

Trustees' report and financial statements

For the year ended
31 December 2014



Charity no: 295224
PO Box 3, London E1 1WP
Website: www.muslimaid.org

Contents

Legal and administrative information	1
About Muslim Aid	3
Our achievements in 2014	4
Plans for the future	8
Structure: Governance and Management	9
Financial Review	12
Independent auditor's report to the Trustees of Muslim Aid	14
Statement of financial activities	16
Balance sheet	17
Cash flow statement	18
Notes to the financial statements	19

Legal and administrative information

Board of Trustees

Office Bearers

Chairman
Dr Manazir Ahsan MBE

Vice Chairman
Dr Suhaib Hassan

Secretary
Dr Muhammad Abdul Bari MBE

Treasurer
Saleem Asghar Kidwai OBE

Trustees serving in the year

AKM Abdussalam
Riyadh Al-Rawi
Yousuf Bhailok
Nur Ahmed Chowdhury FCCA
M H Faruqi
Mehboob Kantharia
Dr Abdul Majid Katme
Unaiza Malik
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
Muhammad Zamir

Chief Executive Officers

Syed Sharfuddin (until 31.01.2014)
Hamid Hossain Azad (from 07.04.2014)

Assistant Chief Executive Officer

Shuaib Yusaf (from 07.04.2014)

Registered Office

PO Box 3
London
E1 1WP

Charity number

295224

Bankers

Lloyds Bank plc
Habib Bank AG Zurich
Al Rayan Bank

Auditor

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

About Muslim Aid

Muslim Aid is a UK-based international relief and development agency, Muslim Aid has been working for 30 years to help save and improve the lives of millions in over 70 of the world's poorest countries.

Our Mission

Guided by the teachings of Islam Muslim Aid endeavours to tackle poverty and its causes by developing innovative and sustainable solutions that enable individuals and their communities to live with dignity and honour and by supporting initiatives that promote economic and social justice.

Our Vision

Muslim Aid's vision is the alleviation of poverty, education for all, and the provision of basic amenities for those in need, in order to create a world where charity and compassion produce justice, self-reliance and human development.

Our Values

Muslim Aid's values are compassion and sensitivity to others' needs and conditions, empowerment of people to realise their true potential, justice for all by considering the rights of people and treating them with dignity and respect regardless of faith, gender, ethnic origin or political persuasion.

Our Objectives

The Charity's Objectives are for the public benefit and are designated:

- 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.

What we do

Working in over 70 countries across Africa, Asia and Europe, Muslim Aid has one of the charity sector's largest aid-delivery footprint. The Charity strives to help the poor overcome the suffering endured due to natural disasters and lack of basic necessities.

Whilst responding to emergencies is one of our major priorities, we also work on strategic programmes to eliminate poverty that focus upon:

- Education
- Skills training
- Provision of clean water
- Healthcare
- Income generation projects
- Housing

These projects ensure that individuals can have access to basic necessities and the skills necessary to generate an income so that they and their families are not permanently dependent on aid agencies for food and shelter.

Who we work with

The number of community based humanitarian organisations that Muslim Aid works with has constantly grown. We are committed to a partnership based approach to poverty eradication and empowerment.

By working through partners (including ECHO, EC, WFP, IDB, and UNDP, amongst others) we avail operational synergies and are thus able to ensure that administration and delivery costs are minimised.

Our achievements in 2014

As a premier international NGO in the UK, Muslim Aid has made a significant contribution towards disaster relief and recovery and the alleviation of poverty. We are in the final year of a five-year strategic plan (2011-2015) having made considerable headway in achieving our stated objectives. The following are 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

Muslim Aid has fully operational field offices in Bangladesh, Bosnia, Cambodia, Indonesia, Iraq, Jordan, Kenya, Lebanon, Pakistan, Somalia, Sri Lanka, Sudan and Myanmar. These field offices implement Muslim Aid's development strategy through multi-faceted programmes.

Muslim Aid has also established two fundraising offices in Sweden and USA.

International Programme

Education

Muslim Aid recognizes that access to education is a fundamental right and is the most effective way of lifting people out of poverty. Our work focuses not only on getting children into school by improving the learning and teaching environment but also equips young people with the skills and training to be able to gain employment or business skills.

During 2014, nearly 20,000 children, young people and their families benefited from Muslim Aid supported education programmes around the world.

In Myanmar and Pakistan, Temporary Learning Spaces were established to provide students, displaced by internal conflict, with education and a sense of normalcy in a turbulent environment. In Cambodia, Muslim Aid implemented various projects from distribution of materials to raising awareness to also advocating education as well as improving facilities.

Muslim Aid Sri Lanka is focused on improving its long term "Education for all" programme. Four pre-schools were fully constructed and equipped with library facilities in 2014. In Bangladesh, Muslim Aid continued its flagship skill development and vocational training courses for young people and also established a new job placement department to enhance learning for students to gain employment and apprenticeships upon completing their courses.

Health

Over 2 million people across the world benefited from Muslim Aid's healthcare programmes in 2014. Muslim Aid Sudan is implementing a three year community based healthcare programme with eight safe motherhood groups, delivering refresher midwives training, raising awareness and distributing medical supplies to over 27,000 people. Over 30,000 internally displaced families received healthcare through mobile clinics with access to medical staff and medication. Reproductive healthcare was delivered to almost 14,000 women IDPs in 2014.

Muslim Aid offered primary healthcare to more than 65,000 individuals including services, supplies, medicines and hygiene sessions across Pakistan in 2014. Clinics were set up for maternal and child healthcare for IDPs where 3,000 women received primary healthcare. A further 22,000 benefited from

primary healthcare in Muslim Aid hospitals. Reproductive healthcare services, awareness, health kits and antenatal services were provided to over 80,000 individuals. Muslim Aid also implemented water and sanitation projects in 120 schools expected to benefit 18,000 children.

Muslim Aid treated 800 tuberculosis patients as well as 45,000 malaria patients in addition to vaccinating 800,000 children in Somalia against polio and measles. Further to this Muslim Aid set up 20 Mother and Child Clinics reaching over 400,000 beneficiaries. Muslim Aid Lebanon continued healthcare assistance for the elderly whilst Muslim Aid Bangladesh reached 92,778 individuals with secondary level healthcare in hospitals.

Muslim Aid Myanmar established clinics equipped with staff, supplies and assistance to benefit around 3,300 people and the Sri Lanka office constructed toilets, which now provide communities with a private and hygienic solution for sanitation. Muslim Aid Cambodia constructed latrines and provided water jars to 500 individuals in 2014.

Livelihoods

Muslim Aid implemented a variety of skills development and capacity building programmes to provide people with increased livelihood opportunities. These included supporting 422 women through its skills development centres in Pakistan in 2014. Muslim Aid Sri Lanka supported 118 female-headed families by providing them with poultry, farming equipment and technical support.

Muslim Aid Bosnia conducted training on the production of vegetables benefiting 25 families. Bosnia was hit by floods which damaged several hundreds of acres of fertile land. Muslim Aid implemented an agricultural recovery programme to help fruit farmers re-establish their businesses supporting 107 families.

Muslim Aid Indonesia implemented a training programme for farmers to help improve their knowledge and capacity in new agricultural techniques and technologies as well as those in the community benefitting over 1,900 individuals. The field office provided training to 60 farmers along with 40 female farmers to support setting up of organic farms. In 2014 Muslim Aid Kenya, in partnership with Kenya Red Cross, began implementing a livelihood project for farmers training on crop diversification and capacity building.

Overall, 53,000 individuals and their families benefited from Muslim Aid supported livelihood programmes globally.

Microfinance

Muslim Aid's Microfinance programme supported over 58,000 people in Bangladesh, Pakistan, Sudan, Cambodia and Sri Lanka.

Developed in partnerships with Islamic Development Bank, Institute of Micro Finance and Credit Development Forum, Muslim Aid acquired registration of the Micro Credit Regulatory Authority of the Bangladeshi Government for its Microfinance programme – one of the largest in Bangladesh.

UK Programmes

Muslim Aid responded to the emergency in the Somerset and Sunbury regions, which were among the worst affected during the 2014 floods in the UK.

Muslim Aid provided skills training to 130 young people in London. The project included workshops run by professionals to provide guidance and advice, as well as one-to-one support and CV development. The Charity ran a successful 'Access to Corporate Training' scheme providing employment workshops to 17 participants.

The Prisoner Rehabilitation programme provided support to 5,018 Muslim prisoners during the month of Ramadan with the provision of small gifts. As part of this project, training was provided to 16 mentors.

The winter campaign for the homeless and elderly reached 4,546 people across the UK. 'Keep-warm kits' were distributed to 755 individuals and 1,891 also received advice and guidance. The UK Programmes Team also provided 1,900 meals to homeless in London through a soup kitchen.

Muslim Aid supported 60 women and children facing domestic violence, financial hardship and poverty. 30 women and children were provided safe accommodation, while 20 women were given access to volunteer placements. 60 women also received mentoring support.

Emergency and Sectoral Programmes

Muslim Aid was able to deliver aid through partners in Gaza-Palestine before the ceasefire, providing lifesaving support to those affected by the conflict. Prepared meals were distributed to 3,000 internally displaced persons (IDPs) in UNRWA managed shelters and a further 600 food baskets containing essential food items were delivered to families. Hygiene kits containing items for the maintenance of personal hygiene were also distributed to 500 affected

families. Muslim Aid supported 320 children orphaned by the conflict by distributing clothing. A further 240 children took part in a recreational playing and drawing sessions in safe spaces and received stationery, toys and clothing. Muslim Aid also addressed the urgent need for medical aid and assistance by providing supplies to intensive care units in three hospitals which benefitted 8,000 people. As part of the support, 15,000 litres of fuel were provided to power generators.

Muslim Aid is currently working on a project in Gaza to repair 120 fishing boats in order for the fishermen to resume their livelihood. Muslim Aid Lebanon ensured the healthcare for thousands of people in 2014, by distributing hygiene kits to 5,000 Syrian refugees containing items for personal hygiene. 500 refugees were also given food vouchers to collect items of their choice from local grocery stores which served as a vital lifeline for families with no other source of food or income. Muslim Aid Jordan distributed blankets to 2,000 households (approximately 11,000 people), and winter clothes to 1,600 children. 1,200 children were also supported to continue their education as they received school kits which included bags, school uniforms, notebooks and stationery.

Muslim Aid partnered with UNRWA to distribute food to 17,899 people in order to ease hardship and prevent starvation. 100 Palestinian refugees and non-camp Syrian refugees also received cash assistance from Muslim Aid Iraq. Muslim Aid has worked alongside its partner Maram Foundation to run the 'Bayti' project in Turkey, which offers a home to 100 children orphaned by the conflict in Syria.

Muslim Aid Iraq partnered with the World Food Programme (WFP) to distribute one-month food parcels to 6,700 displaced families in Babil, reaching approximately 28,000 individuals over four months; while a further 1,500 food parcels were distributed in Dohuk. Sub-agreements were signed to provide 9,600 Iraqi refugees, returnees and stateless persons with financial assistance and Muslim Aid Iraq also worked with partners to provide 550 households with Aqua boxes, 1.4 million water purification tablets and water purification systems. 1,400 blankets, 1,320 mattresses, 400 fuel heaters and hygiene materials were also distributed to more than 1,000 displaced families.

Muslim Aid joined an interfaith coalition of NGOs, in a show of solidarity against the nature of the conflict, to deliver essential aid to affected victims in Central African Republic (CAR). 1,375 displaced families in Doba, Chad received one-month food parcels containing essential food items in addition to mosquito nets to prevent against the contraction of malaria. 3,850 individuals also benefitted from a distribution of essential food items in the Sahr area.

Muslim Aid supported medical efforts to help treat and curb the spread of the disease Ebola in Sierra Leone and equipped medical teams on the ground with isolation shelter systems, medicines, 30,000 pairs of vinyl gloves and 38,000 face masks.

During the 2014 flood emergency in South Asia (India), Muslim Aid responded to the immediate need for medical assistance through the provision of treatment to 2,150 patients suffering from malnutrition, waterborne diseases, hyperthermia and fever. A mobile health clinic was established to serve refugees in the Muzaffarnagar and Shamli camps, while 2,000 patients with chronic illnesses such as diabetes and blood pressure were given supplies of medicine. 500 households received food parcels which contained food for one month and 4,000 blankets were distributed to protect against the winter cold. A further 70 families received materials to reconstruct their homes.

In Kashmir, 2,000 people received essential medicines while 1,160 households received food parcels containing provisions for one month and hygiene kits. 15,237 blankets were also distributed to protect against the winter cold while 900 people received warm winter clothing. Muslim Aid Bangladesh also distributed 3,000 blankets to those in need following the devastating floods.

Muslim Aid Pakistan assisted the communities (IDPs) through a mobile health clinic in the Bannu District, which treated 50-60 people per day over a period of three months and provided medicines free of charge to accompany malnutrition screening services.

In 2014, Muslim Aid implemented disaster risk reduction (DRR) projects in countries vulnerable to natural disasters. Communities are always at the forefront of responding during disasters, therefore it is vital that they are better prepared and equipped to face emergencies. Myanmar is particularly disaster prone. Learning from previous experiences, the country has formed Disaster Management Committees; however, for effective use of these committees it is important for the wider population to be involved.

Muslim Aid Myanmar provided a 7-day training on different types of disaster and DRR methods for 60 volunteers selected from villages in Shan state. They were also trained on disseminating 'early warning' messages to relevant people and coordinating with other organisations involved in emergency disaster response.

Muslim Aid Indonesia implemented DRR programmes in disaster-prone areas such as Lumajang and Padang. They also developed a risk map, community action plan for DRR and were trained on emergency first aid. This training supported 28,516 people.

Muslim Aid implemented its 'Dig a Well' programme in Bangladesh, Cambodia, Sri Lanka, Pakistan and Sudan. In total 873 wells were donated in 2014 benefitting 76,095 people.

In 2014, Muslim Aid sponsored 5,522 orphans and needy children in 17 countries from Africa and Asia to the Middle East and Eastern Europe. The staff visited Lebanon, Bosnia and Herzegovina, Sierra Leone, Bangladesh and Gambia to observe and assess the implementation of different projects. Muslim Aid also distributed Eid gifts to over 12,000 children and their families in 16 countries.

Muslim Aid field offices and partner organisations implemented the 2014 Ramadan programme which included the distribution of food packs under its 'Feed the Fasting' programme and Zakat distribution. With support from its generous donors, Muslim Aid spent over £316,000 reaching nearly 200,000 individuals in 40 countries across the world. Muslim Aid also supported those affected by conflicts in Syria and Palestine with food packs and *Zakatul Fitr*.

Muslim Aid's Qurbani/*Udhiah* programme is far-reaching and extensive. In 2014, Muslim Aid field offices and partner organisations distributed locally sourced quality meat on Eid-*Ul-Adha* to over 231,000 beneficiaries in 40 countries around the world. Muslim Aid's Qurbani/*Udhiah* programme was also implemented in conflict-affected countries such as

Syria, Iraq, Myanmar and Gaza. Muslim Aid also carried out a Qurbani/*Udhiah* programme in the UK.

Challenge

As part of Muslim Aid's continuous monitoring of global activities, in 2013 Muslim Aid submitted a Serious Incident Report (SIR) to the Charity Commission after finding irregularities in two field offices in Africa. The Charity Commission subsequently launched a Statutory Inquiry which concluded in December 2014. The Charity Commission's official report has yet to be released but the Commission has issued Directives to Muslim Aid which will build upon our existing systems and help to improve areas such as monitoring and evaluation, due diligence, financial control and governance. In line with our commitment to achieving excellence Muslim Aid has engaged external consultants to ensure that the Directives are complied with, and other organisational improvements identified and implemented in order to further improve Muslim Aid. The Trustees are thankful for our donor's continuing support. Despite the Commission's investigation, Muslim Aid's donor base grew and their generosity led to a 29% increase in total income for 2014.

Plans for the future

Muslim Aid will be entering the final year of the quinquennial strategic plan formulated in 2010 to strength Muslim Aid's through conduct of,

- Strong Organisation and Leadership
- High impact programme development and effective emergency response
- Increase donations and secure financial autonomy
- Nurturing friendships and establishing new networks
- Effective intervention for poverty reduction
- Achieving quality standards globally

During 2015 Muslim Aid will continue to build upon the work done since 2010 in furtherance of this strategic plan.

The next strategic plan will be drafted during 2015 to be operational from 1 January 2016. It will build upon the achievements of the previous plan and seek to address the existing deficiencies and also those areas

where progress has been slow. The next strategic plan will recognise the new operating landscape for INGOs where due diligence and monitoring & evaluation are key and seek to consolidate Muslim Aid's position in the charity sector.

The major challenges facing the charity sector will also be encompassed with the strategic plan and key amongst these will be exploring innovative ways of fundraising from the community and institutions in an increasingly competitive market environment. Muslim Aid will seek to differentiate the brand in order that donor loyalty may be maintained and will also build upon the corporate partnership programme where corporation can discharge their Corporate Social Responsibilities through partnering Muslim Aid.

In order to support this change, Muslim Aid is committed to a series of far reaching organisational improvements to support the head office and field office operations. These include a greater emphasis on HR training and recruitment and also enhancements to systems.

Structure: Governance and Management

Board of trustees

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. The Trustees are responsible for all matters pertaining to governance of the Charity and policy making. Muslim Aid's management is responsible for implementing programmes and projects approved by the Trustees in an efficient and transparent manner, within its policy framework, thus fulfilling the stated aims and objectives of the Charity.

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.

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

Office Bearers

The following held office during the year:

Dr Manazir Ahsan MBE (Chairman)
 Dr Suhaib Hassan (Vice Chairman)
 Dr Muhammad Abdul Bari MBE (Secretary)
 Saleem Asghar Kidwai OBE (Treasurer).

Committees

o **Audit & Risk Committee**

The Audit & Risk Committee is an independent committee, comprising of Non-Trustee as well as Trustee members. It is chaired by Mr Nadim Sheikh.

The key duties of the Committee, (but not restricted to), are as follows:

- Investigate any activity within its terms of reference.
- Review the Charity's financial statements before submission to the Board.

- Oversee the internal control and risk management function within the Charity including procedures for detecting fraud, monitoring the effectiveness of the systems for the integrity of the Charity's internal financial controls and assessing the effectiveness of the risk management framework.
- Seek any information that it requires from any employee of the Charity.
- Obtain outside legal or independent professional advice, at the Charity's expense, if necessary.

o **Finance Committee**

The Finance Committee is chaired by the Treasurer, Mr Saleem Kidwai. The Committee considers the financial plans and performance of Muslim Aid and the cost effective and efficient operation of the Charity.

o **Governance & Strategy Committee**

The Governance & Strategy Committee is chaired by Sir Iqbal Sacranie and is responsible for all matters pertaining to governance and adherence to Muslim Aid's Constitution. It oversees the Charity's accountability framework and ensures that the highest standards of efficiency prevail.

o **Media Committee**

The Media Committee which is chaired by Mrs Unaiza Malik oversees the development of the Charity's media and publicity strategies.

o **Emergency & Disaster Management Committee**

Chaired by Dr Jafar Qureshi, it is charged with ensuring Muslim Aid has the continuing capacity to respond to emergencies and disasters worldwide.

o **Distribution committee**

Chaired by Mr Muhammad Zamir, this committee oversees the distribution of funds via approval of proposals submitted to support projects/programmes in furtherance of Muslim Aid's stated objectives.

o **Fundraising Committee**

Chaired by Dr Muhammad Abdul Bari, this committee is responsible for ensuring that the fundraising strategy is effective and is delivered in keeping with the Charity's commitments to serve humanity in different parts of the world.

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements for each financial year in accordance with the law applicable to 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. Under the Charity Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity, its income and application of resources of the Charity for that period.

In preparing these financial statements the Trustees are required to:

- o select suitable accounting policies and then apply them consistently;
- o observe the methods and principles in the Charities SORP;
- o make judgments and accounting estimates that are reasonable and prudent;
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- o 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 are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps 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 reviewed 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 Muslim Aid stakeholders, in particular our generous donors and beneficiaries for their support and faith in Muslim Aid's commitment and ability to deliver relief and development programmes where it is needed most.

Staff, volunteers and friends remain steadfast in their resolve to work for the service of humanity.

Trustees are appointed in accordance with the provisions of the Trust Deed as amended on 18 April 2013. New Trustees are appointed by the Board based on their relevant experience and expertise which can enhance the governance of the Charity.

The Trustees, in furtherance of the discharge of their duties, and in addition to meeting regularly, organised the Trustees' annual away-day on 31 May 2014 at the Markfield Institute of Higher Education (Leicester, UK) where matters pertaining to the Charity and the training and responsibilities of trustees were addressed.

Organisational structure

The Trustees delegate the day-to-day running of the charity to the CEO Office (staffed by the CEO and Assistant CEO) and the Senior Management Team (SMT). The CEO reports to the Chair of the Board.

Internal Audit and Risk Management

The Trustees note that Muslim Aid operates in inherently unstable environments across the world, often with difficult communications, institutional and financial infrastructures.

In delivering our objectives we therefore face significant risks every day, whether that is to the safety of our staff, to our financial health, or a duty of care to those who attend our fundraising events.

The Trustees have overseen the development of robust procedures to evaluate, design and implement effective measures to reduce both the likelihood and the potential impact of these risks occurring.

Biannually, the major strategic and operational risks that Muslim Aid is exposed to and the ways in which these are being monitored, managed and mitigated – are assessed by the Senior Management Team. Thereafter, the identified risks are reviewed and challenged by Internal Audit & Risk Management and the Audit & Risk Committee and considered by the Board of Trustees.

The control framework approved by the Board of Trustees is subject to the following review and testing:

The Audit & Risk Committee charged the internal Audit & Risk Management function to carry out a programme of audit reviews across all operations and activities. The Internal Audit function has full authority to review

all matters it considers necessary, and an agreed cycle of audits in the major risk areas.

The Head of Internal Audit & Risk Management and his team submit regular reports to the Audit & Risk Committee, Board of Trustees and responsible Senior Management Team Member on audits conducted, risks identified and management's response to their findings, as well as giving an independent opinion on internal control.

In addition to the internal audit function a full statutory audit is undertaken annually by Moore Stephens who report their finding to the Audit & Risk Committee, and the Trustees.

The Audit & Risk Committee provides an annual update to the Board of Trustees on its view of the control environment within Muslim Aid.

The Board of Trustees considers the systems and controls that are in place to monitor, manage, and mitigate Muslim Aid's exposure to major risks. These include, among other control mechanisms, the maintaining of Muslim Aid's general reserves and the review of key systems and processes by the Internal Audit & Risk Management function.

In addition to the control framework set out in the Risk Management Policy, Muslim Aid has clear and easily accessible whistle-blowing procedures.

Within the Internal Audit & Risk Management function, there are staff responsible at a strategic level for investigating incidents of loss, theft, fraud and safeguarding, recovering losses wherever possible and providing training for staff on incident management and reporting.

Auditor

Chantrey Vellacott DFK LLP has merged its practice with Moore Stephens LLP and now practices under the name of Moore Stephens LLP. A resolution to re-appoint Moore Stephens LLP as auditor will be proposed at the forthcoming Annual General Meeting.

Volunteers

Volunteers are an integral part of the way in which Muslim Aid delivers its services. Muslim Aid's Volunteer Partnership Programme is designed to attract, retain, equip, recognise and reward volunteers as they work alongside regular and permanent staff. The Trustees are particularly grateful for the selfless manner in which the volunteers apply themselves and the immeasurable good which is derived as a direct result of their work. Notwithstanding, Muslim Aid, as a part of its Volunteer Partnership Programme, conducts stringent due diligence prior to deploying any volunteers. During 2014, in the UK, 120 active volunteers were deployed. Furthermore, it is very difficult to put a monetary value on the contribution made by volunteers, therefore this has not been quantified in the financial statements.

Pension

MAUK has complied fully with the auto-enrolment legislation and all new employees are offered an Islamic Pension Trust with Carey Pensions from July 2014. Since October 2014 employees have been offered an employer payment of 1% against a 1% employee contribution. This will rise to 2%:3% in 2017 and 3%:5% in 2018.

Public benefit

The Trustees confirm that they abide by the Charity Commission's general guidance on public benefit complying with Section 4 of the Charities Act 2006 to have due regard to public benefit in pursuance of its objectives and activities.

Financial Review

The financial statements have been prepared in accordance with the accounting policies set out on page 19 of the attached Financial Statements and comply with applicable laws and requirements of the 'Accounting and Reporting by Charities: Statement of Recommended Practice' (SORP) issued by the Charity Commission.

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.

Income

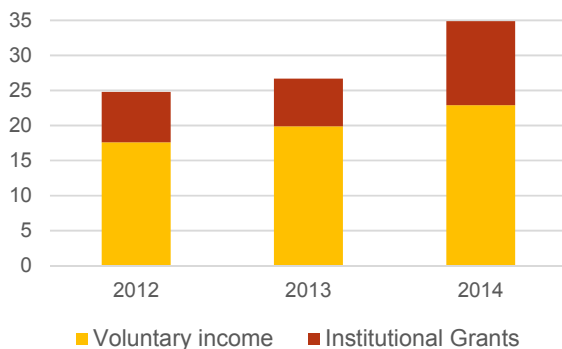
The Charity's total income for the year was £34.6 million (2013: £26.7m), an increase of £7.9million or 29% on the previous financial year. This significant increase on last year is an enormous testament to the generosity of our supporters – individuals, communities, corporate and institutions. We have seen an upward trend in each key income stream - community donations (+43%), institutional grants and income generated at overseas field offices (+22%).

The increase in community donations is mainly due to the successful fundraising campaign for the Gaza emergency appeal in 2014 in which we raised over £4.5 million for humanitarian aid. The total emergency donation income has increased by £3.8 million in 2014 (2014: £6.5m, 2013: £2.7m).

We continued to set our priorities last year to strengthening our unrestricted funds base. At the end of the financial year we have raised £7million (2013: £6m) unrestricted income.

Some of our unrestricted funds were used as contribution to ECHO projects as co finance and to promote long term development programmes.

Three years income trend



Expenditure

Our total expenditure for the year ended 31 December 2014 was £31.2million (2013: £26.6m). The expenditure on charitable objective was £28.9million (2013: £24.5m) which was £4.4 million more than the previous year. The reason for this increase is mainly because of an increase in voluntary income for emergency programmes.

As expected the expenditure on the Rainbow Family Programme has increased significantly due to an expansion in the number of children being supported via the Programme reaching 5,522 by 31/12/2014.

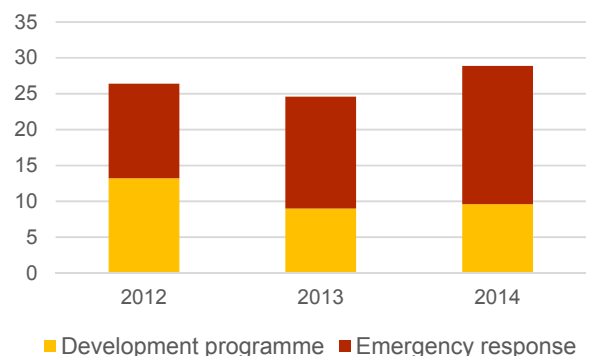
We served more beneficiaries last year who were desperately in need of food, shelter etc and as a result our emergency expenditure increased by 24% compared to the previous year. We have delivered £3.4 million worth of emergency projects funded by ECHO in Bangladesh and £107,000 funded by the EC for healthcare in Sudan.

We have recovered over £2 million of fundraising and admin cost from gift aid and overhead received from institution grants.

The Charity has transferred £0.9 million from its unrestricted funds to support general emergencies around the world and to contribute towards the projects implemented with partner organisations.

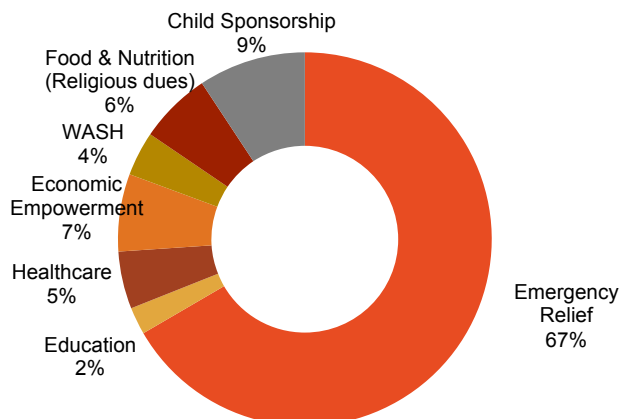
The split between our emergency response and development work was 67:33 (2013: 66:34).

Three years programme expenditure trend

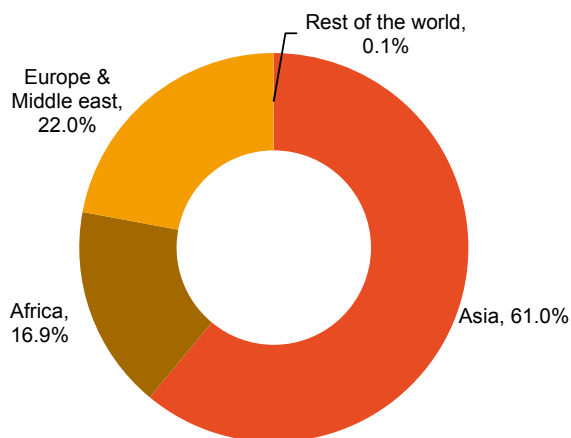


Muslim Aid has a global footprint delivering large programmes of work in each geographical region. The breakdown of programme expenditure is shown in the next page.

Our activities in 2014



Our response by region in 2014



Net assets

The balance sheet for the charity shows net assets of £17.5 million, compared with £13.6 million in the previous year, representing the increased operational working capital and reserves.

Financial risk

The Trustees have the overall responsibility for ensuring the Charity has an appropriate system of controls, financial and otherwise, across the entire organisation in order to provide reasonable assurance that:

- Its assets are safeguarded against unauthorised use or disposition,
- Proper records are maintained and that financial information is reliable,
- The Charity complies with relevant laws and regulations.

The Trustees have in place a risk management process to assess and implement risk management strategies. This process includes a review by Trustees, Senior Management Team and other charity officers. The process identifies the types of risk that the Charity faces, which are recorded in a Master Risk Register, prioritises them in terms of likelihood of occurrence and potential impact, and identifies the means of mitigating these risks.

Tangible fixed assets

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

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.

Reserve 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 cope with fluctuations and to hold at least the equivalent of six months' Headquarters and field offices' running cost expenditure (£2.5m). The total free reserves on 31 December 2014 were £4.4 million (2013: £3.6m). However, out of this the HQ's free reserve was £2.5million (2013: £2.9m).

The Trustees are pleased they have met their reserves policy and will review it again during 2015. In addition Trustees designated £2.4 million as MA's fixed assets.

The audited accounts of the Charity were presented to the AGM held in London on 13 September 2015 and approved by the Trustees on the same date.

M. M. Ahsan
 Dr Manazir Ahsan MBE
 Chairman
 13 September 2015

Saleem Asghar Kidwai
 Saleem Asghar Kidwai OBE
 Treasurer
 13 September 2015

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 2014 which are set out on pages 16 to 26. 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 Chapter 3 of Part 8 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 its 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 set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 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 non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014 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.

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:

- the information given in the Trustees' Annual 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.

Moore Stephens LLP

Moore Stephens LLP

Statutory Auditor

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

150 Aldersgate Street
London, 13 September 2015
EC1A 4AB

Statement of financial activities

For the year ended 31 December 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations	2	6,212,366	9,967,676	16,180,042	11,634,575
Gifts in Kind		-	6,633,394	6,633,394	8,191,793
<i>Activities for generating funds:</i>					
Investment and other income	3	49,056	-	49,056	51,803
Incoming resources from charitable activities:					
Institutional Grants	4	344,601	11,452,323	11,796,924	6,805,273
Total incoming resources		6,606,023	28,053,393	34,659,416	26,683,444
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising cost		810,538	1,471,131	2,281,669	1,956,946
Charitable expenditure:					
Emergency Relief		423,734	18,837,208	19,260,942	15,561,734
Education		303,187	377,942	681,129	728,127
Healthcare		739,142	693,760	1,432,902	1,858,415
Economic Empowerment		1,325,960	604,759	1,930,719	1,649,202
WASH		148,382	958,843	1,107,225	839,995
Qurbani/Ramadan and other religious dues		733,751	1,056,793	1,790,544	1,700,167
Rainbow Family		574,524	2,095,575	2,670,099	2,184,844
Total Charitable expenditure	5	4,248,680	24,624,880	28,873,560	24,522,484
Governance costs	7	103,967	-	103,967	88,269
Total Resources Expended	5	5,163,185	26,096,011	31,259,196	26,567,699
Net incoming resources before transfers		1,442,838	1,957,382	3,400,220	115,745
Transfers between funds	13	(939,589)	939,589	-	-
Exchange surpluses		436,240	-	436,240	247,907
Net Movement in funds		939,489	2,896,971	3,836,460	363,652
Total Funds at 31 December 2013		5,882,931	7,765,529	13,648,460	13,284,808
Total Funds at 31 December 2014		6,822,420	10,662,500	17,484,920	13,648,460

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 19 to 26 form an integral part of these financial statements.

Balance sheet

As at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	2,419,631	2,282,531
		<u>2,419,631</u>	<u>2,282,531</u>
Current assets			
Inventories	10	478,454	474,465
Debtors	11	4,793,916	2,719,729
Cash at bank and in hand		13,420,314	10,945,855
		<u>18,692,684</u>	<u>14,140,049</u>
Creditors: amounts falling due within one year	12	<u>(3,627,395)</u>	<u>(2,774,120)</u>
Net current assets		<u>15,065,289</u>	<u>11,365,929</u>
Net total assets		<u>17,484,920</u>	<u>13,648,460</u>
The total funds of the charity			
Unrestricted income funds			
- Designated fund		2,419,631	2,282,531
- General fund		4,402,789	3,600,400
Restricted income funds	13	10,662,500	7,765,529
		<u>17,484,920</u>	<u>13,648,460</u>

Signed on behalf of the Board of Trustees by:

M. M. Ahsan

Dr Manazir Ahsan MBE
Chairman
13 September 2015

Saleem Asghar Kidwai

Saleem Asghar Kidwai OBE
Treasurer
13 September 2015

The accompanying notes on pages 19 to 26 form an integral part of these Financial Statements.

Cash flow statement

For the year ended 31 December 2014

	2014	2013
	£	£
Cash flow statement		
Net cash inflow from operating activities	2,870,983	431,987
Payments to acquire tangible fixed assets	<u>(396,524)</u>	<u>(511,139)</u>
Increase / (Decrease) in cash in the year	<u>2,474,459</u>	<u>(79,152)</u>

Note to the cash flow statement

Reconciliation of changes in movement in net funds to net cash inflow from operating activities

Movement in net funds	3,836,460	363,652
Add: Depreciation	259,424	535,284
(Increase) / Decrease in inventories	(3,989)	43,490
(Increase) in debtors	(2,074,187)	(361,166)
Increase / (Decrease) in creditors	<u>853,275</u>	<u>(149,273)</u>
Net cash (outflow)/ inflow from operating activities	<u>2,870,983</u>	<u>431,987</u>

Analysis of change in net funds

	Opening balance 1 January 2014 £	Cash flow movement £	Closing balance 31 December 2014 £
Cash at bank and in hand	10,945,855	2,474,459	<u>13,420,314</u>

Notes to the financial statements

For the year ended 31 December 2014

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and reporting for Charities" published in March 2005, and applicable UK law and accounting standards. The financial statements are prepared on accruals and going concern basis. The accounting policies below have been adopted for material items.

These accounts include the results and assets and liabilities of the field offices of Muslim Aid (Bangladesh, Bosnia, Cambodia, Indonesia, Iraq, Jordan, Kenya, Lebanon, Pakistan, Somalia, Sri-Lanka and Sudan)

b) Incoming resources

Voluntary income is received by way of donations and gifts and is included 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.

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 value of services provided by volunteers has not been included in accordance with the SORP.

The receipt in advance of a grant for expenditures 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 indirectly in support of expenditure on the objects of the charity are allocated across the categories of charitable activities.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. They include legal advice for trustees, the cost of trustees' meetings, audit fee and internal audit cost.

d) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange at the time of the transaction.

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 SOFA for the period in which they are incurred.

e) Tangible fixed assets and depreciation

Non-programme expenditure of more than £50 per item for buildings, equipment and leasehold improvements is capitalised at cost. 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

f) 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.

g) 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.

h) Shariah and Zakah donations

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.

i) Leases

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

j) Inventories

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

k) Pensions

Contributions to the defined contribution pension scheme are recognised in the SOFA when they are payable. 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.

l) Taxation

As a registered charity, Muslim Aid is exempt from taxation of income and gains to the extent these are applied to charitable objectives.

2 Donations	Unrestricted	Restricted	Total	Total
	£	£	2014 £	2013 £
Donations received in UK	3,614,239	8,496,545	12,110,784	8,456,661
Gift aid	210,553	1,471,131	1,681,684	1,263,641
Donations received at Field Offices	2,387,574	-	2,387,574	1,914,273
	<u>6,212,366</u>	<u>9,967,676</u>	<u>16,180,042</u>	<u>11,634,575</u>
3 Investment and other income			Total	Total
	Unrestricted	Restricted	2014	2013
	£	£	£	£
Bank deposit profit	49,056	-	49,056	51,803
	<u>49,056</u>	<u>-</u>	<u>49,056</u>	<u>51,803</u>
4 Institutional income			Total	Total
	Unrestricted	Restricted	2014	2013
	£	£	£	£
Muslim Aid-Australia	-	-	-	28,668
European Commission Humanitarian Organisation	344,601	2,593,214	2,937,815	3,943,970
European Commission	-	107,482	107,482	-
Islamic Union	-	60,350	60,350	23,668
Al Asmakh Charity	-	263,224	263,224	121,468
United Methodist Committee on Relief	-	121,648	121,648	-
Other Institutional Grants	-	372,683	372,683	186,407
Institutional Grants at Field Offices	-	7,933,722	7,933,722	2,501,092
Total Institutional Income	<u>344,601</u>	<u>11,452,323</u>	<u>11,796,924</u>	<u>6,805,273</u>

5 Resources expended	Direct costs £	Staff costs £	Support costs £	Total 2014 costs £	Total 2013 costs £
Cost of generating funds	1,418,946	778,167	84,556	2,281,669	1,956,946
Charitable activities					
Emergency relief	18,651,056	467,218	142,668	19,260,942	15,561,734
Education	585,218	85,098	10,813	681,129	728,127
Health Care	1,386,972	32,287	13,643	1,432,902	1,858,415
Economic Empowerment	1,885,396	31,860	13,463	1,930,719	1,649,202
WASH	1,049,654	40,470	17,101	1,107,225	839,995
Qurbani/Ramadan	1,561,352	167,040	62,152	1,790,544	1,700,167
Rainbow Family	2,195,009	373,791	101,299	2,670,099	2,184,844
Total Charitable activities	27,314,657	1,197,764	361,139	28,873,560	24,522,484
Governance cost	57,921	46,046	-	103,967	88,269
Total resources expended	28,791,524	2,021,977	445,695	31,259,196	26,567,699

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

Project staff cost of £1,091,655 at overseas field offices has been allocated to the direct project cost.

6 Support Costs	2014 £	2013 £
Office costs	282,825	213,983
Finance and IT	67,861	38,758
Human resources	95,009	80,764
	445,695	333,505

7 Resources expended: Governance Costs	2014 £	2013 £
Trustees Reimbursements, Travel & Hotel	8,612	4,172
External Audit fee	24,900	21,000
Internal Audit (in house)	47,973	41,176
Legal and other costs	22,482	21,921
	103,967	88,269

None of the member of the Board received any remuneration for their work as Trustees (2013: 0).

Expenses reimbursed to members for their travel undertaken on the Charity's behalf amounted £8,612 (2013: £4,172)

8 Staff cost and number of employees

	2014 Number	2013 Number
Average number of employees in the UK during the year were:		
Fundraising	19	18
Information Public Affairs	11	3
International Programmes	20	16
Management and Finance	11	9
Corporate Services	11	12
Internal audit	1	1
	<u>73</u>	<u>59</u>

The average numbers of employees in Field offices were:

Head count.	1,759	1,872
-------------	-------	-------

Employment costs at UK

	2014 £	2013 £
Gross Pay	1,868,014	1,613,476
Employer's national insurance	147,864	141,279
Pension costs	6,099	-
	<u>2,021,977</u>	<u>1,754,755</u>

No employee earned more than £60,000 during the year (2013: 0).

9 Tangible fixed assets

	Freehold & Leasehold buildings	Computers & software	Fixtures & fittings	Office equipment	Vehicles	Total
Cost	£	£	£	£	£	£
At 1 January 2014	1,946,632	680,304	270,119	825,912	886,953	4,609,920
Additions	167,268	148,429	23,249	29,776	27,802	396,524
Disposals	-	(372)	(1,959)	(7,014)	(14,145)	(23,490)
As at 31 December 2014	<u>2,113,900</u>	<u>828,361</u>	<u>291,409</u>	<u>848,674</u>	<u>900,610</u>	<u>4,982,954</u>
Depreciation						
At 1 January 2014	500,774	459,943	132,782	691,855	542,035	2,327,389
Charge for the year	30,944	84,922	22,468	57,306	63,784	259,424
Disposals	-	(372)	(1,959)	(7,014)	(14,145)	(23,490)
As at 31 December 2014	<u>531,718</u>	<u>544,493</u>	<u>153,291</u>	<u>742,147</u>	<u>591,674</u>	<u>2,563,323</u>
Net book values						
At 31 December 2014	<u>1,582,182</u>	<u>283,868</u>	<u>138,118</u>	<u>106,527</u>	<u>308,936</u>	<u>2,419,631</u>
At 31 December 2013	<u>1,445,858</u>	<u>220,361</u>	<u>137,337</u>	<u>134,057</u>	<u>344,918</u>	<u>2,282,531</u>

The development cost £198,453 as of December 2014 (2013: £131,259) on the new CRM system is included under Computer and software on which no depreciation has been charged.

10 Inventories

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

11 Debtors	2014	2013
	£	£
Due from ECHO	1,073,123	895,869
Gift Aid	1,787,032	458,649
Prepayment and accrued income	182,936	174,061
Programme debtors at overseas in field offices	1,750,825	1,191,150
	4,793,916	2,719,729

12 Creditors: amounts falling due within one year	2014	2013
	£	£
Programme creditors and other field offices	1,791,624	1,467,116
Trade creditors	198,466	89,144
Taxation and social security	41,760	35,447
Accruals	954,031	410,024
Deferred income	641,514	772,389
	3,627,395	2,774,120

12 a Movement on deferred income during the year:

Balance brought forward	772,389	1,509,106
Released to income	(772,389)	(1,509,106)
Received in year	641,514	772,389
Balance carried forward	641,514	772,389

13 Statement of funds

	As at	Incoming	Resources	Exchange	As at
	01-Jan-14	Resources	Expended	Surpluses	31-Dec-14
	£	£	£	£	£
Restricted funds					
ECHO	409,974	2,593,214	(3,391,577)	-	388,389
European Commission	-	107,482	(107,482)	-	-
Other institutional funds	570,989	817,905	(657,488)	-	731,406
Restricted funds at field offices	2,061,285	14,567,116	(14,279,794)	-	2,348,607
General emergency fund	500,000	434,452	(455,320)	-	(479,132)
Palestine emergency fund	-	4,834,163	(1,276,972)	-	3,557,191
Myanmar emergency fund	869,530	114,520	(456,137)	-	527,913
Syria emergency fund	1,280,945	1,146,220	(537,042)	-	1,890,123
Africa drought fund	1,143,049	5,327	(244,144)	-	904,232
Pakistan emergency fund	334,760	10,698	(216,399)	-	129,059
Low impact emergency funds	443,810	312,424	(644,205)	-	461,940
Development programme funds	-	554,321	(407,003)	-	(147,318)
Religious funds	-	901,405	(961,435)	-	60,030
Childcare and sponsorship fund	151,187	1,654,146	(2,461,013)	-	655,680
Total Restricted funds	7,765,529	28,053,393	(26,096,011)	-	939,589
	10,662,500				

	As at 01-Jan-14 £	Incoming Resources £	Resources Expended £	Exchange Surpluses £	Transfers £	As at 31-Dec-14 £
Unrestricted funds						
Fixed Asset fund	2,282,531	-	-	-	137,100	2,419,631
Development programme funds	-	1,455,996	(738,746)	-	(717,250)	-
Unrestricted funds at field offices	695,220	2,759,711	(1,540,150)	-		1,914,781
General fund	2,905,180	2,390,316	(2,884,289)	436,240	(359,439)	2,488,008
Total Unrestricted funds	5,882,931	6,606,023	(5,163,185)	436,240	(939,589)	6,822,420
Total funds	13,648,460	34,659,416	(31,259,196)	436,240	-	17,484,920

Restricted funds are those project balances held on behalf of institutional donors, field offices, specific appeals (i.e. Palestine emergency, Myanmar emergency, Syria emergency etc) and general emergency for future work.

- i) The fixed asset fund represents the net book value of tangible fixed assets that were originally funded out of unrestricted funds. Fixed assets acquired out of general funds, transfer from the fixed asset fund represents the difference between addition and charge for the year.
- ii) General fund represents the amounts that trustees are free to use in accordance with Muslim Aid's charitable objectives.
- iii) Development programme funds includes unrestricted Zakah income of £1,260,993 and unrestricted development programme income of £195,003 has been utilised in development programme expenditure during the year.
- iv) Unrestricted funds at field offices are the income which has been generated from on-going projects i.e schools, hospitals and others.
- v) The Charity has transferred £0.9 million from its unrestricted fund to support general emergencies around the world and to contribute towards the projects implemented with partner organisations.

14 Analysis of net assets between funds	Unrestricted £	Restricted £	Total £
Tangible fixed assets	2,419,631	-	2,419,631
Net current assets	4,402,789	10,662,500	15,065,289
	6,822,420	10,662,500	17,484,920

15 Commitments

Land and buildings

Operating leases expiring

	2014 £	2013 £
– within one year	-	-
– within two to five years	-	-
– over five years	57,120	57,120

16 Taxation

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

17 Contingent liabilities

There are no contingent liabilities at 31 December 2014 (2013: 0).

18 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 £4,604,388 (2013: £4,416,570).

19 Related parties

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

MARKFIELD CONFERENCE CENTRE

Name of Trustee	Relationship	£	Purpose
Dr Manazir Ahsan	Chairman	890	Venue For Trustees Training
Dr Zahid Parvez	Trustee		
Dr Muhammad Abdul Bari	Trustee		
Farooq Murad	Director		

THE ISLAMIC FOUNDATION

Name of Trustee	Relationship	£	Purpose
Dr Manazir Ahsan	Chairman	6,500	Ramadan Project
Dr Zahid Parvez	Trustee		
Dr Muhammad Abdul Bari	Trustee		
Farooq Murad	Director		

EAST LONDON MOSQUE & LONDON MUSLIM CENTRE

Name of Trustee	Relationship	£	Purpose
Dr Muhammad Abdul Bari	Trustee	14,225	Hall hire , Printing & sponsorship
		56,214	Office rent & service charge

MUSLIM COUNCIL OF BRITAIN / MUSLIM COUNCIL OF BRITAIN CHARITABLE FOUNDATION

Name of Trustee	Relationship	£	Purpose
Farooq Murad	Secretary General	5,000	Affiliation fees
Mrs Unaiza Malik	Advisor & National Council Member	750	Full Page Advert MCB Brochure
Dr Muhammad Abdul Bari	Advisor & National Council Member	7,500	Leadership Dinner Sponsorship
Dr Manazir Ahsan	Member		
Sir Iqbal Sacranie	Advisor		
Yousuf Bhailock	Board Of Councillors		
Tazneem Wasti	Member		
Saleem Kidwai	Member		

BALHAM MOSQUE

Name of Trustee	Relationship	£	Purpose
Sir Iqbal Sacranie	Trustee	3,500	Sponsorship for Fun Day 2014

MUSLIM WELFARE HOUSE

Name of Trustee	Relationship	£	Purpose
Riyadh Al Rawi	Trustee	1,000	Ramadan sponsorship