had two classes. Muslim Hands provided nutritious food for the students, and our parents received allowances to support us. Even after I graduated, Muslim Hands continued to support me with an annual scholarship that allowed me to pursue further education.*

*My dream has always been to specialize in computer science, a dream that seemed out of reach in Niger. I applied to study a Master's degree in Artificial Intelligence at Paris-City University and, Alhamdulillah, I was accepted. Currently, I am awaiting approval for a long-stay study visa. Receiving the scholarship was a huge relief for me. I am deeply grateful for all the help Muslim Hands has provided. I will never stop thanking you for everything you have done for me."*

- Barke Guida Foureratou, beneficiary





# EDUCATION IN EMERGENCIES

## The Education in Emergencies programme supports children experiencing or affected by crises.

This year, we focused on children impacted by the floods in Pakistan. Operating in South Punjab and Sindh, the project aims to enhance school infrastructure and provide essential school supplies. Additionally, we are ensuring children receive nutritious food and safe drinking water.

Naketa, 8 years old, expressed gratitude for the project's impact:

*"This project has greatly improved our school by installing solar systems, rehabilitating and constructing washrooms, and providing new furniture. I feel relieved knowing our school facilities are better and happy that we can now focus on our education."*





# HEALTH PROJECTS

**162,881** – Total health projects beneficiaries

## EYE CARE FOR ELDERS

**The Muslim Hands Eye Camp addresses vision impairment among the elderly by providing cataract eye surgery.**

Globally, 2.2 billion people suffer from near or distant vision impairments, and 1 billion of these cases could have been prevented. Cataracts, inevitable with age, disproportionately affect low-income countries, where many unnecessarily lose their sight. Muslim Hands' cataract surgery project aims to remove these barriers by providing free cataract surgeries.

## MALAWI DAY CLINIC

**Access to adequate healthcare is limited for many in Malawi, especially in rural areas facing the impacts of climate change, such as Cyclone Freddy.**

The Muslim Hands Malawi Day Clinic near the School of Excellence aims to provide affordable, higher-quality healthcare. Operating as an outpatient facility, it screens minor cases and refers more severe cases to local hospitals.

Nazia, a patient at the clinic, shared her experience: *"I'm so happy with the care here. This is my third visit. A month ago, I started feeling unwell with severe headaches. After visiting the clinic, I was diagnosed with High Blood Pressure and given medication. I've seen great improvement and have been advised on exercises and stress reduction. I feel much better and am here for my second check-up."*



# MATERNAL HEALTH CRISIS IN SOMALIA AND AFGHANISTAN

## MUSLIM HANDS' MOTHERKIND CLINICS

**Muslim Hands' Motherkind initiative provides vital support to mothers and children in Afghanistan and Somalia, countries ranked high on the Fragile States Index.**

Somalia tops this index, while Afghanistan ranks sixth. The Motherkind clinics aim to alleviate the challenges faced by expecting mothers and provide essential care during their time of need. The clinics offer comprehensive pre- and post-natal care, including access to qualified midwives and doctors, vaccinations, treatment for malnutrition, fully equipped labour wards, and free medicines and vitamins. Regular awareness sessions on nutrition and hygiene, as well as counselling for trauma survivors, are also integral parts of our services.

## EXPANSION AND IMPACT

**This year, in response to increased demand from internally displaced persons (IDPs) in Somalia, Muslim Hands constructed a new, robust Motherkind facility.**

This concrete clinic not only meets rising healthcare needs but also prioritizes the safety and security of staff, beneficiaries, and medical equipment.

In Afghanistan, amidst ongoing crises, our clinic has seen a significant rise in patient numbers. To better serve the community, we obtained approval to upgrade our facilities. The new clinic will feature 13 rooms, including dedicated spaces for men, women, and children, a psychosocial treatment area, and a room for tuberculosis (TB) treatment and diagnosis.

Muslim Hands remains committed to expanding and enhancing our Motherkind clinics, ensuring that vulnerable mothers and children receive the care they urgently need in these challenging environments.

Meena and her family have benefited greatly from the Motherkind clinic in Afghanistan. Meena was provided with an Antenatal Care Coverage (ANC) Card, ensuring comprehensive healthcare throughout her pregnancy with monthly visits. She expressed profound gratitude for the support: ***"For years, we have relied on the MKC for our healthcare needs. This clinic has been our sanctuary, consistently providing exceptional medical care for the community."***



# WASH

## WATER, SANITATION, AND HYGIENE

**1,624,005** safe water beneficiaries

### PROVIDING CLEAN DRINKING WATER

**Access to clean drinking water is a critical global issue affecting billions of people, leading to various health challenges such as diarrhoeal diseases and cholera.**

Climate change exacerbates these issues, making safe water increasingly scarce, particularly impacting children in water-stressed areas.

Muslim Hands addresses this pressing need through initiatives like tube wells, dig-a-well projects, and community wells, providing clean drinking water to 3,212,095 beneficiaries in 2023 across several countries including Afghanistan, Sri Lanka, Mali, Malawi, Niger, and Somalia.

Ameeran, a 70-year-old resident of Pakistan, struggled daily to fetch water from distant sources, often carrying heavy buckets despite her age. Thanks to Muslim Hands' tube well project, Ameeran now has a water source near her home, relieving her of this burden: *"It has been an immense trouble carrying heavy water buckets from a mile with these old shivering hands twice a day. Because of Muslim Hands intervention, I am delighted to have a water source near my house."*



### SAFE DRINKING WATER FOR SYRIAN REFUGEES

**In Lebanon, amidst an economic crisis where 80% of the population lives in poverty, inflation has drastically increased the cost of drinking water, forcing many to resort to contaminated sources.**

Muslim Hands' installation of a solar-powered well in the Akkar camp has benefited 446 Syrian refugees, providing them with safe drinking water and reducing their financial burden of purchasing clean water.



**Muslim Hands’ EmpowerHer campaign focuses on enhancing WASH facilities in girls’ schools in Islamabad, aiming to empower girls through improved access to clean water, sanitation, and menstrual hygiene management (MHM) awareness.**

This project aligns with Sustainable Development Goal (SDG) 6, which aims for universal access to sanitation and hygiene by 2030, with a focus on the needs of girls and women.

**Project Components:**

1. Renovation of Sanitation Facilities: Construction of modern, hygienic toilets equipped with handwashing facilities for girls.
2. Installation of Clean Drinking Water Sources: Implementation of water boreholes, rehabilitation of water filtration systems, and provision of water dispensers.
3. MHM Awareness and Support: Conducting sessions and workshops on menstrual hygiene management tailored for adolescent girls, along with distribution of menstrual hygiene kits including sanitary pads.

Muslim Hands remains dedicated to improving WASH conditions globally, ensuring communities, especially vulnerable groups like women and children, have access to clean water and proper sanitation facilities, promoting health and well-being for all.





# RELIGIOUS INITIATIVES

## MOSQUES

**Muslim Hands operates mosques in remote villages across Gambia, Niger, and Pakistan, providing beneficiaries with a clean and sacred space for prayer and worship.**

Beyond religious services, mosques serve as pivotal community centers where isolated communities gather for communal activities. They also fulfill essential roles such as educational facilities, offering Quranic teachings, and providing crucial services like marriage and funeral arrangements.

## QURAN ACADEMY

**Located in Karachi, the Muslim Hands Quran Academy focuses on providing Quranic education to 564 children, offering specialized Hifz classes where students memorize the Quran.**

The academy not only educates but also supports students with free uniforms and a daily nutritional meal. Additionally, the project includes environmental initiatives such as tree plantation around the mosque premises, contributing to local environmental conservation efforts.

Muhammed, an 8-year-old student at the Quran Academy, resides with his family in overcrowded rental accommodation in Karachi. Despite their challenging living conditions, the academy provides Muhammed with an opportunity to receive religious education and support his family emotionally and financially.



The project's holistic approach aims to uplift families like Muhammed's by providing educational resources, fostering community support, and nurturing environmental stewardship through tree plantation initiatives. Muslim Hands remains committed to enhancing spiritual and educational opportunities through its mosque and Quran Academy initiatives, empowering communities and fostering a sense of unity and support among beneficiaries worldwide.



# UK PROJECTS OVERVIEW

## OPEN KITCHEN

**The Open Kitchen initiative by Muslim Hands plays a crucial role in supporting communities across Britain affected by soaring inflation and the cost of living crisis.**

This hub offers nutritional cooked meals and snacks to anyone in need, providing essential support to individuals and families facing homelessness or severe financial hardship. Regular visitors like Adam, Kelly, and their son highlight the vital role of the Open Kitchen in providing not just meals but also essential household items like milk, sugar, coffee, beans, porridge, nappies, baby formula, and baby clothes. This service ensures that vulnerable individuals have access to basic necessities and a supportive environment during difficult times.

## YOUNG MUSLIM WRITERS AWARDS

**Since its inception in 2006, the Young Muslim Writers Awards have inspired young individuals aged 5 to 16 across the UK to explore and excel in creative writing.**

This annual competition encourages participants to submit a wide range of creative pieces, including short stories, poems, screenplays, play scripts, and journalism. Judged by respected figures from the arts and media industries, the competition not only celebrates literary talent but also hosts writing workshops throughout the year. These workshops provide children with opportunities to meet authors, receive guidance on honing their writing skills, and foster a love for creative expression.



## POWER UP: SUPPORTING YOUTHS IN NOTTINGHAM

**In partnership with the Jawaid Khaliq Boxing Academy, Muslim Hands empowers youths in Nottingham through the POWER UP program.**

This initiative prioritizes the mental health and well-being of young people by engaging them in sports activities. The program supports 100 youths by offering opportunities to participate in sporting tournaments such as football, cricket, and netball. Beyond sports, POWER UP encourages youths to give back to their community through volunteering at local food banks or care homes, fostering a sense of social responsibility and community engagement among participants.

These initiatives underscore Muslim Hands' commitment to supporting diverse communities across the UK, addressing immediate needs through food assistance and nurturing long-term development through creative arts and youth empowerment programs. By providing essential resources, fostering creativity, and promoting physical and mental well-being, Muslim Hands continues to make a meaningful impact in enhancing the lives of individuals and families throughout Britain.

# Core Humanitarian Standard

The Core Humanitarian Standards (CHS) aim to showcase good humanitarian action. The CHS is there to help and support organisations design, implement, assess, improve, and recognise quality and accountability in assistance and programmes.

## THE STRUCTURE OF THE CHS

- Nine Commitments to communities and people affected by the crisis.
- Supporting Quality Criteria.
- Actions to be undertaken to fulfill the Commitments
- Organisational Responsibilities to support the consistent and systematic implementation of the Key Actions throughout the organisation



By applying the CHS nine Commitment, staff will have a benchmark on how best to operate.

Beneficiaries will know that they will get the assistance they require, and donors will have better insight into how their funding is being spent.

## MUSLIM HANDS AND THE CORE HUMANITARIAN STANDARD

Muslim Hands priority is to ensure that we continue to meet the CHS commitments by putting individuals and communities at the centre of everything we do. CHS certification emphasises the importance of accountability and transparency - it certifies that our work is carried out to the highest standard.

Receiving a CHS will showcase that we are designing programmes that create a positive impact on individuals and communities.

Muslim Hands was audited by an independent consultant - who assessed six offices - Pakistan, Bangladesh, Niger, Gambia, Yemen, and Somalia - along with our headquarters in the UK.

While the independent consultant has concluded - that there are areas for improvement – he highlighted many positive aspects.

As the progress is at such an early stage, Muslim Hands has taken many steps to ensure that we meet the requirement of Core Humanitarian Standard.

# Sustainable Development Goals

## WHAT ARE SUSTAINABLE DEVELOPMENT GOALS?

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 free from poverty and hunger and safe from the worst effects of climate change.

## WHAT DO THEY MEAN FOR OUR WORK?

Muslim Hands aim 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.



# Financial Review

This year, Muslim Hands raised £35.1m – the sum of £23.4m was donated for non-emergencies, £7.9m for emergencies and £3.8m coming from Gift Aid. The total income received in 2023 was up from the level of income raised in the previous year (£33.1m).

	2023	2022	2021
<b>Donations from Supporters</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Donations for Non-Emergencies</b>	<b>23.4</b>	<b>22.6</b>	<b>29.4</b>
<b>Donations for Emergencies</b>	<b>7.9</b>	<b>6.3</b>	<b>3.1</b>
<b>Gift Aid</b>	<b>3.8</b>	<b>4.2</b>	<b>4.6</b>
<b>Total Income</b>	<b>35.1</b>	<b>33.1</b>	<b>37.1</b>

The charity invested 3.9m to generate 31.3m. The net return was 27.4m.

The charity invested 12.4% to generate a return of 87.6%.

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 £33.0m. 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.

	2023	2022	2021
	£m	£m	£m
Cost of generating funds	3.9	3.9	2.8
Charitable Activities	24.3	26.7	26.2
Where Most Needed	0.8	1.4	2.1
Orphans	2.2	3.1	2.7
Education	4.5	4.5	4.5
Health	1.3	0.8	1.1
Emergency	6.0	5.0	3.5
WASH	3.3	6.2	5.0
Food	4.9	4.1	5.7
Masjids	1.3	1.6	1.6
Support Costs and Staff	4.8	5.0	4.4
<b>Total Resources Expended</b>	<b>33.0</b>	<b>35.4</b>	<b>33.5</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, £4.8 m was invested in the organisation allowing the charity to effectively use the funds and operate with accountability.

## In 2023 the charitable activities expended were £24.3 m.

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

During programmes implementation there are several factors that can affect whether a project achieves its targets. This includes availability of funding, socio-economic conditions of the donors or target beneficiaries and interventions by the respective government institutions, UN Agencies and the other humanitarian actors focusing on the same areas. 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 program also support the target beneficiaries.



THEMATIC	FIGURES	DETAILS
Emergency	3,574,485	Projects include our Syria housing project and Yemen Bread factory. We also provided emergency intervention in Afghanistan and India Kashmir.
Education	83,026	Our MH School of Excellence, Model School, religious educational and orphans programmes.
WASH	2,104,899	Tube wells, boreholes, water filtration units, rain harvesting and Girl-friendly toilet.
Health	443,418	Our Motherkind Clinic in Afghanistan and Somalia. Basic health units, Cataract Eye Surgery and Covid intervention in India.
Food	1,769,550	Qurbani and Ramadan. Our Open Kitchen in Nottingham and Hounslow.
Livelihoods	54,250	Sewing Machine, Hope shop Project and chicken farming project.



## PRINCIPAL SOURCES OF FUNDING

### The principal source of funding is from individual donors from within the UK

who respond to appeals via mail, email, social media, website or other forms of fundraising through the radio or television.

## RESERVES

### From its inception, Muslim Hands has raised funds for specific projects (restricted funds) and funds which are not specified for a particular project (unrestricted funds) which would be utilised where most needed and applied at the discretion of the trustees to further the charity's purposes.

Over recent years, Muslim Hands voluntary income has seen steady growth. A significant proportion of this income is restricted funds for specific projects the majority of which is short-term aid responding to the basic needs (including food, water, clothing, shelter and basic education) of beneficiaries in areas blighted by conflict and areas that have suffered

natural disasters. Given the charity's present level and nature of activities the unrestricted funds not committed or invested in tangible and intangible fixed assets ("the free reserves") held by the charity should not be less than £600,000. At this level the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. Muslim Hands have addressed the shortfall in this through new budgets and systems to limit variances. 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 it will also be instrumental to the success of the strategy.

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



## NATURE OF FUNDS

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

## GRANT MAKING POLICY

**During the period the Charity awarded grants totalling £24.3m (2022: £26.7m).**

The Charity's policy is to make gifts of this nature to individuals and organisations which further the objectives of the Charity. The majority of the grants are to other Muslim Hands entities in various countries around the world who implement projects on behalf of the Charity thereby assisting the Charity in fulfilling its objectives.

Muslim Hands invites proposals from existing partners. The applications received are scrutinised to ensure they meet MH criteria with respect to its

objectives and monitorable results. Programmes monitoring and evaluation is carried out by MH staff to ensure adherence to MH objectives, programmes quality and financial sustainability. The trustees further obtain assurance by making visits to the programmes. The partners provide quarterly narrative and financial reports with explanations for variances.

## INVESTMENT POLICY

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

## GOING CONCERN

**As a response to the financial risks posed by the Cost of Living Crisis MH began to scenario plan it's cashflow and the variation in impact of increased and reduced cash scenarios.**

Furthermore, the charity increased it's 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 increase in donations in 2023 supports this projection. It further allowed the charity to consider the impact of a shortage in funding and the potential mitigators that would be required. With the success of fundraising this year the charity is confident of its continuation as a going concern.



# Structure, Governance and Management

**Muslim Hands was legally established as an international NGO in 1993 by a trust deed and registered with the Charity Commission under registration number 1029742 on 6 December 1993.**

In 2004, Muslim Hands changed its structure, registering as a company limited by guarantee at Companies House in England on 22 March 2004 and with the Charity Commission on 22 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 8 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 are legally responsible for the charity and set the strategic direction with operational matters delegated to the Senior Management Team. The Senior Management Team are supported by dedicated staff. The current Senior Management Team comprises of Syed Lakhte Hassanain as CEO with Shahid Bashir, Tariq Nasir, Shakil Sidat, Yasrab Shah, Munawar Patel, Irfan Khan and Syed Ali Haider as Executive Directors. The trustees set the salaries for the CEO and the Senior Management Team's salaries are set by the CEO. The salaries are benchmarked according to similar roles in the sector based on research conducted internally. Furthermore, they are adjusted according to the prevailing rate of inflation at the time.

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

The induction of new trustees would include an explanation of the function of the Board of Trustees and appointing a mentor for the new board member. An overview of the organisation and its activities is also provided. The board has commenced a process of giving short

training sessions for trustees at their meetings.

The charity trustees have now established a Programmes Committee, an Audit Committee and a Fundraising committee for better control and governance. The Programmes Committee is a sub-committee of the board and provides assurance to the board that Muslim Hands has an effective programmes strategy in place with appropriate systems that will ensure the delivery of the strategic aims.

The Audit Committee's general objectives are to review the audited financial statements of Muslim Hands and recommend them to the board. In addition, to review Muslim Hands risk register and reports on internal controls and its compliance.

The Fundraising Committee provides expert insight and assurance to the Board that Muslim Hands has an effective Fundraising Strategy in place with appropriate risk management.

The committees are formed of two external members and one MHUK trustee who is also the Committee Chair. Muslim Hands has been dependant on volunteer support in order to fulfil its objectives, vision and mission and to carry out its activities. The trustees would like to thank all those who have volunteered their time to Muslim Hands.



# OBJECTIVES, VISION AND MISSION

## MUSLIM HAND'S 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.**

**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 manner".

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

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. themselves, their family and their community'.

Our aims and objectives are a reflection of our beliefs. At Muslim Hands, we believe that:

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



## Public Benefit Statement

**All our charitable activities focus on furthering our charitable objectives for the public benefit. The section of this report entitled Objectives, Vision and Mission 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: 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.**
- **There is no detriment or harm arising from the aims or activities.**

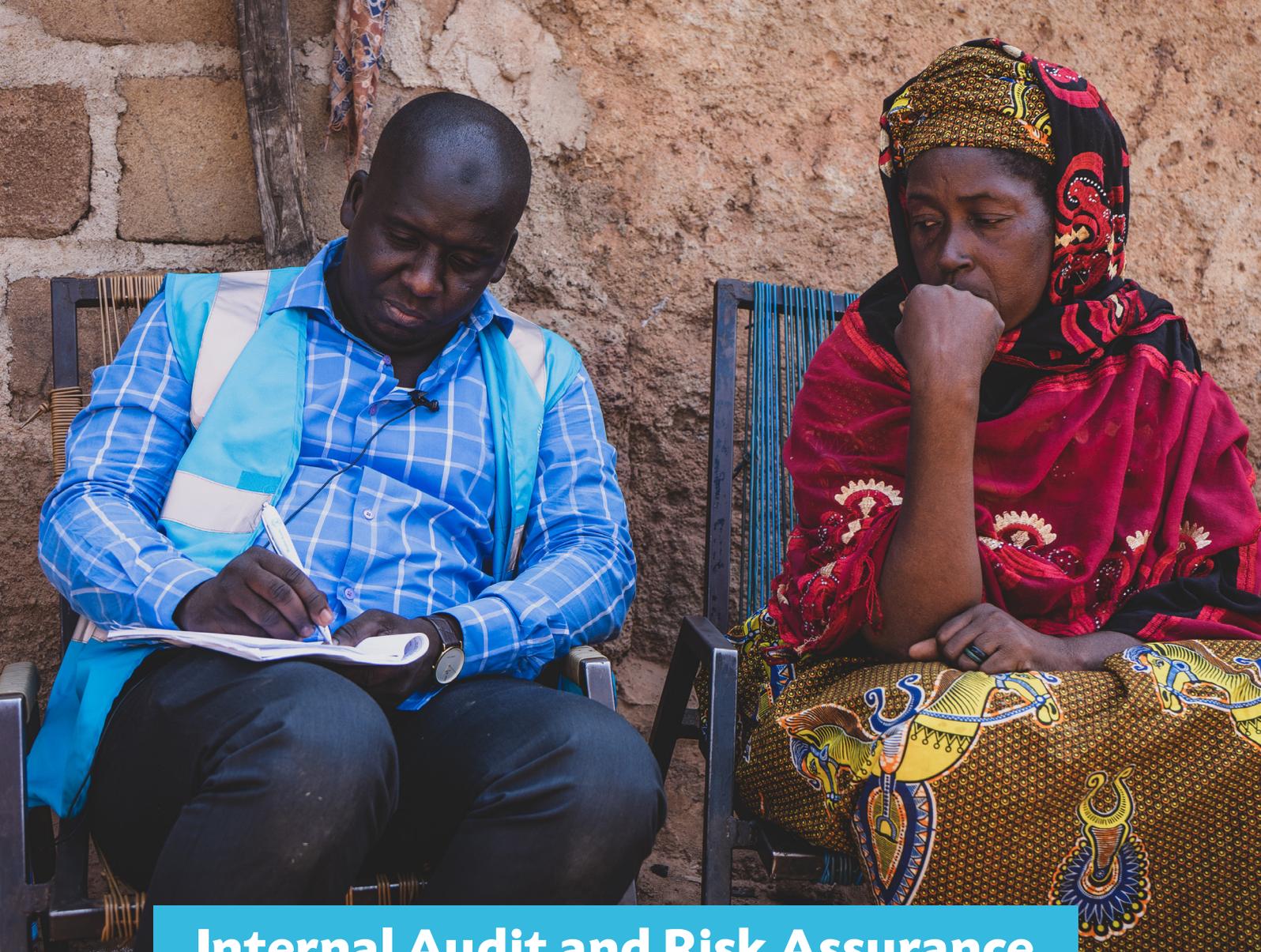
# Principal Risks and Uncertainties

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.

During 2023, the trustees identified the following key risks and the measures taken to address them:

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 expectations.</li> <li>• Field monitoring visits are regularly undertaken to verify the delivery of aid.</li> </ul>
Violation or abuse of beneficiaries and safeguarding	<ul style="list-style-type: none"> <li>• Muslim Hands' safeguarding policies for children and vulnerable adults and safeguarding code of conduct.</li> <li>• 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 due to emerging cost of living crisis	<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> <li>• Budget Re-forecasting to ensure changing financial conditions are well managed.</li> </ul>
Cyber Security	<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>• Single Sign On and Multi Factor Authentication with controlled conditional access.</li> <li>• Enabled Encryptions deployed over SCCM.</li> <li>• Maintaining third-party cyber security defence and anti-virus software.</li> <li>• Timely patches for server and desktop systems.</li> <li>• Monitoring of IT controls.</li> <li>• Robust IT Policies.</li> <li>• Adopting VLAN.</li> <li>• Encryption-in-transit protects both systems and data.</li> <li>• Procedures for penetration testing and system security checks.</li> <li>• Business Continuity and Disaster Recovery Planning.</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> <li>• Project Risk Management undertaken for all projects</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. 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.

The Audit Committee track the charities risk management against two core areas, operations within the charity and grant management at partner level.

The internal audit team is being built to focus on the higher risk area of international grant management at partner level whilst continuing to retain improvements made with the use of the action tracker from the internal audits that have taken place within the charity's operations.





## Plans for the Future

### INCOME DIVERSIFICATION

**Muslim Hands has continued to grow steadily since its inception, reaching an increasing number of disadvantaged 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 restructure and internal development, stronger emphasis on forming partnerships with grass-roots level delivery partners overseas and at home and increasing our income from trusts and institutional funders. Muslim Hands' educational and training projects are a long standing and recognised strength, and they will be the primary area of focus going forward.

### INHOUSE SYSTEMS

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

### NEW STRATEGY

**Muslim Hands has begun its new strategy following the success of its previous strategy.**

The strategy has focused on continuing the success story of Muslim Hands as it embarks on its next phase of growth in serving those in need both abroad and here in the UK.

### UK PROGRAMMES

**Muslim Hands is planning to expand its UK Open Kitchen programme to more towns and cities over the next three years.**

The interest that our kitchens have generated from supporters and the impact they have had on the local communities they serve has demonstrated their value.

# 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 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 stated 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 not appropriate 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 for taking reasonable steps towards 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.**
- **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 18/09/2023 and signed on their behalf by

SL Hassanain. Trustee and Chairman

# Independent Auditor's Report

## OPINION

We have audited the financial statements of Muslim Hands (the 'charitable company') for the year ended 31 December 2023 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 2023 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.

Jonathan Orchard  
(Senior statutory auditor)

for and on behalf of  
Sayer Vincent LLP, Statutory Auditor

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

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.

# Statement of Financial Activities

## Muslim Hands

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

#### For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
<b>Income from:</b>							
Donations		12,970,455	22,072,739	<b>35,043,194</b>	13,061,356	20,075,988	33,137,344
Bank Interest		84,332	-	<b>84,332</b>	46,809	-	46,809
<b>Total income</b>		<b>13,054,787</b>	<b>22,072,739</b>	<b>35,127,526</b>	<b>13,108,165</b>	<b>20,075,988</b>	<b>33,184,153</b>
<b>Expenditure on:</b>							
Raising funds	3	3,903,430	-	<b>3,903,430</b>	3,746,356	-	3,746,356
Charitable activities							
Grants payable and operational	3	5,500,710	23,553,501	<b>29,054,211</b>	4,970,576	26,632,587	31,603,163
<b>Total expenditure</b>		<b>9,404,140</b>	<b>23,553,501</b>	<b>32,957,641</b>	<b>8,716,932</b>	<b>26,632,587</b>	<b>35,349,519</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>3,650,647</b>	<b>(1,480,762)</b>	<b>2,169,885</b>	<b>4,391,233</b>	<b>(6,556,599)</b>	<b>(2,165,366)</b>
Net gains / (losses) on investments		-	-	-	-	-	-
<b>Net income / (expenditure) for the year</b>	4	<b>3,650,647</b>	<b>(1,480,762)</b>	<b>2,169,885</b>	<b>4,391,233</b>	<b>(6,556,599)</b>	<b>(2,165,366)</b>
Transfers between funds	12	(4,981,853)	4,981,853	-	(6,871,111)	6,871,111	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(1,331,206)</b>	<b>3,501,091</b>	<b>2,169,885</b>	<b>(2,479,878)</b>	<b>314,512</b>	<b>(2,165,366)</b>
Gains / (losses) on revaluation of fixed assets		-	-	-	-	-	-
Actuarial gains / (losses) on defined benefit		-	-	-	-	-	-
Other gains / (losses)		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(1,331,206)</b>	<b>3,501,091</b>	<b>2,169,885</b>	<b>(2,479,878)</b>	<b>314,512</b>	<b>(2,165,366)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		5,687,269	12,514,865	<b>18,202,134</b>	8,167,147	12,200,353	20,367,500
<b>Total funds carried forward</b>		<b>4,356,063</b>	<b>16,015,956</b>	<b>20,372,019</b>	<b>5,687,269</b>	<b>12,514,865</b>	<b>18,202,134</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 funds are disclosed in Note 13 to the financial statements.

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

All income and expenditure derives from continuing activities.

# Balance Sheet

## Muslim Hands

### Balance sheet

Company no. 05080486

As at 31 December 2023

		2023		2022	
	Note	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	7		<b>1,234,874</b>		1,266,163
			<b>1,234,874</b>		<b>1,266,163</b>
<b>Current assets:</b>					
Debtors	8	<b>4,339,499</b>		902,473	
Short-term Deposits		<b>2,891,122</b>		2,822,629	
Cash at bank and in hand		<b>13,951,791</b>		14,397,340	
		<b>21,182,412</b>		<b>18,122,442</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	9	<b>(2,045,267)</b>		(1,186,471)	
<b>Net current assets</b>			<b>19,137,145</b>		<b>16,935,971</b>
<b>Total assets less current liabilities</b>			<b>20,372,019</b>		<b>18,202,134</b>
Creditors: amounts falling due after one year	10		-		(36,014)
			<b>20,372,019</b>		<b>18,166,120</b>
<b>The funds of the charity:</b>					
Restricted income funds	12		<b>16,015,956</b>		12,514,865
Unrestricted income funds			<b>4,356,063</b>		5,687,269
<b>Total charity funds</b>			<b>20,372,019</b>		<b>18,202,134</b>

Approved by the trustees on

and signed on their behalf by

Syed Lakhte Hassanain  
Trustee

# Statement of Cash Flows

## Muslim Hands

### Statement of cash flows

For the year ended 31 December 2023

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>	13				
<b>Net cash provided by / (used in) operating activities</b>			(320,462)		(1,769,666)
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(56,593)		(115,851)	
<b>Net cash provided by / (used in) investing activities</b>			(56,593)		(115,851)
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		–		(29,666)	
<b>Net cash provided by / (used in) financing activities</b>			–		(29,666)
<b>Change in cash and cash equivalents in the year</b>			(377,056)		(1,915,183)
Cash and cash equivalents at the beginning of the year			17,219,969		19,135,152
<b>Cash and cash equivalents at the end of the year</b>	14		<u>16,842,913</u>		<u>17,219,969</u>

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

#### For the year ended 31 December 2023

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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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

##### c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### h) Fund accounting

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

Unrestricted funds are donations and other income received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2023

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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.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2023

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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.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

#### For the year ended 31 December 2023

#### 2 Grants payable and operational programmes

Current year	Unrestricted funds £	Restricted funds £	Total 2023 £
General	760,540	(692,187)	68,354
Children	-	77,720	77,720
Education	-	4,533,020	4,533,020
Elderly	-	19,710	19,710
Emergency Aid	-	5,956,433	5,956,433
Environment	-	157,641	157,641
Food	-	4,943,783	4,943,783
Health	-	1,278,505	1,278,505
Livelihoods	-	480,934	480,934
Masjid	-	1,329,169	1,329,169
Orphans	-	2,200,879	2,200,879
Shelter	-	4,676	4,676
Safe Water	-	3,263,218	3,263,218
Grant payable	760,540	23,553,501	24,314,041
Wages and salaries	809,395	-	809,395
Support costs (note 3)	3,330,417	-	3,330,417
Governance costs (note 3)	-	-	-
	<b>4,900,353</b>	<b>23,553,501</b>	<b>28,453,853</b>
Prior year	Unrestricted funds £	Restricted funds £	Total 2022 £
General			
Children	734,108	151,007	885,115
Education	-	42,054	42,054
Elderly	-	4,496,529	4,496,529
Emergency Aid	-	7,260	7,260
Environment	-	5,024,681	5,024,681
Food	-	216,049	216,049
Health	-	4,056,727	4,056,727
Livelihoods	-	832,965	832,965
Masjid	-	760,572	760,572
Orphans	-	1,613,049	1,613,049
Shelter	-	3,080,097	3,080,097
Safe Water	-	121,302	121,302
	-	6,230,295	6,230,295
Grant payable	734,108	26,632,587	27,366,695
Wages and salaries	848,826	-	848,826
Support costs (note 3)	2,843,362	-	2,843,362
Governance costs (note 3)	544,279	-	544,279
	<b>4,970,575</b>	<b>26,632,587</b>	<b>31,603,162</b>

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

For the year ended 31 December 2023

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

	2023	2022
	£	£
<b>Cost</b>		
<b>Muslim Hands Partners (Related Parties)</b>		
Pakistan	4,557,513	6,718,099
Sudan	881,825	1,045,145
Bangladesh	231,428	1,469,799
Niger	961,055	832,438
Afghanistan	1,013,049	915,009
Gambia	315,567	273,039
Sri Lanka	534,519	484,707
Indonesia	76,901	81,921
Mauritania	321,609	276,880
Senegal	223,275	408,069
Somalia	797,369	1,151,335
Mali	2,727,792	1,984,015
Malawi	283,684	331,431
Yemen	1,276,430	3,452,527
Kashmir (Pakistan)	807,406	1,108,718
	<b>15,009,423</b>	<b>20,533,132</b>
<b>Non Muslim Hands Partners</b>		
Lebanon	208,200	196,165
Syria	-	17,442
Kashmir (India)	487,091	735,078
Palestine	4,025,181	2,272,376
Poland	-	15,541
Ukraine	-	31,239
Turkey	1,608,245	1,400,768
	<b>6,328,717</b>	<b>4,668,609</b>
	<b>21,338,140</b>	<b>25,201,741</b>
Other grants less than £50,000 in the year	2,975,901	2,164,954
At the end of the year	<b>24,314,041</b>	<b>27,366,695</b>

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.

# Notes to the Financial Statements

## Muslim Hands

### Notes to the financial statements

#### For the year ended 31 December 2023

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

	Cost of raising funds £	Grants payable and operational programmes £	Governance costs £	2023 Total £	2022 Total £
Grants payable (Note 2)	-	24,314,041	-	<b>24,314,041</b>	27,366,694
Staff costs (Note 5)	1,243,232	2,018,048	492,020	<b>3,753,300</b>	3,639,293
Premises costs	12,305	221,496	12,305	<b>246,106</b>	178,939
Office costs	84,186	1,515,345	84,186	<b>1,683,717</b>	1,216,445
Professional fees	21,385	384,924	21,385	<b>427,694</b>	538,248
Publications, advertising and postage	2,510,724	-	-	<b>2,510,724</b>	2,379,109
Audit and accountancy	-	-	22,060	<b>22,060</b>	26,409
Trustees expenses	-	-	-	-	4,380
	<b>3,871,832</b>	<b>28,453,853</b>	<b>631,956</b>	<b>32,957,641</b>	<b>35,349,517</b>
Governance costs	31,598	600,358	(631,955)	-	-
<b>Total expenditure 2023</b>	<b>3,903,430</b>	<b>29,054,211</b>		<b>32,957,641</b>	
Total expenditure 2022	<b>3,746,356</b>	<b>31,603,161</b>	-	-	<b>35,349,517</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 £	2022 Total £	2021 Total £
Grants payable (Note 2)	-	27,366,694	-	<b>27,366,694</b>	26,690,997
Staff costs (Note 5)	1,241,700	1,947,977	449,616	<b>3,639,293</b>	3,027,364
Premises costs	8,947	161,045	8,947	<b>178,939</b>	167,444
Office costs	61,041	1,098,742	56,662	<b>1,216,445</b>	1,104,201
Professional fees	26,912	484,424	26,912	<b>538,248</b>	542,765
Publications, advertising and postage	2,379,109	-	-	<b>2,379,109</b>	1,915,294
Audit and accountancy	-	-	26,409	<b>26,409</b>	21,800
Trustees expenses	-	-	4,380	<b>4,380</b>	-
	<b>3,717,709</b>	<b>31,058,882</b>	<b>572,926</b>	<b>35,349,517</b>	<b>33,469,865</b>
Support costs	-	-	-	-	-
Governance costs	28,647	544,279	(572,926)	-	-
<b>Total expenditure 2022</b>	<b>3,746,356</b>	<b>31,603,161</b>	-	<b>35,349,517</b>	
Total expenditure 2021	<b>2,996,745</b>	<b>24,656,818</b>	-	-	<b>27,653,563</b>

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2023

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

This is stated after charging / (crediting):

	2023 £	2022 £
Auditors' remuneration (excluding VAT):		
Audit	22,060	26,409
Under-provision in the prior year	-	-
Depreciation of tangible fixed assets	87,883	93,018

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	3,311,176	3,208,241
Social security costs	332,062	326,202
Employer's pension contributions to defined contribution scheme	110,061	104,850
	<b>3,753,299</b>	<b>3,639,293</b>

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

	2023 No.	2022 No.
Direct charitable operations	55	46
Fundraising and publicity	43	58
Management and administration of the Charity	9	9
	<b>107</b>	<b>113</b>

The charity operates a defined contribution pension scheme: 2023 £110,061 (2022: £104,850) 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 £822,586 (2022: £705,608).

There were five employees with emoluments between £60,000 – £69,999 and five above £70,000 (three above £60,000 in 2021). During the period Syed Lakhte Hassanain, a Trustee of the Charity, was paid £76,539 (2022: £74,315) 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 £1,120 (2021: £2,320) by Syed Lakhte Hassanain.

During the year £4,582 (2022 £4,380.09) of expenses for reimbursement of travel and subsistence in connection with the Charity's business were paid to 4 Trustees (2022: 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.

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2023

#### 7 Tangible fixed assets

	Freehold land & buildings £	Computer & office equipment £	Fixtures and fittings £	Motor Vehicles	Total £
<b>Cost</b>					
At 1 January 2023	1,418,683	181,537	141,306	-	<b>1,741,525</b>
Additions in year	-	41,885	14,708	-	<b>56,593</b>
Disposals in year	-	-	-	-	-
At 31 December 2023	1,418,683	223,422	156,014	-	<b>1,798,119</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	323,909	80,807	70,647	-	<b>475,362</b>
Charge for the year	28,374	44,655	14,854	-	<b>87,883</b>
Eliminated on disposal	-	-	-	-	-
At 31 December 2023	352,282	125,462	85,501	-	<b>563,245</b>
<b>Net book value</b>					
<b>At 31 December 2023</b>	1,066,401	97,961	70,513	-	<b>1,234,874</b>
At 31 December 2022	1,094,772	100,732	70,658	-	1,266,162

Included in the net book value of freehold land and buildings of £1,094,772 (2021: £1,123,146) is £nil relating to non-depreciated land.

#### 8 Debtors

	2023 £	2022 £
Other debtors	4,293,776	792,494
Prepayments and accrued income	45,723	109,980
	<b>4,339,499</b>	902,474

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

	2023 £	2022 £
Trade creditors	376,220	185,091
Grant Payable	1,590,144	-
Accruals and deferred income	125,110	892,162
Other creditors	(46,202)	109,217
	<b>2,045,272</b>	1,186,470

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2023

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

	2023 £	2022 £
Bank loans	-	9
The bank loan is repayable as follows:		
Within one year	-	-
Between one and two years	-	-
Between two and five years	-	-
After five years	-	-

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 2023

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,234,874	-	1,234,874
Net current assets	3,121,189	16,015,956	19,137,145
Long term liabilities	-	-	-
<b>Net assets at 31 December 2023</b>	<b>4,356,063</b>	<b>16,015,956</b>	<b>20,372,019</b>

#### Analysis of net assets between funds 2022

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,266,163	-	1,266,163
Net current assets	4,421,106	12,514,865	16,935,971
Long term liabilities	-	-	-
<b>Net assets at 31 December 2022</b>	<b>5,687,269</b>	<b>12,514,865</b>	<b>18,202,134</b>

# Notes to the Financial Statements

## Notes to the financial statements

For the year ended 31 December 2023

### 12a Movements in funds 2023

Theme	Opening Balance £	Incoming Funds £	Original Expenditure £		Transfers £	Closing Balance £
Children	35,698	23,634	-	77,720	-	28,253
Education	96,065	401,986	-	4,533,020	-	915
Elderly	39,151	25,539	-	19,710	-	44,980
Emergency	4,959,698	7,092,222	-	5,956,433	-	5,320,487
Environment	1,009,542	157,762	-	157,641	-	1,092,870
Food	118,079	2,352,054	-	4,943,783	-	46,197
General	1,763,024	1,118,079	-	692,187	-	3,633,503
Health	-	61,225	-	1,278,505	-	875
Livelihoods	30,276	235,410	-	480,934	-	7,507
Mosques	2,031,673	1,778,676	-	1,329,169	-	2,633,844
Orphans	249,910	4,141,652	-	2,200,879	-	234,838
Shelter	1,256,209	250,880	-	4,676	-	1,502,413
WASH	986,771	4,028,829	-	3,263,220	-	1,469,280
<b>Grand Total</b>	<b>12,514,871</b>	<b>22,072,741</b>	<b>(23,553,503)</b>	<b>-</b>	<b>4,981,853</b>	<b>16,015,963</b>
<b>Unrestricted Reserves</b>	<b>5,687,263</b>	<b>13,054,787</b>	<b>(9,404,140)</b>	<b>-</b>	<b>(4,981,853)</b>	<b>4,356,057</b>
<b>Total</b>	<b>18,202,134</b>	<b>35,127,528</b>	<b>(32,957,643)</b>	<b>-</b>	<b>-</b>	<b>20,372,019</b>

# Notes to the Financial Statements

## Notes to the financial statements

For the year ended 31 December 2023

### 12b Movements in funds

Theme	Opening Balance	Incoming Funds	Original Expenditure	Wages	Transfers	Closing Balance
	£	£	£	£	£	£
Children	34,725	32,318	42,054	-	6,529	31,518
Education	273,993	304,671	4,496,529	-	2,440,008	(1,477,857)
Elderly	17,135	29,276	7,260	-	-	39,151
Emergency	3,567,279	5,641,469	5,024,681	-	646,560	3,537,507
Environment	1,056,776	168,814	216,049	-	9,255	1,018,796
Food	883,662	2,413,913	4,056,727	-	792,039	32,887
General	313,450	713,287	151,007	-	2,193,066	(1,317,336)
Health	90,070	438,809	832,965	-	171,776	(132,310)
Livelihoods	107,352	365,963	760,572	-	-	(287,257)
Mosques	1,798,090	1,533,084	1,613,049	-	47,364	1,765,489
Orphans	1,633,864	4,000,993	3,080,097	-	669,640	1,885,120
Shelter	1,219,467	158,044	121,302	-	-	1,256,209
WASH	1,204,493	4,275,347	6,230,295	-	42,295	(708,160)
<b>Grand Total</b>	<b>12,200,356</b>	<b>20,075,988</b>	<b>(26,632,587)</b>	-	-	<b>5,643,757</b>
<b>Unrestricted Reserves</b>	<b>8,167,144</b>	<b>13,108,165</b>	<b>(8,716,932)</b>	-	-	<b>12,558,377</b>
<b>Total</b>	<b>20,367,500</b>	<b>33,184,153</b>	<b>(35,349,519)</b>	-	-	<b>18,202,134</b>

#### Purposes of restricted funds

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

The Restricted Funds received by donors are used on charitable projects within the restrictions provided by the donors. These funds are utilised within the year they are received for projects within the location and theme restricted by donors.

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

	2023	2022
	£	£
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>2,169,885</b>	(2,165,366)
Depreciation charges	87,883	93,018
(Increase)/decrease in debtors	(3,437,026)	435,729
Increase/(decrease) in creditors	858,796	(133,048)
<b>Net cash provided by / (used in) operating activities</b>	<b>(320,462)</b>	(1,769,667)

# Notes to the Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2023

14 Analysis of cash and cash equivalents	At 1 January 2023 £	Cash flows £	Other changes £	At 31 December 2023 £
Cash at bank and in hand	14,397,340	(445,549)	–	<b>13,951,791</b>
Short term deposits	2,822,629	68,493	–	<b>2,891,122</b>
<b>Total cash and cash equivalents</b>	<b>17,219,969</b>	<b>(377,056)</b>	<b>–</b>	<b>16,842,913</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 2023 £	2022 £
Less than one year	65,000	65,000
One to five years	65,000	130,000
Over five years (Cancellable)	–	–
	<b>130,000</b>	<b>195,000</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, Bangladesh, Yemen and Iraq. Muslim Hands in the UK also has 2 common trustees with Muslim Hands Niger, Mali, Mauritania, Malawi, Sri Lanka, Indonesia, Afghanistan, Somalia, and Nigeria. Muslim Hands in the UK also has one common trustee with Muslim Hands France, South Africa, USA and Canada. Grants made to these charities during the year are disclosed in note 2 of these 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 £33,417 for the period (2022: £31,715). The Chairman's son also employed was MH Syed – paid £4,729 (2022: £14,592)

Tariq Nasir is a governor of Figtree Primary School which receives a grant of £17,000 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.