



# 2021 ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2021

# CONTENTS

<b>Transformation Is Key</b> Chair Of Trustees	3
<b>Striving For Change</b> Chief Executive	5
<b>Who We Are</b>	7
<b>Our Global Partners</b>	10
<b>Beacons Of Light</b> 2021 Highlights	11
<b>Looking Forward</b> 2022 Focus	12
<b>Testimonials</b> Lives Transformed	13
<b>Emergency Programmes</b> Survive And Thrive	15
<b>Livelihood Programmes</b> Sustainable Change	21
<b>Education Programmes</b> Brighter Futures	29
<b>Health Programmes</b> Health Is Wealth	35
<b>Seasonal Programmes</b> Come Rain Or Shine	43
<b>Income Generation And Marketing</b>	49
<b>Structure, Governance And Management</b>	53
<b>Financial Review</b>	59
<b>Independent Auditor's Report</b> To The Trustees Of Muslim Aid	65
<b>Statement of Financial Activities</b>	69
<b>Balance Sheet</b>	71
<b>Statement of Cash Flows</b>	73
<b>Notes to Financial Statement</b>	75
<b>Legal And Administrative Information</b>	89

Follow for more updates





# TRANSFORMATION IS KEY CHAIR OF TRUSTEES

In the Name of Allah, Most Merciful, Most Compassionate



It is my privilege to be presenting our annual report for 2021 having recently been elected as Chair of the board by my fellow trustees, alongside Faria Ali who was elected as Vice Chair.

I joined Muslim Aid in October 2019 as a trustee, in order to use the skills, I had been lucky enough to gain in my professional life in service of those less fortunate. During that time, I have seen how much good we are able to do with the generous gifts from our donors in the way that only an experienced international charity with 37 years' experience, presence and established partnerships on the ground is able to do.

// **Our strategy will revolve around embedding a culture of excellence (ihsaan) into everything that we do.**

This year, we have concluded much of our transformation plan to make Muslim Aid more efficient by reducing our head office costs and building capacity in our permanent offices in Pakistan, Bangladesh, Somalia, Sudan and Myanmar. We continue to work in other places where we are needed such as Palestine, Afghanistan and Syria via a network of trusted and established partners, ensuring that those who are best equipped to deliver aid most directly to beneficiaries can do so, making our donations go further.

For the coming year, our new strategy will focus on reviving our brand and embedding a culture of excellence (ihsaan) in everything that we do. We want to build on the legacy

and heritage of Muslim Aid but also keep it relevant for a new generation of Muslims.

This means a greater focus on the quality of our programmes to meet the increasing demands of the changing humanitarian landscape and reaching new beneficiary communities in need. To do that we are reconnecting with our donor base and building new sources of fundraising by demonstrating the value that we uniquely bring to beneficiaries in a way that goes further and lasts longer than other donation routes.

I would like to end by thanking my predecessor Iftikhar Awan who decided to step down as Chair last year but remains on the board as a trusted mentor. My thanks also goes to Sara Pantuliano who stepped down as Vice Chair but has renewed her commitment to Muslim Aid, enabling us to benefit from her immense expertise. Both have led and guided Muslim Aid through some turbulent times and have laid a strong foundation for us to continue the vital work that we do.

// **Those who give, out of their own possessions, by night and by day, in private and in public will have their reward with their Lord.**

*Qur'an 2:274*

**Mustafa Faruqi**  
Chair of the Board of Trustees



# STRIVING FOR CHANGE

## CHIEF EXECUTIVE



As we entered 2022, we witnessed another humanitarian crisis unfold but this time it was in Europe. Yet before the Russian/Ukraine conflict started, the United Nations Refugee Agency (UNHCR) stated that there were over 82 million displaced people around the world. That's almost 1% of the earth's population. Muslim Aid is no stranger to humanitarian crises and refugee responses have continued to be one of our chief concerns throughout our 37- year history.

In 2021, we distributed over £12 million including emergency aid (food, water, clothing, shelter, and medicine) to over 1 million people with more than 100,000 of those being displaced families. We also supported the influx of Afghan refugees in the UK by delivering essential items and cultural training, with the aim of helping them adjust to their new lives in a foreign land.

// **Distributed over £12 million in emergency aid and supported over 1 million people with more than 100,000 from displaced families.**

Muslim Aid has continued to work with Syrian refugees over the last ten years with the aim of delivering long term solutions. Our ground-breaking prosthetic limb clinics have performed life changing surgeries for over 100 patients, giving individuals the power to rebuild their own lives with dignity.

Our work in Myanmar has focused on constructing housing and providing clean water for over 10,000 displaced Rohingya, while our work in Palestine and Sudan

has focused on bringing stability to whole communities of people.

// **Provided clean water for over 10,000 displaced Rohingya.**

Despite all this progress, we continue to face increasing challenges. The Ukraine conflict and COVID-19 pandemic has contributed to the increase in cost of essential items and services whilst quadrupling transportation overheads. Despite being active for over 20 years in Pakistan and Sri Lanka, our country offices experienced disproportional cuts in government and institutional funding. My first overseas trip as Chief Executive, allowed me to witness first-hand how our long standing - relationships in these countries, has made the difference. Muslim Aid has been working closely with the governments and local NGOs to compensate for the breakdown in funding. As a result, we were able to initiate a programme during the COVID-19 pandemic that broadcasts classes from central government hubs to remote villages and homes ensuring many children could continue their education. We are currently in discussions to extend this facility so that thousands who do not have access to schools, may also be given the opportunity to learn.

In response to the growing humanitarian crises around the world and at home, we must recognise that the traditional way of responding needs to be continually reviewed and effectively managed. Considering these changes, the Muslim Aid Board, Leadership Team and I have made a firm commitment to build a Muslim Aid that is resilient and well equipped to take on the challenges of the

future. Our vision is to establish an organisation with 'Excellence' (Ihsaan) as its core value and driving force, ensuring that the work we do will continue long after we are gone.

// **Delivered necessities to refugees arriving in the UK and cultural training**

We will continue to develop and expand our relationships with local governments and partners to align our work with national priorities. This has been an essential reason why Muslim Aid has been able to work on long term development programmes like those above and not just emergency relief.

// **Performed life changing surgeries for over 100 patients**

As the Chief Executive of this organisation, I would like to thank our donors, staff, volunteers and all the people who have enabled and empowered us to continue the critical work that we do. Change can only occur when individuals realize that poverty exists across the globe and then come together to take steps to transform the lives of others. With your help and support, we will continue to strive insha'Allah (God willing).

**Kashif Shabir**  
Chief Executive





# WHO WE ARE



Muslim Aid operates in over 18 countries across Africa, Asia and Europe. We are a faith-based international relief and development agency whose primary aim is to tackle poverty and relieve human suffering whilst remaining true to our Islamic values and teachings. For over three decades now, we have worked to help save and improve the lives of millions of people in some of the world's poorest and most hard to reach areas.

Although responding to emergencies is one of our main priorities, we also carry out important work which contributes to eliminating poverty and creating sustainability. Our strategic programmes focus on:

- Humanitarian/ Emergency Response
- Education
- Healthcare
- Livelihoods

These projects ensure that individuals have access to essential amenities and the key skills required to generate income so that they are not permanently dependent on aid agencies for shelter, food and clothing.

## Our Vision

Our vision is of a world that is just and harmonious, as ordained by God, where everyone can achieve their potential with dignity.

## Our Mission

We will provide effective emergency relief and long-term development, applying our values in order to achieve a just and sustainable future for the places in which we work. We will work together with communities, people and partners to respond to crises and to increase their resilience and self-sufficiency on their own terms.

## Our Values

Our values are dignity, justice, excellence and compassion.

### Dignity (Karamah)

Dignity is God-given. It requires us to treat people with respect, honour and value their agency. At Muslim Aid, we believe that dignity is the starting point to create a mindset that will be able to one day end suffering and inequality. We embed this quality in our approach by allowing the communities we work with to shape our practices and judging our success based on the agency it has afforded them. Dignity is at the heart of all our endeavours and interactions, whether with staff, volunteers, donors, stakeholders, beneficiary communities or the general public. Our aim is to help create a world in which every individual has a foundation that enables them to realise their own dignity which in turn will help them to a life of excellence.

### Justice (Adl)

Justice is an important tenet of the Islamic faith and one of

the 99 qualities of God. We are required to uphold it everywhere. Muslim Aid places justice at the heart of our work. Our projects aim to provide just outcomes for the communities we work with, and we campaign to draw attention to and tackle injustices of all kinds. We aim to be just in our dealings with donors and the wider public by investing in good governance, recognising the value of accountability and the need to for openness and transparency in our work. We are just with our partners, supporters and colleagues by fostering and shaping an open and honest environment which enables everyone to feel valued, appreciated and respected.

### Excellence (Ihsan)

Excellence is a quality that brings us closer to God. It is not limited to worship but applies to everything that we do in life including how we conduct ourselves. At Muslim Aid, we continue to strive for excellence both as individuals and as a team by holding accountability and constantly improving and developing our internal systems and processes. We aim to measure excellence based on qualitative and quantitative evidence, avoid complacency and continually explore opportunities to grow in every aspect of our work.

### Compassion (Rahma)

At Muslim Aid we view compassion as love and mercy in all our interactions with people. We aim to prioritise building stronger relationships based on mercy and compassion in our projects. We show understanding for people's real-life experiences and circumstances and translate our care and concern for their needs based on local and well-informed humanitarian support and assistance. We demonstrate warmth, kindness and empathy in our behaviour as individuals

and in the various practices, programmes and projects we deliver across our global operations.

## Our Objectives

Muslim Aid's chief objective is to be a benefit to the public. We achieve this by focusing on four areas.

- To deliver an effective emergency response globally which include basic need such as food, clean water, shelter and medicine.
- To secure sustainable livelihood opportunities for the marginalised and poorest communities.
- To provide access to education to people who have no access.
- To improve access to MNCH (Maternal, Neonatal, Child, Healthcare) services and primary healthcare services.

As a faith-based international NGO, Muslim Aid has nurtured and developed long-standing relationships with local leaders and communities based on trust, active engagement, and well-informed and focused delivery of humanitarian assistance to improve the lives of others in need.

# WHAT WE DO

## 1. Deliver an effective emergency response globally.

Muslim Aid will continue to respond promptly and effectively to emergencies offering humanitarian relief and rehabilitation to the victims of natural and man-made disasters. We will also focus on developing the way we offer help so that it can lead to long sustainable outcomes rather than solving a temporary problem.

## 2. Secure sustainable livelihood opportunities for the marginalized and the poorest communities.

Muslim Aid will implement programmes to improve the livelihoods of the poor and marginalised, enabling them to live with dignity through restoring livelihood opportunities, improving agriculture productivity, enabling access to microfinance, improving skills and the creation of new enterprises through appropriate training and logistical support.

## 3. Provide access to education.

Muslim Aid’s education programme will continue to work at providing the poor and marginalised with opportunities to obtain a basic primary education. Our focus will be to enable children, in particular girls, to attend school which in turn will create opportunities to break out of the lifelong cycle of poverty for future generations.

## 4. Improve access to MNCH and primary health care services.

Muslim Aid’s healthcare programme will work to improve care and service delivery for the poor and marginalised. We will provide primary health care to help the prevention, early detection, and treatment of life-threatening childhood diseases and promote the health and well-being of children and mothers.

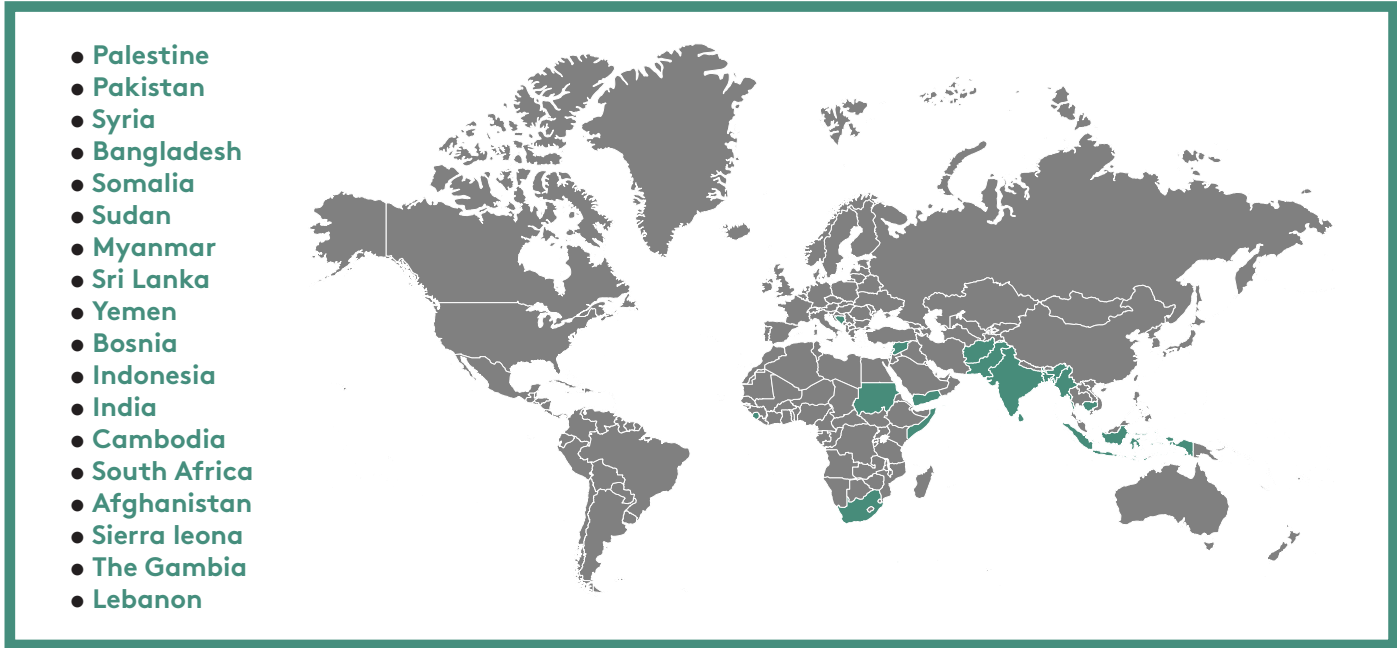
In many regions, new mothers have limited access to maternal health care services to mitigate risks associated with pregnancy.

# WHERE WE WORK

Muslim Aid operates through a network of Country Offices and local partners. These are set up either as locally registered NGOs that manage their own governance and financial obligations, or they have international registration and operate as branch offices. As both entities act as branch offices for Muslim Aid to deliver its charity’s objectives, their financial statements are incorporated into the consolidated Muslim Aid financial statements.

Country Offices are funded through a combination of their own income generation initiatives (such as grants and contracts secured in-country from institutional donors and grant funders) in addition to funding secured by Head Office in the United Kingdom primarily derived from public fundraising.

The Head Office in the United Kingdom regularly liaises with Country Office staff to help develop and monitor the various programmes which are running in their respective countries. We operate in the following countries through either a branch/country office: Bangladesh, Pakistan, Myanmar, Sudan and Somalia, as a local entity in Bosnia and Sri Lanka and through various local implementing partners where we do not have an in-country presence.



# OUR GLOBAL PARTNERS

The number of community-based humanitarian organisations that Muslim Aid works with has grown over time. We are committed to a partnership-based approach to poverty eradication and empowerment. We also work in partnership with, or as part of, a consortium with a variety of international donors including ECHO, EU, WFP, IDB and UNDP.





# BEACONS OF LIGHT - 2021 HIGHLIGHTS

## OUR KEY PROGRAMMES:



Like almost every other NGO or charity in the world, Muslim Aid faced unprecedented challenges in 2021, delivering humanitarian aid and assistance while keeping our staff safe. Despite the obstacles, our work never stopped. Thanks to our donors, employees, workers and volunteers, Muslim Aid continued to be a shining beacon that aided some of the most vulnerable people on the planet.

In 2021, our organisation operated in 18 countries and implemented 130 programmes, across 4 development areas: Emergency, Livelihoods, Education and Health care. We distributed over £12 million worth of donations, reaching over 2.4 million direct beneficiaries, and impacting a further 400,000 people in need. For the results and impact from each of these programmes, please take a look through this report in the pages to come.



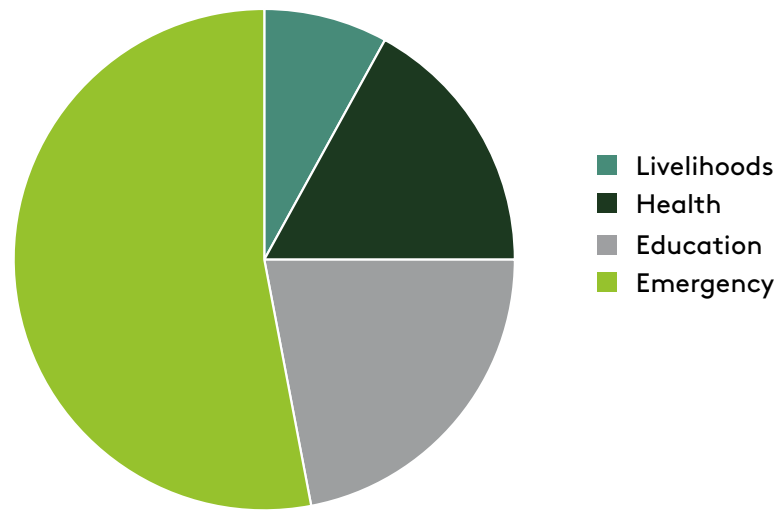
In 2021 we also focused on major transformations including the successful transition of our Rainbow Family Child Sponsorship Programme from a One-to-One Model to a Community-Based Model (CBM). This model has a greater impact on lives as we are not just focused on the child being sponsored alone but the community around them. This includes looking at the livelihood

of their parents, the training of their teacher in our Education programme and their WASH facilities as a family under the Health programme. This holistic approach is an example of our value to strive for excellence.

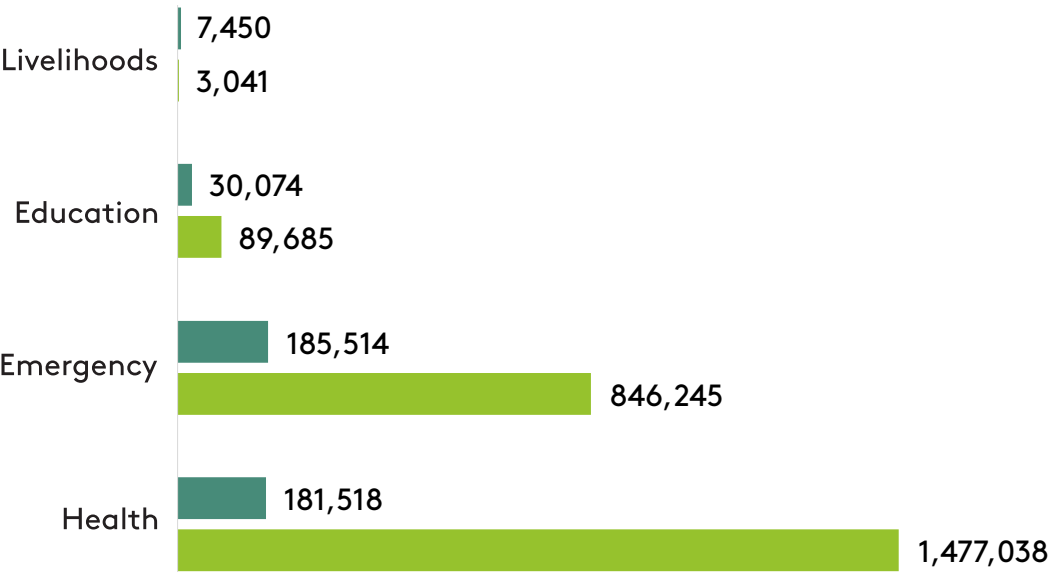
Additionally, three of our former Country Offices (Bosnia, Sri Lanka and Cambodia) transitioned into Strategic Partners in 2021 and as

always, we continued to foster and develop relationships with key government stakeholders and international institutions. We positively collaborated with local communities, people, and partners to effectively respond to multiple crises, and to help them to increase their resilience and self-sufficiency on their own terms.

## DISTRIBUTION BY PROGRAMMES



## BENEFICIARIES PER DEVELOPMENT AREA



# LOOKING FORWARD - 2022 FOCUS

Working collectively with all our global teams, we are united in making a difference to humanity.

1. Empowering the most vulnerable in disasters and crises by developing the most effective emergency responses.
2. Lifting communities out of poverty through our leadership and expertise in long term development programmes.
3. Maximising funds for beneficiaries by creating diversified income streams for ongoing development work.
4. Enabling our global teams to exceed and provide holistic care focusing on productivity, transparency and skills development.

TESTIMONIALS - LIVES TRANSFORMED

// My brother and I were absent from school because our house is too far and my family did not allow me to go to school because of rain and mud, after I started free transportation in school, I no longer miss school, now I am among the best students and I hope to become a doctor in the future.

Yahya  
9 years old  
Syria



// I would like to thank Muslim Aid for their support to the vulnerable families who are able to access free health care and immunisation for the vulnerable people, without the organisation would have been more difficult for the vulnerable household to get basic needs such as immunisation for the children and mothers health support.

Halima  
36 year old mother of 6  
Somalia



// Our programmes contribute to reducing the suffering of affected communities across the country which makes me proud to be a part of Muslim Aid. We are not only serving our beneficiaries on the values based upon the humanitarian and development principles but also values driven from The Qur'an that makes us different from other organisations.

Dr Asif Iqbal  
Country Director at Muslim Aid  
Pakistan.

Hanan was part of the 'Restoring the Livelihoods of Marginalised Farmers in Southern Gaza' project which enabled her to rehabilitate her land and plant peppers and aubergines for pickles.

// Thank you Muslim Aid for giving my family and me this opportunity to become self-sufficient. Planting our land brought us hope for the future. Our economic situation is much better. I have repaid US\$300 from the old debt. I also paid the tuition fees for one of my daughters to study in the university as I need my children to become educated and assist me in managing my business. Our income has improved. Thank you Muslim Aid.

Hanan  
45 year old mother of 5  
Palestine

Massa, a third-grade student at Ras Al-Hosn School in Idleb, was involved in a traffic accident that led to the amputation of one of her upper limbs. Due to this incident, she dropped out of school for fear of being stigmatized by her classmates. Our protection team followed up once she became absent, in coordination with the school and her family. Today she is happy to be back to school and can dream of a brighter future.



// I was afraid to come to school after the accident, I thank the school principal who helped and encouraged me to come to school to continue my studies and become a teacher.

Masssa  
9 years old  
Syria

// Having received a sum of money made me very happy. I got relieved. I bought some food and could help my disabled brother.

Lofti  
Head of a family of 5  
Yemen

// These teaching/ educational materials are very useful for me to continue my study.

Dabirul  
10 years old  
Bangladesh



# EMERGENCY PROGRAMMES SURVIVE AND THRIVE

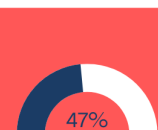
## EMERGENCY

Over £ 5.1 million

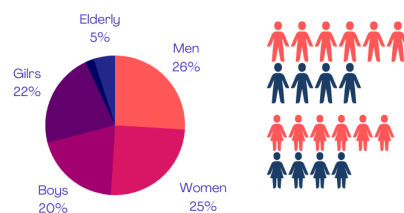


823,000  
over

Received  
food, shelter,  
NFI or cash



Women  
and girls  
participation



Displaced and  
returnees  
assisted

101,423  
IDPs



199

WASH  
services &  
infrastructure  
constructed

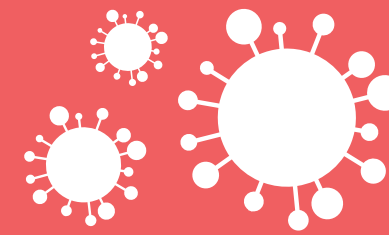
Serving Humanity. That's what we do. When it comes to crisis situations, a delay in response can be the difference between life and death. We strive to ensure that all those suffering from the effects of poverty, natural disaster and war can survive and are empowered to thrive.

Muslim Aid intends to ensure it can continue to respond speedily and effectively to emergencies by delivering humanitarian relief and rehabilitation to the victims of natural or man-made disasters. We will also focus on developing and upgrading our capacity to link relief and rehabilitation with long term development.

In 2021, more than 50% of our efforts went into delivering Emergency programmes helping almost 850,000 people directly. A total of 69 emergency programmes were implemented in 2021 with over £5.1 million invested. Whether it was supporting those in war-torn Syria with medical aid or supporting internally displaced people in Myanmar and Afghanistan, Muslim Aid was on the ground level striving to make a difference.

In conjunction with our emergency work delivered across the globe including Sudan's refugee crisis and drought affected displaced communities in Somalia, a special focus in 2021 was placed on helping those impacted by COVID 19. It is clear now that the effects of the pandemic will be ongoing and that we as an organisation will need to adapt to face this new reality in years to come.

## COVID-19 PANDEMIC



- 14 COVID related projects delivered to date.
- Operated across 6 countries.
- 1,324,515 individuals supported.

The COVID-19 pandemic was an unprecedented emergency. It caused countries with even the strongest health care systems and financial institutions to be strained. The effects of the virus continue to devastate the infrastructure in the poorest countries that we work in.

Muslim Aid teams from across the globe designed interventions to support the most vulnerable members of society. Initially, our response included emergency food alongside hygiene activities including PPEs, oxygen cylinders, hand washing stations, sanitisers and hygiene awareness sessions.

As the pandemic continued, our response changed to integrate interventions into our long-term programmes such as incorporating hygiene kits and hygiene awareness into our Winter programme.

This critical intervention was rolled out in the Rohingya camps in Bangladesh and Myanmar alongside existing livelihood programmes. Additional emergency responses with medical aid such as extra oxygen kits took place in Palestine, Sri Lanka, India and Pakistan during the pandemic.

## SYRIA



- Over 80 people received prosthesis.
- 558 indirect beneficiaries.
- 9 reconstructive surgeries.
- 97% beneficiaries' satisfaction with the prosthetics.

Syrian refugees who have lost their limbs because of explosive hazards, and 66% of survivors living with lifelong impairments.<sup>1</sup>

Since the war began in 2011, Muslim Aid has been on the ground working in both Turkey and Syria to provide health care and medical attention. More recently, we have shifted our focus to providing prosthesis. Losing a limb is a truly devastating trauma because of the long-term impact it has on the individual. Our Emergency programme aims to help those who have suffered these types of catastrophic injuries. In 2021, we provided over 80 Syrians with life changing prosthetic limbs that helped them to regain their independence and resume some sort of normal life.

<sup>1</sup> HNO 2019

### Ahmed

Ahmed had to leave his city with his family because of the war. His family rented a house and one day, while Ahmed was out, he stepped on a mine. The

explosion caused catastrophic damage resulting in Ahmed losing both his eyesight and his lower limb. The family was eventually able to move to Turkey, but Ahmed continued to struggle with his new disabilities. Our programme provided Ahmed with psychological support to overcome the trauma of his injuries and a prosthetic limb to support his mobility. He made great progress over time and is now able to return to a somewhat normal life.

**I am starting studies and learning to be a teacher in the future, to teach the blind and help them to success in life.**

Ahmed

## AFGHANISTAN



- 145 IDPs families received emergency aid.
- 1,400 people received aid items and food.
- 145 families received cash grants.
- 93% beneficiaries' expressed satisfaction with the programme.
- Women and girls provided hygiene and dignity kits.

Afghanistan had been suffering from mass internal displacement before 2021. The country's unstable political climate has prompted concerns of a possible civil war and these changes have affected the provisions for temporary shelter, food, and water that used to exist.

Muslim Aid's emergency programme worked tirelessly throughout the year supporting 1,400 internally displaced people and 145 families. The beneficiaries of this program received cash grants, food, water and sanitary products. We prioritised households headed by women; pregnant or breastfeeding mothers; households supporting elderly relatives and people with disabilities, and child-headed households.

### Saadullah

Saadullah and his family were forced to displace to Kabul from Baghlan due to severe clashes. A family of 11, they live in informal settlements in Kabul, and needed emergency shelter, food and non-

food items. Facing unemployment and financial difficulty, Saadullah was provided with an aid package, containing cash money, food items and hygiene kits.

**//**  
This aid means a lot to us. My children were in danger of facing hunger. We had left all our belongings back home, and life was very difficult here. With your support, I will now be able to take my family back home. I am glad and thankful to you and whoever helped. May Allah help You.

Saadullah



▲ Saadullah; Head of a family of 11 after their displacement from Baghlan.

## MYANMAR



- 3,610 vulnerable people received shelter reconstruction across 8 IDP camps.
- 2,515 IDPs access to WASH services in temporary health facilities and learning spaces.
- 240 IDPs benefiting from safe and improved drinking water.
- 3,999 individuals received cash assistance.
- 47,564 IDPs have equitable access to basic services.
- 6,163 individuals (1,496 households) received cooking fuel solutions.
- 4 child-friendly spaces, 4 kindergartens, and 6 new community-supported informal education centres were provided with WASH cleaning kits, access to safe and reliable drinking water and access to sanitation facilities and latrines.

The people of Myanmar, in particular the Rohingya, have been suffering since 2016 and continue to have several unresolved issues. In 2021, Muslim Aid focused its efforts on addressing the needs of the internally displaced people in Sittwe, Pauktaw and Ann Townships in Rakhine State. Our emergency programme was rolled out in our new displacement site located in Sittwe and improved the living conditions of over 49,000 people by providing access to food, shelter, education and WASH (water and sanitation, hygiene) facilities.

The Cash for Work (CfW) scheme has also been a success. Local people have been able to earn an income by installing latrines and water systems which has helped to raise the standard of living for the whole community. Moreover, we provided over 6000 individuals with cooking solutions that enabled them to feed their families and created several safe spaces for young children to play in. Four kindergartens and six community education centres were opened giving hundreds of people access to training and learning for the first time in years.

Due to the sensitive political situation in Myanmar, all our work was conducted through close coordination with ground level local authorities. Coordination with the de-facto government was avoided where possible. This delicate operation was conducted by our experienced field teams and our Senior Operations Manager and was only possible due to their strong communication and management skills. This is just a tiny glimpse into the delicate nature of delivering aid to high-risk regions.

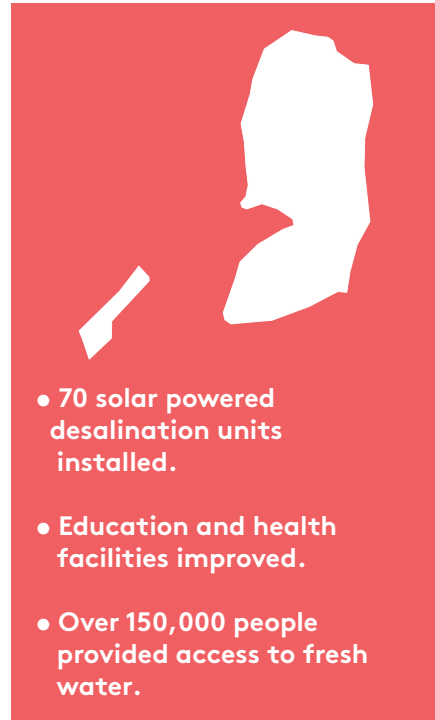
**//**  
Our previous shelter condition was damaged so badly that it hurt my children. And since it has no ceiling, the rooms become very hot in summer. We are always afraid to cook inside for fear of disaster. But with the new shelter, we are very happy about getting a new room and the shelter pillars are very good quality and very strong that will last for years. The roof is also of good quality that will ensure the good security of my family.

### Naw Gu

Ah Nauk Ywe Camp.



## PALESTINE



The Gaza Strip is facing immense challenges related to drinking water, sanitation, and hygiene, which pose significant health risks to its 2 million residents and limits to socioeconomic development. In 2021 Muslim Aid was on the ground, working to reduce health risks by improving access to safe sustainable water supplies. We installed 70 water desalination units across a number of educational and health care facilities targeting over 150,000 people. The local community were able to use this water to drink, cook and water crops improving the quality of their lives.

### Dr Mustafa K.

The Physical Disabled Society (PDS) work closely with disabled people in Gaza strip with over

400 patients per month. Muslim Aid installed a desalination unit inside the PDS, providing the community with an accessible source of drinking water.

**//**  
The water available before installing the desalination units was not suitable for human use, the available water makes people here much satisfied.

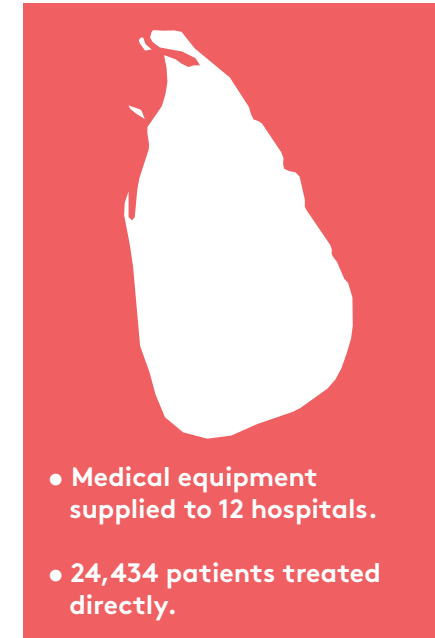
### Dr Mustafa K.

Physical Disabled Society Staff Member.



▲ Dr. Mustafa from The Physical Disabled Society in Gaza

## SRI LANKA



During the third wave of the COVID-19 pandemic, the exponential increase in patients in Sri Lanka stretched the country's health care facilities to breaking point. Muslim Aid responded promptly by providing essential intensive medical equipment to 12 hospitals situated in high-risk areas with vulnerable populations. Our intervention helped to save lives and treat over 24,000 thousand patients who were in desperate need of assistance. Moreover, our medical supplies guaranteed that the 12 hospitals we supported were able to remain afloat and continued to serve the people of Sri Lanka once our work was completed.

**//**  
We needed a high flow oxygen machine & monitors for quite some time, as we were not able to find a solution, our patients have had to endure many struggles in the past. We could not be more thankful to Muslim Aid for understanding our difficulties and donating lot of items at a time when we needed it the most.

### Dr. T.P.T.J. Bandara

Medical Officer, Base Hospital, Wathupitiwala.



▲ Medical equipment supplied to BASE hospital



▲ Dr T.P.T.J Bandara during COVID pandemic in Wathupitiwala.



# LIVELIHOOD PROGRAMMES SUSTAINABLE CHANGE

## LIVELIHOODS

Over £ 1.2 million



3,041  
people

Received materials, livestock, products for livelihoods

43%



Women participation



4,904

Clients and local community received training

230

Tailored trainings completed



Retain an economic activity

2,173  
people



744

people

Received cash for work

Rebuilding the lives of people who have suffered from the effects of poverty, natural disaster or war is more complicated than attending to just their immediate needs. True change can only take place when we offer people the ability to become independent and regain some control over their lives.

In 2021, Muslim Aid's Livelihood Programmes empowered 3,041 people and impacted the lives of an additional 7,450 individuals with over £1.2 million worth of aid.

Aside from giving poor and marginalised communities the dignity to be independent, our programmes aim to increase opportunities by improving agricultural productivity, giving access to micro-finance, improving skills and offering cash funds for the creation of small businesses.

One core component of our Livelihood Programme is to strengthen the skills and talents of individuals using the experiences they already have. As a result, Muslim Aid's strategy includes working with local and specialised partners to analyse the livelihood opportunities for farmers, displaced people, women and communities within their respective regions.

## Livelihood Programme Sustainable Change:

In 2021, our Livelihood Programme:

1. Supported the restoration of livelihoods for marginalised farmers in Southern Gaza.
2. Empowered women-headed households and people with disabilities in Syria.
3. Increased opportunities by providing vocational training for displaced people in Rakhine State.
4. Delivered an integrated rehabilitation programme for ultra-poor slum dwellers in technical and vocational education in Bangladesh.
5. Empowered agriculture and livestock farmers and fishing societies through better market links in Sri Lanka.

## PAKISTAN



Our Livelihood Micro-Finance Programme enables vulnerable people to secure a better quality of life by improving their living conditions and giving them a greater degree of independence and sustainability.

Those in need are not looking for handouts or charity but a means by which they can continue to support themselves. Our programme provided loans to poverty-stricken families within Rawalpindi and Chakwal. The loans are aimed to improve the livelihoods of people who have an existing business and seek to grow it. During 2021, this programme supported the development of 435 small businesses, indirectly helping thousands of people. Clients who received a loan of PKR 100,000 (£427) increased their income between 30% and 40%

on average whereas clients who received a loan of PKR 30,000 (£128) increased their income between 10% and 12% on average.

The main income generating activities supported included Beauty Shops, Mobile Repair Shops, Clothing and Shoe Shops, and small businesses selling food.

### Javaid

Javaid Iqbal had a daily income of roughly 400 PKR (£1.72) as a salesman at a garment shop. His salary was not enough to pay for rent and support his family of 5. Javaid received a loan from Muslim Aid and now owns a small stall of garments doubling his daily earning to £3.01 which has helped him to cover his rent whilst also providing essentials for his family.



▲ Javaid at his garments stall after receiving livelihood loan



## MYANMAR



- 72% of people who completed the skill training session reported that their income improved.
- 440 people received livestock and tailoring training.
- 110 women from 11 villages increased their income after completing the tailoring training.
- 330 of households provided with home gardening tools and seeds.
- 330 of households received livestock support.
- 330 people participated in good agriculture practice training.
- 314 people participated in livestock breeding training.
- 330 people (91 men and 239 women) participated in book-keeping and financial management training.

Muslim Aid was able to support livelihood activities in Rakhine State throughout the pandemic. The programme secured jobs, increased food security, and skills for the population. The local communities worked as casual workers on various construction projects relating to improving the WASH (water and sanitation, hygiene) infrastructure. The livelihood programme also gave access to vocational and agricultural training based on the needs of various villages and helped to secure more reliable incomes for numerous community members.

### Zural

Zural Hardu is 20 years old from Thandaw Li village. She didn't have any income opportunities but was selected for Muslim Aid's livestock breeding programme. She was provided with 7 chickens to help her generate an income for herself. With our local partners, we were also able to provide livestock breeding training for livestock production and sustainability. Livestock food and veterinary services were also provided.



**We, livestock breeding beneficiaries, were linked with a veterinarian who helped us with taking care of chickens. Now, I have more chicken kits and eggs produced. The children are growing day by day.**

**Sometimes, when we cannot afford to buy fish or meat, we consume some eggs without expenditure on food. I have saved a total of 4,500 MMK from selling eggs. I am very happy to see the chickens increasing in number and growing and I also think about getting more income in the future from selling them.**

### Zural Hardu

20 years old, Thandaw Li village.



▲ Zural is part of the livestock breeding project in Thandaw Li village

## BANGLADESH



- 819 students undertaking Diploma Courses at 3 MAIT Centres (Dhaka, Rangpur, and Jessore).
- 3 MAIT Centres (Dhaka, Jashore, and Rangpur) conducted online based theory classes in Electrical, Civil, and Computer Operations.
- Short course training in Computer Operations for 2 batches has been conducted in MAIT, Dhaka.
- 6 sets of promotional materials created.
- Offered and conducted 1.5-year Diploma in Computer Science & Application (DCSA) under the Bangladesh Open University ('BOU').
- Jobs placements for more than 70% of MAIT graduates.
- Cash grants to 100 vulnerable members from former Rainbow Family Child families, former graduates of MAIT, and young men and women from disadvantaged households.

In 2020, the Covid-19 pandemic forced the Bangladeshi Government to close physical classes until September 2021. During the lockdown, a significant number of students were unable to access online classes due to a lack of IT equipment resulting in many students dropping out of education. Muslim Aid was eager to help in this area and we were able to call upon the support of our education centres in Dhaka, Jashore, and Rangpur. Muslim Aid Institute of

Technology (MAITs) provided technical, and vocational training to over 800 young people. MAIT also facilitated job placements for their students with local industries and followed up by providing counselling and mentorship. In 2021 more than 70% of MAIT graduates secured job placements. A further 1,510 individuals from COVID-19 affected households were able to improve their skills and increased their access to livelihood opportunities.



▲ Muslim Aid Institute of Technology (MAIT) meeting in Dhaka



## SYRIA

- 175 women and 25 men, who improved their knowledge after attending training in small business skills.
- Grants of 1,000 USD (£750) provided to trainees to start their own businesses.
- Income of the beneficiaries who received the grants and established businesses was improved by 225%.

The Livelihood programmes in Syria work with the internally displaced communities in Azaz District. The chief aim of the programme is to help small businesses to improve their technical knowledge and skills in strategic planning and implementation. This programme helped hundreds of people to launch new or improve existing enterprises that in turn freed them from the need of seeking outside assistance. The main professions developed at an individual and community level included, clothes manufacturing, animal breeding, sewing, selling dairy and opening mini markets.

The beneficiaries' knowledge in strategic planning and implementation of small businesses after attending the training services was improved by 90% while the average income of the beneficiaries who received the grants were increased by 225%.

**“ It was my dream to have my own business again and manage it by myself. Now it is in my hands to make it work and sustain this income and have my own exhibition in the future. The beneficiary's selection was so accurate, and the grants went to the right people. The Programme team was transparent, and their attitude was great during the programme.**

**Fatima Husien Abood**  
39 years old.



▲ Livelihood programme applicants

## PALESTINE

- Strengthened the role of women in farming communities.
- Restored farmer's livelihood.
- Reduced farming overheads.
- Increased farmer's profit margins.
- Increased total monthly income by 30.5%.

families living there. To support the restoration of farmers' livelihoods, we worked together to reduce overheads which in turn increased their profit margins. Our programme was able to increase the total average monthly income of targeted farmers by 30.5% and Greenhouse farmers by 52%. The farmers we worked with have gained more independence by relying more on their own produce to cover their expenses and less on external support and assistance.

### Khetam

Khetam's has a large family that lives in a small house in Al Fokhari Area, East of Khan Younis. The sole income of the family came from the piece of land which she inherited from her father. The family used to farm the land and their income was reasonable. However, in 2014, because of the military assault on Gaza, Khetem's land was destroyed including all the crops, materials, and equipment. The family fell into debt and their income

decreased sharply.

In 2021, Khetam was selected for our programme which enabled her to replant her land and provided her with the necessary support. She has been planting eggplant & pepper and has managed to earn a solid income of (£1,866.00). She paid back all her previous debts, paid the university tuition of one of her sons and is now preparing the land for the winter season.

**“ This programme gave our family hope. Thank you, Muslim Aid, for supporting us. This support is critical, especially with the current hardships we face in Gaza. Our small plot of land is back to productivity, a dream that could have not been realised unless we were included in this Programme. Our economic situation is much better. I have repaid the old debt. I also paid the tuition fees for one of my sons to study in the university. Our income has improved. Thank you very much.**

**Khetam**

Covid-19 hit all aspects of life in Gaza, adding more burdens on the poor and marginalised



▲ Farmer support in Gaza



## SRI LANKA



- Supported 80 farming families.
- Improved farming output.
- Increased income by 50%.
- Provided agricultural education and training.
- Provided access to marketplaces.

In Sri Lanka, agriculture is a popular sector for the labour force to earn their living. Most farmers work in seasonal paddies and the majority of the population do not have enough of their own land to cultivate or become self-sustainable.

In 2021, Muslim Aid was able to increase the income of 80 vulnerable farmers from Kuchchaveli. As a result, the people of the region were able to improve their farming production and fishing output, increasing their income by at least 50%. The farmers adopted new sustainable land management practices that helped them to be more prepared for the challenges of climate change. Furthermore, the farmers and fishermen were able to enhance their food security by having access to 24 markets where they could sell their products.

**//**  
I am proud of supporting capable and vulnerable people through our livelihood programmes. Our intervention has allowed a number of poor people to be able to stand on their own feet and support their families.

**Faizer Khan**  
Country Director, Sri Lanka.

**Meera**  
Meera is a widow living with her 15-year-old daughter in poor housing conditions. As the sole breadwinner, she worked as a labourer on a farm. Due to the lack of income, she faced challenges to pay for her daughter's remedial classes and regularly had to borrow from neighbours or relatives.

Muslim Aid provided Meera with a dairy cow with a calf and a heifer to start a semi-intensive dairy farm and provided shed material. We also provided a first aid medical kit and insured her dairy cows. Meera attended a training seminar on dairy farm management in Mullaithivu organised by our country office. Moreover, Muslim Aid arranged a Livestock development officer and/or Veterinary doctor to visit Meera and provide professional support for further development of farming activities.

Meera can now sell half the milk and retain some for her own family. She is also selling 10 to

15 bags of cow dung to farmers in the village and using it for her own crops.

Meera's long-term plan is to reduce her labour work and focus on growing her dairy farm with up to 10 cows for a stable income. Muslim Aid are also looking at how to support local farmers like Meera to develop a fodder system on available land, to feed the dairy cows effectively.

**//**  
This is a great help for me doing the Dairy farming close to my house, this is an opportunity for me to generate income with safety without going away from my house. I would like to thank Muslim Aid, staff and also donors who provided this assistance.

**Meera**



▲ Meera and other dairy farming project beneficiaries



# EDUCATION PROGRAMMES BRIGHTER FUTURES



Education is the key to a brighter future for so many vulnerable children across the world. For those in remote areas, it is a lifeline with the power to change their lives.

At Muslim Aid, we believe that education is a right for every individual, especially children. Our education programmes are designed to empower, inspire and most importantly offer opportunity to those less fortunate.

This was particularly a big challenge in 2021 as the COVID-19 pandemic created the largest disruption of education systems in history, affecting nearly 1.6 billion learners in more than 190 countries across all continents. By April 2020, close to 1.6 billion children and youth were out of school, with 369 million children who relied on school meals needing to look to other sources for daily nutrition.<sup>2</sup> The crisis exacerbated pre-existing education disparities by reducing the opportunities to education for many of the most vulnerable. One of our main concerns is that this problem threatens to extend beyond this generation and erase decades of progress.

Despite these issues, Muslim Aid was on the ground offering its support. In 2021, Muslim Aid spent over £1.6 million on educational programmes, helping 80,018 children, 9,708 teachers, and indirectly supporting 30,106 individuals across multiple communities.

<sup>2</sup> UN- SDG 4 <https://www.un.org/sustainabledevelopment/education/>

## CHILD SPONSORSHIP- RAINBOW FAMILY

In 2021, Muslim Aid launched a Community Based Model (CBM) for the existing Rainbow Family Programme across 9 countries. This move to a community-based model has four fundamental pillars:

1. Support family income
2. Increase learning opportunities
3. Generate long term growth
4. Benefit local communities.

Our activities focus on supporting government primary and secondary schools, including upgrading WASH facilities, renovating schools and classrooms, providing school uniforms, textbooks, bags, etc. We also focused on enhancing teacher training; supporting Parents & Teachers Associations to encourage enrolment and retention of children in school, alongside fostering community involvement.

This holistic programme includes livelihood activities, whereby selected families are provided with cash grants alongside training to start sustainable

businesses. It also offers provision for child health & nutrition support where feasible.

In 2021, Muslim Aid spent over £1.6m on educational programmes, giving access to education to 80,018 children, 9,708 teachers, and indirectly supporting 30,106 individuals from the community.

### Dima

Dima is 8 years old and lives in the Gaza Strip. She has three sisters, two brothers, besides her parents. Dima's father is unemployed due to an injury. The family's only source of income is the payment they receive from the Ministry of Social Affairs every three months. Dima has had serious psychological concerns, seen as behavioural disorders, speech problems, and a decline in academic interest. Muslim Aid were able to develop a counselling intervention plan and involve her mother in parent's workshops to cope with her needs. The family were also provided support to fill their water tank regularly, as their apartment has no water supply.

**I am glad that such an institution took care of my daughter and helped her psychologically, socially and educationally. I used to cry when I saw her alone and did not talk to anyone or that anyone would talk to her. Even more, she used to be bullied for her low academic achievement. Now, I'm more than happy to see her paying attention to her homework and willing to learn.**

Dima's mother



▲ Dima received counselling and financial support in Gaza



▲ Support for students including school uniform, books and bags



## BOSNIA AND HERZEGOVINA



- 4 schools supported.
- 975 supported children enrolled in primary education.
- 280 school chairs distributed.
- 140 school desks distributed.
- 23 doors and 31 windows installed.
- 30 desktops, 6 printers, and 4 projectors distributed.
- 50% of teachers have improved competency skills in Information and Communication Technology (ICT).
- 100% of teachers received learning educational material.
- 8 schools received ICT training.

The Education programme in Bosnia focused on improving primary schools through refurbishment and renovation, teacher training, and providing free dental care to children. It improved the conditions of four schools bringing benefit to 975 children.

As part of the school's renovation, we added insulation against the

cold, repaired roofs, installed new windows, delivered desks and chairs and supplied IT equipment. Over 50% of the teachers were able to improve their IT and technical skills through the training we offered.

The children of these villages now have access to warm, safe and well serviced environments which, no doubt will be more conducive to their learning.

//  
**With this programme, Muslim Aid has improved conditions in our school. We can follow the classes more easily and the atmosphere in the school is more pleasant. This programme is sustainable because all the equipment remains for the school and the students. As a student from elementary school Sapna, I would like to thank the Muslim Aid organisation.**

**Elvira**  
14 years old.

//  
**I feel privileged enough to be working for Muslim Aid's**

**family for over 14 years. My driving factor to work for Muslim Aid is wanting to make a difference to our beneficiaries to improve the quality of their lives, make their voices heard, and have a say in the way they access and receive support. Logging off every day knowing that I have contributed towards changing the world is hugely motivating and gives me a deep sense of job satisfaction and a sense of purpose.**

**Edina**  
Implementing Partner  
Bosnia and Herzegovina.



▲ Edina; Muslim Aid Implementing Partner in Bosnia & Herzegovina

## INDONESIA



- 953 students have better access to learning tools and equipment.
- 953 students received a package of medical check-ups.
- 953 children have participated in the Feeding and Nutritional Programme in schools.
- 5 schools have improved infrastructure.
- A badminton court was constructed.
- 5 libraries have been improved with new cabinets, books, desktops, and printers.
- 20 teachers completed an accredited training programme and improved teaching methods.

Our Education Programme in Indonesia has supported five primary schools helping to improve infrastructure and enhancing the knowledge and training of teachers. Using the community-based model, this programme also provided students with nutritious food and access to better facilities including the construction of new toilets and sports facilities, access to new laptops, screens, and libraries.

Muslim Aid teams continue to provide medical check-ups and to date, over 900 children receive high nutritious food packs monthly. These children are from very poor families and so rely on our programme as a source for regular meals. As a result, most students improved their overall health which in turn has helped them to focus more on their schooling and productivity.

**Najwa**  
Najwa was born in a small village. Her family are farmers, and she has three older sisters. Najwa has benefitted from medical check-ups and high nutritional food distribution. Her health habits have also improved and now she brushes her teeth before going to school, cuts her nails, washes her hair with shampoo and has gained more weight.

//  
**I'm happy, I feel healthy and cleaner, my life has changed.**

**Najwa Alyanatasya**  
12 years old.



▲ Najwa received medical check-ups and high nutrition food packs



▲ Additional resources for primary school students in Indonesia



## MYANMAR



- 3,910 children aged 3-17, given access to learning resources and WASH facilities.

The ongoing displacement, restrictions on movement and a volatile security situation has affected the vulnerable Rohingya community from Rakhine State in a number of severe ways. One area that has suffered the

most is education with services being permanently limited since 2012. Children in these camps are restricted to TLCs (Temporary Learning Centres) and NFPEs (Non formal primary education programmes) or village-based education centres that are under-resourced and understaffed. They lack basic WASH (water, sanitation and hygiene) facilities and live in overcrowded and structurally unsafe dwellings.

Muslim Aid was able to support the reconstruction of a number of NFPE programmes giving hundreds of children access to educational resources and quality learning. For many of these children, it was their first opportunity to learn to read and write.

The learning centres are run by Save The Children at Thet Kae Pyin IDP Camp, in Sittwe Township. Since June 2021, these learning centres have been managed directly by the Camp Management Committee and the Parent Teacher Association.

//  
**Today, I am very thankful for accepting the newly-constructed NFPE building, our children can now learn their lessons in a safe and secure environment away from rain and wind without harm, and we can re-open our school on time due to your support, thank you.**

**Shwe Hla Abdul Rahim**  
IDP since 2012, in Sittwe Township, Rakhine State, Myanmar.



▲ NFPE before the intervention, Thet Kae Pyin IDP Camp.



▲ NFPE after the intervention, Thet Kae Pyin IDP Camp.

## CAMBODIA



- 5 community schools funded with distance learning systems.
- 1500 students supported.
- 50 teachers trained and accredited in e-learning.
- Improved literacy rate of community.
- 5 WASH facilities constructed and renovated with access to clean drinking water.
- Eye checks conducted for 675 children with 39 referrals to other health services.

Cambodia's education system lacks adequate schooling facilities, poor governance, and a general sparsity with regards to resources and well-trained staff. Add to that the negative economic impact of COVID-19, and the fact that almost 50% of all primary and lower secondary schools have minimal access to clean water, with approximately 20% of schools having no toilets. These factors result in low enrolment levels, high drop-out rates, absenteeism in particularly from girls, the disabled, and minorities.

Muslim Aid's educational programmes in Cambodia has enhanced the quality of life and access to primary education in Phnom Penh and Kandal. We have reached over 1500 students and 50 teachers with our target to increase the literacy level of the students in these areas to 90% by the end of June 2022.

**Rohan**  
Rohan, a 12-year-old boy who lives with his grandparents and his older brother in Phnom Penh city. His grandparents are scrap buyers, but they are old and sick, and have been struggling to earn money to provide Rohan with basic needs. Since Rohan joined our educational programme, his guardians are receiving a stipend which has enabled Rohan to attend school, have meals each day, buy clothes, and have access to health care.

//  
**We would like to thank Muslim Aid and the donors very much for supporting the child. May Allah bless them.**

**Mariyan**  
Rohan's Grandmother

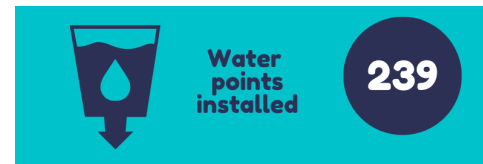


▲ Eye checks for students



# HEALTH PROGRAMMES

## HEALTH IS WEALTH

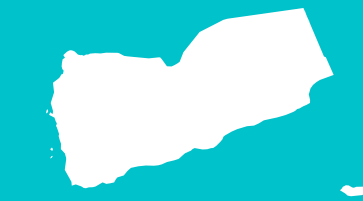


Muslim Aid's Health Programme has been working to tackle health challenges that some governments around the world have been unable to manage. Our health programmes operate in scenarios of epidemics, outbreaks, and severe malnutrition. In 2021, we provided medical assistance, emergency aid, training and implemented measures to help prevent future health risks to vulnerable people and children.

Our Health Programme provided WASH facilities (water and sanitation, hygiene), medical solutions for conflict-affected communities, improved the health status for malnourished children, strengthened government health systems by providing emergency response and reduced TB incidences for communities living in extreme poverty.

We invested over £4 million into these programmes and reached an outstanding 1,477,038 people directly and 181,518 individuals indirectly.

## YEMEN



- 14,602 IDPs accessed primary health care services across two health facilities.
- 1,163 children and 159 women at reproductive age received immunisations and vaccinations.
- 1,408 women received support from Reproductive Health Services.
- 4,131 children benefitted from integrated management of childhood illness from life-saving health care services.
- 5 medical camps were set up to provide health services accessible to IDPs.
- 2,983 IDPs accessed health services in medical camps.
- 31 health workers received monthly incentives.
- 800 basic hygiene kits and ceramic water filters distributed.
- 800 households participated in health awareness sessions.
- 3 rainwater harvesting units, latrines and hand washing stations were constructed.
- 3 schools have access to

safe and adequate water.

- 1,355 households in Al Qabbaytah district, given access to safe water supply.

Years of conflict has left over 17.8 million people in Yemen unable to meet their basic WASH needs. Unclean water and other hygiene related complications propagate all kinds of diseases. The Al Qabbayatah region in the south of Yemen is especially vulnerable due to its lack of access to any sort of clean water supply.

The health programme in Yemen implemented health and WASH interventions to improve the health status and to promote personal hygiene of internally displaced people living in two facilities in Al-Abr and Rakhia districts. These facilities helped to improve the quality of life of thousands of people whilst giving them a means to combat all types of illnesses and diseases.

We also provided care services to 14,602 people throughout different areas of Yemen. These individuals received vaccines, hygiene kits and training about health awareness. They

were also given access to reproductive health services and integrated management of childhood illnesses.

**The Programme helped us to get a solution for the lack of water and supported us to implement that solution (rain harvesting unit). Now the rainwater will fill our unit in every rainy season, the unit will store the water, and we will not worry about the lack of water again. I believe such programmes help people and make them happy.**

**Abdul Karim**  
Teacher and father of 8.



Abdul Karim with the rain harvesting unit in Al Qabbayatah region

## PALESTINE



- Installation of 13 Reverse Osmosis Desalination (RO) units in 13 kindergartens.
- 6,008 individuals access improved safe water from the RO.
- 50 Kindergartens were provided with rehabilitated water supply and sanitation facilities, benefiting 25,054 individuals.
- 600 taps and 50 water storage tanks distributed across 50 Kindergartens.
- 1952 mothers and 548 malnourished children directly supported.
- 7,342 follow up visits conducted.
- 4,242 tests and other laboratory investigations performed.
- 15,374 micro-nutrients and supplements, in addition to therapeutic medications have been provided.
- 12,746 kgs of high nutrient biscuits (HNB) to improve children's diet were delivered.

- 1,952 mothers received face-to-face counselling and child nutrition advice.
- 328 Breast feeding cases discharged.
- 731 coeliac patients received gluten free flour.

Our Health programmes in Gaza continued to run throughout 2021. As usual, the people of the region have been suffering but continue to show patience. Currently, the electricity crisis in the region has seriously affected the existing WASH conditions in 672 Kindergarten's in the Gaza Strip.

Our local staff worked to create solar powered water system that mitigated the reliance on electricity. Once resolved, thousands of people were able to access clean and affordable water.

In addition to the water crisis Muslim Aid also worked with new mothers with counselling and medical advice. Malnutrition is a genuine concern in the region and our programs supplied over 12,000 kgs of high nutrient biscuits (HNB) to young children who were deemed especially vulnerable.

A lot of work is needed to help rebuild the region and God Willing Muslim Aid will continue to maintain an active presence in 2022.



**Your work has had a great impact on my body and psychosocial health as I know more about coeliac disease, and I was provided with Gluten free flour, medications and vitamins. Thank you very much for your support!**

**Ekhlas**

26 years old, mother of 3 children.



▲ Ekhlas during her regular medical check-up in Gaza

## INDIA



- 555 critically ill Covid-19 patients received oxygen therapy.
- 55 Oxygen concentrator machines (OCM) delivered across health facilities.
- 500 Covid-19 patients received safety kits.

thousand deaths, India was second in the world amongst countries worst affected by Covid-19.

Muslim Aid worked with local authorities and health facilities to provide support. Through our connections we were able to supply much needed equipment, including OCMs that lightened the load for a number of hospitals which were overrun with patients. We distributed over 500 covid safety kits and treated over 500 patients with oxygen therapy.



**Without the quick response and the OCM machine, I may not be alive today.**

**COVID Patient**

In August 2021, India faced its third wave of Covid-19 which resulted in the most severe infection rate. With over 30 million cases and over 400



**When he contracted the virus, his oxygen levels drastically dropped so he required the assistance of the OCM to breathe properly.**

**Azeem**

46 years old, Doctor.



▲ COVID patient receiving oxygen therapy in India



## SOMALIA



- 2,591 children received vaccinations and 2,848 received PENTA3.
- 236 new MDR-TB (Multidrug-resistant tuberculosis) cases received treatment.
- 9,641 pregnant mothers attending at least 2 comprehensive Antenatal care (ANC) in all the programme sites.
- 8,915 new-borns receiving adequate postnatal care (PNC) with their mothers within three days of delivery.

Our work in Somalia is as crucial as ever. We focused on areas with people who had minimal access to health care facilities. Our programmes targeted mothers and children and we helped to vaccinate almost 3000 children providing protection against tetanus, polio, whooping cough and hib diseases. We served thousands of women, many of whom were new mothers and provided post-natal care for almost 9000 new-born babies.

We increased the primary health care in the catchment areas of our health facilities through the provision of immunisation packages. Moreover, we increased the uptake of postnatal

services and reduced maternal morbidity and mortality through comprehensive antenatal care services. The increased access to quality consultation services improved Multidrug-resistant tuberculosis (MDR-TB) care throughout several local areas.

Our work in Somalia has led to Muslim Aid securing important long-term partnerships with local authorities and more crucially the Ministry of Health. These types of partnerships will help us in the future to improve the effectiveness and efficiency of how we deliver aid.

### Zeinab

Zeinab is a mother of six children and lives in Qudhbiga, an internally displaced people camp located in Jubaland state, Southern Somalia. Zeinab spends most of her time at home while her husband goes to the nearest farm and does casual work. Sometimes during cultivation, he gets a job, but sometimes it is very hard to find work at the farm that can cover the expenses of their basic needs. Zeinab's family depends mostly on food distribution from organisations at the camp. She is a beneficiary from the Maternal, Newborn and Child Health (MNCH) Facility supported by Muslim Aid. She and her children access the immunisation programme and regularly attend the post-natal care services.

**My husband is a poor person who can't afford for us our daily bread and also the education for my children, he strives**

**hard to make ends meet and without such support would have been difficult for me and my family. I would like to thank Muslim Aid for their support to the vulnerable families who are able to access free health care and immunisation for the vulnerable people.**

### Zeinab

38 years old, IDP, Somalia.



▲ Zeinab at the Maternal, Newborn and Child Health (MNCH) Facility in Jubaland State

**The most challenging thing about my work is insecurity. Somalia is still facing clan conflict and political instability, with little protection from the government, humanitarian staff are vulnerable by working in volatile and complex areas during distribution and emergency. I feel grateful and humble to help the needy and most vulnerable families amongst the society. To see children sitting in the classroom and learning, that's extremely rewarding, and I feel very proud to be part of Muslim Aid.**

### Mohamed Amin

MEAL Officer, Muslim Aid Somalia

## PAKISTAN



- Provided medical equipment, including BiPAP Machine, Cardiac monitor, thermal scanner, nebuliser, pulse meter and suction machines.
- Educated 320 medical staff.
- Supported over 900,000 patients.

The province of Baluchistan faces a number of health-related issues including high rates of malnutrition, limited health care provisions, inadequate facilities and poor equipment. When the Covid-19 pandemic hit the country in 2020, it affected what was already an overstretched health care system bringing it to the verge of collapse

In 2021, Muslim Aid's health programmes in Baluchistan targeted some of these key areas. As the pandemic continued to ravage the country, we stepped in and provided local health care facilities with vital equipment including cardiac monitors, thermal scanners and BiPAP machines. We also provided training to staff with regards Covid-19 infection prevention and control (IPC). We partnered with Care International- Netherlands and received funding from ECHO to enhance our intervention across 8 healthcare facilities. Our combined resources supercharged the work we were doing and

increased our reach. In the end we were able provided support to 958,222 patients throughout the region.

**We are very grateful for the timely assessment for renovating and rehabilitation of the health facilities and it surely ensured the support to the COVID-19 response.**

### Abdullah Dotani

Medical Superintendent District Head Quarter, Pishin.



▲ Facilities provided for Covid-19 infection prevention and control in Baluchistan



## SUDAN



- Established 9 Targeted Supplementary Feeding Programme (TSFP) centres.
- 34 nutrition centres equipped and well operated to serve the SFP program.
- Created 1 mobile team covering 10 villages in the Hamoshkoreeb region.

Sudan is food deficient and ranked 167 out of 189 countries in the Human Development Index.<sup>3</sup> Malnutrition is a major risk and access to adequate food and water remains one of the hardest challenges there. Sudan's population is heavily dependent on agriculture, which provides 40% of the country's GDP and employs 45% of the labour force. However, mono cropping farming practices, climate change, conflict, and gender gaps have contributed to low productivity in the sector.

Considering the number of issues the country faces, the work done by Muslim Aid in this region is literally the difference between life and death. Our health programmes continue to target the most vulnerable and needy and in 2021 we were able to help more than 75,000 people. Our focus was on targeting acutely malnourished children, pregnant women and new mothers.

In partnership with the Ministry of Health and the World Food Programme our TSFB (Targeted Supplementary Feeding Programme) centres and mobile centre helped to decrease malnutrition in the region. The programme provided Moderate Acute Malnutrition (MAM) services and supplies to the affected population. Our aim was to promote positive infant and young child feeding practices, improve nutrition and hygiene practices, plus provide nutrition & hygiene awareness sessions. We were also able to provide basic training to health workers and community nutrition/health volunteers on their WFP.

### Fatima

Fatima, a 27-year-old mother of 3 and pregnant with her fourth child, was identified as suffering from malnutrition and so joined the TSFP programme running in Kotaniab village. She was trained

on how to prepare meals with high nutritional values using local ingredients. After a few weeks, the mobile team visited her and measured a notable increase in her weight. Fatima's progress enabled her to be admitted to Food-based Prevention of Moderate Acute Malnutrition (FBMAM) programme. She refused our offer deciding to prepare local home-made food herself. The mobile team respected her decision and after visiting two weeks later, gladly noted a continued improvement

Fatima is an example of how empowered women can support others. She is a volunteer in Kotanaib village, where she is responsible for training women on how to cook nutritious meals using local produce and ingredients.

<sup>3</sup> HDI Index 2018



▲ Mother and family supported in Sudan



**Sudan is experiencing a severe humanitarian crisis due to tribal conflicts, refugee crisis and challenges faced by host community. Monitoring visits and community feedback mechanism helps me to interact with the Programme beneficiaries, and this is facilitated by the MA's national staff who speak Arabic and refugees' languages while visiting camps where MA provide humanitarian support. I feel proud when I think that I am part of an organization that is in the front line to make big changes in the lives of vulnerable people, irrespective of their race and religion.**

### Jezeer Hameed

Head of Programmes at Muslim Aid Sudan.

## BANGLADESH



- Provided health services to the poor.
- Served over 125,000 patients.
- Provided health and wellness education.

In collaboration with the government and local authorities, we have been able to establish 3 Muslim Aid Community Hospitals (MACHs) operating in Kulaura, Pabna, and Pirojpur. These hospitals have been running since 1996 and have played a pivotal role in the lives of hundreds of thousands of people. In 2021 the role of the MACHs was critical as the Covid infection rate overwhelmed many of hospitals in the country.

During the Covid-19 pandemic, most of the health services were closed throughout Bangladesh. However, all the MACHs were

fully operational and provided health services to 125,251 patients. The medical services provided included; outdoor patient services, surgeries, lower uterine caesarean operations (LUCS), normal delivery, diagnostic services, screening tests, postnatal care services, pharmacy services and ambulance services.

### Popy

Popy Akter lives with her husband in Kulaura. Her husband has a low income which he uses to manage a large family. She secured an appointment and eventually gave birth in the facility through caesarean. Fatima said she preferred this hospital, because it was near her home, had good facilities, well trained staff and was much more affordable when compared to other local hospitals.



**This is my 2nd child, I am a proud mother of a daughter; I am highly satisfied with hospital services.**

### Popy Akter

22 years old.



▲ Popy delivered her baby at the Kulaura Muslim Aid Community Hospital



# SEASONAL PROGRAMMES COME RAIN OR SHINE

## SEASONAL



54,160  
people

RAMADAN

QURBANI

85,110  
people

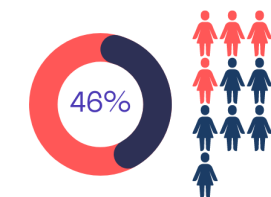


139,444  
people

WINTER

People with  
disabilities  
reached

6%



Women and  
girls

Regardless of what the crisis is or where it is taking place, Muslim Aid is on the ground responding to disasters throughout the entire year. However, our busiest periods are during our Seasonal programmes.

During Ramadan and Qurbani when Muslims around the world are fasting, giving charity and sharing their Qurbani meat, we are on the ground ensuring food is distributed to those in need. Our Winter programme is perhaps our most critical time of the year as millions of people around the world have little access to heating, shelter, food and general aid.

We need your support throughout the year to ensure that these critical services we provide can continue to help those most in need.

## RAMADAN



- Operated in 11 countries.
- £300,000 in food aid.
- Over 41,000 people served.

In 2021, our Feed the Fasting programme was implemented across 11 countries. Using around £300,000, we were able to reach over 41000 people. Our programme distributed a combination of food vouchers and cash to families in dire need. Where direct markets were inaccessible, traditional food parcels were distributed including items such as rice, wheat, pulses, oil, sugar, and flour.

In Yemen, we gave out cash transfers to 799 vulnerable families in Sirah district Aden city. We also provided food aid to families who were unable to

afford the high prices of basic food supplies such grain, rice or basic produce.

In Pakistan, we were able to distribute food packs to 5250 people amongst vulnerable families in Sindh and Punjab ensuring they had access to balanced food, necessary for better health, especially during Ramadan.

Our Feed the Fasting campaign in Indonesia took place in 3 villages within 2 provinces in Sulawesi Island. This project supported 1,000 vulnerable people to ensure their basic needs were met during Ramadan. The beneficiaries are living in rural areas that have been recently affected by natural disasters.

### Abdul

Abdul Rasool aged 57 lives in Namalwatta Village, Sri Lanka. He lost his eyesight 15 years ago but still has to provide for his three children. To provide, his wife now works full time as a labourer at a nearby farm. Despite his wife working long hours, her income is insufficient to meet their basic needs.



Every day we are living in extreme difficulty and this Ramadan my children spend days without having little or no meals even to observe their Suhur or breakfast. I am helpless in these kinds of situations. During this time, I received this valuable dry ration packs which helped fulfil our food requirement for little over a week. Thanks to the dry ration pack I was able to save an equivalent amount of money which was used to buy my children clothing. I thank Allah and Muslim Aid and the brothers from overseas who supported this noble deed.

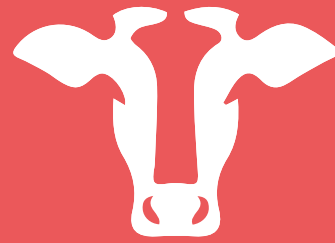
Abdul



▲ Feed the Fasting campaign in Cambodia



# QURBANI



- 85,000 people served.
- Delivered across 10 countries.
- 811 food parcels distributed.

Every year, we carry out Qurbani sacrifices on behalf of our donors and distribute the meat to the poor many of whom have not had meat all year. In 2021, Muslim Aid distributed Qurbani meat in 10 countries throughout Middle East, Africa, South Asia, and Southeast Asia reaching over 85,000 people.

## Heidi

Heidi has been living in a camp in Idleb, Syria for two years after the death of her husband and displacement from her home due to conflict in the region. She now has to live with her daughter and elderly parents in one tent. During the olive harvest, she is able to work but is without employment for the rest of the year. This year, Muslim Aid's Qurbani was distributed to families like Heidi's in Syria. During this time, Heidi was able to save some money to buy additional meat, clothes and toys for her daughter.



**I will save the money for meat, and I will buy clothes for my daughter, she will be happy. I thank you very much.**

## Heidi



**I am very happy to be part of this Eid. Thank you for your help. I can't wait to cook it and have it with my family all together.**

## Mujo Hadzic

78 years old from Bosnia.



Qurbani distribution in Pakistan

# WINTER



- Operated in 6 countries.
- Distributed blankets, clothes and mattresses.
- Provided heaters to hundreds of people.

During the last few months of 2021, Muslim Aid started its Winter programmes in 6 countries. Our Winter programmes include the distribution of blankets, mattresses, clothes, and heaters to protect the most vulnerable from the cold.

## Tamanna

Tamanna Aktar is 21 years old and lives with her parents at Gongachara upazila of Rangpur district. Since birth, Tamanna has been unable to walk without crutches. Nevertheless, she aspired to achieve in higher education and has always excelled and is now studying for a degree at the local college. Her father is a farmer working on others land. His income is limited and seasonal so during the winter months he cannot afford their expenses particularly the educational costs. Determined to continue, Tamanna started tutoring others to fund her education. Travelling around the country with crutches in the Winter became particularly difficult. Muslim Aid were able to support Tamanna during the winter with warm clothes and a COVID-19 response pack along with a cash grant to supplement her income.



**This support enhanced my aspiration in this crisis moment. I am pleased and praying for Muslim Aid and SHARE Foundation.**

## Tamanna



Tamanna and her family receiving winter support and COVID-19 response packs in Bangladesh



## UK PROGRAMMES

Muslim Aid is known as an international NGO but this shouldn't take away from our work in the UK.

In 2021, we expanded our work with communities from ethnic minority backgrounds who were more likely than others to lose their income, fall behind on bills and/or have to apply for Universal Credit. This included distributing over 36,000 meals across 36 localities to support low-income families. All our meals went through the process of food rescue, which is recovering and redirecting good surplus food, and giving it a new life so that it can fulfil its intended purpose of being eaten. Food rescue is not about giving people food that is spoiled – it's about giving people good, nutritious food that would otherwise be thrown out. Furthermore, we ensured that the meals were balanced and varied, including a high proportion of fresh fruit, vegetables as well as baked goods, salads, meat and fish.

Muslim Aid also provided gifts for hundreds of sick children in UK hospitals working with London's Great Ormond Street Hospital, Birmingham Children's Hospital, and Newcastle Hospital Charity. That's over 40 different wards, including burn centres, intensive care, neurosurgery and more.

### Sultana

Spearheading the hospital campaign was Muslim Aid volunteer and mum of three, Sultana, who has first-hand experience of long hospital stays with her son, Musa. Diagnosed with cancer when he was just 10 months old, Musa bravely faced five months of intensive chemotherapy, and later, a bone marrow transplant. Over the many years that Musa needed treatment, Sultana spent months in the hospital, where she experienced the many challenges that young patients and their families face when confined to the wards. Sultana noticed how the hospitals would be decorated for holidays such as Christmas and Halloween, with gifts being distributed by volunteers to mark these occasions. However, during Eid, there was nothing.



**Eid is a joyous occasion, which every child should be able to enjoy, so we are helping to bring some normality to their lives. With the pandemic and continued uncertainty, a small gift can bring a smile to the faces of these beautiful children.**

### Sultana

Muslim Aid Volunteer.

Muslim Aid CEO Kashif Shabir says: Muslim Aid supports thousands of children across the globe through a range of initiatives, including child sponsorship, education, and protection projects. Our campaign to provide gifts to children in hospitals comes as part of our commitment to bring the support we offer to children abroad to young people living here in the UK. By enabling hundreds of children in UK hospitals to share in the celebration of Eid, while spreading joy to patients and families feeling isolated within hospitals, we will ensure that sick children across the UK are supported through the challenges they face.

In addition to these initiatives, we coordinated our UK Afghanistan emergency support alongside Voluntary and Community Sector Emergencies Partnership. As families of refugees started arriving in the UK from Afghanistan, we were providing culturally appropriate clothing, learning materials, interpreters and supporting young families whilst they were in bridging hotels.



**The interpreters we have at the hotels today have been super helpful, I've already had amazing feedback about them. With their help we were able to help process over 1,000 Afghan arrivals!**

### Henry

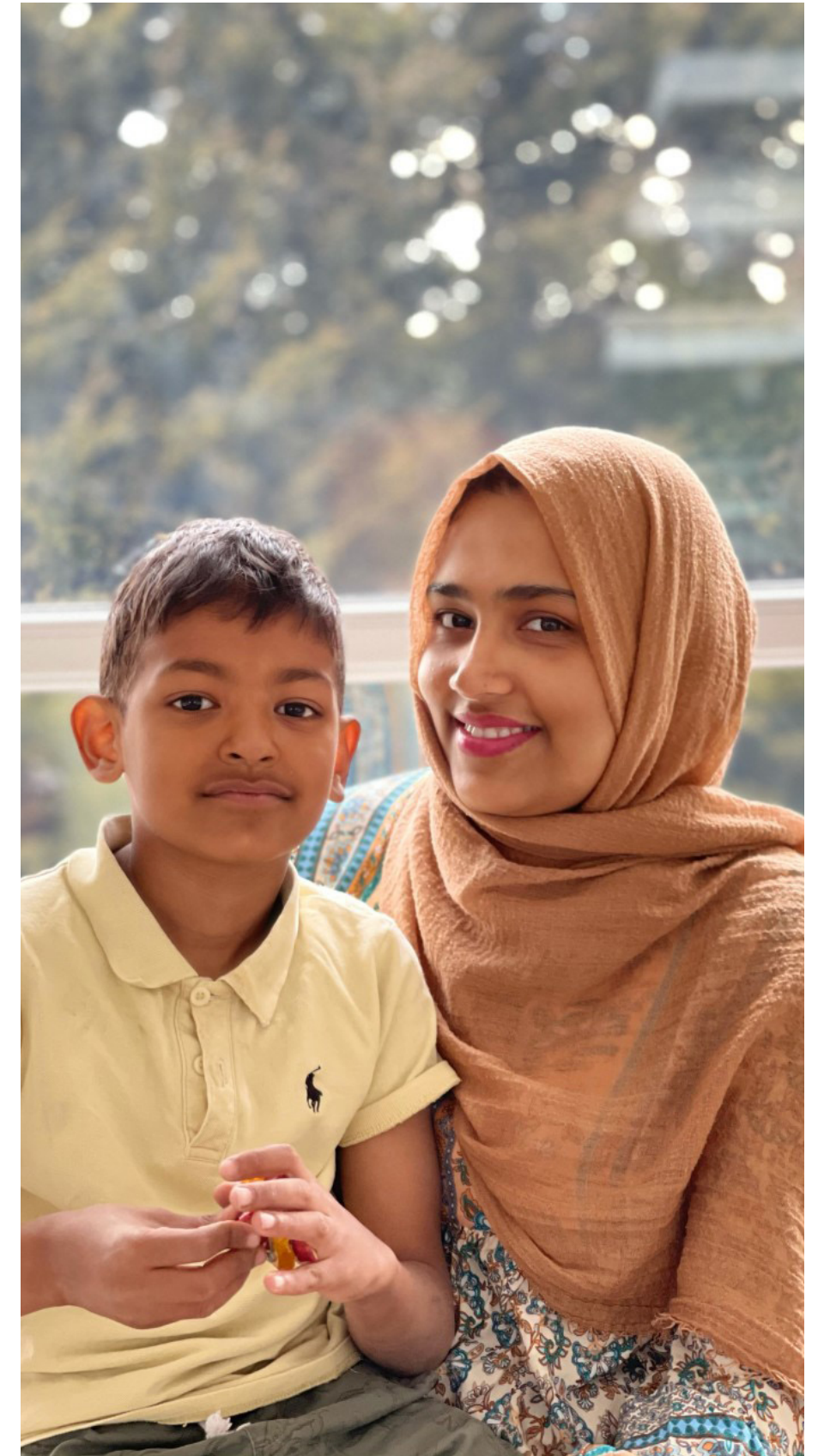
British Red Cross.



**I am amazed with the response from Muslim Aid as many of the Afghan refugees were in urgent need of sanitary items, I pray all the volunteers, donors and community are rewarded for their generosity.**

### Mohammed

Site Manager Quarantine Hotel.



▲ Sultana; UK Muslim Aid volunteer



# INCOME GENERATION AND MARKETING



▲ Muslim Aid's inaugural Street Iftar with Finsbury Park Mosque



▲ Gift of Happiness campaign - Our teams distributing Eid gifts in Great Ormond Street Hospital

Muslim Aid is committed to ensuring that our fundraising activities are legally compliant, transparent, and reflect the best practices. We aim to adhere to the Fundraising Regulator's Code of Fundraising Practice and charity legislation

Despite the many challenges we faced as a global community in 2021, the invaluable work done by Muslim Aid was able to continue thanks to the on-going support from our generous donors from across the globe. In 2021, Muslim Aid managed to raise over £10 million pounds of voluntary funds that went to help some of the poorest and most needy people on the planet.

We were privileged to work with several high-profile institutions including:

- East London Mosque
- Southall Jamia Mosque
- Islam Channel
- Felix Project
- PI8 4U
- Al Suffa
- Birmingham Children's Hospital

Our fundraising model is rooted in traditional tried and tested methods that incorporate digital, community and Philanthropy fundraising channels.

Our fundraising channels include:

- Individual donor giving
- Major donor giving
- Institutional giving
- Community fundraising
- Challenges
- Live TV appeals
- Events
- Volunteers
- Online giving
- Inbound and outbound call centres

## Fundraising Disclosure

Muslim Aid has engaged third party agencies such as YOC and Click Dimensions to provide fundraising acquisition on its behalf.

Marketing and campaign plans consisting of key components such as direct mail, SMS, mail shots etc, are a major revenue stream for us and allow us to be accessible to both our grass roots donors as well as new demographics.

Digital fundraising consisting of Google AdWords and social media giving has been a growth area to engage donors and continues to drive revenue. All third-party fundraising consultants are assessed and are required to adhere to our policies including safeguarding. Training is offered to ensure that Muslim Aid is represented in a way that reflects our values and mission

All fundraising activities are monitored, planned, budgeted through regular supervision.

There were a total of 34 complaints received in the year. These were all minor in nature.

## Covid-19: Implications on Fundraising

The continuing global health emergency of Covid-19 forced us to remain vigilant and flexible to ensure that all our employees, supporters and volunteers always remained safe. As lockdown restrictions changed throughout the year, we introduced phased approaches that regulated the way conducted fundraising activities across the UK. All our events were conducted in line with the latest Government guidance and safety was never compromised.

Our internal assessment policy consisted of three components to ensure responsible fundraising:

- How to behave and interact safely with the public.
- How to safeguard the public, staff and volunteers.
- Undertaking a risk assessment.

## Code of Fundraising Practice

In 2021, Muslim Aid completed its second annual internal review of compliance with the Fundraising Regulator's Code of Fundraising Practice. This review allowed us to strengthen our policies and procedures. Our fundraising department undergoes periodic training through a Data Privacy, Cyber Security and GDPR (General Data Protection Regulation) external agency.

## Protection of vulnerable people

Muslim Aid works to ensure that all vulnerable people are protected from abuse and neglect, and all referrals received are followed up promptly. We abide by the Fundraising Regulator's Code of Fundraising Practice and ensure our staff and volunteers are fully aware about the protection of vulnerable people.

## Community Fundraising

Our community fundraising engages with our target demographic to organise charitable activities and events to help build a relationship between our organisation and those who support our work.

Benefits of our community fundraising:

- Raising awareness of our international work domestically to our key demographic.
- Increasing our presence within the community.
- Building our donor database
- Implement our UK Programmes
- Helping to increase our volunteer network.
- Building goodwill within the community.

## Fundraising in Ramadan 2021

The holy month of Ramadan is synonymous with abstaining from food, but it is also a time that our donors are encouraged to give in charity. In 2021 we had to drastically change our fundraising plans as communities across the UK faced their first ever lockdown.

Over the 30-day period, our community fundraising team would traditionally host over 100 fundraising activities such as street collections, Qur'an tours and local iftars. This year, we had to adjust our plans and shift our focus to the digital space. As such greater emphasis and resources were provided to social media, outbound calls and Live Appeals so we could connect with our supporters who were at home.

In addition to this, Muslim Aid were able to identify key online influencers and volunteers who set up their own fundraising pages which helped increase our digital presence and raise awareness of our Ramadan campaign. Furthermore, we invested in our own automated donation platform (Nights of Power) so that our donors could automate their donations according to their preferences.



Philanthropy

High net worth donors

For the last three years Muslim Aid has been working on building a network of donors who support our work on a continued basis.

- This is done by:
- Identifying our major donors from the database, collating detailed information on donors’ interests, hobbies and area of work they most likely to support.
  - Cultivating existing and new donors.
  - Developing a relationship with key donors.
  - Increasing new donors by 15%.
  - Retain donors at a rate above 65%.

Islamic wills and legacy

The current legacy income in the UK is £2.5 billion and this is an untapped market for the Muslim charity market. Legacy income is undoubtedly a source of income for the future. Islamic wills are a grey area for the community so to fall in line with our strategic priority of being a faith driven organisation, we have started to offer this service.

To achieve this we have:

- Devised a brief guide to wills and legacy as an introduction for the Muslim community, this includes intestacy rules and Islamic inheritance rules.
- Created a short video to explain the importance of writing a will.
- Partnered with Islamic wills experts who can provide this service at the click of a button.

CSR

Corporate Social Responsibility is a key area of charity giving. Again, this is an untouched market for Muslim charities. We have started to work with the SME Muslim market by engaging with local Chambers of Commerce.

We started to:

- Build relationships with our existing donor base.
- Grow the income by using the mutual benefit route of sponsorship, Gifts-in-Kind and match funding.
- Target corporate ISOCs to arrange small fundraising activities with a view to get an introduction into the organisation.
- Promote GAYE as the preferred donation giving for employees.
- Promote Amazon Smile to receive income for corporate institutes.

Trusts and Foundations

Many Muslim businesses and high net worth individuals have set up trusts and foundations as a means of charity giving and usually look to partner with organisations to deliver their outcomes.

Core Funding

Raising unrestricted income has been a challenge at Muslim Aid so to raise core funds has been a priority. This is crucial for the sustainability of the organisation. We started work in this area by creating the following campaigns.

Amazon Smile

- Campaign for donors to sign up for Amazon Smile so that Muslim Aid can receive automated donations.

Friends of Muslim Aid

- Engagement with HNW individuals inviting them on the journey of raising unrestricted income.

Riba-Reinvest your interest

- Campaign and web page set up for donors to reinvest their interest.

Support our work

- Campaign requesting to support our work, this includes the option to donate £5 in addition to any donation made and also asking for £5 as an ongoing regular

Give as you earn

- Campaign and webpage set up to explain GAYE donations.
- Corporate Isocs being engaged to promote this way of giving to Muslim Aid.

Marketing and Campaigns

In 2021, Muslim Aid delivered 3 major campaigns: Ramadan, Qurbani and Winter. We also responded to a number of emergencies and launched campaigns for Covid-19, Yemen, and Global Floods. Furthermore, we launched a Rabi Al-Awwal campaign acknowledging the birth, life and teachings of Prophet Muhammad. Our 360 marketing approach means we have a portfolio of content both digital and non-digital that we can use to promote our campaigns.

Our campaigns also feature on all our social media platforms (Facebook, Instagram, and Twitter) where we engage in open dialogue with our audience through daily posts and uploads.

The marketing and campaign activities are designed to include a strong marketing mix and hit the various donor touchpoints which together create the overall returns for the campaign. For example, for certain audiences’ direct mail coming from the letter box, followed by a timely SMS whilst watching the TV appeal motivates the donor to donate on the website or contact the Call Centre.



Iftar at the Shard

Photography credit to Rooful Ali



Iftar at the Shard

Photography credit to Rooful Ali



# STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board of Trustees are responsible for overseeing, management and good governance of Muslim Aid and its affairs. Muslim Aid's Leadership Team are responsible for the execution and implementation of all operational matters including programme, project selection and delivery as well as managing and communicating policies and procedures across all of Muslim Aid's Country Offices. The aim is to ensure that our work is carried out efficiently and transparently in accordance with the aims and objectives of the charity.

In 2021, the Board recognised the importance of having the right skill sets and expertise at Board level to help them to improve their overall management and administration of the charity and its affairs. A Legal Trustee and Programmes Trustee were appointed in the first half of 2021 which added to the existing expertise and experience at Board level.

## Charity Governance Code

Muslim Aid continues to remain committed to adopting the principles of best practice as set out in the Charity Governance Code. The Board of Trustees and Leadership Team has continuously reviewed, updated and developed its governance model and framework against the principles within the code and will continue to do so in order to improve and develop its oversight, management and governance of its global operations.

## Public benefit

The Trustees confirm that they abide by the Charity Commission's general guidance on public benefit in accordance with the Charities Act 2011 and to have due regard to public benefit in pursuance of the Charity's aim as described in the Strategic report and on [www.muslimaid.org](http://www.muslimaid.org).

## Organisational Structure

The Trustees delegate the day-to-day running of the Charity to the CEO and Leadership Team. The CEO and the Leadership Team report directly to the Board and its Sub-Committees.

## International Structure

Muslim Aid has established operations in a number of countries across the world. It conducts its operations across these countries in one of three ways:

- By establishing a permanent presence through a separate local entity who are independent of Muslim Aid.
- By establishing a branch of the Muslim Aid entity and

all operations are carried out through that entity.

- Emergency, seasonal responses, short term responses carried out by a team from an existing Muslim Aid office or operations carried out through a partner organisation.

Muslim Aid has country offices in Bangladesh, Myanmar, Pakistan, Somalia, Sudan and local entities in Bosnia and Sri Lanka. It also engages local partners who are able to deliver aid in those countries where Muslim Aid does not have a permanent presence. Muslim Aid also partners with Muslim Aid USA and Sweden who are part of and contribute to Muslim Aid Global Family's priorities.

## Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements for each financial year, in accordance with all legal and regulatory requirements applicable to registered charities in England & Wales.

The Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS102)).

Under charity law the Trustees must not approve the financial statements unless they are satisfied that it gives a true and fair view of the state of affairs of the charity, its income and application of resources.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently; to observe the methods and principles in the Charities SORP (FRS102).
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions and disclose with reasonable accuracy, at any given time, the financial position of the charity to ensure that its financial statements comply with the Charities Act 2011.

They are also responsible for safeguarding the assets of the charity and taking reasonable steps in relation to the prevention and detection of fraud and other irregularities.

As far as each of the Trustees are aware, at the date of this report, there is no relevant audit information of which the charity's auditor is unaware. Each Trustee has taken all the steps that he/she ought to have taken in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees of Muslim Aid are guided by the founding principles of the organisation and have thus exercised due diligence and care in protecting the integrity of the charity and its reputation. We have reviewed the financial



accounts placed in the public domain in line with the legislation in the United Kingdom governing the preparation and dissemination of financial statements.

### Finance Audit and Risk Committee

The Finance, Audit and Risk Committee is a key sub-committee, comprising non-Executives as well as Trustee members. The Committee has oversight of financial management, counter fraud and corruption, internal and external audit, compliance and risk management, pensions and investment arrangements.

### Nominations Committee

The primary function of the Nominations Committee is to make key decisions in relation to the recruitment, selection and appointment of new Board members. Trustees are appointed in accordance with the constitution of Muslim Aid. The Nominations Committee has developed and maintains a skills matrix to identify and recruit trustees needed for the effective administration of the charity.

### Programme Committee

The Programmes Committee also comprises of Trustees, Non-Executive members and senior operational staff. It is charged with ensuring Muslim Aid continues to have the capacity to respond to emergencies and disasters worldwide and ensure the charity's strategic programme priorities are being adhered to.

### People and Culture Committee

The People and Culture Committee comprises of Trustees, CEO and the Head of People & Services to oversee the implementation of Muslim Aid's strategy on human resources arising from its strategic plan as well as the development of HR policies. It also ensures that appropriate safeguarding measures are in place and functioning effectively at Muslim Aid.

### Income Generation and Marketing Committee

The Income Generation and Marketing (IGM) Committee is a key subcommittee comprising non-executive members as well as trustees. It is charged to oversee and monitor the IGM Strategy, working with the IGM team. The role of the Committee is to understand industry trends and supporter feedback. This will allow us to leverage emerging technologies and methods to increase the diversity and quality of Muslim Aid income.

### Key Management Personnel and Remuneration Policy

The organisation is made up of structured departments functioning as independent units with clear reporting lines. Systems for line management, appraisals, staff development and supervision are in place, together with an accountability framework as well as grievance and complaints procedures.

The management team is made up of key management personnel and consists of the CEO and managers leading different Departments.

Remuneration for all senior staff is based on annual appraisals carried out by the CEO or Chairman and then reviewed by an appropriate committee. The review of pay takes into consideration roles and responsibilities together with relevant market rates.

### Equality, Diversity and Inclusion

Muslim Aid adopts a zero-tolerance approach to discrimination on any of the protected grounds in the Equality Act 2010. Muslim Aid is committed to providing equal opportunities to all its employees regardless of age, disability, sex, sexual orientation, pregnancy and maternity, race or ethnicity, religion or belief, gender identity or marriage and civil partnership.

We have a diverse workforce and work hard to build a more inclusive workplace, where people of different backgrounds can work together to ensure better and more positive outcomes for all staff and ultimately our beneficiaries.

Our Dignity at Work and related policies set out our approach to equal opportunities and the avoidance of discrimination at work. Our policies are applicable to all trustees, employees, consultants, contractors, volunteers, casual workers and agency workers and cover all aspects of employment including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

During 2021 we took steps to protect employees from harassment and abuse including Management training on conducting investigation, bullying

and harassment, grievances and managing a fair disciplinary process. We also rolled out short 'Watch and Go' videos on best practice of working culture which illustrate skills, tips and ideas for working more effectively, optimising management and team communication skills as well as helping employees and managers to prepare for difficult conversations.

The vetting and screening in place before engaging employees involves:

- References (including character references).
- Validation of Qualifications where applicable.
- Background checks.
- Basic DBS checks and enhanced DBS checks subject to roles and responsibility.
- Verification of applicants' identity and right to work in the UK.
- Credit checks where applicable.

Prior permission must be sought to use employees' photos for social media purposes in accordance with our social media policy.

### Operational Activities

Muslim Aid has a dedicated Safeguarding Policy and framework which aligns with values, principles and best practice of safeguarding in the international charity sector. Muslim Aid has continued its engagement of SafeCall as its external provider giving staff and connected persons access to a confidential 24 hour a day whistleblowing service, allowing employees and other stakeholders to report wrongdoing. The service is available at Head Office and Country Offices.

Safeguarding and PSEA training (Prevention of Sexual Exploitation

and Abuse) continues to be delivered to all staff at Head Office and Country Offices, as part of periodic and ongoing safeguarding training.

### Pension

The charity has complied fully with auto-enrolment legislation and all new employees are offered a shariah compliant pension scheme. The minimum employee contribution to the scheme is 5% and with the employer contribution of 3%.

### Auditor

Sayer Vincent has been appointed as the charity's statutory auditor commencing with the audit of the financial statements for the year ending December 2019.

### Principal Risks and Uncertainties

Muslim Aid is committed to continuing its journey of reconnecting and nurturing new relationships with its donors and beneficiaries.

Muslim Aid continues to embed risk management into its day-to-day behaviour and culture across its global operations. The Leadership Team with the oversight of the Board continue to keep risks under periodical review as part of their administration and management of the organisation. Risk management forms a central component of the daily strategic and operational decision making required to effectively oversee the humanitarian work of Muslim Aid and in the regions within which it operates which can be high risk at varying times.

Sub-committees of the Board, namely the Finance and Audit Committee alongside the Programmes Committee, have delegated powers to oversee risk management and report back to the Board. The Leadership and Management Teams periodically review and assess the major risks to which Muslim Aid is exposed to those relating to the operations, income generation and finances of Muslim Aid.

We have robust management systems in place that provide reasonable assurance that identifiable risks can be properly and proportionately managed at any given time.

### Assurance Framework

Muslim Aid's has a dedicated Internal Audit supported by an outsourced provider committed to improving governance, risk management, and internal controls. We have a fit for purpose "Third Line of Defence" that provides an additional and independent layer of assurance to our stakeholders that Muslim Aid is doing the right things and doing them effectively and efficiently as and when required.

Our Internal Audit has an Audit Charter and adopted an Audit Strategy. The Board approved this strategy together with a programme of work for 2020-22. This programme of Internal Audit work incorporates relevant and appropriate aspects of risk management.



## Major risks

The following major risks were identified at an organisational level. For each risk, specific actions and performance indicators relating to them were monitored by the Leadership Team (LT) and Board of Trustees.

### 1. Financial Resilience

Muslim Aid has made significant progress in reducing its deficit position. Whilst this has placed the organisation on a sustainable financial footing, the low unrestricted reserves has limited its ability to innovate, effectively invest in its operations and operate in an agile way. Muslim Aid remains reliant upon seasonal campaigns for the majority of funds coming from regular donations.

#### Actions:

- Increased diversification of income streams to include dedicated core funding for the organisation's operational costs.
- Increased focus on Institutional and grant funding that includes indirect costs as part of process. START network and MA USA success.
- Major fundraising campaigns analysis and monitoring approved at board level
- Adoption of full cost recovery model on programmes to insure better recovery of administration costs in the UK and in country.

### 2. Country Operations and impact on global funding

Muslim Aid has restructured over half of its international offices. It has renewed its formal agreements between its Head Office, Partners, and Country Offices as part of building, developing and reinforcing its international governance framework. The vulnerable and naturally volatile contexts of the countries we work in and legacy issues in some countries can potentially impact funding opportunities with institutional donors and partner operations across the world.

#### Actions:

- Training provided on all critical policies for partner and affiliate offices globally.
- All major policies updated and translated into local languages
- Risks for contingent liabilities made in accounting and financial reporting to mitigate impact on future programmes and planning
- More proactive oversight of Country programs including yearly internal audits.

### 3. International Money & Foreign Exchange

De-risking and payment de-platforming is impacting the cost of moving money around the globe, especially in the most vulnerable countries Muslim Aid works in. Muslim Aid continues to absorb these costs and is working with cross sector forums to address the increasing costs to charities and civil society organisations to do their work. We are also working with specialist FX agencies to analyse and review our international transfer history to mitigate FX costs and fluctuations.

### 4. Building Resilience in operations and rising costs of operations

Muslim Aid has largely weathered the challenges of the pandemic, with donors remaining loyal and country teams delivering programmes despite personal and organisational impacts of the pandemic and its aftershocks. The more recent and rapid onset of worldwide inflationary pressures and the resultant cost of living crisis have so far been absorbed by Muslim Aid (through better cost recovery of programmes), although this has placed further strain on its efforts to manage down the overall deficit position.

#### Actions

- Increased communications to donors on the true cost of delivering their aid
- Salary benchmarking exercises in country offices
- Include total cost of delivery in grant contracts and terms
- Advisory notes and government regulations shared with country offices
- Remote and hybrid working policies and technologies upgraded to reduce disruption



# FINANCIAL REVIEW

The financial statements have been prepared in accordance with the accounting policies set out on pages 76 to 78 of the attached Financial Statements and comply with applicable laws and requirements of the 'Accounting and Reporting by Charities: Statement of Recommended Practice' (Charities SORP (FRS102)) issued by the Charity Commission October 2019.

## Consolidation

The financial statements incorporate the transactions and balances of each of Muslim Aid's 5 country offices and 2 affiliated offices, alongside the activity arising from its UK operations.

## Overview

We continue to enjoy the support of our donors for our work to eradicate poverty and bring a lasting change to the lives of our beneficiaries. In 2021, we raised a total of £20.0m (2020: £20.0m).

Our total income excluding Gifts in Kind is £19.0m (2020: £18.7m), plus an additional £1.2m of Gifts in Kind. Over this year, we spent a total of £21.7m (2020: £19.8m). This is largely due to an increase in spending on our charitable activities (i.e., Humanitarian/Emergency response, education, healthcare and livelihood programmes) on which we spent £19.9m.

Our net income was a deficit of £1.4m for the year (2020: surplus £0.2m).

## Our Income

All of our income comes primarily from two areas: community fundraising and institutional funding (grants and contracts).

## Donated Income

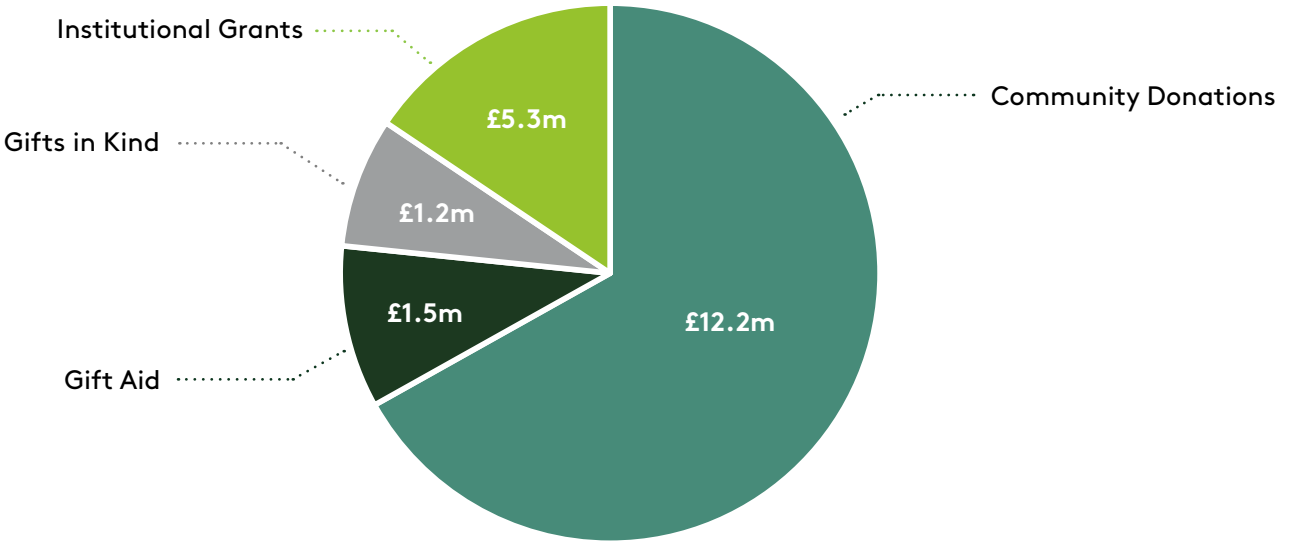
This year we raised £10.6m via our donated income from our generous UK donors (2020: £10.3m). Our Country Offices raised a total of £1.6m from their respective donors in their countries (2020: £2.4m).

Events and Challenges is part of our fundraising expenditure of £1.7m in the year, compared to £2.3m in 2020.

Income received from Gift aid claims was £1.5m for the year (2020: £1.4m).

Gifts in Kind comprised of medical and food items were £1.2m for the year (2020: £1.2m).

## Our Income in 2021





Income from Charitable activities

We have continued to maximise our impact by co-financing our institutional funding with donated income to promote long-term development programmes. We recognised £5.3m in institutional funding during the year (2020: £4.6m). Our institutional funders during 2021 include Department of Foreign Aid and Development (DFID). Refer to Note 3 Charitable activities.

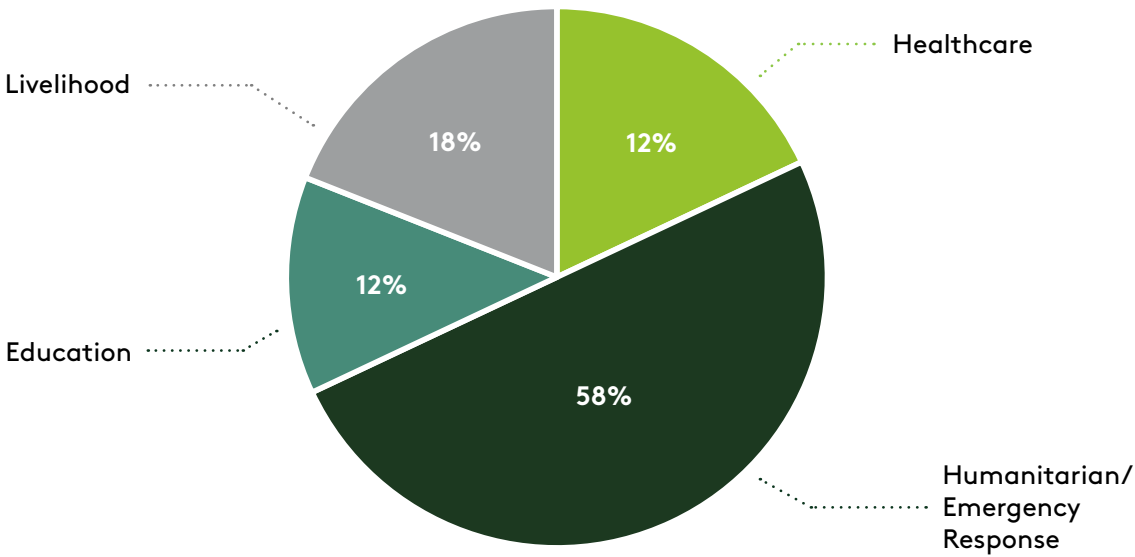
Our Expenditure

We spent £19.9m (2020: £17.5m) in support of our charitable activities (i.e., Humanitarian/Emergency response, education, healthcare and livelihood programmes) and £1.7m (2020: £2.3m) on raising funds through donations.

Charitable activities

Of the £19.9m mentioned above, 58% (£11.5m) was spent on our strategic focus of humanitarian/emergency response. Education represented 12% (£2.4m), Healthcare 12% (£2.4m) and Livelihoods 18% (£3.6m).

Our Expenditure in 2021



Zakat

We recognise our donors need to have confidence that charities have implemented their Zakat donations to fulfil the noble values and demonstrated the impact of their activities towards socio economic justice.

We received £4.7m (2020: £4.2m) of our total donations as Zakat funds and we have expended in the year £7.2m (2020: £3.2m). We expended more in the year due to funds carried forward from prior years.

Muslim Aid understands from scholarly views that whilst there is no set amount for utilisation by the amileen alayha (collectors of zakat), our practice is not to use more than 12.5% (one-eighth) of the Zakat to cover our support costs. This is to protect the entitlements of other zakat recipients.

Support Costs

Support costs or admin costs are vital for effective charity management to ensure that our beneficiaries receive humanitarian and development programmes achieving long term benefits, with the ultimate aim for them to become self-sufficient.

Many charities have issues of poor programme delivery by merely delivering handouts to beneficiaries and frontloading resources into programmes by neglecting infrastructure, systems, culture and behaviour.

Muslim Aid, by investing in our people and infrastructure (this includes staff, systems and core back-office functions such as Finance, HR, IT, procurement and administrative functions) are strengthening the organisation holistically to prevent loss, fraud and corruption of the entrusted funds. We aim to maintain a sensible ratio of programmatic delivery to infrastructure and guard the charity against over-ambition.

All our programmatic activities include planning and preparation in the pre-operation phase, together with sufficient reflective learning and development in the post programme phase.

To ensure we protect the entitlements of our beneficiaries we aim to ensure that we do not take more than 15% from voluntary income. Support costs are covered by cost recovery from institutional donor grants/contracts and gift aid (our gift aid clause specifies the details, please see our website [www.muslimaid.org](http://www.muslimaid.org)), with voluntary income contribution at 15% target levels.

Impact

We invested £1.2m (4% of total income) in our effective charity management approach. We ask all donors to ask charities the following 3 questions to promote truthful, transparent and credible answers of what each charity does.

- How many people do we reach? 5.2 million
- What sort of impact do we have? (Please see information under Programmes in this report)
- How much do we spend doing that? £19.5 million

Reserves - Definition

The term “Reserves” is used to describe the part of a charity’s income funds that is freely available for its operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds.

Restricted funds are subject to conditions either specified by the funder or restrictions imposed by the donor or Muslim Aid itself during its marketing campaigns. Zakat funds are classified as restricted funds by Muslim Aid.

Reserves - Policy Statement

Reserves are defined as unrestricted funds that are freely available to spend on any of Muslim Aid’s charitable purposes. This excludes restricted income funds, tangible fixed assets and any investment funds. Reserves should be held to service an unexpected need for funds for charitable purposes, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil the charity’s obligations. Muslim Aid’s sources of income are public fundraising, institutional grants and contracts.

Reserves are set according to our budgeted income and against our obligations for continuous funding for supported charitable projects. It is intended to mitigate uncertainty relating to our cash flow and to ensure that there are sufficient reserves to cover any shortfalls against income. The reserves policy is only acted on when cash flow permits. The costs to winding up Muslim Aid involve the six-month termination notice period. This represents approximately 5% of the total income of the charity with a recommended 6 months’ provision.



Going Concern

The Trustees have considered the funding position and risks to which the organisation is exposed. The Trustees have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future. The Trustees believe that there are no material uncertainties which call into doubt the charity’s ability to continue as a going concern. COVID-19 has not impacted our ability to continue as a going concern. The financial statements have therefore been prepared on the basis that the charity is a going concern.

In the opinion of the trustees, the Charity Commission Action Plan issued in 2018 has now been completed with full oversight and management of the Board and the Leadership Team. Final confirmation of this is awaited from the Commission.

Free Reserves

Unrestricted reserves as at 31st December 2021 were £2,799,529. Excluding fixed assets of £1,883,889 equates to £915,640 free unrestricted reserves.

The Board continues to monitor forecasts of income and expenditure against planned activities, assessing future needs, opportunities and contingencies.

Net assets

The balance sheet for the Charity shows net assets of £8.9m, (2020: £10.6m). The decrease in funds is represented by a net deficit in the year of £2.6m on restricted funds and net surplus of £0.9m on unrestricted funds.

Intangible fixed assets

The changes in intangible fixed assets during the period are shown in Note 9 to the financial statements.

Tangible fixed assets

The changes in tangible fixed assets during the period are shown in Note 10 to the financial statements.

Investment policy

Muslim Aid’s policy is to invest its temporary cash surplus in short-term and intermediate-term deposit accounts that generate a return of project without assuming undue risk to principal. The primary objectives of making such investments shall be preservation of capital, maintenance of liquidity and profit generated from sharia compliant products in accordance with Islamic Finance principles. Muslim Aid will assess the short term and long-term rating of the banking and financial institutions.

Grant Making Policy

Muslim Aid, in addition to implementing charitable projects with its Country Offices, works with a number of implementation partners. Within our country offices there may at times be sub-grant recipients.

Partner selection is carried out on a country or grant-by-grant basis. The criteria include the expertise and

geographical reach of the implementing partner and complementary core competence.

Before a formal grant agreement is signed with all potential grantees, Muslim Aid completes appraisals of the project and subjects the proposed implementing partner to a due diligence process and vetting. This includes assessing the organisation’s key management and organisational capability. The partner and its key officers are vetted against proscribed lists utilising Thomson Reuters World-Check.

A signed grant agreement is put in place with all Country Offices and partners, which covers the ways of working, delivery criteria, expected standards, policies, principles and reporting requirements.

Our teams monitor and evaluate progress throughout the period of the grant, according to the size of the grant and perceived level of risk. If Muslim Aid is not satisfied with how the grant is being managed, according to the partner agreement, Muslim Aid can discontinue the grant funding. All partners are subject to regular supervision and an annual appraisal.

The Board of Trustees has the responsibility to sign the Report and Accounts for the year ended 31 December 2021. The accounts were approved on the 17th October 2022.



Mustafa Faruqi  
Chairman

17th October 2022



# INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF MUSLIM AID

---

## Opinion

We have audited the financial statements of Muslim Aid (the ‘charity’) for the year ended 31 December 2021 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 charity’s affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.
- 

## 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 charity 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 Aid’s 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, 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.



Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees’ annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; 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 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 charity’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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, internal audit and the audit and risk committee, 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 reviewed processes for in place for monitoring and accounting for funds provided to partner organisations outside the UK.
- We reviewed the monthly financial reporting from country programmes and the outcomes of local external audits of country programmes.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charity’s trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity’s trustees 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 charity and the charity’s trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date 28 October 2022

*Sayer Vincent LLP*

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

# STATEMENT OF FINANCIAL ACTIVITIES

For the period ended 31 December 2021

		Unrestricted	Restricted	Total	Total
	Note	Funds £	Funds £	2021 £	2020 £
<b>Income</b>					
Donations and Legacies	2	2,988,638	11,984,803	14,973,441	15,343,454
Charitable Activities	3	42,591	5,222,299	5,264,890	4,608,442
Investment Income	4	29,816	-	29,816	25,675
<b>TOTAL INCOME</b>		<b>3,061,045</b>	<b>17,207,102</b>	<b>20,268,147</b>	<b>19,977,571</b>
<b>Expenditure on:</b>					
Raising Funds	5	902,539	878,234	1,780,773	2,270,708
Charitable Activities		1,217,445	18,657,319	19,874,764	17,482,312
<b>TOTAL EXPENDITURE</b>		<b>2,119,984</b>	<b>19,535,553</b>	<b>21,655,537</b>	<b>19,753,020</b>
<b>Net income / (expenditure) before foreign exchange</b>		<b>941,061</b>	<b>(2,328,451)</b>	<b>(1,387,390)</b>	<b>224,551</b>
<b>Exchange surplus / (loss)</b>		<b>-</b>	<b>(291,081)</b>	<b>(291,081)</b>	<b>(213,714)</b>
<b>Transfer of Funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>941,061</b>	<b>(2,619,532)</b>	<b>(1,678,471)</b>	<b>10,837</b>
<b>Reconciliation of funds:</b>					
Funds at 31 December as previously stated		1,858,468	8,791,231	10,649,699	10,638,862
<b>Total funds at 31 December 2021</b>		<b>2,799,529</b>	<b>6,171,699</b>	<b>8,971,228</b>	<b>10,649,699</b>

The results for the year shown above all derive from continuing operations.  
All recognised gains and losses are reflected in the Statement of Financial Activities and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 75 to 88 form an integral part of these financial statements.



# BALANCE SHEET

As at 31 December 2021

		Total 2021 £	Total 2020 £
	Note		
<b>Fixed Assets</b>			
Intangible Assets	9	29,518	46,385
Tangible Assets	10	1,854,371	1,968,589
		<b>1,883,889</b>	<b>2,014,974</b>
<b>Current Assets</b>			
Inventories		192,577	43,139
Debtors	11	7,055,945	5,708,283
Cash at bank and in hand		8,300,631	9,210,995
		<b>15,549,153</b>	<b>14,962,417</b>
<b>Creditors: amounts falling due within one year</b>	12	6,095,747	4,758,170
<b>Net Assets</b>		<b>9,453,406</b>	<b>10,204,247</b>
<b>Total Assets Less Current Liabilities</b>		11,337,295	12,219,221
Provisions	13	2,366,067	1,569,522
<b>Total Net Asstes</b>		<b>8,971,228</b>	<b>10,649,699</b>
<b>The Total Funds of the Charity</b>	14		
<b>Unrestricted Income Funds</b>			
General Fund		2,799,529	1,858,468
<b>Restricted Income Funds</b>		6,171,699	8,791,231
<b>Total Funds</b>		<b>8,971,228</b>	<b>10,649,699</b>

The financial statements were approved by the Trustees on 17th October 2022 and signed on its behalf by:



Chairman

The notes on pages 75 to 88 form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Total 2021 £	Total 2020 £
<b>Cash flows from operating activities:</b>		
Net movement in funds (as per the Statement of Financial Activities)	(1,678,471)	10,836
Depreciation charges	166,951	219,388
Loss on disposal of tangible fixed assets	36,359	73,704
Currency revaluation of tangible fixed assets	26,955	49,640
(Increase)/Decrease in inventories	(149,437)	296,243
(Increase)/Decrease in debtors	(1,347,664)	1,259,241
(Decrease) / Increase in creditors	2,134,123	(869,155)
Investment income receivable	(29,816)	(25,675)
<b>Total Cash from Operating Activities</b>	<b>(841,000)</b>	<b>1,014,222</b>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(99,180)	(181,393)
Interest Received	29,816	25,675
<b>Total Cash from Investing Activities</b>	<b>(69,364)</b>	<b>(155,718)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(910,364)</b>	<b>858,504</b>
Cash and cash equivalents at the beginning of the year	9,210,995	8,352,491
<b>Cash and cash equivalents at the end of the year</b>	<b>8,300,631</b>	<b>9,210,995</b>
<b>Analysis of cash and cash equivalents:</b>		
Cash in hand	8,300,631	9,210,995
<b>Total cash in hand</b>	<b>8,300,631</b>	<b>9,210,995</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 1 - Accounting policies

Muslim Aid is a Charitable Incorporated Organisation registered charity (registration number 1176462). The address of the registered office is PO Box 3, London E1 1WP. The charity is governed by its Memorandum and Articles of Association. The charity is a public benefit entity. More details on how the trustees have satisfied themselves that Muslim Aid has met the public benefit requirements are given in the trustees' report section.

On 1 Feb 2018, the charity (MA 1985 registration number 295224) was dissolved with all remaining assets and liabilities transferred to a newly established Charitable Incorporated Organisation (registration number 1176462) of the same name and under the control of the existing Muslim Aid Board. Both organisations are considered public benefit entities. These transactions were accounted for as a merger and accordingly the financial statements are prepared on that basis and the trustees are satisfied that no material adjustments or restatements of comparative information are required.

### a) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention unless stated otherwise on the relevant accounting policy notes and in accordance with the Statement of Recommended Practice SORP (FRS 102) and UK Generally Accepted Accounting Practice.

The Statement of Financial Activities (SOFA) and Balance Sheet include the results, assets and liabilities of the Charity and all its country offices. The results of the country offices are combined on a line-by-line basis.

The financial statements have been prepared on an ongoing basis as discussed in the trustee's report. There are no material uncertainties about the charity's ability to continue as a going concern.

### b) Key areas of Judgement

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ to these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period is revised if the revision only affects that period or in period of the revision and future periods if the revision affects the current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting the assets and liabilities at the balance sheet are likely to result in material adjustment to the carrying amounts in the next financial year.

### c) Going Concern

The charity can meet its obligations as they come due as such it is a going concern. It continues to monitor cost and diversification of income streams. As at 31st December 2021, the charity reserves included £2,799,529 Unrestricted reserves of which £915,640 were free reserves. The charity cash position was £8,300,631.

### d) Funds Accounting

Funds held by the charity are:

- Restricted funds – these are funds which are subject to specific conditions imposed by the donors or when funds are raised for a particular restricted purpose.
  - Zakat funds – these are funds which can be used in accordance with the Islamic religious conditions and parameters set in the Qur'an. The charity's policy defines the criteria for the fundraising, allocation and distribution of Zakat. The charity is required to record its justification as to how projects match the criteria of Zakat
- Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

### e) Income

- Income, including donations and gifts, gifts in kind and grants are recognised where there is entitlement, there is probability of receipt, and the amount is measurable.

- Tax recovered from income received under gift aid is recognised when the related income is recognised and allocated to unrestricted funds in line with the communication with donors to allocate the funds towards the core costs of the charity and its Need is greatest programmes to save and transform more lives.
- Gift in kind for use by the charity and donated services are included in the accounts at their approximate market value at the receipt. No amount has been included in the financial statements for services donated by volunteers.
- Gifts in kind for distribution are included in the accounts at the fair value to the charity ((in the case of medicines, at the lowest value of the generic equivalent as approved by the WHO) when the good are received and under the control of the charity. Amounts are recognised in inventory until distributed at which point the relevant cost is released to the statement of financial activities.
- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- Income from other trading activities is recognised as it is earned, that is as the related goods or services are provided.
- Investment and rental income are recognised on a receivable basis.

#### **f) Expenditure**

- Expenditure is recognised when a liability is incurred, irrecoverable VAT is included within the expense item to which it relates.
- Expenditure on charitable activities is reported as a thematic analysis of the work undertaken by the charity, against our thematic themes of humanitarian response, feed the fasting, qurbani, livelihoods, education and health. Under these headings are included grants payable and the costs of activities performed directly by the charity or its country offices, together with associated direct and indirect support costs. The costs include salaries and associated employment costs including pensions and termination payments.
- Expenditure on raising funds comprises salaries, direct expenditure and overhead costs of UK based staff who promote fundraising from all sources including major donors, corporates and individuals. The expenditure on third party agencies that promote fundraising on social media and other platforms is included.
- Indirect support costs include IT, HR, CEO's time or finance costs that are essential for the charity to delivery its projects of humanitarian response, feed the fasting, qurbani, livelihoods, education and health. Not to incur these costs would severely impair the quality of work and sustainability of the charity.
- Indirect support costs have been allocated to cost categories on a basis consistent with the level of activity.

#### **g) Pensions**

- The charity operates a defined contribution pension scheme for the benefit of its employees. Pension costs are recognised in the month in which the related payroll payments are made. The money purchase nature of the scheme ensures there will be no funding deficit or surplus accruing to the Charity in the future. The pension scheme is independently administered, and the assets of the scheme are held separately from those of the Charity.

#### **h) Foreign currencies**

The functional currency of the charity is considered to be pounds sterling that is the currency of the primary economic environment it operates in the UK. The consolidated financial statements are presented in pound sterling.

Transactions in foreign currencies are translated at the rate of exchange at the time of the transaction. Country office income and expenditure is included in the Statement of Financial Activities at the average exchange rate for the period.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date.

Foreign currency gains and losses are recognised through the Statement of Financial Activities for the period in which they are incurred. All exchange differences are recognised through the statement of financial activities.

#### **i) Operating leases**

Rental payments under operating leases are charged as expenditure incurred evenly over the term of the lease. The benefit of any reverse premium received is also spread evenly over the term of the lease.

#### **j) Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as

Leasehold properties	Straight line over the life of the lease
Freehold properties	5% straight line
Computers and software	25% straight line
Fixtures and fittings	10% straight line
Office equipment	15% straight line
Motor vehicles	15% straight line

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate.

#### **k) Intangible fixed assets**

Intangible fixed assets represent the costs associated with acquiring and bringing in to use computer software. Amortisation is calculated using the reducing balance method to write down the cost to its estimated residual value.

#### **l) Inventories**

These are valued at the lower of cost and net realisable value and represent supplies received before the year end and distributed after the year end.

#### **m) Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial assets comprise cash at bank and in hand, short term deposits trade and other debtors. Financial liabilities include trade and other creditors. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Details and carrying value of these financial assets and liabilities are given in the notes to the accounts.

#### **n) Micro Finance**

The charity's overseas country offices provide unsecured credit to clients and savings account services to its beneficiaries so as to enable them to become self-sufficient and plan financial affairs to match their needs and provide capital for development. The income from lending and expenditure relating to lending and deposit taking activity is accounted for in the Statement of Financial Activities and the resulting assets (loans) and liabilities (deposits) are included in the balance sheet under debtors and creditors respectively.

#### **o) Taxation**

The charity meets the criteria and tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK taxation purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992. No corporation tax liability arises in the accounts.



## 2 - Donations and Legacies

	Unrestricted	Restricted	Total	Total
	£	£	2021 £	2020 £
Donations received in the UK	1,450,281	9,226,031	10,676,312	10,336,429
Donations received at the Field Offices	-	1,560,499	1,560,499	2,388,796
Gift Aid	1,538,357	-	1,538,357	1,430,508
Gifts in Kind	-	1,198,273	1,198,273	1,187,721
<b>Total Donation and Legacies income</b>	<b>2,988,638</b>	<b>11,984,803</b>	<b>14,973,441</b>	<b>15,343,454</b>

## 3 - Charitable Activities

	Unrestricted	Restricted	Total	Total
	£	£	2021 £	2020 £
DFID	(38,276)	38,276	-	686,687
Globus Relief	-	118,854	118,854	-
European Commission Humanitarian Organisation	-	-	-	207,239
United Methodist Committee on Relief	-	1,232	1,232	-
Other Institutional Grants	80,867	124,546	205,413	236,935
Institutional Grants at Field Offices	-	4,939,391	4,939,391	3,477,581
<b>Total Charitable Activities Income</b>	<b>42,591</b>	<b>5,222,299</b>	<b>5,264,890</b>	<b>4,608,442</b>

## 4 - Investment Income

	Total	Total
	2021 £	2020 £
Bank Deposit Interest	29,816	25,675
<b>Total Bank Deposit Interest</b>	<b>29,816</b>	<b>25,675</b>

Bank deposit income was related to unrestricted funds.

## 5 - Resources expended

	Direct Costs £	Staff Costs £	Support Costs £	Total 2021 Costs £	Total 2020 Cost £
<b>Raising Funds</b>	1,304,849	426,355	49,570	1,780,773	2,270,708
<b>Charitable Activities</b>					
Humanitarian/ Emergency Response	9,507,482	1,635,799	348,587	11,491,868	8,562,648
Education	1,538,851	799,990	71,391	2,410,233	2,326,699
Healthcare	1,487,569	812,879	54,703	2,355,151	3,320,126
Livelihood	3,132,973	423,684	60,855	3,617,512	3,272,839
<b>Total Charitable activities</b>	<b>15,666,876</b>	<b>3,672,352</b>	<b>535,536</b>	<b>19,874,764</b>	<b>17,482,312</b>
<b>Total Expenditure</b>	<b>16,971,724</b>	<b>4,098,707</b>	<b>585,106</b>	<b>21,655,537</b>	<b>19,753,020</b>

### Comparative SOFA Resources expended

	Direct Costs £	Staff Costs £	Support Costs £	Total 2020 Costs £
<b>Raising Funds</b>	1,415,252	752,756	102,700	2,270,708
<b>Charitable Activities</b>				
Humanitarian/Emergency Response	5,224,779	2,827,621	510,248	8,562,648
Education	1,218,099	997,510	111,090	2,326,699
Healthcare	2,391,391	853,707	75,028	3,320,126
Livelihood	2,803,471	392,174	77,194	3,272,839
<b>Total Charitable activities</b>	<b>11,637,740</b>	<b>5,071,012</b>	<b>773,560</b>	<b>17,482,312</b>
<b>Total Expenditure</b>	<b>13,052,992</b>	<b>5,823,768</b>	<b>876,260</b>	<b>19,753,020</b>

## 6 - Support Costs

	Total 2021 £	Total 2020 £
Office Costs	129,387	305,656
Finance and IT	95,331	96,249
HR, Recruitment and Training Costs	196,853	245,743
Governance Costs	163,535	228,612
<b>Total Support Costs</b>	<b>585,106</b>	<b>876,260</b>

## 7 - Governance Costs

	Total	Total
	2021	2020
	£	£
Audit Fees - Sayer Vincent	46,500	41,787
Legal fees	43,571	112,261
Trustees expenses	-	-
Internal audit	73,464	64,564
<b>Total Governance Costs</b>	<b>163,535</b>	<b>218,612</b>

In addition to governance costs stated above, Muslim Aid also incurred £8,647 for the local audits of its overseas country offices (2020: £9,129)

No member of the Board received any remuneration for their work as Trustees (2020: nil).

During the year 0 trustee (2020:nil) received re-imbursement for travel and subsistence costs totalling £nil (2020: £nil)

## 8 - Staff cost and number of employees

	2021	2020
<b>Average number of employees during the year were:</b>	<b>Number</b>	<b>Number</b>
Fundraising	14	46
Information Public Affairs	1	5
International Programmes	877	690
Management & Finance	32	85
Corporate Services	80	55
Internal Audit	2	3
	<b>1,006</b>	<b>884</b>
<b>Average number of country office employees included above</b>	<b>969</b>	<b>801</b>
<b>Employment Costs</b>	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gross Pay	2,979,933	3,462,518
Employer's National Insurance	290,917	334,042
Pension Costs	23,686	34,142
	<b>3,294,535</b>	<b>3,830,702</b>

Staff costs includes the cost of 25 casual employees (2020:7) who are employed during the months of Ramadan and Qurbani

Following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021	2020
	Number	Number
£80,001-£90,000	1	1
	<b>1</b>	<b>1</b>

Total remuneration for senior employees was £230,477 (2020: £393,125). Employers NI was £26,932 (2020: £50,418) and employer pension costs were £6,166 (2020: £8,631). Senior employees are considered to be key management personnel and refers to the CEO, Head of Programmes, Head of People and Culture and Head of Fundraising.

During the year there was 1 redundancy payment totalling £1,076 ( 2020 27 redundancy payments: £165,739) with no termination payment (2020:£nil).

## 9 - Intangible Fixed Assets

	Computer Software
<b>Cost</b>	
At 1 January 2021	263,796
Additions	-
Disposals	(196,328)
<b>As at 31 December 2021</b>	<b>67,468</b>
<b>Amortisation</b>	
At 1 January 2021	217,411
Charge for the year	16,867
Disposals	(196,328)
<b>As at 31 December 2021</b>	<b>37,950</b>
<b>Net book values</b>	
At 31 December 2021	29,518
At 31 December 2020	46,385

## 10 - Tangible Fixed Assets

	Freehold & Leasehold Buildings	Computers & Software	Fixtures & Fittings	Office Equipment	Vehicles	Total
<b>Cost</b>						
At 1 January 2021	1,887,893	668,346	316,393	687,291	505,487	4,065,410
Additions	24,493	37,000	7,669	28,673	1,346	99,181
Disposals	-	(242,492)	(94,059)	(30,991)	(14,638)	(382,180)
Revaluation to closing rates	(130)	(17,422)	(6,167)	(20,565)	(25,326)	(69,611)
<b>As at 31 December 2021</b>	<b>1,912,255</b>	<b>445,432</b>	<b>223,837</b>	<b>664,408</b>	<b>466,869</b>	<b>3,712,800</b>
<b>Depreciation</b>						
At 1 January 2021	483,409	546,039	203,783	523,758	339,832	2,096,821
Charge for the year	42,195	46,993	11,899	23,317	25,680	150,084
Disposals	(507)	(240,112)	(64,427)	(28,517)	(12,257)	(345,819)
Revaluation to closing rates	272	(11,314)	(2,042)	(19,815)	(9,758)	(42,657)
<b>As at 31 December 2021</b>	<b>525,369</b>	<b>341,606</b>	<b>149,214</b>	<b>498,743</b>	<b>343,497</b>	<b>1,858,429</b>
<b>Net book values</b>						
At 31 December 2021	1,386,887	103,825	74,622	165,665	123,372	1,854,371
At 31 December 2020	1,404,484	122,307	112,610	163,533	165,655	1,968,589

### Inventories

Inventories consist mainly of undistributed emergency foods and medicines which are stored in warehouses across our field offices.



## 11 - Debtors

	2021 £	2020 £
Microfinance Deposit	5,521,808	4,352,999
Receivables from Institutions	156,457	50,275
Gift Aid	213,140	352,904
Prepayments and accrued income	1,164,540	952,105
	<b>7,055,945</b>	<b>5,708,283</b>

## 12 - Creditors

	2021 £	2020 £
<b>amounts falling due within one year</b>		
Programme creditors	2,566,991	2,203,577
Trade creditors	116,476	65,289
Taxation and social security	3,895	-
Accruals	65,502	52,688
Microfinance	3,180,496	2,411,166
Deferred income	162,387	25,450
	<b>6,095,747</b>	<b>4,758,170</b>

## 13 - Provisions

	2021 £	2020 £
Balance at the Beginning of the Period	1,569,522	1,587,807
Amount released in the Period	-	(18,285)
Increase in the provision in the period	1,096,545	-
Decrease in the provision in the year	(300,000)	-
	<b>2,366,067</b>	<b>1,569,522</b>

The trustees have identified a number of potential liabilities arising from closed country programmes and have set aside a provision to cover these. The provisions are calculated based on the trustees' assessment of the probability of these liabilities crystallising. The increase in the provision in the period relates to a claim made by OCHA (United Nations Office for coordination of humanitarian affairs) relating to historic projects delivered in Iraq and Somalia. The decrease in the provision in the period relates to a potential settlement on a claim by a supplier in Iraq for a historic payment dispute.

## 14 - Statement of Funds (2021)

	Balance at 1st January 2021	Income	Expenditure	Gains/ (losses)	Transfers	Balance at 31st December 2021
	£	£	£	£	£	£
<b>Restricted:</b>						
<u>UK Institutional Grants</u>						
ECHO (Humanitarian/ Emergency Response)	158,981	118,854	277,835	-	-	-
DFID	604,892	38,276	643,168	-	-	-
United Methodist Committee on Relief	54,146	-	54,146	-	-	-
Other Institutional funds	40,895	125,778	83,359	-	-	83,314
<u>Field Offices</u>	3,250,516	7,698,163	7,271,005	(291,081)	-	3,386,593
<b>Muslim Aid:</b>						
<u>Emergency Funds</u>	2,799,505	2,447,583	5,317,725	-	-	(70,637)
<u>Muslim Aid: Other Funds</u>						
Development Fund	1,022,935	2,149,063	2,623,891	-	-	548,106
Zakat Fund	1,169,116	1,975,846	1,185,287	-	-	1,959,675
Religious Fund	(33,431)	1,205,109	907,029	-	-	264,649
Childcare and Sponsorship Fund	(276,324)	1,448,431	1,172,107	-	-	-
<b>Total Restricted Funds</b>	<b>8,791,231</b>	<b>17,207,102</b>	<b>19,535,553</b>	<b>(291,081)</b>	<b>-</b>	<b>6,171,699</b>
<b>Unrestricted Fund:</b>						
Fixed Asset Fund	2,014,974	-	46,525	-	(84,561)	1,883,889
General Fund	(156,506)	3,061,045	2,073,459	-	84,561	915,640
<b>Total Unrestricted Funds</b>	<b>1,858,468</b>	<b>3,061,045</b>	<b>2,119,984</b>	<b>-</b>	<b>-</b>	<b>2,799,529</b>
<b>Total Funds</b>	<b>10,649,699</b>	<b>20,268,147</b>	<b>21,655,537</b>	<b>(291,081)</b>	<b>-</b>	<b>8,971,228</b>

(i) Restricted funds are those project balances held on behalf of institutional donors, field offices, specific appeals and general emergency for future work. Any funds remaining in deficit on completion of programme will be cleared by transfers from general unrestricted funds.

(ii) The fixed asset fund represents the net book value of tangible fixed assets that were originally funded out of unrestricted funds. Fixed assets are acquired out of general funds and the transfer from the fixed asset fund represents the difference between additions and charge for the year.

(iii) General fund represents the amount that trustees are free to use in accordance with Muslim Aid's charitable objectives.

## 14 - Statement of Funds (2020)

	Balance at 1st January 2020	Income	Expenditure	Gains / (losses)	Transfers	Balance at 31st December 2020
	£	£	£	£	£	£
<b>Restricted:</b>						
<u>UK Institutional Grants</u>						
ECHO (Humanitarian/ Emergency Response)	-	207,239	48,258	-	-	158,981
DFID	492,458	618,018	505,584	-	-	604,892
Start Network	-	-	-	-	-	-
United Methodist Committee on Relief	54,146	-	-	-	-	54,146
World Federation	-	-	-	-	-	-
Other Institutional funds	-	76,044	35,149	-	-	40,895
<u>Field Offices</u>	3,432,424	7,054,098	7,022,292	(213,714)	-	3,250,516
<b>Muslim Aid: Emergency Funds</b>	5,251,660	1,631,318	4,083,473	-	-	2,799,505
<b>Muslim Aid: Other Funds</b>						
Development Fund	671,495	2,701,184	2,349,744	-	-	1,022,935
	-	1,928,416	759,300	-	-	1,169,116
Religious Fund	(240,770)	1,037,026	829,687	-	-	(33,431)
Childcare and Sponsorship Fund	(564,230)	1,702,109	1,414,203	-	-	(276,324)
<b>Total Restricted Funds</b>	<b>9,097,183</b>	<b>16,955,452</b>	<b>17,047,690</b>	<b>(213,714)</b>		<b>8,791,231</b>
<b>Unrestricted Fund:</b>						
Fixed Asset Fund	2,043,180	-	48,420	-	20,214	2,014,974
General Fund	(501,501)	3,022,119	2,656,910	-	(20,214)	(156,506)
<b>Total Unrestricted Funds</b>	<b>1,541,679</b>	<b>3,022,119</b>	<b>2,705,330</b>	<b>-</b>	<b>-</b>	<b>1,858,468</b>
<b>Total Funds</b>	<b>10,638,862</b>	<b>19,977,571</b>	<b>19,753,020</b>	<b>(213,714)</b>	<b>-</b>	<b>10,649,699</b>

## 15 - Analysis of net assets between funds

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted £	2020 Total £
Fixed Assets	1,883,889	-	1,883,889	2,014,974	-	2,014,974
Net Current Assets	915,640	8,537,766	9,453,406	(60,506)	10,264,753	10,204,247
Liabilities due > 1 year	-	(2,366,067)	(2,366,067)	(96,000)	(1,473,522)	(1,569,522)
<b>Total Analysis of net assets between funds</b>	<b>2,799,529</b>	<b>6,171,699</b>	<b>8,971,228</b>	<b>1,858,468</b>	<b>8,791,231</b>	<b>10,649,699</b>

## 16 - Taxation

Muslim Aid is a registered charity and is not therefore liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

VAT is irrecoverable and has been charged to its associated expenditure.

## 17 - Partners

	2021 £	2020 £
Amal Organization for Relief and Development	226,965	-
Ard El Insan Palestinian Association	117,108	120,374
Atfaluna Society for Deaf Children (ASDC)	104,788	103,975
Elaf for Relief and Development (ELAF RD)	710,795	-
Ensar Charity Association	161,756	-
Ihsan for Relief and Development	717,520	378,166
Mayar Foundation for Development	105,456	178,861
Muntada Aid	-	118,300
Nahda Makers Organization	191,722	423,383
Palestinian Environmental Friends	104,535	-
Palestinian Association for Education and Environment	573,361	516,320
Sawaed Association for Relief and Development	102,615	114,327
Takaful Al Sham	373,552	-
Tayyab Hospital and Educational Trust	142,054	-
The Welfare Association	207,156	327,305
Yemen Family Care Association	353,442	131,210
YKMI (Yayasan Kemanusiaan Madani Indonesia)	127,349	101,150
Partners below < £100k	743,908	429,330
<b>Total</b>	<b>5,064,083</b>	<b>2,942,701</b>



## 18 – Subsidiaries excluded from consolidation

Muslim Aid controlled the operations of the following subsidiary entities which are excluded from consolidation on the grounds of being not material in the context of the overall financial statements.

### MA (Micro credit) Guarantee Limited – Sri Lanka

Muslim Aid's Sri Lanka office previously controlled the operations and activities of Muslim Aid (Micro Credit) Guarantee Limited, which manages the microcredit operation in Sri Lanka on behalf of Muslim Aid. Results excluded from consolidation are as follows:

	2021 £	2020 £
Assets	134,234	187,599
Liabilities	(202,013)	(234,893)
net assets	(67,779)	(47,294)
Income	28,655	47,853
expenditure	(56,436)	(66,875)
deficit/surplus	(27,782)	(19,022)

## 19 – Related Parties

A number of MA key management personnel were either Trustees or Employees of other Charities who have received donations or payments for provision of services.

Key management personnel/ Relationship to MA	Payment to/Relationship	2021 Expenditure	Purpose	2020 Expenditure
Kashif Shabir CEO	Ethical Business Strategic Review	-		300
		-		300
Muhammad Abul Kalam Head of Income Generation and Marketing	Hayaa Foundation Hounslow Muslim Centre	800		-
		800		-
Zakya Hussain Head of People & Culture and Services	Trustee of Muslim Aid Sweden	-		-
		-		300

## 20 – Comparative SOFA

### Muslim Aid Consolidated Statement of Financial Activities

For the year ended 31 December 2020

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<b>Income from:</b>			
Donations and Legacies	2,766,884	12,576,570	15,343,454
Charitable Activities	229,560	4,378,882	4,608,442
Investment Income	25,675	-	25,675
<b>TOTAL INCOME</b>	<b>3,022,119</b>	<b>16,955,452</b>	<b>19,977,571</b>
<b>Expenditure on:</b>			
Raising Funds	936,596	1,334,112	2,270,708
Charitable Activities	1,768,734	15,713,578	17,482,312
<b>TOTAL EXPENDITURE</b>	<b>2,705,330</b>	<b>17,047,690</b>	<b>19,753,020</b>
<b>Net income / (expenditure)</b>	<b>316,789</b>	<b>(92,238)</b>	<b>224,551</b>
Exchange surplus / (loss)	-	(213,714)	(213,714)
Transfer of Funds	-	-	-
<b>Net movement in funds</b>	<b>316,789</b>	<b>(305,952)</b>	<b>10,837</b>
Total funds at 1 January 2020	1,541,679	9,097,183	10,638,862
<b>Total funds at 31 December 2020</b>	<b>1,858,468</b>	<b>8,791,231</b>	<b>10,649,699</b>

# LEGAL AND ADMINISTRATIVE INFORMATION

Charity number (CIO) 1176462

## Chair

Mustafa Faruqi

## Vice Chair

Faria Ali

## Treasurer

Salim Omar  
(Resigned 31st March 2022)  
Shaharuddin Bin Zainuddin  
(Appointed 1st March 2022)

## Trustees

Mohammed Abdul Aziz  
Aaqil Ahmed  
Iftikhar Ahmed Awan  
Sara Pantuliano  
Maliha Khan (Resigned 1st March 2022)  
Faria Ali (Appointed 17th May 2021)

## Chief Executive

Kashif Shabir

## Nominations Committee

Iftikhar Ahmed Awan  
Aaqil Ahmed  
Mustafa Faruqi  
Kashif Shabir

## Members of the Finance and Audit Committee

Shaharuddin Bin Zainuddin  
Mustafa Faruqi  
Faria Ali  
Furquan Ali  
Rowena Collings  
Haniya Dar  
Jay Hussain  
Kashif Shabir  
Anila Hussain

## Members of the Programmes Committee

Mohammed Abdul Aziz  
Sara Pantuliano  
Geoffrey O'Donaghue  
Amjad Saleem  
Kashif Shabir  
Abu Akeem

## Members of the People & Culture Committee

Mustafa Faruqi  
Faria Ali  
Mohammed Abdul Aziz  
Zakya Hussain

## Members of the Income Generation & Marketing Committee

Aaqil Ahmed  
Faria Ali  
Kashif Shabir  
Khalid Javid  
Hammad Mian  
Shorful Islam  
Muhammad Abul Kalam

## Management Team

Zakya Hussain (Head of People & Culture and Services)  
Abu Akeem (Head of International Programmes)  
Muhammad Abul Kalam (Head of Income Generation and Marketing)  
Moyenul Islam (Head of Finance Resigned June 2022)  
Anila Hussain (Head of Finance appointed August 2022)

## Registered Office

PO Box 3  
London  
E1 1WP

## Principal Office

Fourth Floor  
LMC Business Wing  
38 – 44 Whitechapel Road  
London  
E1 1JX

## Bankers

Lloyds Bank plc  
Al Rayan Bank

## Solicitors

Simons Muirhead & Burton LLP  
8-9 Frith Street  
London  
W1D 3JB

## Internal Auditors

Intisaa Consulting Ltd  
Walsall  
WS5 3AE

## Auditors

Sayer Vincent  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL



