

Report of the trustees and financial statements

for the year ended 31 December 2012



Charity No: 295224

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Legal and administrative information

Board of Trustees

Chairman

Dr Manazir Ahsan MBE

Vice Chairman

Dr Suhaib Hassan

Secretary

Dr Muhammad Abdul Bari MBE

Treasurer

AKM Abdussalam

Trustees serving in the year

M H Faruqi

Mehboob Kantharia

Dr Abdul Majid Katme

Chowdhury Mueen-Uddin (Retired May 2013)

Farooq Murad

Dr Zahid Ali Parvez

Dr Muhammad Jafer Qureshi

Dr Tariq Yusuf Rajbee

Sir Iqbal Sacranie OBE

Professor Ghulam Sarwar

S M Tanzeem Wasti

Chief Executive Officer

Syed Sharfuddin

Charity number

295224

Registered Office

PO Box 3

London

E1 1WP

Auditor

Chantrey Vellacott DFK LLP

Russell Square House

10-12 Russell Square

London

WC1B 5LF

Bankers

Lloyds TSB Bank plc

HSBC

Habib Bank AG Zurich

Islamic Bank of Britain

Trustees' Report

For the year ended 31 December 2012

Objects and activities

The objects of MA are, for the public benefit:

(a) to prevent or relieve poverty or financial hardship; (b) to relieve financial hardship, sickness and poor health amongst elderly people; (c) to relieve the needs of children and young people under 18; (d) to relieve and assist people who are the victims of war or armed conflict or natural and/or man-made disasters, epidemic, or famine, including (without limitation) provision of emergency response and recovery including the supply of medical and/or financial aid to such persons; and (e) to prevent or relieve poverty or financial hardship of refugees and displaced persons, including by preserving and protecting their physical and mental health, in all cases by any charitable means, working anywhere in the world, in accordance with the teachings of the Holy Qur'an and Sunnah and regardless of the beneficiaries' religion, race, ethnicity, gender, geographical location and political conviction.

As a premier international NGO in the UK, MA has made a significant contribution towards disaster relief and recovery and the alleviation of poverty. A new five-year strategic plan was agreed for the period 2011 to 2015. The following are the key objectives of the strategic plan:

- 1: Strong organisation and leadership
- 2: High impact programme development and effective emergency response
- 3: Increase donations and secure autonomy in financial resources
- 4: Nurturing friendships and establishing new networks
- 5: Effective intervention for poverty reduction
- 6: Achieving Quality Standards Globally

MA's work is guided by the following values and principles based on Islamic humanitarian teaching and practices:

- 1 Serve humanity with commitment and enthusiasm by putting our beneficiaries first.
- 2 Be committed to alleviating poverty regardless of religion, ethnicity, nationality, gender or age.
- 3 Be adaptable and responsive to the changing needs of our beneficiaries.
- 4 Work in partnership with others.
- 5 Be accountable and transparent in our activities.
- 6 Embody the universal principles of compassion, peace and justice.

Through generous donations and religious dues contributions, MA has expanded its outreach in many countries providing assistance with food aid, water and sanitation, shelter, health, education, capacity building, livelihood support and empowerment of people, with knowledge and skills to build their future with dignity and respect.

While mainly focused on emergency relief and recovery, MA has also provided assistance to communities in carrying out sustainable development programmes. Intrinsic to MA's mission is tackling the root causes of poverty.

MA has fully operating offices in Bangladesh, Bosnia, Cambodia, Indonesia, Iraq, Lebanon, Pakistan, Somalia, Sri Lanka and Sudan. These FOs implement MA's development strategy through multi-faceted programmes. In addition to the FOs, there are Regional Coordinating Offices in Jordan and Kenya.

In December 2012, MA closed its FO in the Gambia, but without pulling out its programmes. These are delivered through partner organisations.

MA's Special Programme comprise the following:

- 1 Child support and Orphan Care (Rainbow Family)
- 2 Islamic microfinance comprising interest free loans to poor households and small enterprises
- 3 Ramadan and Qurbani Programmes

Public benefit The Trustees confirm that they abide by the Charity Commission's general guidance on public benefit when in line with the Charity's aims and objectives and in planning future objectives, and have complied with Section 4 of the Charities Act 2006 to have due regard to public benefit in pursuance of its objectives and activities.

Annual Review In 2012, there were fewer major disasters compared to the previous year. However, the worsening conflict in Syria, the slow onset of drought in the Sahel region, Somalia and new outbreaks of violence in Palestine (Gaza) and Myanmar added more refugees and internally displaced persons (IDP) to the global humanitarian relief index and severely impacted on the social and economic infrastructure of the affected countries. Security considerations and lack of access to conflict areas posed challenges for humanitarian agencies to provide timely support and consequently placed the burden of refugees on host nations. Flash foods and severe winter weather conditions, which swept across many countries around the world, including the UK, caused further deaths, loss of homes and brought more suffering to those already living in poverty.

MA continued to deliver long-term projects to produce sustainable solutions in reducing poverty amongst some of the poorest communities in the world. MA's UK development programme expanded its support to the homeless and the elderly and continued to make a difference within communities in the UK.

MA continued to participate in humanitarian dialogue with governments, UN agencies and other humanitarian organisations to provide relief efforts for the Rohingya in Bangladesh and Myanmar. After prolonged negotiations with the Burmese government, MA was able to establish two offices in Myanmar to help the affected IDPs in Rakhine State.

MA placed renewed emphasis on empowering communities and helping vulnerable people get back on their feet. The focus of MA also underwent change with more emphasis on prevention of disasters and poverty alleviation. In these areas, MA's work centred around timely intervention in early education, healthcare, shelter, economic empowerment of neglected communities and skills development.

MA's unwavering primary concern remained responding to the needs of those affected by armed conflicts and natural disasters. Our beneficiaries were mainly refugees, internally displaced persons, people living below the poverty line, women and children in need and those who could be empowered with little assistance to stand on their own. MA maintained the highest level of transparency to donors and provided them feedback through press releases, e-mail updates and quarterly newsletters posted on its website. MA also continued to strictly monitor programmes to ensure quality and serve the beneficiaries in most efficient and cost-effective manner. Lessons learnt from monitoring visits and audits were incorporated in MA's policies and procedures for greater accountability and impact.

Emergency Relief: Conflict and Displaced Persons

Syria

The armed conflict in Syria caused displacement of hundreds of thousands of civilians in 2012, most of them fleeing to neighbouring countries. MA commenced work on the ground in Syria through its partners and distributed aid to those living in affected areas. Through its FOs, MA also provided aid to Syrian refugees in neighbouring countries Iraq, Jordan and Lebanon. MA's initial response provided urgently needed emergency aid comprising food and non-food items, blankets and sanitary items. As well as providing emergency aid, MA also provided healthcare and shelter. In the mountainous areas of eastern and northern Lebanon where NGO relief activity was considerably low, MA increased its food and non-food items (NFI) distribution. At the same time it made provisions for appropriate shelter for Syrian families, working together with the Wadi Khalid's Volunteer Council.

In Jordan, MA's healthcare intervention included provision of two medical clinics in Al-Ramtha and Al-Mafraq camps along the border, for treating the ill and injured refugees. Over 200 patients were treated on a daily basis. Those requiring more specialised care were referred to a newly established regional hospital. Syrian refugees received free treatment and medication at these clinics.

In Iraq, most of the Syrian refugees were living in public buildings such as schools, which lacked basic needs. MA provided clean drinking water, blankets, mattresses, pillows and food baskets to 2,000 Syrian refugees.

Myanmar (Burma)

MA representatives from the UK HQ visited Myanmar in November 2012. The team visited all the refugee camps in Sittwe, including camps in Thea Chaung village, Dar Pai village and Kuang Doke Khar in the Rakhine State. They also met Myanmar government officials, as well as UN

agencies and other NGO representatives to develop plans for relief and recovery intervention. The government of Myanmar allowed MA to deliver emergency relief and long-term sustainable development programmes.

During the early stages of opening its FO, MA provided blankets, mosquito nets, clothes and hygiene packs to 200 households in Basar camp and 2,700 households in Thea Chung camp. Most recently, MA distributed non-food items to 1,000 households. Plans were finalized for another 4,000 households. MA performed needs assessments on the ground and prepared plans for shelter, healthcare, education and skills development. While efforts are in place to assist the affected communities, a further £37 million is still required to build houses schools and health clinics.

In December 2012, a roundtable meeting was held at MA HQ, in collaboration with Muslim Charities Forum (MCF). The roundtable focused on building partnerships for increasing humanitarian space in Myanmar and Bangladesh.

MA's work in Myanmar is enabling affected communities to have access to basic necessities such as healthcare, sanitation, livelihood and adequate shelter.

Palestine (Gaza)

During the 2012 conflict, MA supported 15 hospitals and clinics in Gaza. MA partners provided much needed medication such as disposable kits, first aid items and medicines to various medical centres, which enabled the hospitals and clinics to provide 24-hour emergency services. MA also provided emergency supplies to support children in Gaza during the harsh cold winter season. MA has provided humanitarian aid to the people through provision of water and sanitation facilities, economic empowerment, solar energy, education, child sponsorship, religious dues and rehabilitation projects.

Rohingya Support in Bangladesh

In 2012, MA Bangladesh scaled down its humanitarian operations in Teknaf Upazila of Cox's Bazar District in compliance with the Bangladesh government's restraining orders. This affected the beneficiaries including the local host community and Rohingya refugees. MA continued its emergency health services such as treating seriously injured people and treating severely malnourished children. MA continued serving 25,007 people (14,007 refugees; 11,000 host) with health, nutrition, water and sanitation, and security and protection. The programme was delivered through funding provided by European Community Humanitarian Aid Office (ECHO).

Emergency Relief: Natural Disasters

Winter Emergency Response: Jordan

The Syrian refugees in Jordan faced another problem after finding shelter in camps. They had to survive the harsh winter weather which affected many countries. MA assisted refugees by providing them with winter supplies to assist them get through the winter weather. The aid was made possible through the generous support of the donors in the UK.

Disaster Risk Reduction Project: Indonesia

People living in coastal areas in Indonesia are usually affected by the abrasion, strong winds and high waves aggravated by climate change. People were encouraged to share their ideas in identifying the hazards, risks and vulnerability of those living in coastal areas. 13,500 mangrove seedlings were planted in 3.5 hectares in Kuala Langsa villages. 16,800 mangrove seedlings were planted in East Aceh and West Sumatra.

Winter Emergency response: Bosnia

In 2012, MA Bosnia in partnership with Bosnia Red Cross, responded to the cold weather conditions by assisting the most vulnerable, including the elderly, sick, women and children with essential relief items. Over 300 packages of food, hygiene supplies, baby food and items were distributed to the most severely affected people in Bosnia.

Emergency Flood Response: Cambodia

In 2012, over 14,000 people were affected by flash floods in Cambodia. MA Cambodia staff initiated a need assessment by meeting the local communities, local government and central government representatives. MA supported 3,000 families with food packages consisting of rice, noodles and fish cans, 20 litre plastic containers to keep clean water and emergency shelter to those who were displaced from their homes due to flood water.

Emergency Flood Response: Bangladesh

Heavy rains caused devastating floods in Bangladesh killing at least 110 people and leaving 300,000 people without secure accommodation. MA provided food packages consisting of rice, lentils, cooking oil, salt, water purifying tablets, basic medication, some basic kitchen utensils and hygiene items to 800 affected households. European Community Humanitarian Aid Office (ECHO) supported MA's project for early recovery by providing funding of €3.5 million.

Emergency Flood Response: Sri Lanka

In December 2012, over 300,000 people were affected in 15 districts in Sri Lanka due to severe weather conditions with floods and landslides in many parts of the country. Many people were displaced due to inclement weather conditions. MA Sri Lanka assisted the displaced people with food and non-food items including mats, bed sheets, new clothes and towels. MA Sri Lanka also distributed cooked meals to 500 affected persons in the Trincomalee district.

Emergency Flood Response: India

Almost one million people were forced to leave their homes by floods in India as torrential rains hit the North-Eastern state of Assam. Most of them took shelter on higher grounds and in tents. Through its partner, Islamic Foundation Trust, MA constructed 25 shelters.

Emergency Flood Response: Thailand

Over 2 million people were severely affected by the devastating floods in Thailand at the end of 2011. Paddy fields, houses, factories and hospitals were severely flooded. Through its partner, Asian Resource Centre, MA distributed relief items including food and non-food items to over 20,000 people.

Education

Skills Training: Sri Lanka

MA Sri Lanka and its partner organisation Hope of People facilitated a carpentry skills training programme for 30 young people from the Horowpathana and Kahatagasdigiliya Districts. The six month course was conducted by a qualified trainer from NAITA. At the end of the training, the trainees were awarded with certificates to pursue further studies in carpentry.

Education Programme: Somalia

In 2012, MA Somalia implemented rehabilitation programmes to assist the returning communities of IDPs to get back on their feet. One of the rehabilitation programmes was primary education for those affected by war and drought in southern Somalia. The programme enabled successful enrolment of 8,596 students in 36 primary schools and 24 child friendly centres. Over 4,000 of the students were girls.

Institute of Technology: Bangladesh

In September 2012, MA's UK Programme Officer, Abu Akeem visited MA's Institute of Technology (MAIT) in Bangladesh. Over 2,000 individuals benefited from training in IT and other vocational subjects. The Institute also offered courses on electrical house wirings, driving and auto mechanics, mobile servicing and repairing, computer office application and database programming.

School construction project: Sri Lanka

Conflict returnees in Batticaloa, Kurunegala and Mannar districts in Sri Lanka were living under very poor conditions, with no proper housing, water, healthcare or education facilities. Children had to walk several kilometres everyday to get to school. Although the community started a pre-school in damaged houses and tents, these were not suitable environments for young children. MA constructed 3 pre-schools in those areas. 690 students are currently enrolled at the schools. The construction of the schools enabled children to have easy access to education in a friendly and safe environment.

Skills Training: India

With around 49.9% of the population living below the poverty line, Jharkhand has the highest level of poverty in India; women and children suffering the most amongst the community. MA's partner in India, Society for Participatory Action Research (SPARK), supported 120 women by providing sewing and embroidery training. These women are now able to start up their own businesses, become independent and support their families.

Housing and Shelter

Rebuilding Homes: Sri Lanka

Throughout 2012, the aftermath of the conflict which lasted in Sri Lanka for many years continued to affect poor families. Many became refugees or displaced, and attempts to resettle or rebuild homes were made particularly difficult for some due to their dire economic situation. For this reason, MA continued to facilitate the reconstruction and refurbishment of damaged homes which now shelter vulnerable families trying to rebuild their lives.

Model Villages: Pakistan

The devastating effects of the floods in Pakistan in 2010 and in 2011 are still felt today. People's livelihoods and homes were completely destroyed. Throughout 2012 MA continued to build and expand model villages in Mianwali, Rajanpur, Charsadda, Dadu and Thatta. These villages provided housing for affected families and primary schools equipped with computer labs. In addition to this, villages were also provided with clean drinking water, sanitation and healthcare centres to ensure that people have access to healthcare close to their homes.

Temporary Shelters

Every year thousands of people are displaced from their homes due to armed conflicts and natural disasters. Temporary shelter in those circumstances forms a vital part of humanitarian relief and plays a crucial role in the physical and psychological health of affected people. In 2012 MA provided temporary shelter during floods in Bangladesh, Cambodia and India, as well as to Syrian refugees in Lebanon.

India

Over 2,000 villages in the Orissa State of India were submerged following heavy rains during the monsoon season. Through its partner Islamic Foundation Trust, MA constructed 25 huts for families who lost their homes due to the floods.

Cambodia

In 2012, over 14,000 houses were submerged by the floods in Cambodia. MA Cambodia provided tents to 3,000 households.

Lebanon

The influx of Syrian refugees in Wadi Khalid and Irsaal camps placed great strain on shelter accommodation for refugees. In some cases more than 15 people were sharing one room, whilst the low temperature was also causing discomfort, MA distributed 75 heavy duty canvas materials to act as a roof in small out-house buildings where refugees were taking shelter. These made the buildings more suitable for habitation.

Bangladesh

In 2012, over 9,000 houses were damaged by flash floods in Bangladesh. Most of the population, who took shelter by roadsides, embankments and schools were experiencing severe distress. In partnership with the European Community Humanitarian Aid Office (ECHO), MA provided emergency and transitional shelter to 570 households.

Healthcare and Nutrition

Mobile Clinics: Iraq

In 2012, MA Iraq ran mobile clinics in Al-Gurtan and Al-Mada'in neighbourhoods in Baghdad, Iraq. These clinics were set up to serve vulnerable locals, IDPs and returnee children under the age of 5. In addition, the programme also included health awareness campaigns, first aid sessions and the distribution of first aid kits so that the effects of the programme would continue to benefit the community for years to come. The programme benefited around 500 children. MA Iraq plans to expand it to benefit more vulnerable children.

Community & Maternal Healthcare Programme: Bangladesh

The socio-economic conditions of the poor and their inability to afford private healthcare is one of the major causes why many cannot access adequate healthcare in Bangladesh. To ensure that people receive quality healthcare, MA Bangladesh has established Community Hospitals in Kulara, Pabna and Pirojpur. In 2012, 256,781 patients were treated in these hospitals. MA Bangladesh is planning to expand the services provided in these hospitals in the coming years.

Eye Clinic Project: Lebanon

Many Palestinian refugees living in Lebanon often cannot afford the cost of basic healthcare. To provide healthcare support to the Palestinian refugees, MA Lebanon, in collaboration with Al-Shifa Medical Association implemented an eye clinic project in Al-Badawi Palestinian camp, North Lebanon. Over 70,000 refugees, living in the Al-Badawi and Nahr Al-Bared refugee camps have access to this project, with quality healthcare.

Tuberculosis Clinics: Somalia

MA marked World Tuberculosis Day on 24 March 2012 by opening its 11th clinic serving Tuberculosis (TB) patients in the town of Eyl in Somalia. Based on assessments made, TB is particularly common in Eyl despite it being a remote town. As TB affects the most productive groups in society, the disease also impacts on the economy. MA remained committed in 2012 to reducing TB and its effects through prevention and treatment.

Water and Sanitation

Construction of Sewage Network: Gaza

Bani Suheila is a city in South Gaza which lacks waste water infrastructure including both network sewer systems and waste water treatment. Through a project funded by MA and implemented by Oxfam, a pump station was built which benefited 8,000 households. In addition, community hygiene promotion activities such as health awareness, solid waste collection and disposal were conducted to maximise the benefits of the sewage work.

Water and Sanitation Programme: Indonesia

People living in Peurumping and Cot Kareung Village, Aceh Besar, Indonesia used the water from a river for irrigation, bathing, washing and cooking which created many health risks. Through the water and sanitation programme in Indonesia, MA constructed over 25 Ring wells in the village for 117 households ensuring safe and hygienic use of water.

Hand washing day: Pakistan

An event was organised by MA Pakistan and World Health Organization to educate students about the importance of hand washing. Students were also informed about water treatment methods and significance of polio vaccine. The training was provided to prevent the spread of infectious diseases.

Dig-a-well project: Lebanon

Families living in Bebnin village lacked clean water which affected the earnings of poor farmers and caused diseases like tuberculosis and skin infections amongst children. MA, in partnership with the local municipality, constructed a well which benefited 80 families.

Water and Sanitation Project: Cambodia

The dire need for improved water and sanitation facilities in Cambodia is crucial for reducing infant mortality rates and improving living conditions. MA Cambodia played a vital role in supporting people through implementation of water and sanitation projects, which included construction of sanitary latrines and water wells. Over 700 people benefited from this project. MA Cambodia implemented these projects in six villages across the country.

Economic Empowerment

Economic Development Financing Facility: Indonesia

The Economic Development Financing Facility (EDFF) project implemented by MA Indonesia enabled beneficiaries to improve their farming skills and capacity building in cattle raising, farming and marketing through various workshops. MA provided the beneficiaries with farming equipment and farm animals to help the farmers with production of livestock and enhanced market access. 720 beneficiaries participated in the project which was implemented in 36 villages in four sub-districts in Aceh.

Microfinance programme: Sudan

75% of Sudan population lives on \$2 a day or less and is often unable to meet its basic human needs. Many people benefited from this project by establishing small businesses. Almost 91% of the beneficiaries were women. MA's Microfinance programme promotes the establishment of small businesses to allow people to come out of poverty. The funds for MA's Microfinance programme come from MA's poverty alleviation and other unrestricted funds.

Women Empowerment: Bosnia

Empowerment of women is a key factor in the economic progress of the local community. In Bosnia, MA implemented a project to train socially and financially vulnerable middle aged women on nursing care for the elderly. In 2012, 32 women were trained throughout the project. The training comprised workshops, interactive lectures followed by panel discussions aimed at improving self-esteem, communication skills, group cohesion and social empathy.

Microfinance Project: Pakistan

Over 23% of the population in Pakistan is estimated to live below the poverty line, unemployment being a major contributory factor. To improve the quality of life of people, MA Pakistan has been implementing its Microfinance programme, which includes distribution of interest-free loans and skills development training. In 2012, 1,695 people benefited from this programme.

Agriculture Project: Iraq

MA Iraq is supporting the vulnerable returnees and their hosting community in Al-Mada'in through its agricultural project. Many have been able to establish a source of income through this project. MA provided 32 farmers with seeds, fertilizers and wells.

The Rainbow Family: Child Support Programme

MA's one-to-one child support programme assisted 4,223 orphans and children in need in 17 countries. In 2012 the programme also focused on implementing community based projects to serve children and their communities. Eight countries implemented community based projects serving over 13,000 beneficiaries. Projects in education, healthcare and water and sanitation ranged from school refurbishments, improving water, sanitation and hygiene (WASH) facilities in schools and helping to promote health and hygiene for children and their communities.

Eid Gift Project

On the occasion of Eid-ul-Fitr MA implemented its Eid Gift Project by providing gifts of toys and clothes, as well as organising meals for children. 3,500 children around the world enjoyed the celebratory occasion through this project. Every year donors send Eid gifts to the sponsored children through MA. Letters of thanks from children are forwarded to donors as feedback.

Golden Ticket Winner: Bridging the two cultures

MA's 'Golden Ticket Winner' Mohammad Zabair was given the opportunity to visit Indonesia and meet the child he sponsored during a live appeal. He visited Indonesia to meet 10 year old Mason who lost his father at a very young age. Since joining the Rainbow Family Programme, Mason has been attending school regularly.

Ramadan

In 2012, The UK hosted one of the biggest sports events in the world, the Olympics and Paralympics. The event coincided with the holy month of Ramadan in July/August 2012. MA took this auspicious occasion as an opportunity to reach out to more people and to raise awareness and funds for vulnerable communities around the world. MA's Ramadan Campaign 2012 was launched on 17 July 2012. Over £4 million was raised through street collections, TV appeals, direct mailing, fundraising events and donations from generous supporters.

Ramadan Press Launch: United Kingdom

In July 2012, MA launched its 2012 Ramadan Campaign from Gatton Primary School in Tooting, London. Students at Gatton Primary School produced Ramadan greeting cards which were sent to children currently supported by the Rainbow Family Child Sponsorship Programme. Students were reminded of the blessings of Ramadan and that they too could make a difference to people in need through simple acts of kindness and charitable deeds.

Feed the Fasting Programme

In 2012 MA spent £360,000 on its Feed the Fasting Programme helping 250,000 beneficiaries in 26 countries. Food packs were distributed to people living in extreme poverty. In 2012 MA extended its Feed the Fasting programme to countries affected by natural and manmade disasters. During the month of Ramadan, MA monitored the Charity's Feed the Fasting programme in Gaza and Indonesia and obtained feedback from the beneficiaries.

Qurbani (Udhiyah) and Religious Dues

In 2012 MA's Qurbani programme reached the most vulnerable and impoverished communities. MA delivered high quality meat to the beneficiaries to ensure that the donors' sacrifices make a real difference. Through support from generous donors, MA raised over £550,000 for its Qurbani programme. Over 8500 Qurbanis were performed in 40 countries around the world. MA Field offices and partner organisations continued to carry out another successful campaign, distributing fresh Qurbani meat on Eid, enabling the poor to join in the festivities.

Religious Dues

In 2012 MA carried out Religious Dues exceeding £125,000 on behalf of donors in Bangladesh, Cambodia, Pakistan, Somalia and Sri Lanka. The programme enabled the donors to fulfill their religious obligations as well as help those most in need. The Religious Dues Programme covered the implementation of animal sacrifice, Aqiqah, Fidya and Kaffara. An estimated 100,000 people benefited from MA's religious dues programme.

UK Programme

Each year an estimated 30,000 people die during the winter in the UK. The homeless and elderly are particularly at risk. In 2012 MA implemented programmes to support the most vulnerable people in the UK. It also took steps to build social cohesion by implementing programmes such as the prisoners' project.

Warm Hearts Winter Campaign

MA launched its Warm Hearts Winter campaign in November 2012, raising over £30,000. The donations helped MA to assist those struggling to cope with the cold. Staff and volunteers distributed Keep Warm Kits to the homeless and the elderly to help ease the discomfort of the winter season. Many schools took part in this campaign by collecting food items and winter clothes which were distributed to those in need.

Support to visually impaired children

In 2012, MA partnered with Royal London Society for Blind People (RLSB) to support a community nursery for blind and partially sighted children and their families. The project included creating referral networks, delivering day nursery services, as well as ensuring support for parents/wider family through a family drop-in which provided advice, guidance and support.

Prisoners' Project

Over 2,000 prisoners benefited from MA's Prisoners Project in Ramadan. They were given prayer mats, miswak, tasbeeh, caps, hijabs, MA's Ramadan pocket guide, Fortress of Muslim (book of prayers) and Qur'an translation which helped them spiritually during Ramadan, as well as assisted their journey to reform.

Feed the Hungry

Staff members and volunteers from MA went to the Hopetown Salvation Army and Booth House homeless shelters during the month of Ramadan to provide food for over 120 individuals as part of MA's annual Feed the Fasting programme.

Capacity building project

MA funded a skills training project to assist young unemployed individuals in their job-seeking efforts. 326 young individuals were trained in CV writing, food, hygiene and healthy living. The programme was implemented by Monakka Monowar Welfare Foundation.

Women Advocacy Support

North Refugee Centre was funded by MA to provide free, impartial and confidential advice to women on issues relating to domestic violence, asylum, housing and trafficking. The project benefited around 335 vulnerable Muslim women.

Muslim Aid Day 2012

On 22 October, MA marked the Charity's commitment to the implementation of healthcare programmes in some of the most deprived communities in the world. The 2012 Muslim Aid Day theme was: Investment in Healthcare: Promotion, Provision and Access. Messages were received from the Commonwealth Secretary-General, Chief Executive Officer of GAVI Alliance, and Chairman of MA.

Structure, Governance and Management

Muslim Aid (MA) is an international relief and development Charity established in 1985 with its Head Quarter (HQ) in London and branch offices in Birmingham and Manchester. In 2012, MA worked in 40 countries with Field Offices (FO) in 12 countries, including two coordinating offices.

The Trustees are elected and operate in accordance with the Trust Deed and Governing Document of the Charity approved in November 1985 and amended subsequently by the Board of Trustees from time to time. The trustees are responsible for policy making and ensuring that those policies are implemented. MA management is responsible for implementing programmes and projects approved by the Trustees in an efficient and transparent manner, thus fulfilling the aims and objects of the Charity.

There was also a governance review as a result of which the Office Bearers (OB) took most of the responsibilities earlier exercised by the Executive Committee (EC). The OB engaged actively with the Senior Management of MA in order to improve Muslim Aid's response to disasters and development challenges in areas where it is actively involved.

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

Reports are submitted to the Charity Commission by the Trustees, as required by law.

The Trustees

The following held office in the board during the year:

Dr Manazir Ahsan MBE (Chairman)
Dr Suhaib Hassan (Vice Chairman)
Dr Muhammad Abdul Bari MBE (Secretary)
AKM Abdussalam (Treasurer)

Risk Management

The Trustees have assessed the major risks which the Charity may be exposed to, in particular the risks relating to financial legislation, as well as operational and reputational risks. MA's due diligence policy and reporting procedures are reviewed on a regular basis.

The Trustees monitor income and expenditure and regularly oversee implementation of the reserves policy at Trustees meetings. The EC is supported in its work by the Governance Committee, the Finance and General Purposes Committee, the Distribution Committee, Emergencies and Disasters Committee and Media Committee. In 2012, Trustees also decided to appoint an independent Audit Committee comprising two Board members, as well as three members outside the Board, including its Chairperson.

Financial Review

During 2012 the Trust's income was £24.8 million (2011: £33.4m). This included Gifts in kind of £5.3 million (2011: £10.4 m). The value of 'Gifts in Kind' was calculated at the lowest of cost or net resale value at the time of distribution under charitable activities. In the case of medicines, this was calculated at the lowest value of the generic equivalent as approved by the World Health Organisation.

The Trustees ensured that MA's admin and overhead costs were low. No admin charge was levied on Zakat donations. The Charity continued to meet the expectations of the community, as well as its donors in the context of its charitable work.

Internal Control

The reasons for reduced income during 2012 compared to 2011 were mainly fluctuations in the institutional income, both in cash and in kind at FOs and closure of those MA Programmes for which project funding had come to an end.

In 2012, the Trustees put in place a number of measures to strengthen financial control at the HQ and FO's. These included creation of an internal Audit Department at the HQ, the decision to establish an independent Audit Committee at Trustee level, increased monitoring visits from the HQ to the FOs restructuring of the Finance and International Programmes Department and reflective checks and balances on the operations of FOs.

The Trustees also strengthened volunteer recruitment and fundraising procedures following the Birmingham incident in which some individual misused the name of the Charity to fraudulently raise funds for terrorist financing. MA was a victim of this incident and received support from the Police and the Charity Commission.

Reserves policy

The Trustees recognise the need to hold sufficient reserves to allow protection of core activities in the event of any income shortfalls to implement long-term strategic programmes and enable MA to carry out its essential projects. The reserve policy ensures, as far as possible, the sustainability of charitable activities across various sectors. The policy aims to have sufficient free reserves to enable MA to weather peaks and troughs and to hold at least the equivalent of six months' Head Quarter running cost expenditure (£1.75 million). The total free consolidated reserves on 31 December 2012 were £4.3 million (2011: £3.8m). However, out of this the HQ's free reserve was only £2.4m (2011: £2.1m).

The Trustees are pleased they have met their reserves policy and will review it again during 2013. In addition Trustees designated £2.3 million as MA's consolidated fixed assets.

Tangible fixed assets

The changes in tangible fixed assets during the period are shown in note 9 to the financial statements.

Going concern

No material uncertainties that may cast a doubt on the ability of the charity to continue as a going concern have been identified by the trustees.

Investment policy

The Investment Policy of the Trustees is to keep its funds in registered banks in the UK and overseas and, where possible, in Shariah compliant products.

Statement of Trustees' responsibilities

The Trustees have prepared this Annual Report and Accounts in accordance with the applicable law in the UK, in particular the United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the Charity for that year. In preparing the financial statements, the Trustees have exercised care in regard to:

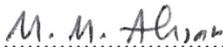
- o selecting suitable accounting policies and applying them consistently,
- o observing the methods and principles provided in the Charities SORP,
- o making judgements and estimates that are reasonable and prudent,
- o stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- o preparing the financial statements on the basis of any ongoing concerns.

The Trustees have also exercised due care in keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of MA and enable them to ensure that the financial statements comply with the Charities Act 2011 and the charity's Governing Document. They have also ensured that the assets of the charity are safeguarded and protected by agreed mechanisms for the prevention and detection of fraud and other irregularities.

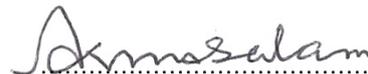
The Trustees have exercised due diligence and care in protecting the integrity of the charity and have gone through the financial accounts placed on the charity's website in line with the legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The Trustees take this opportunity to thank MA stakeholders, in particular our generous donors and beneficiaries for their support and faith in MA's commitment and ability to deliver relief and development where it is needed most. MA staff, volunteers and friends remain steadfast in their resolve to work selflessly in the service of humanity.

The Audited Accounts of the charity were presented to MA's AGM held in London on 15 June 2013 and approved by the Trustees on the same date.


.....

Dr Manazir Ahsan MBE
Chairman


.....

AKM Abdussalam
Treasurer

Date: 15 June 2013

Independent Auditor's Report To The Trustees Of Muslim Aid

We have audited the financial statements of Muslim Aid for the year ended 31 December 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

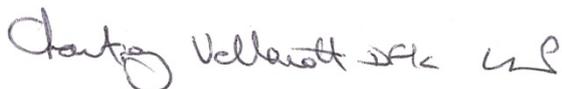
- give a true and fair view of the state of the charity's affairs as at 31 December 2012 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Independent Auditor's Report To The Trustees Of Muslim Aid

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- information in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- 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.



CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON, UK

15 June 2013

CHANTREY VELLACOTT DFK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Muslim Aid

Consolidated statement of financial activities For the year ended 31 December 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations	2	3,136,785	9,101,016	12,237,801	10,694,367
Gifts in Kind		-	5,318,308	5,318,308	10,390,842
<i>Activities for generating funds:</i>					
Investment and other income	3	50,381	-	50,381	77,126
Incoming resources from charitable activities:					
Institutional Grants	4	189,989	6,992,722	7,182,711	12,246,705
Total incoming resources		3,377,155	21,412,046	24,789,201	33,409,040
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising cost		123,054	1,598,168	1,721,222	1,447,744
Charitable expenditure:					
Emergency Relief		90,150	13,121,796	13,211,946	19,377,712
Education		20,258	1,763,898	1,784,156	1,779,727
Health Care		54,016	4,178,443	4,232,459	2,668,962
Economic Empowerment		38,293	2,912,481	2,950,774	2,238,455
Water & Sanitation		9,260	704,262	713,522	1,400,127
Qurbani/Ramadan and other religious dues		18,252	2,072,327	2,090,579	1,515,529
Rainbow Family		18,006	1,369,494	1,387,500	1,379,470
Total Charitable expenditure	5	248,235	26,122,701	26,370,936	30,359,982
Governance costs	7	75,612	-	75,612	90,410
Total Resources Expended	5	446,901	27,720,869	28,167,770	31,898,136
Net (outgoing) / incoming resources for the period before transfers		2,930,254	(6,308,823)	(3,378,569)	1,510,904
Transfers between funds	13	(3,368,071)	3,368,071	-	-
Exchange surpluses		660,528	-	660,528	241,895
Net Movement in funds		222,711	(2,940,752)	(2,718,041)	1,752,799
Total Funds at 31 December 2011		6,383,965	9,618,884	16,002,849	14,250,050
Total Funds at 31 December 2012		6,606,676	6,678,132	13,284,808	16,002,849

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 17 to 22 form an integral part of these financial statements.

MUSLIM AID

Balance sheet as at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	9	2,306,676	2,577,241
		2,306,676	2,577,241
Current assets			
Inventories	10	517,955	409,878
Debtors	11	2,358,563	3,094,597
Cash at bank and in hand		11,025,007	13,133,557
		13,901,525	16,638,032
Creditors: amounts falling due within one year	12	(2,923,393)	(3,212,424)
Net current assets		10,978,132	13,425,608
Net total assets		13,284,808	16,002,849
The total funds of the charity			
Unrestricted income funds			
- General fund		4,300,000	3,806,724
- Designated fund		2,306,676	2,577,241
Restricted income funds	13	6,678,132	9,618,884
		13,284,808	16,002,849

The financial statements were approved by the Trustees on: 15 JUNE 2013 and signed on its behalf by:



.....
Dr Manazir Ahsan MBE
Chairman



.....
AKM Abdussalam
Treasurer

Muslim Aid

Cash flow statement

For the year ended 31 December 2012

	2012 £	2011 £
Cash flow statement		
Net cash (outflow)/ inflow from operating activities	(1,648,391)	2,279,327
Payments to acquire tangible fixed assets	<u>(460,159)</u>	<u>(832,011)</u>
(Decrease) / Increase in cash in the year	<u>(2,108,550)</u>	<u>1,447,316</u>

Note to the cash flow statement

Reconciliation of changes in net (outgoing) / incoming resources before transfers to net cash inflow from operating activities

Net (outgoing) / incoming resources before transfers	(2,718,041)	1,752,799
Add: Depreciation	730,724	401,082
(Increase) / Decrease in inventories	(108,077)	696,531
Decrease / (Increase) in debtors	736,034	(207,711)
(Decrease) in creditors	<u>(289,031)</u>	<u>(363,374)</u>
Net cash (outflow)/ inflow from operating activities	<u>(1,648,391)</u>	<u>2,279,327</u>

Analysis of change in net funds

	Opening balance 1 January 2012 £	Cash flow movement £	Closing balance 31 December 2012 £
Cash at bank and in hand	13,133,557	(2,108,550)	11,025,007
	<u>13,133,557</u>	<u>(2,108,550)</u>	<u>11,025,007</u>

Muslim Aid

Notes to the financial statements

For the year ended 31 December 2012

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" (2005) and The Charities (Accounts and Reports) Regulations 2005 (SOFA). The accounting policies below have been adopted for material items.

These accounts include the results and assets and liabilities of the material field offices of Muslim Aid.

b) Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when Muslim Aid is entitled to the receipt and the amount can be measured with reasonable certainty. Gifts in Kind for which Muslim Aid accepts full responsibility for distribution are included in income at their market value (in the case of medicines, at the lowest value of the generic equivalent as approved by the WHO) when it is distributed and under Charitable Activities at the same value and time. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

The receipt in advance of a grant for expenditure that take place in a future accounting period is accounted for as deferred income and recognised as a liability until the accounting period in which Muslim Aid is expend the resource.

c) Resources expended

Resources expended are recognised in the year in which they are incurred.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

d) 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 follows:

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

e) Micro credit schemes

Expenditure on Muslim Aid's interest free micro credit loans are written off under Charitable Activities as it is not intended that Muslim Aid will ever profit from or derive an income from these loans.

f) Funds

General funds are unrestricted funds which include buildings and equipment necessary for the proper functioning of the charity and other funds available for use at the discretion of the trustees in furtherance of the charity's objectives.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are subject to specific restrictions as imposed by the donor or nature of the appeal.

Muslim Aid

Notes to the financial statements

For the year ended 31 December 2012

g) Shariah and administration costs

The charity complies with Shariah law as provided in the Holy Quran and Sunnah. In addition, the charity does not charge administration costs to Zakah donations.

h) Leases

Lease costs are taken to the SOFA on a straight line basis over the term of the lease.

i) Inventories

These are valued at the lower of cost or market value. They are supplies received before the year end and distributed after the year end.

2 Donations	Unrestricted	Restricted	Total	Total
	£	£	2012 £	2011 £
Donations received in UK	1,841,069	7,660,295	9,501,364	8,088,485
Gift aid	1,269,143	-	1,269,143	1,308,385
Donations received at Field Offices	26,573	1,440,721	1,467,294	1,297,497
	<u>3,136,785</u>	<u>9,101,016</u>	<u>12,237,801</u>	<u>10,694,367</u>

3 Investment and other income	Unrestricted	Restricted	Total	Total
	£	£	2012 £	2011 £
Bank deposit profit	50,381	-	50,381	77,126
	<u>50,381</u>	<u>-</u>	<u>50,381</u>	<u>77,126</u>

4 Institutional grants	Unrestricted	Restricted	Total	Total
	£	£	2012 £	2011 £
Muslim Aid-Australia	-	79,905	79,905	-
European Commission Humanitarian Organisation	172,163	3,471,825	3,643,988	3,547,143
United Nations Development Programme	-	-	-	8,814
Islamic Union	-	42,346	42,346	-
Helping Hands / ICNA	-	8,161	8,161	35,571
Qatar Charity	-	-	-	103,071
United Methodist Committee on Relief	-	35,265	35,265	73,991
London City Council	-	-	-	89,087
Other Institutional Grants	-	27,977	27,977	2,172,131
Institutional Grants at Field Offices	17,826	3,327,243	3,345,069	6,216,897
Total Institutional Income	<u>189,989</u>	<u>6,992,722</u>	<u>7,182,711</u>	<u>12,246,705</u>

Muslim Aid

Notes to the financial statements

For the year ended 31 December 2012

5 Resources expended	Direct costs £	Staff costs £	Support costs £	2012 Total costs £	2011 Total costs £
Cost of generating funds	1,072,487	633,719	15,016	1,721,222	1,447,744
Charitable activities					
Emergency relief	12,794,827	326,969	90,150	13,211,946	19,377,712
Education	1,690,424	73,474	20,258	1,784,156	1,779,727
Health Care	3,982,530	195,913	54,016	4,232,459	2,668,962
Economic Empowerment	2,773,595	138,886	38,293	2,950,774	2,238,455
Water & sanitation	670,678	33,584	9,260	713,522	1,400,127
Qurbani/Ramadan	2,006,130	66,197	18,252	2,090,579	1,515,529
Rainbow Family	1,304,187	65,307	18,006	1,387,500	1,379,470
Total Charitable activities	25,222,371	900,330	248,235	26,370,936	30,359,982
Governance cost	75,612			75,612	90,410
Total resources expended	26,370,470	1,534,049	263,251	28,167,770	31,898,136
6 Resources expended: Support Costs					
				2012 £	2011 £
Staff training and recruitment				24,960	18,096
Office communication				47,323	44,344
Office running cost				190,968	226,198
				263,251	288,638
7 Resources expended: Governance Costs					
				2012 £	2011 £
Trustees Reimbursements, Travel & Hotel				5,115	5,240
External Audit fee				29,000	21,000
Legal and other costs				41,497	64,170
				75,612	90,410
8 Staff cost and number of employees					
				2012 Number	2011 Number
Average number of employees in the UK during the year were:					
Fundraising				23	20
Information Public Affairs				3	5
International Programmes				12	17
Management and Finance				12	9
Corporate Services				7	10
				57	61
The average numbers of employees in Field offices were:					
Head count.				1,872	1,681
Employment costs					
				2012 £	2011 £
Gross Pay				1,412,230	1,328,232
Employer's national insurance				121,819	119,058
				1,534,049	1,447,290

No employee earned more than £60,000 during the year (2011: None).

Muslim Aid

Notes to the financial statements

For the year ended 31 December 2012

9 Tangible fixed assets

	Leasehold & Freehold buildings	Computers & software	Fixtures & fittings	Office equipment	Vehicles	Total
Cost	£	£	£	£	£	£
At 1 January 2012	1,776,303	364,953	211,129	743,413	728,369	3,824,167
Additions	205,306	117,137	39,611	56,143	41,962	460,159
Disposals	(15,746)	-	(21,906)	(18,095)	(12,856)	(68,603)
As at 31 December 2012	1,965,863	482,090	228,834	781,461	757,475	4,215,723
Depreciation						
At 1 January 2012	151,397	280,247	87,204	443,054	285,024	1,246,926
Charge for the year	237,873	90,651	35,314	188,408	178,478	730,724
Disposals	(15,746)	-	(21,906)	(18,095)	(12,856)	(68,603)
As at 31 December 2012	373,524	370,898	100,612	613,367	450,646	1,909,047
Net book values						
At 31 December 2012	1,592,339	111,192	128,222	168,094	306,829	2,306,676
NBV at 31 December 2011	1,624,906	84,706	123,925	300,359	443,345	2,577,241

10 Inventories

This mainly consists of undistributed medicines stored in warehouses in various field offices under the control of Muslim Aid.

11 Debtors

	2012	2011
	£	£
Gift aid receivable	427,532	1,154,371
Receivable from Institutions	1,810,197	1,794,021
Other debtors	120,834	146,205
	2,358,563	3,094,597

12 Creditors: amounts falling due within one year

	2012	2011
	£	£
Other creditors (including deferred income)	2,620,117	2,869,110
Accruals	303,276	343,314
	2,923,393	3,212,424

2011 deferred income of £885,494 was fully utilised in 2012 and 2012 deferred income of £1,509,106 will be fully utilised in 2013

Muslim Aid

Notes to the financial statements

For the year ended 31 December 2012

13 Restricted funds and Unrestricted funds

	As at 01-Jan-12 £	Incoming Resources £	Charitable Activities £	Fundraising Cost £	Transfers £	As at 31-Dec-12 £
Restricted funds						
Emergency	7,296,622	11,918,165	(13,121,796)	(916,467)	717,238	5,893,762
Education	129,915	919,065	(1,763,898)	(69,532)	868,225	83,775
Healthcare	37,683	3,611,928	(4,178,443)	(271,756)	830,470	29,882
Economic Empowerment	1,382,957	1,007,829	(2,912,481)	(75,810)	597,505	-
Water and sanitation	348,300	655,614	(704,262)	(51,155)	(162,421)	86,076
Religious Dues	191,116	1,969,540	(2,072,327)	(103,615)	170,228	154,942
Rainbow family	232,291	1,329,905	(1,369,494)	(109,833)	346,826	429,695
Total Restricted funds	9,618,884	21,412,046	(26,122,701)	(1,598,168)	3,368,071	6,678,132
Unrestricted funds						
Designated fund						
Fixed Assets	2,577,241	-	-	-	(270,565)	2,306,676
General Fund	3,806,724	3,377,155	(323,847)	(123,054)	(2,436,978)	4,300,000
	6,383,965	3,377,155	(323,847)	(123,054)	(2,707,543)	6,606,676
Exchange Surpluses	-	660,528	-	-	(660,528)	-
Total Unrestricted Funds	6,383,965	4,037,683	(323,847)	(123,054)	(3,368,071)	6,606,676
Total funds	16,002,849	25,449,729	(26,446,548)	(1,721,222)	-	13,284,808

Support costs have been allocated on the basis of the proportion of expenditure. Fundraising costs have been allocated on the basis of the proportion of the funds raised.

14 Net assets by funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	2,306,676	-	2,306,676
Net current assets	4,300,000	6,678,132	10,978,132
	6,606,676	6,678,132	13,284,808

15 Costs and related income

The charity funds some of its delivery costs from specific income. That is from the sum of gift aid (£1,269,143), bank deposit profit (£50,381), and income from Institutional Funds for that specific purpose (£537,720), totalling £1,857,244.

Muslim Aid

Notes to the financial statements

For the year ended 31 December 2012

16 Related parties

A number of Trustees were Trustees or employees of other charities who have received grants from Muslim Aid. The details are;

CITIZENS UK LONDON

Name of Trustee	Relationship	£	Purpose
Dr Manazir Ahsan MBE	Trustee	5,000	Fundraising iftaar sponsorship

EAST LONDON MOSQUE TRUST/LONDON MUSLIM CENTRE

Name of Trustee	Relationship	£	Purpose
Dr Muhammad Abdul Bari MBE	Chairman of LMC/ELM	25,000	Womens project
		2,858	Sponsorship events and CRB Check
		79,061	Rent for MA 1st floor office space
		106,919	

MASJID & MADRASAH AL-TAWHID

Name of Trustee	Relationship	£	Purpose
Dr Suhaib Hasan	Trustee	500	Ramadan timetable sponsorship

JAMI MOSQUE & ISLAMIC CENTRE BIRMINGHAM

Name of Trustee	Relationship	£	Purpose
Chowdhury Mueen-Uddin	Trustee	350	Cost of advertisement
Dr Manazir Ahsan MBE	Trustee		

MUSLIM COUNCIL OF BRITAIN/MUSLIM COUNCIL OF BRITAIN CHARITABLE FOUNDATION

Name of Trustee	Relationship	£	Purpose
Dr Muhammad Abdul Bari MBE	Member of CWC & Advisor	6,588	Membership, sponsorship of events and adverts
Dr Manazir Ahsan MBE	Chair of Interfaith Relations Committee		
Farooq Murad	Secretary General		
Sir Iqbal Sacranie OBE	Member of CWC (Until June 2012)		

17 Taxation

Muslim Aid is a registered charity and is exempt from corporation tax.

18 Commitments

Obligations under operating leases:

Annual obligations under non cancellable operating leases.

	Land and buildings	
	2012	2011
	£	£
Operating lease which expires:		
Between 2- 5 years	14,280	14,280

19 Micro credit loans

In accordance with our accounting policy on micro credit loans these are not treated as assets. At the year end the loans outstanding in our field offices totalled £3,701,747 (2011: £3,555,502).