



# Impact Report

and financial statements  
for the year ended  
31 December 2024



**National Zakat  
Foundation**™



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This Impact Report includes the Trustees' annual report as required by the SORP and a Directors' report as required by company law

# Introduction

## Assalamu alaikum. Peace be upon you.

**It is with great honour that we present this annual report of National Zakat Foundation as we mark the start of our 14th year of operation. By the grace of God, 2024 marked a milestone year in which we collected the highest amount of Zakat and assisted more individuals than at any other time in our history.**

The cost-of-living crisis has become embedded in many communities across the country. Rent increases caused a surge in applications to our Housing Fund while people cite ill-health as a cause for hardship. The economic situation of the UK's Muslim population mirrors that of the rest of the nation's poorest – it's getting worse.

Yet, it is through generous Zakat contributions that we have been able to offer much-needed support to those seeking relief from hardship, housing assistance, or opportunities to enhance their livelihoods through education and employment.

The positive impact of your Zakat is palpable – recipients have told us that not only have they found immediate relief but they have also grown closer to the community and strengthened in faith. Our partnerships with major international humanitarian charities, particularly Islamic Relief in 2024, further enabled us to extend our reach within the UK, ensuring that the Zakat given supports our fellow Muslims locally.

To enhance the efficiency and effectiveness of our distribution, we have implemented several improvements this year.

## Grant recipient:

***"I am writing to express my deepest gratitude for your generous support. Your help has brought tears to our eyes. With the grant you provided, we can now buy all the appliances and furniture for our new home and the carpets and decorate the walls.***

***It will transform our empty house and difficult situation into a place of warmth and hope. I had been praying to Allah, and He answered through your kindness. Your support means the world to us — it has given us the chance to live in dignity and make a new start."***



We continued our streamlined registration process for the Hardship Fund, allowing applicants to register swiftly and submit detailed applications with the necessary documentation. Our experienced Grants Officers have played a crucial role in guiding applicants through this process to accurately reflect their financial situations. We also introduced technology to automatically verify identification and assess bank statements, bringing the latest developments in artificial intelligence in aiding our Grants Officers and increasing the speed with which we can process applications and help those in need.

We further developed our new initiative of distributing Zakat through community partners. We added a further six Mosques in 2024 to begin distributing in 2025 to our Community Zakat Programme (CZP). This model leverages local community hubs where applicants can receive face-to-face assistance with their applications and access additional services. The initial results of this programme have been encouraging, demonstrating a successful model for promoting solidarity and support within the community. We intend to roll this out to other parts of the country.

Looking forward, our goal is to build a National Zakat System, where all Muslims in the United Kingdom live with the comfort of knowing that they are part of a community that is there for them if they fall into hard times.

To move to this future, we are developing work in three areas:

**Connectivity:** whereby we create Zakat solutions that connect givers and recipients to their local communities to truly localise the Zakat experience. This is what we will develop by growing our Community Zakat Programme, where Zakat applicants can walk into a local mosque or community centre for a respectful Zakat assessment and immediate receipt of a Zakat grant.

**Mobilisation:** whereby we educate people of their responsibility to their own communities, and empower them to educate, fundraise and serve. To this end, we started our new community engagement team.

**Knowledge:** whereby NZF champions the cause of Muslim economic welfare on the national stage. To this end, we recently released our economic impact report, demonstrating the great economic value to British society from Muslims localising Zakat.

NZF Worldwide continues to work closely with NZF UK. The countries within the NZF family are building a mutual network of support, sharing expertise in relevant areas. NZF UK is pivotal within this network. We are glad to welcome NZF Germany to our ever-growing global family.

On behalf of NZF, we extend our deepest gratitude to our donors, partners, and dedicated team for your unwavering support and commitment to the mission of Zakat. Together, we are making a significant difference in the lives of many, fostering a stronger, more resilient Muslim community in the UK.

Sincerely and with much appreciation,



**Sohail Hanif**  
Chief Executive



**Sultan Choudhury**  
Chair of the Board of Trustees



# Section 1

## Impact Report



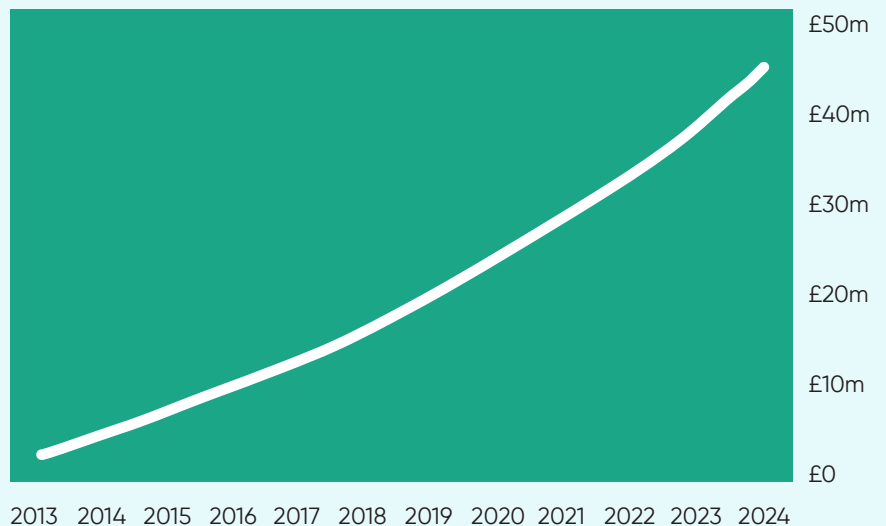


## Impact at a glance

Since NZF began, 13 years ago:

Givers have supported over  
**106,000 people**

Total Zakat distributed  
**£45.6 million**



### The impact of your Zakat in building a thriving, closer Muslim community<sup>1</sup>



Has the help from NZF made you feel closer to the Muslim community?

Zakat recipients rated the impact on average 4.75 out of 5 –  
**that's 95.0%!**



Has the help from NZF increased your faith?

Zakat recipients rated the impact on average 4.71 out of 5 –  
**that's 94.2%!**



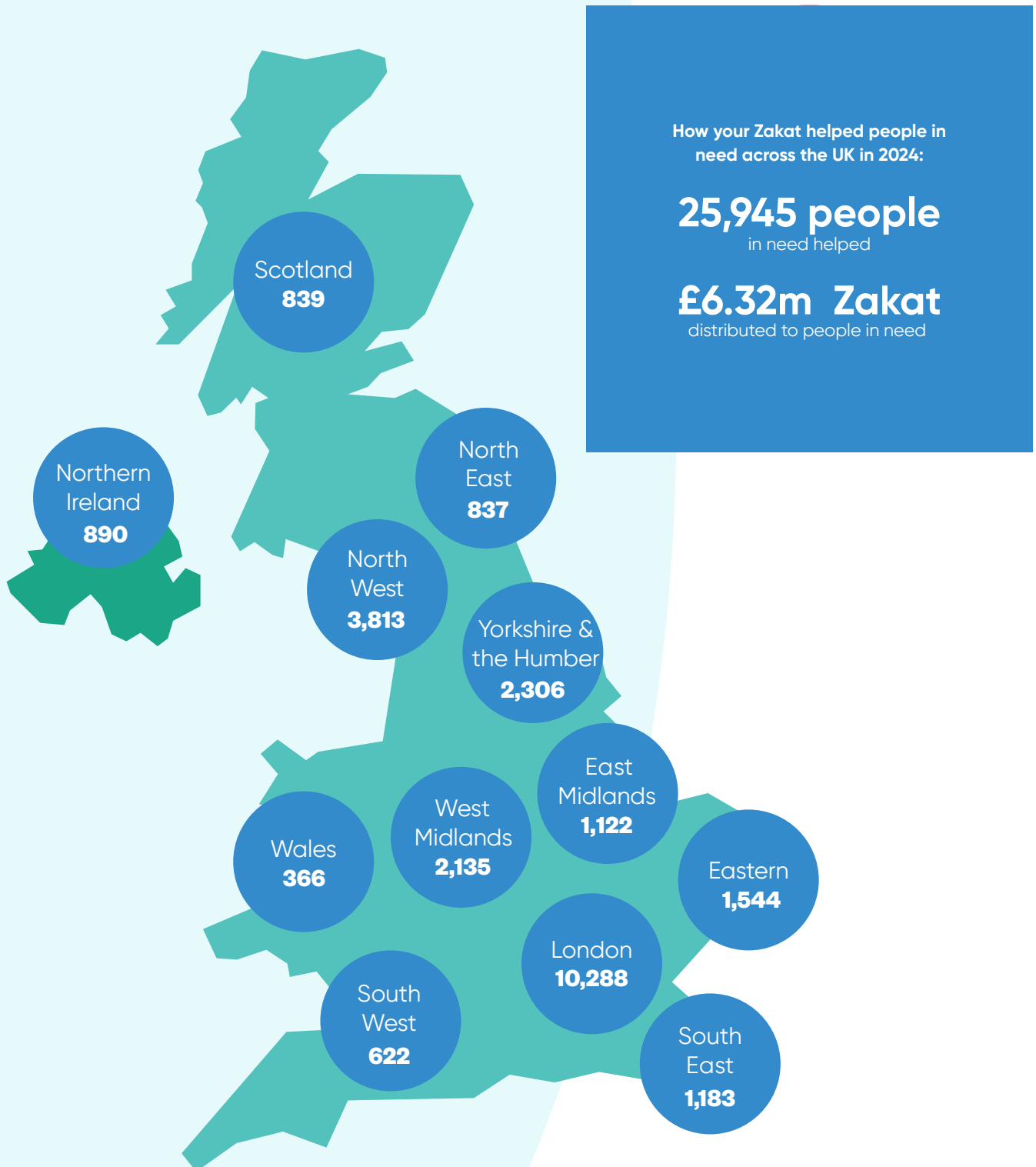
Has the money we gave helped you to get your finances back on track?

Zakat recipients rated the help on average 4.64 out of 5 –  
**that's 92.8%!**

<sup>1</sup> NZF asks feedback from recipients 3 months after they have received the cash transfer to understand the impact. We use emojis to help recipients with language and literacy barriers respond to questions with ease. Recipients rate each question out of 5.



## In 2024: number of people in need helped



# Impact at a glance

## continued

### You gave help in these areas

Hardship Relief	Work & Education	Community Zakat Programme
Grants for vulnerable Muslims to pay for basic essentials and safe and secure housing.	Support to help people back in to work.	Supporting people in need through their local community organisations for direct access.

### How you've helped in 2024, by fund

	Your Zakat distributed, by fund		People in need you've helped, by fund	
	£	%	No. of people	%
Hardship (inc Housing)	5,556,449	88	22,485	87
Empowerment	207,954	3	282	1
Community Zakat Programme	551,600	9	3,178	12
Total	6,316,003	100	25,945	100

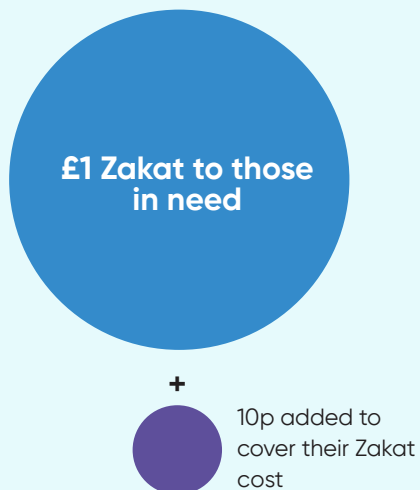
We use all Zakat for charitable activity.

We do not use Zakat to raise funds or for core costs.

## How much of your Zakat is spent on getting it to those in need?

For every £1 of Zakat given, it costs 10p to check applicants and get it to an eligible recipient. Givers choose how to cover this cost.

25% chose to pay extra, so all their Zakat went directly to a recipient.



75% covered their distribution cost through the Zakat they gave.



# About us

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## The challenge

Those who are geographically nearest to us have a special right on us. Zakat is not simply charity, rather Zakat is an institution. It reminds Muslims they are one family, one ummah. Zakat is meant to build real ties in communities, so no-one feels alone and alienated wherever there is a group of believers. This emphasis of caring for those near us through our Zakat is agreed upon by all schools of law – they differ only in whether they consider this an obligation or a Sunnah.

Zakat is not only a religious obligation but also a powerful tool for social and economic justice.

### 1. Strengthening Local Communities:

By allocating Zakat funds within the giver's own community, the impact is direct and immediate. This approach helps to address poverty, inequality, and other social issues at a local level, thereby strengthening community bonds and ensuring that the needs of the most vulnerable are met effectively.

### 2. Boosting Local Economy:

When Zakat is distributed locally, it circulates within the community, supporting local businesses and services. This circulation can boost the local economy by increasing overall spending and investment, which can lead to job creation and economic stability.

### 3. Fulfilling Religious Obligations Ethically:

Islam encourages Muslims to look after their neighbours. By focusing Zakat contributions on the local community, donors can fulfil their religious duty in a manner that aligns with the ethical teachings of Islam, promoting a sense of responsibility and empathy within the community.

### 4. Enhancing Transparency and Trust:

Local distribution of Zakat can enhance transparency and build trust among contributors. Donors are more likely to see the outcomes of their contributions, which can encourage continued generosity and participation in Zakat programs.

### 5. Empowering Local Decision-Making:

Local administration of Zakat funds allows for decisions to be made by those who are closest to the recipients and understand their unique circumstances. This localised decision-making process ensures that Zakat has the most meaningful impact.

### 6. Creating a Sustainable Model of Charity:

By nurturing local giving and resource allocation, communities can revive a sustainable model of charity that does not rely heavily on external aid. This autonomy fosters resilience and self-sufficiency.

Muslim poverty in the UK is a critical issue that requires urgent attention. Despite the overall economic growth in the country, a significant proportion of the Muslim population experiences high levels of poverty and socio-economic disadvantage. According to the Muslim Census nearly 50% of Muslims live in poverty against 18% of the whole population. This creates barriers to opportunity such as unemployment and lower educational attainment, alongside discrimination. Tackling this issue is important not only for promoting social justice and equality but also for fostering community cohesion and economic stability. Addressing Muslim poverty can help break the cycle of deprivation, enabling individuals to contribute more effectively to society and reducing the social costs associated with poverty, such as healthcare, welfare and housing.

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### What NZF does

NZF aims to strengthen the UK's Muslim community through effective collection and distribution of local Zakat. Through our three funds – Hardship Relief, Housing and Empowerment – we lift people out of poverty, keep them in their homes and provide a pathway in to work.

Our systems allow Muslims to give their Zakat confidently and efficiently to eligible recipients in the UK. Alongside our central distribution to applicants we are increasing our face-to-face presence working with community Zakat partners across the UK to assess and distribute Zakat directly to those in need.

# How do we help?

## Our charitable activity

Our charitable activities are:

### Hardship Relief and Housing Funds

NZF distributes your Zakat directly to Muslims living in hardship in the UK by providing funds to cover basic essentials, such as food, clothing, and household goods. Our Housing Fund also provides additional grants to help Muslims in the UK to remain in affordable, habitable and safe accommodation.

In 2024, we combined our Hardship Relief and Housing teams, to ensure that beneficiaries fully benefit from what NZF has on offer, whilst streamlining the Zakat process to make grants more accessible for eligible beneficiaries. By upgrading our CRM platform, we have also decreased waiting and processing times for Zakat, through elements of automation, with efforts being made to incorporate AI into our application form in 2025 to further facilitate the application process.

In 2024, Zakat givers helped 20,599 people in need across the UK through NZF's Hardship Relief Fund. 76% of all 2024 Zakat was distributed through this fund.

Zakat givers also supported 1,886 people in need across the UK through the Housing Fund. 17% of all 2024 Zakat was distributed through this fund.

We are grateful that in 2024, Islamic Relief gave NZF £500,000 of Zakat to help UK Muslims in hardship. This was the fifth time Islamic Relief has partnered with NZF as part of their strategy to help Muslims in the UK. Islamic Relief also gave an additional £300,000 of Zakat to implement our joint Palestine Support Program, which supported zakat-eligible arrivals from Palestine with a series of stipend payments to help them settle in the UK. We are also grateful for a £90,000 Zakat grant from Muslim Aid which we will distribute to needy Muslims in the UK. In 2024, NZF also began a partnership with

### Zakat Charity Partners

*"The NZF hardship fund is an essential lifeline and provides an immediate helping hand to the most vulnerable families on home ground. Islamic Relief UK is proud to partner with NZF"*

**Tufail Hussain, Director of Islamic Relief UK**



Money Wellness to provide free budgeting and debt advice to UK Muslims. `

As we look ahead to 2025 and beyond, NZF remains committed to expanding the range of services on offer to our beneficiaries through partnering with established organisations to utilise their expertise and experience.

### Community Zakat Programme

2024 saw the expansion of our Community Zakat Program. Through CZP we provide emergency cash support to individuals in hardship. The aim is to empower community organisations to provide Zakat at a local level, building a Zakat system for the community. This allows individuals in these areas direct access to Zakat distribution hubs, access to a larger support network and wrap-around services that the partners may offer.

In 2024 we added multiple new partners including Green Lane Masjid, Sultan Bahu Trust, Al Emaan Centre, Acton and Purley Mosque. They distributed £316,650 in Zakat with 2160 applications approved and 2925 people supported. Applicants were able to access other services such as counselling, foodbank, and volunteering opportunities which gave them confidence and skills to use when applying for employment. Partners were able to also sign posts to other organisations and charities which could further support individuals such as immigration services or welfare advice support.

Through these collaborative efforts and community-led initiatives, NZF has not only extended a lifeline to those in need but has also cultivated a culture of support and solidarity within local neighbourhoods. By harnessing the expertise and networks of our local partners, we have been able to establish a grassroots-led Zakat program that is deeply embedded within the fabric of the communities it serves.

This approach not only ensures greater accessibility and responsiveness to the needs of the most vulnerable but also fosters a sense of belonging and empowerment among community members.

As we look ahead to 2025 and beyond, NZF remains committed to nurturing and expanding our community-led Zakat program, ensuring that every individual has access to the support they need to lead dignified and fulfilling lives. By empowering local communities, fostering partnerships, and building networks of support, NZF is paving the way for a brighter and more resilient future for all.

### Empowerment Programme

Towards the end of 2024, NZF launched a newly founded Empowerment Programme, building on the foundation and the learnings from the former Work & Education Fund. Under the Work & Education fund in 2024, NZF distributed just over £225,000, supporting 124 recipients to do vocational and academic courses to give them better prospects in the work environment.

The reason for moving from Work and Education to the Empowerment Programme was that through research, we identified that

by working with specific specialised partners, we could have a greater impact for our applicants, and push our givers' Zakat further. Applicants could be upskilled and go from being dependent on Zakat to being able to support themselves and their family. Through our review we identified that our applicants needed more holistic support to get into the work environment beyond just a grant.

The development of the Empowerment Programme saw NZF liaise with industry experts and organisations to see what kind of programme was needed to truly empower our applicants. We assessed what specific skill sets were needed in the UK and identified that we could address the skills gap by working with specialised partners who would engage with the community to deliver programmes within:

- Construction and Trade Skills
- Health and Social Care
- IT, Tech and Digital Skills
- Employability Skills
- Islamic Development
- Teaching and Education

By the end of 2024, we identified seven partners who went through rigorous governance and suitability checks and were approved to work with NZF to deliver the Empowerment programme. There will be support for applicants in not only completing the programme but also to help them into employment after completion of training. By partnering with training providers, recruiters, and mentors, we ensure applicants receive the support needed to transition from Zakat recipients to earners—and ultimately, Zakat givers.



### CZP Partner - Bradford Foundation Trust:

***“One of the young men we supported had lost all hope, he felt invisible, with NZF help we were able to offer him not just financial support but a sense that someone cared. A few months later he came back smiling telling us he had started rebuilding his life. That’s the kind of impact you don’t forget”***



## The service we provide

### We provide a suite of services for both givers and recipients of Zakat

#### Calculate:

We help Zakat givers calculate how much Zakat they need to give based on their financial situation. We do this through a variety of calculation services including our easy-to-use online calculator, a historical Nisab calculator, one-to-one consultations with Zakat experts, responses to individual queries through a dedicated email supported by a Scholar and online webinars.

#### Knowledge:

On our website we have an up-to-date knowledge bank with hundreds of answers to common and specific Zakat questions. We also provide three free PDF Zakat guides – for general calculation, for Zakat on businesses and for those with missed Zakat. In 2024 we developed Zaki, a chatbot that uses knowledge from our existing knowledge bank to answer questions in a conversational format. Our community engagement continued to offer both in-person and online workshops to community organisations, corporate networks and mosques. In 2024, well over 50 workshops were delivered across the country.

#### Give:

Through our Give App – givers can pay Zakat, Zakat-ul-fitr, Sadaqah, Riba and Fidyah/Kaffarah. We allow payments via Card, Google and Apple Pay, Paypal, BitPay for Cryptocurrency payments and GoCardless for Direct Debits. We also allow for bank transfers and have a method by which payers can inform us of their bank transfers so we can add them to our CRM to ensure our data is accurate.

After a Zakat payment, givers can decide which of our three funds they wish to support and split their payment across the funds if they so wish. They can also choose to leave messages for recipients.

#### Track:

Live maps on our website show where Zakat has been received from and distributed to across the UK. We send out a personal email to let Zakat givers know when their Zakat has been distributed to those who need it.

### Mufti Amjad, External Shariah and Quality Auditor

"I am satisfied NZF's published Zakat policy is sound and in accordance with Islamic Fiqh. I am satisfied that NZF's Zakat procedures and practices are sound and in accordance with Islamic Fiqh. I am satisfied that there is a strong commitment in the organisation to continually improve in the quality of its processes"



### **Distribute:**

**Apply:** Those in need of Zakat apply online to NZF for help all year round. Mosques, charities, other organisations and individuals often let potential Zakat recipients know they can apply to NZF and support them in the process. Potential applicants can fill in an online self-assessment tool to quickly check if they meet the eligibility criteria, before completing the full application. This saves applicant and grants officers time regarding applications that do not meet our eligibility criteria.

**Check:** The NZF team then conducts meticulous checks to ensure applicants are eligible for Zakat. We have improved efficiency in the verification process for applicants with more up-to-date and more robust financial checks for applicants via open banking, and tighter fraud security, including automated checks on applicant ID.

**Decide:** Our Grants Officers work with applicants on a personal level to make sure they have the right support. They aim to get back to applicants as quickly as possible with a decision.

**Support:** For recipients of the Hardship Fund, Grants Officers usually give cash Zakat grants directly to the successful eligible applicant, by bank transfer where possible, or for collection from the national network of Post Offices. Where that is not possible, we send support in the form of digital supermarket vouchers. For recipients of the Empowerment Fund, Grant Officers offer funding for training and education to help applicants get into work and serve their communities. In addition, for all funds, Grants Officers refer applicants to any additional funding or help they might be eligible for.

### **Signposting, referrals and extra support:**

**Money wellness:** In 2024 we officially partnered with Money Wellness – a financial wellbeing organisation that supports people struggling with debt and financial worries. Throughout the year we referred well over 100 applicants to Money Wellness where they received tailored guidance.

**Signposting:** Our website hosts a detailed list of organisations that applicants can use as either extra support or for when they have not been successful in their application to NZF. This list of organisations includes those specifically for migrants, domestic abuse victims and the elderly.

# How we raised and spent funds

## Income:

Our funds are comprised of Zakat from individuals and businesses, charitable donations (Sadaqah, Riba and Fidyah/Kaffarah contributions), institutional grants and Gift Aid.

In 2024, we generated total income of £10,173,392 (2023: £8,954,901). Total expenditure was £8,887,428 (2023: £9,740,156). We had net incoming resources (total voluntary income less total expenditure) in 2024 of £1,285,964 (2023 net incoming resources: -£785,255).

The main source of our income was Zakat, comprising £8,011,147 (2023: £7,108,873). Most Zakat givers gave one-off payments rather than regular contributions. While givers gave 67% (2023 was 75%) of the annual value of Zakat income in Ramadan, people in need apply for Zakat throughout the year. This means there is a gap in timing between Zakat income and Zakat grants across the accounting period. We commit to distribute Zakat to individuals in need within a lunar year (11.5 months) of any individual Zakat giver's payment to NZF – on average, we distribute an individual's Zakat within five to six months.

Despite the cost-of-living crisis affecting givers, in 2024 we exceeded the Zakat income level achieved in 2023 by over 13% (2023 vs 2022 was over 15%). The increase in 2024 reflects a growing individual donor base, growing 10% from 13,400 to 14,800 givers.

Partnerships with NZF are increasingly an attractive proposition for international charities due to the efficiency, reach and expertise NZF offers in delivering Zakat to those in need in the UK. Islamic Relief contributed £550,000 Zakat funds during 2024 for NZF to distribute in the UK

(2023: £300,000). Islamic Relief contributed a further £399,916 to support refugees from Gaza.

Throughout the year, we continued to raise Sadaqah funds to support the work of the organisation – this made a vital contribution towards enabling NZF to grow and achieve our vision. We received £707,709 (2023: £519,901) of unrestricted Sadaqah funds in the year which, along with £1,006,397 (2023: £1,024,544) of Gift Aid, was critical to cover non-distribution costs of the charity and to raise funds. NZF received £342,647 (2023: £170,193) of Riba also used for non – distribution costs. There were no In-Kind (non-cash) Donations in 2024.

## Expenditure:

We continue to consult and listen to our givers. We distribute donations to people applying to funds in line with what givers ask for at the time of donating. All Zakat grants were given to eligible individuals in need who applied to a specific fund for Zakat. Applicants were able to apply to one or more of the following funds:

- Hardship Relief (includes Housing)
- Community Zakat Programme
- Empowerment (formerly Work and Education).

Of the £6,316,003 (2023: £7,601,982) of Zakat/Zakat ul Fitr grants we distributed in 2024: 88% or £5,556,449 (including 100% of the Zakat ul Fitr grants) was distributed directly to eligible people in need by the Hardship Relief Fund, these recipients also include the Housing Fund from 2023 (2023: 75%); £551,600 by the Community Zakat Programme which was part of the Hardship



Relief Fund in 2023; and 3.3% or £207,954 by the Work and Education Fund (2023: 8%). All unspent funds from 2024 to be carried over and spent in the early part of 2025.

Total direct charitable expenditure was £1,640,744 (2023: £1,264,106). The majority of the expense is the distribution service which checks Muslims who apply for help are genuinely in need and takes great care to get the Zakat directly to them. Costs are covered by Zakat and Sadaqah funds. Each Zakat giver gave 10% of the value of their giving to contribute to the costs of their distribution service, choosing for this contribution to come either from Zakat or Sadaqah. The remainder of the charitable expenditure is Zakat education and calculation, funded by Sadaqah.

We incurred support and governance costs of £336,153 (2023: £261,878) during the year. Support and governance costs equated to 3.8% (2023: 2.7%) of total spending. With a fully remote workforce and no physical office, we continued to save on rent and related utility costs. Governance costs relate to audit fees, professional fees, license fees and compliance costs, and related staff costs (see note 5). As per the Charities Commission regulation, no trustees received any remuneration.

The cost of raising funds was a further 6.7% (2023: 6.3%) of total spending, covered entirely by Sadaqah and Gift Aid funds. This is lower than average for charities of this size.

The capital expenditure for a new CRM to improve the experience for Zakat givers came to £82,789.

### Cash Reserves:

Our Zakat grant cash reserves at the end of December 2024 remained high enough to enable sufficient distribution of Zakat to people in need until Ramadan 2025, when most givers give their Zakat.

Our non-grant reserves are also higher than anticipated, due to positive movements in our unrestricted fundraising efforts driving a surplus position.

Cash deposits form the bulk of our cash reserves. Almost all cash deposits at year-end are for non-grant expenditure. This is to enable us to earn returns and generate non-grant income to further the work of NZF and to mitigate against inflation.

Due to high demands from applicants we are continuing to maintain higher liquidity (cash deposits) to enable us to distribute more quickly, therefore grants funds cannot be deposited for lengthy periods.



# Thank you

**Zakat givers, organisations, and partners have enabled NZF to support many people in hardship.**

Recipients who have received this support and felt the power of Zakat directly often ask us to share their genuine thanks with those who make it possible – the Zakat givers who have chosen to give through NZF.

On behalf of all recipients and from us at NZF, thank you.

Individuals, organisations, agencies, community groups, and mosques have helped those in need to access our services through signposting and by submitting applications on their behalf.

In addition, our work is strengthened by partnerships.

We look forward to building upon existing relationships and forging new ones in 2025 and beyond.

Together, we have helped Muslim recipients get their finances back on track, feel closer to the Muslim community, and strengthen their faith.





CZP Partners	The Work and Education Fund/ Empowerment Programme:	HRF/HOU Partners
Al Madinah Mosque		Post Office
Bradford Foundation Trust	Association of Muslims Schools	Amaliah
Acton Mosque	Markfield Institute of Higher Education	Money Wellness
Purley Mosque	FareShare Midlands	BEAM
Al Emaan Centre	Refugee Council	Ihsan Compassion Fund
Leicester Zakat Foundation	New Citizens' Gateway	MIND
Sultan Bahu Trust	Holt Green Training	NHS Talking Therapies
	Cambridge Muslim College	Maryam Support Line
		Islamic Relief
	<b>Major Funders:</b>	Muslim Aid
	Kindgiving Foundation	British Palestinian Committee
	Zouq Foundation	Red Cross
	Islamic Finance Guru	Migrant Organise
	Islamic Relief USA (Bill Gates Foundation)	C4WS Homeless Project



## Bringing Zakat to life in 2025 and beyond

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**2024 saw much change within our systems and processes, with the implementation of a new organisation-wide CRM platform. We began to lay the foundations for AI assisted applications, assessing applicant vulnerability more accurately, and enhanced application support.**

On the donor side, we began to build and design a new Zakat calculator, an in-house tool for scheduling donations, a Zakat question chatbot and reviewed our entire knowledge bank.

2025 is the year these changes will be coming to fruition, with both givers and applicants accessing either new or refreshed services.

Our vision for a unified National Zakat system is set to move further into reality in 2025 where we aim to onboard more partners to our groundbreaking Community Zakat Program. We aim to build on our strategic directives in Connectivity, Mobilisation and Knowledge to cement nascent projects and establish robust systems that facilitate the network of solidarity and support we are trying to build.

Throughout 2024 we continued to see an increase in demand for our services. Thousands of needy Muslims turned to NZF every month, which prompted us to scrutinise our offering and think of ways to be more efficient. The cost-of-living crisis in the UK and economic uncertainty still lingers, which underlines our need to increase income in 2025 through fundraising and institutional partnerships. One of these partnerships is a match-funding agreement with the Bill and Melinda Gates Foundation relating to our Muslim Women's Fund – which is fundraised for in partnership with Muslim women's lifestyle platform Amaliah.





We aim in the coming year to develop our volunteer network, and continue to engage with mosques, charities, media and grassroots organisations across the UK. Our commitment to our givers and recipients will remain strong, with strong oversight from our external Quality and Sharia Auditor Mufti Amjad Mohammed. Through regular audits and learning constantly from user feedback, we will refine our offering through 2025 and beyond.

God willing, we will continue to bring Zakat to life in the UK, and adhere to our values as we do so.

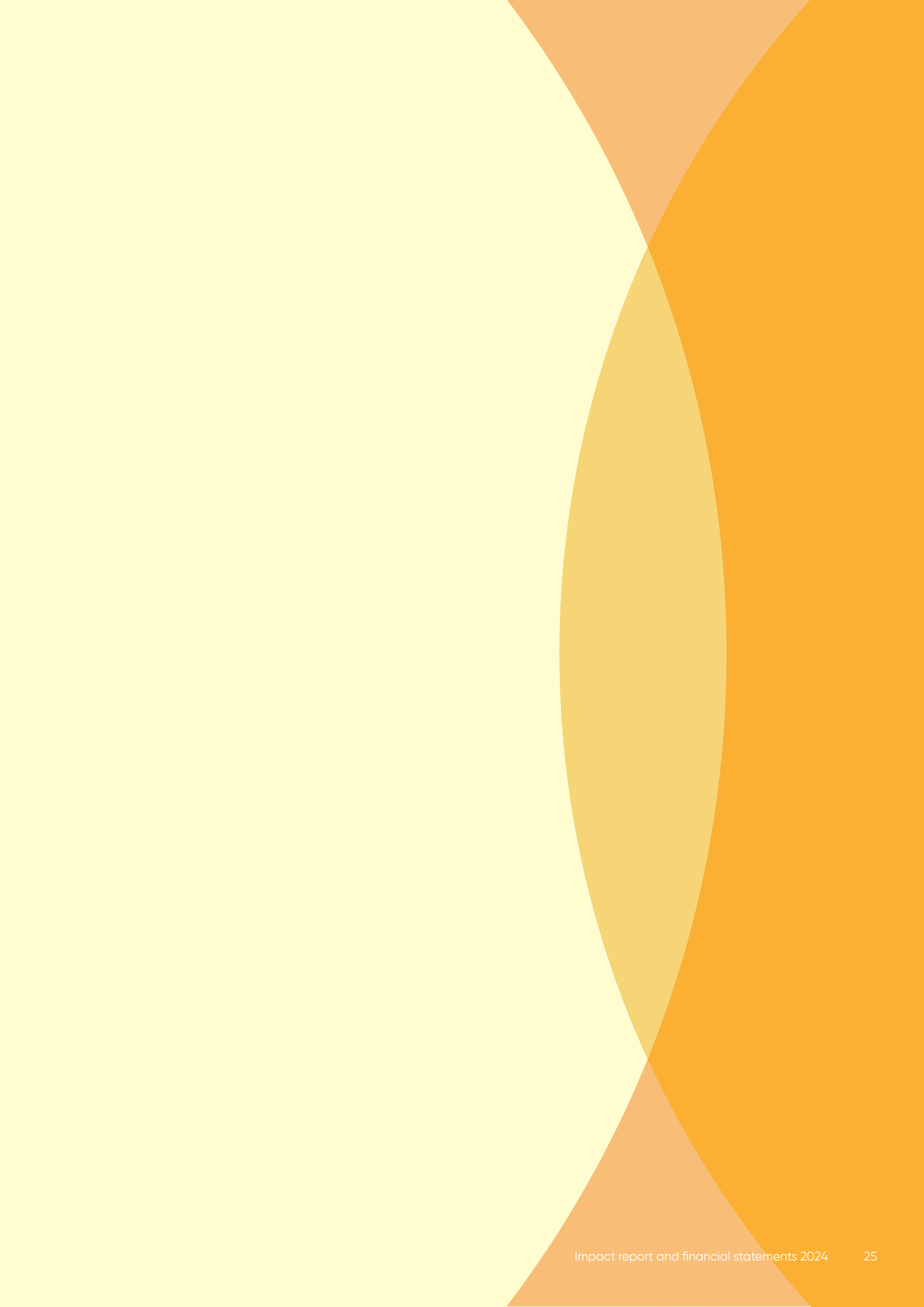
"Assalam Alaikum. I received the Zakat money today and I can't thank you enough for your help. May Allah grant you janet el firdawss to all of you. To everyone involved in this foundation. Jazakoum allah khayran. Ramadham Mubarek to you all"

**[unedited message from grant recipient]**



# Section 2

## How we operate



## Our people

**We seek to maximise the potential of all employees at National Zakat Foundation and cultivate high levels of employee engagement.**

### **We do this through:**

#### **Employee engagement surveys**

Our employees participate in quarterly employee engagement surveys, giving valuable feedback on what it is like to work at National Zakat Foundation. During 2024, 98% of participating employees agreed or strongly agreed that “the mission of NZF inspires” them. Employees know they can give feedback or put forward ideas at any time and we have formal and informal mechanisms in place to facilitate this.

#### **Safeguarding**

We expect all employees, volunteers, partners, interns and consultants to conduct themselves in a way that preserves the dignity and respect of every individual. We have a Safeguarding Policy and Code of Conduct that reflects this and we train the team regularly on safeguarding. We have thoroughly reviewed and updated our policy, and have made public our Safeguarding Commitment. We have zero tolerance for harassment, bullying or exploitation in any form.

#### **Equal opportunities and diversity**

We have an Equality and Diversity policy in place to ensure we give candidates, existing employees and volunteers equal opportunities to succeed. We recruit the best person we can find for the role, ensuring they have the right skills, knowledge and experience to help us achieve our mission.

We encourage employees to develop themselves professionally to match their circumstances and aspirations. We support flexible working practices wherever possible.

We strive for continuous improvement. In 2022, we formed a Diversity Working Group with participants from a variety of backgrounds and designations in the organisation. The group helped the Board assess diversity at NZF from the perspective of staff, givers and recipients. The group found the team have a positive balance of gender, social mobility range, and lived experience of being recipients and givers and of the charity sector. The gender pay gap

was analysed and shared with the Board.

We have recognised the gender pay gap has increased since 2023, there has been a fall in the female to male pay ratio. We recognise that this shift highlights the need to proactively address the underlying dynamics influencing gender representation, particularly at senior levels. Looking ahead, we are committed to building a more inclusive organisational culture by investigating the root causes of gender disparities, particularly in leadership and higher pay quartiles. We will enhance our data analysis to better understand the nuances of pay differences and identify any systemic barriers to female progression.

#### **Employees’ remuneration**

The Board determines the salary of the Chief Executive. The Board approves the principles for salaries of all employees.

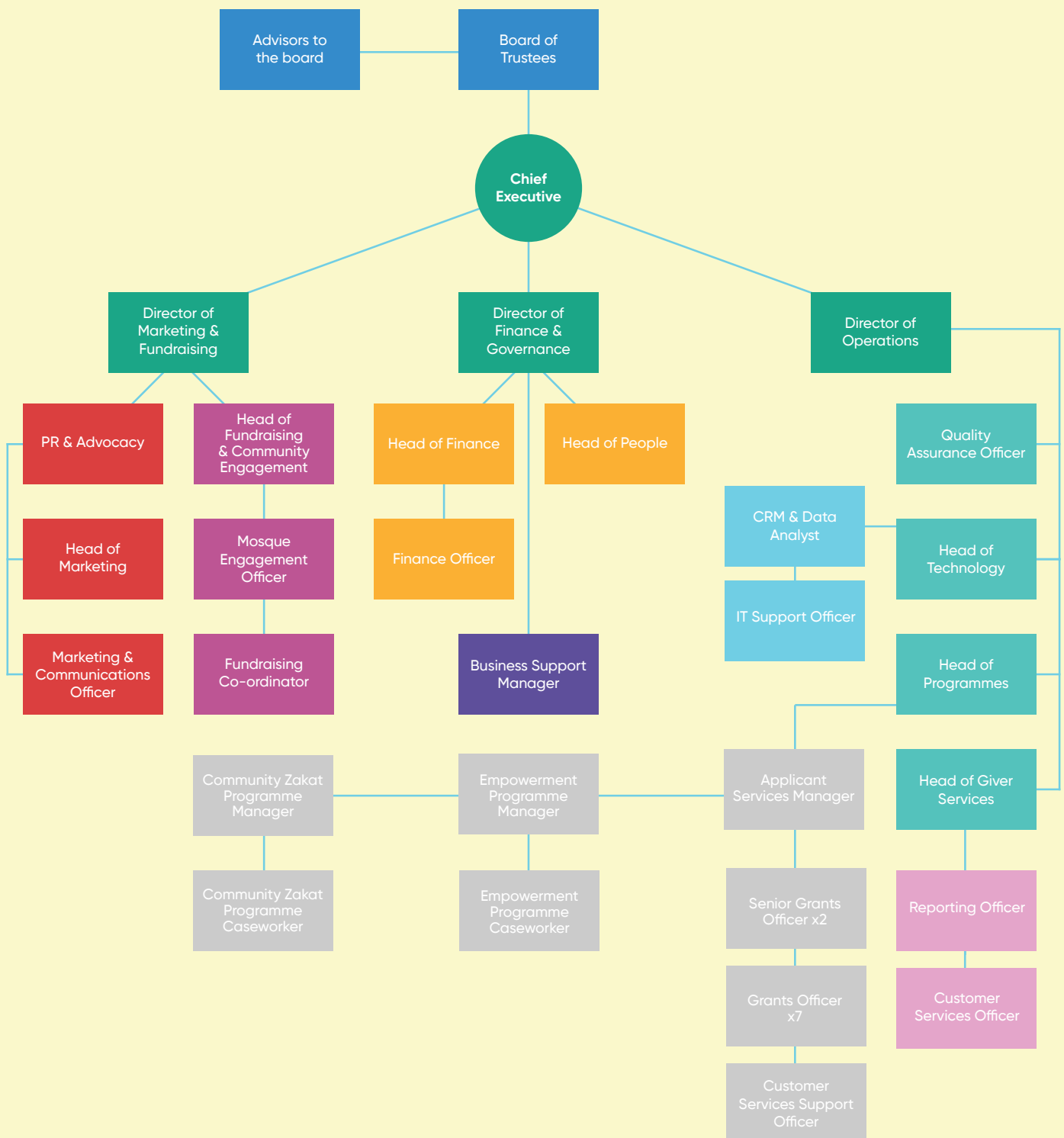
The Chief Executive proposes salary principles for the organisation and the salaries of key management personnel to the Board, which amends as appropriate and approves. There were significant changes in key management personnel in 2024. From September 2024, the role of Chief Strategy and Transformation Officer and Chief Financial Officer were removed and the role of Director of Operations and Director of Finance and Governance were introduced.

We set and review salaries based on a combination of benchmarking, seniority of the role, experience and NZF’s overall budget. Salaries are reviewed shortly after Ramadan each year. Any salary changes are effective from the following month.

Employee benefits are considered appropriate to ensure the calibre of team given the growing demands on and consequent size of NZF, while recognising NZF is a charity which exists first and foremost for recipients and givers. These benefits comprised optional salary sacrifice and basic healthcare schemes.

We have a comprehensive people system for managing the team with access to unlimited professional HR advice. Policies and processes are easily accessible by employees.

## Our organisational structure:



# How we manage the money givers trust us with

## Managing risk

The Trustees assess all major risks to which the charity is exposed and review the systems and procedures established to manage those risks. The Charity has a Serious Incident policy in place and ensures that employees and Trustees have been trained on adhering to the policy. Trustees continue to ensure that all risks are managed appropriately. Trustees review systems and procedures for risk management throughout the year. In 2022, the Board introduced a separate Risk & Governance Committee, ensuring focus on the further development of risk management. In 2022, the Risk Management Policy was significantly updated, and all team members, middle management, and above developed and owned their own risk register.

The most significant risks are:

**Financial:** Risk of insufficient funds to cover the cost of managing the organisation.

This risk of not covering the cost of the distribution service – the service of checking applications and distributing Zakat to people in need – is mitigated by ensuring that each giver covers the direct cost of getting their Zakat to recipients, either through their Zakat or through an additional Sadaqah donation.

Historically, sufficient funds including Gift Aid have been generated to cover non-distribution costs of the organisation and the cost of raising funds.

The organisation's strategy and its key elements (e.g. budgetary review and treasury management) are subject to regular review and oversight by the Finance and Audit Committee and Board, supported by operational updates and key operational metrics.

**People:** Risk of insufficient leadership expertise or skilled staff.

Our people are our most valuable asset. We continue to create the conditions for our employees to thrive. We monitor diversity and inclusion as well as employee engagement. We provide ongoing opportunities for personal and professional development. We have put in place staff training. We have added new senior roles. We have filled experience gaps with external advisors. We have reviewed compensation to ensure it is in line with what skilled employees can expect.

**Technology:** Risk of failure of key IT systems.

The likelihood of this risk is being mitigated through operational systems, controls and improvements. Operational systems include full cloud capability, enabling effective remote working, online giving and online applying. Controls within this area include deployment of approved comprehensive IT policies and procedures to safeguard data and mitigate any breaches. Other mitigating actions include the continued enhancement of NZF's technological infrastructure – notably, the successful implementation of a new CRM system, which now plays a central role in supporting service delivery and organisational data management. This system is regularly reviewed to ensure it continues to mitigate against IT system failures and supports efficient operations. In addition, NZF has cyber insurance to mitigate the impact of the risk.

**Reputation and GDPR:** The risk of incidents that damage reputation and/or negatively impact operations.

We carefully assess recipients of Zakat grants to ensure eligibility and likely impact, taking an approach that is proportionate to the size of the Zakat grant. We carefully assess suppliers to ensure they are viable, low-risk and can support us with quality work. We involve the Board where financial amounts are significant. We have put GDPR-compliant systems in place which are well above the minimum standard required and conduct an annual GDPR check. We have an external GDPR advisor.

**Safeguarding:** Risk of not protecting vulnerable people from harm.

This risk is mitigated by ensuring NZF has a safeguarding policy and training rolled out for both employees and Trustees, a policy which ensures reinforcement of good culture and good practice. We thoroughly reviewed and updated our policy in 2024. We maintain training on safeguarding, have a designated safeguarding lead, and ensure that community partners have a safeguarding policy in place. We will continue to provide safe places, encourage reporting of any issues, and take consistent action as required.



## Our approach to operations

**We made continuous improvements in the use of our Customer Relationship Management (CRM) system for applicant and payer records. We also further embedded the use of our Accounting System, Accounts IQ.**

### Our public fundraising approach

Almost all our funds come from the public and our aim is to ensure we raise funds in a respectful and compelling way that is consistent with our values. We support measures that will improve public trust and support for the sector.

We are registered with the Fundraising Regulator and pay an annual levy as required. We work diligently to comply with the Code of Fundraising Practice.

The Director of Communications and Head of Fundraising and Community Engagement managed most income-generation activities, guided and monitored by the CEO, with overall oversight by the members of the Board. In 2024, we did not use external professional fundraisers.

We have set standards for the operation and management of our fundraising activities. We contact a small number of our supporters by telephone each year who agree to be contacted in this way. Individuals who conduct this work are required to do so in a respectful manner and in accordance with our standards and sector regulation.

Our processes and controls ensure that vulnerable people and other members of the public are protected from unreasonable intrusion on a person's privacy, and that no fundraising activities are unreasonably persistent or place undue pressure on a person to give money or other property.

We actively encourage supporters to contact us with any feedback. No complaints relating to fundraising activities have been received by the charity during this financial period. We have in place procedures that would be followed in the event of a complaint being received, and these procedures are made publicly available on our website.

Charity Clarity provides an independent rating of charities. They reviewed NZF and gave a rating of 3.92 out of 5. The average rating on their website is 2.92.

<https://charityclarity.org.uk/charities/national-zakat-foundation/>

### General Data Protection Regulation

The General Data Protection Regulation (GDPR) became law in May 2018. The regulation sets out the responsibilities all organisations have in relation to the personal data they collect and hold and is designed to enhance the rights of individuals in controlling their own personal data.

We take privacy seriously. We're committed to protecting personal data, and to ensuring that we're compliant with the changes introduced by GDPR. We have put in place policies and procedures to comply with GDPR in the areas of data protection policies, data mapping, data retention and cleansing, data processing, supporter data privacy, consent and preference management. We hold an annual GDPR review.

We believe that every member of staff has a role to play, and we have regular training to ensure we're all familiar and compliant with the new requirements.



## How we are governed

**The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity and of a registered company.**

The Board is currently made up of four members. The Board meets, at minimum, four times a year.

In addition, the Board has several working groups, consisting of Trustees and expert Advisors, whose purpose is to support management and advise the Board in their areas of expertise. These include the Finance and Audit Committee (FAC) which meets regularly to promote and safeguard the highest standards of integrity, financial reporting and internal control, and oversees capital spend projects.

The Board also has a Risk & Governance Committee which meets at least twice a year to provide oversight of the organisation's governance and risk-management processes. A Technology Committee provides guidance, support and oversight of the Technology function including infrastructure, the CRM, digital product development and data analysis. A Marketing Working Group brings expertise in marketing, fundraising and communications to advise on the organisations fundraising and outreach activities. In 2024, a new Applicant Services Advisory Group was set up with external advisors reviewing our application process and framework.

Trustees are rotated over a medium-to long-term basis, to provide fresh ideas and to avoid complacency in the role. One long serving Trustee left in the summer of 2024.

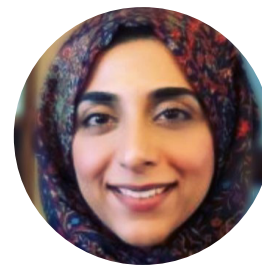
The Chief Executive Officer and his team make operational decisions and run the charity. The CEO is responsible for enacting the organisational objectives agreed with the Board.

People managers then align their objectives with these and set objectives for their direct reports. The Chief Executive and team leaders ensure that employees who have direct contact with recipients are regularly supported, trained and assessed to ensure their communication is in line with the charity's values.

### Organisational purpose: Public benefit

The Trustees confirm that they have complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. The Trustees consider these when reviewing the aims and objectives of National Zakat Foundation, and in planning activities for the future. The Trustees consider that the aims and activities of the charity are for public benefit.

The Trustees confirm that the aims of the charity continue to be charitable; that the work of the charity is in line with its objects; that the aims and the work done give identifiable benefits to the charitable sector and both directly and indirectly to individuals in need; that the benefits are for the public and are not unreasonably restricted in any way; and that there is no detriment or harm arising from any of the activities.



*"NZF's commitment to streamline processes and facilitate giving is stronger than ever connecting even more zakat givers with those who desperately need it in our local communities."*

**Anisa Hanif, Senior Legal Counsel at Mubadala Investment Company**

## How we are governed continued

### Board effectiveness

Trustees are recruited based on relevant expertise – skills, experience and qualifications – and alignment of their values with NZF's values. Before appointment, potential Trustees meet with the Chair of the Board and the Chief Executive. The Board has defined a clear pathway for appointing new trustees which allows opportunity to assess their skills and suitability before they are invited to serve as trustees. Potential trustees will serve initially as advisors to a working group of which they may become a member after attending two working group meetings. The pathway allows progression to serve as an advisor to the Board and finally to serve as a Board member after attending two to three Board meetings. Progression at each stage is decided by the Chair of Trustees after consultation with the Board.

Trustees access internal and external training as required. The number of Trustees is within the range recommended by the Governance Code.

We are working on ensuring the profile of Trustees is broadly representative of the givers and recipients we serve, and that Trustees are empathetic. This means that we have an advisor with lived experience of poverty.

Our Trustees undergo a comprehensive induction programme and are offered training and development opportunities throughout their trusteeship.

### Openness and accountability

We make our charity's impact visible to givers and stakeholders through our website and update it on an ongoing basis. We regularly share stories of our recipients on our website and in external messaging.

We fully disclose details of our Trustees and their biographies on our website.

We have a disclosure policy available on our website, detailing what information we hold and how we process it, to provide confidence that we are securely handling private and often sensitive beneficiary and donor data.

### Integrity

NZF's Board of Trustees has established a solid foundation in governance in which all Trustees are clear about their roles and legal responsibilities, are committed to supporting the charity to deliver its objects most effectively for its beneficiaries and contribute to the charity's continued improvement. We welcome the Charity Governance Code as a positive step toward improving governance and excellence in resource management in the sector.

We have a monthly Shariah audit undertaken by Mufti Amjad Mohammed, an external Shariah and Quality Auditor on behalf of the Markaz al-Ifta' wa'l-Qada'.

Both the Board and the Finance and Audit Committee take feedback from the Shariah audit and regularly implement aspects for improved governance.

We have a Serious Incidents policy which requires the recording of any material incidents that occur within the organisation or in the delivery of our services.

We have a conflicts of interest policy, and detail potential conflicts within this report. In addition, each Trustee confirms annually that they are eligible to hold their position.

We meticulously account for all our income from all sources, including Gift Aid.

*"Zakat plays a pivotal role in responding to the call of the poor and needy in the UK. Being such an important pillar that has real potential to tackle poverty, NZF's presence has given it the credibility it deserves by addressing many of the socio-economic issues our society is crying out for today."*

**Councillor Saima Ashraf, Advisor to Board and Deputy Leader of the London Borough of Barking & Dagenham**



### Diversity

We recognise the benefits diversity can bring. The charity has an Equality and Diversity policy which extends across the organisation. We aim to promote good governance by helping the Board assess diversity at NZF from the perspective of staff, givers and recipients, and recommend improvements if identified.

Trustees and employees are from a range of backgrounds. We currently have three male trustees and one female trustee. The charity is BAME-led.

### Environmental impact

We are constantly striving to reduce the charity's impact on the environment.

Giving is almost all online – through the website, Paypal, and online bank transfers.

Most charitable activity continues to be online. Individuals in need apply online. Zakat grant recipients are financially supported through online bank transfers or digital vouchers. Educational events are equally held online and offline in community settings. We have started a small-scale programme of engagement with community partners so applicants have the opportunity to apply face-to-face.

All giver and applicant records are stored online. All Board papers are provided to Trustees online and stored online.

Most meetings are held online. All staff are based remotely. Our IT systems continue to work well to enable employees to work effectively. The team meet face-to-face minimum monthly to ensure team bonds remain strong.

### NZF Worldwide

NZF Worldwide grants NZF UK an exclusive licence to use the intellectual property rights associated with the National Zakat Foundation brand in the UK.

NZF Worldwide is committed to:

- Represent the National Zakat Foundation brand at international forums surrounding Islamic finance/wealth management and philanthropy
- Seek opportunities to showcase the NZF UK case study in global Zakat forums
- Facilitate cooperation between NZF entities across the globe to improve efficiency, effectiveness and asset creation

In 2024, NZF Worldwide furthered the democratisation of its development, giving every country's chairperson a role on the non-executive advisory board of NZF Worldwide, to improve alignment and coordination between the countries.

NZF Worldwide also held an annual summit, in 2024, involving all country NZFs. CEOs and chairs from all NZF entities came together to plan collaboration in services and infrastructure, to amplify the global impact of the NZF family and facilitate growth into new countries.

To enhance compliance architecture, NZF Worldwide introduced an Islamic jurist with excellent and extensive Zakat management experience, Mufti Amjad Muhammed, as its Chief Shariah Officer.

## How we manage our finances

### Reserves policy

The Reserves policy is regularly reviewed by both the Finance and Audit Committee and the Board.

The Trustees have reviewed the reserves of the charity.

The charity's total funds at the year-end amounted to £4,214,804 of which £2,118,953 were unrestricted general funds and £2,095,851 of the reserves were restricted funds.

The restricted funds were for distribution to Zakat-eligible individuals. The Zakat distribution reserves at year end were similar to the previous year. While givers gave 67% of the annual value of Zakat income in Ramadan, people in need apply for Zakat throughout the year. This means we need to retain sufficient Zakat distribution reserves at year end to give grants to individuals in the first part of the following year, before we receive that year's Ramadan income.

Each year, substantial Sadaqah and other funds are raised to improve the financial health of the organisation and ensure that sufficient funds are generated beyond the initial reserves level. The Trustees consider that unrestricted general reserves are at a level that cover and exceed three months of non-distribution costs (operations salaries, office charges and cost of raising funds, less the costs of depreciation/amortisation). This makes the threshold for 2024 £678k. This is considered a sufficient threshold for this purpose at the current time and in line with reserves policy.

### Investment policy and performance

National Zakat Foundation holds the majority of all short-term investments as non-interest-bearing cash deposits. The objective of our investment policy is to limit risk as far as is possible while earning such profit as is available on very secure deposits. Accordingly, our investment policy is to invest in short-term deposits and to hold cash only at those banks with a high credit rating.

Investment income in 2024 was £15,307 (2023: £24,866).

### Going concern

The Trustees are required to consider whether it is appropriate for the NZF accounts to be prepared on a 'going concern' basis.

The going concern assumption is a fundamental principle in the preparation of financial statements, under which an entity is ordinarily viewed as continuing in business for the foreseeable future, under IAS 570, as a minimum 12 months after signing of the accounts.

In assessing the Charity's going concern assumption, we have carefully evaluated several key factors that reflect the organisation's size and nature. This includes a thorough analysis of forecasts and budgets to ensure financial stability and sustainability. Additionally, we have scrutinised the timing of cash flows, which is crucial for maintaining liquidity and meeting the Charity's obligations in a timely manner.

Trustees have considered the going concern basis up until the end of June 2026.



## Our leadership team

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### TRUSTEES

Sultan Choudhury OBE (Chair)

Anisa Hanif

Azim Kidwai – finished term July 2024

Shiraz Hussain

Dr Shorful Islam

### CHIEF EXECUTIVE

Sohail Hanif

### AUDITOR

Sayer Vincent  
110 Golden Lane  
London  
EC1Y 0TG

### BANKERS

Al Rayan Bank

Lloyds Bank

### SOLICITORS

Bates Wells  
10 Queen Street Place  
London  
EC4R 1BE

### CHARITY NUMBER

1153719

### COMPANY REGISTRATION NUMBER

08536743

### REGISTERED OFFICE

Kemp House  
152-160 City Road  
London  
EC1V 2NX



## Statement of Trustees' responsibilities

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The Trustees (who are also directors of National Zakat Foundation) for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – effective 1 January 2016.

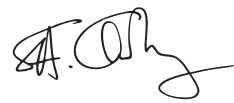
The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

On behalf of the Board



**Sultan Choudhury OBE**  
Chair of Trustees

18 June 2025

# Section 3

## Financial statements



# Independent auditor's report to the members of National Zakat Foundation (NZF)

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## Opinion

We have audited the financial statements of National Zakat Foundation (NZF) (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other Information

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

We have nothing to report in this regard.

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## Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

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

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

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

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

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

# Independent auditor's report to the members of National Zakat Foundation (NZF) continued

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## Capability of the audit in detecting irregularities

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

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

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

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

### Use of our report

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

A handwritten signature in dark ink that reads "Sayer Vincent LLP".

**Jonathan Orchard**  
(Senior statutory auditor)

17 July 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
110 Golden Lane, LONDON, EC1Y 0TG



# Statement of financial activities

## for the year ended 31 December 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>INCOMING RESOURCES</b>							
<b>Incoming Resources from Generated Funds:</b>							
Donations and Legacies							
Hardship Relief	2	-	6,151,015	<b>6,151,015</b>	-	4,776,514	<b>4,776,514</b>
Housing	2	-	1,046,123	<b>1,046,123</b>	-	1,313,056	<b>1,313,056</b>
Work & Education	2	-	264,737	<b>264,737</b>	-	473,352	<b>473,352</b>
Other	2	2,696,210	-	<b>2,696,210</b>	2,367,113	-	<b>2,367,113</b>
Investment Income	3	15,307	-	<b>15,307</b>	24,866	-	<b>24,866</b>
<b>TOTAL INCOMING RESOURCES</b>		<b>2,711,517</b>	<b>7,461,875</b>	<b>10,173,392</b>	<b>2,391,979</b>	<b>6,562,922</b>	<b>8,954,901</b>
<b>RESOURCES EXPENDED</b>							
Raising Funds	4	661,758	-	<b>661,758</b>	639,689	-	<b>639,689</b>
Charitable Activities							
Hardship Relief	4	996,234	5,556,449	<b>6,552,683</b>	837,914	5,752,903	<b>6,590,817</b>
Community Zakat Programme	4	260,903	551,600	<b>812,503</b>	194,789	1,273,478	<b>1,468,267</b>
Work and Education	4	203,521	207,954	<b>411,475</b>	199,396	575,601	<b>774,997</b>
Zakat Education and Calculation	4	449,009	-	<b>449,009</b>	266,386	-	<b>266,386</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,571,425</b>	<b>6,316,003</b>	<b>8,887,428</b>	<b>2,138,174</b>	<b>7,601,982</b>	<b>9,740,156</b>
<b>Net Income/(Expenditure)</b>		<b>140,092</b>	<b>1,145,872</b>	<b>1,285,964</b>	<b>253,805</b>	<b>(1,039,060)</b>	<b>(785,255)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	15	1,978,861	949,979	<b>2,928,840</b>	1,725,056	1,989,039	<b>3,714,095</b>
<b>Total funds carried forward</b>		<b>2,118,953</b>	<b>2,095,851</b>	<b>4,214,804</b>	<b>1,978,861</b>	<b>949,979</b>	<b>2,928,840</b>

# Balance Sheet

## as at 31 December 2024

Company number: 08536743

	Note	2024 £	2023 £
<b>FIXED ASSETS</b>			
Tangible assets	10	5,335	8,632
Intangible assets	11	139,913	76,976
		<b>145,248</b>	<b>85,608</b>
<b>CURRENT ASSETS</b>			
Debtors	13	335,490	167,303
Investments	12	111,351	269,736
Cash at bank and in hand		3,654,026	2,444,748
Short-term deposits		76,630	67,610
		<b>4,177,497</b>	<b>2,949,397</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	14	(107,941)	(106,165)
<b>TOTAL NET CURRENT ASSETS OR LIABILITIES</b>		<b>4,069,556</b>	<b>2,843,232</b>
<b>TOTAL NET ASSETS OR LIABILITIES</b>		<b>4,214,804</b>	<b>2,928,840</b>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Unrestricted funds</b>			
General funds	16	2,118,953	1,978,861
<b>Restricted funds</b>			
Restricted zakat funds, restricted sadaqah and grants	16	2,095,851	949,979
<b>TOTAL FUNDS</b>		<b>4,214,804</b>	<b>2,928,840</b>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard (FRS102) (effective 01 January 2016).

Approved by the Board on 18 June 2025 and signed on its behalf by:



**Sultan Choudhury OBE**  
Chair of Trustees

# Statement of cash flows

## for the year ended 31 December 2024

	2024 £	2023 £
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	1,285,964	(785,255)
<b>Adjustments for:</b>		
Depreciation/Amortisation charges	33,373	26,244
(Gains)/losses on investments	-	-
Dividends, interest and rents from investments	(15,307)	(24,866)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(168,187)	(46,470)
Increase/(decrease) in creditors	1,776	590
<b>Net cash provided by (used in) operating activities</b>	<b>1,137,619</b>	<b>(829,757)</b>
<b>Cash flows from operating activities:</b>	<b>1,137,619</b>	<b>(829,757)</b>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Dividends, Gains and rents from investments	9,020	7,537
Purchase of Intangibles	(91,537)	(67,947)
Purchase of property, plant and equipment	(1,476)	(6,298)
Purchase of investments	(275,544)	(150,000)
Cash held for Investment Purposes	-	150,000
Proceeds from sale of investments	440,216	-
Movements of cash to short-term deposits	(9,020)	(57,506)
<b>Net cash provided by (used in) investing activities</b>	<b>71,659</b>	<b>(124,214)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>1,209,278</b>	<b>(953,971)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,444,748</b>	<b>3,398,719</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,654,026</b>	<b>2,444,748</b>

# Notes to the financial statements

## for the year ended 31 December 2024

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

#### 1.1 Legal status

National Zakat Foundation (NZF) is a company limited by guarantee, company number 08536743 registered in England & Wales, and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

NZF's Charity Commission registration number is 1153719 and its registered address is Kemp House, 124 City Road, London, EC1V 2NX.

#### 1.2 Basis of preparation

The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Charities SORP (FRS102, effective 1 January 2016), the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The National Zakat Foundation meets the definition of a public benefit entity under FRS102.

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

##### **Preparation of the accounts on a going concern basis**

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. The trustees are not aware of any material uncertainties about the charity's ability to continue and accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 37.

#### 1.3 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

In the view of the Trustees the only significant estimations are those linked to the allocation of support costs across our charitable and non-charitable activities. Allocations of this nature inherently require estimation of time spent on certain activities and other resources use judgements.

# Notes to the financial statements

## continued

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### 1.4. Volunteers

Volunteers support the work of National Zakat Foundation in two ways:

#### **Contributing professional services**

Professionals contribute their services at a reduced or pro bono rate. This includes financial skills, human resources support and legal advice.

The value of services provided by these volunteers has been included in the financial statements.

#### **Raising awareness**

Volunteers across the UK help spread the message both online and offline about National Zakat Foundation so more people know what the organisation does and why it exists. This may involve sharing social media posts, distributing flyers at events or facilitating Zakat workshops/seminars.

Due to the difficulty in valuing the total contribution of volunteer time and skills, the value of services provided by volunteers has not been included in the financial statements.

### 1.5. Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

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

### 1.6. Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT incurred and is reported as part of the expenditure to which it relates.

**Charitable activity comprises those costs incurred by the charity in the delivery of its activities and services for its grant recipients and other beneficiaries. These include those that can be allocated directly to such activities. Costs of raising funds comprises the costs associated with attracting voluntary income.**

### 1.7. Support costs and governance costs

Support costs are those costs incurred directly in support of expenditure on the objectives of the charity. Governance costs are a component of support costs, and include audit fees, professional fees, licence fees and compliance costs, and related staff costs. Support costs are allocated on the basis of the amount of direct time attributable to each area.

## 1.8 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Where unrestricted funds have been designated, the likely timing of the expenditure is before the start of the following Ramadan.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

## 1.9 Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

## 1.10 Investments

Investments are a form of basic financial instrument with expected maturity of less than one year. Investments are initially recognised at the transaction value. Subsequent re-measurement is at amortised cost, at the undiscounted amount of cash or other consideration expected to be received.

## 1.11 Cash at bank and in hand and on deposit

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash held on deposit includes short term investments with a maturity of up to four months held in a deposit account; these represent a portion of Zakat funds which are released over the course of the Zakat distribution cycle to ensure that distribution of Zakat occurs throughout the year.

## 1.12 Tangible and intangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation/amortisation. Depreciation/amortisation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold improvements	-	Straight line over 5 years
Fixtures, fittings and equipment	-	Straight line over 3 years
Intangible assets	-	Straight line over 3 years

All items of expenditure greater than £750 are capitalised if they meet the definition of a fixed asset as stated within FRS102.

## 1.13 Operating leases

The charity classifies the lease of office equipment and office space as operating leases. Rental charges are charged on a straight-line basis over the term of the lease.

# Notes to the financial statements

## continued

### 2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Zakat	638,964	7,372,183	<b>8,011,147</b>	624,376	6,484,497	7,108,873
Zakat-ul-Fitr	-	57,360	<b>57,360</b>	-	43,889	43,889
Fidyah & Kaffarah	-	32,332	<b>32,332</b>	-	34,536	34,536
Sadaqah	707,709	-	<b>707,709</b>	519,901	-	519,901
Riba	342,647	-	<b>342,647</b>	170,193	-	170,193
In-Kind Donations	-	-	<b>-</b>	27,500	-	27,500
Income for NZF services	493	-	<b>493</b>	599	-	599
Gift Aid	1,006,397	-	<b>1,006,397</b>	1,024,544	-	1,024,544
	<b>2,696,210</b>	<b>7,461,875</b>	<b>10,158,085</b>	<b>2,367,113</b>	<b>6,562,922</b>	<b>8,930,035</b>

**Zakat:** We use 100% of Zakat for charitable activity. (2023:100%) We do not use Zakat to raise funds or for non-distribution related expenditure. Of the £8,011,147 Zakat, £638,964 of Zakat (2023: £624,376) is used or will be used to cover the cost of distributing the Zakat.

**Zakat-ul-Fitr:** The use of funds is restricted to providing cash grants for food for the poor and needy.

**Fidyah and Kaffarah:** The use of funds is restricted to providing cash grants for the poor and needy.

The remaining unrestricted funds are used to cover other direct charitable expenses, support and governance costs as well as the cost of raising funds.

### 3. INVESTMENT INCOME

	Total Funds 2024 £	Total Funds 2023 £
Income on deposits	9,020	7,537
Return on Investments	6,287	17,329
	<b>15,307</b>	<b>24,866</b>

Investment income comes from a Sharia compliant property debt platform.



#### 4. ANALYSIS OF EXPENDITURE - Expenditure by activity

	Hardship Relief £	Community Zakat Programme £	Work and Education £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of Raising Funds £	Total 2024 £	Total 2023 £
Zakat and Zakat ul Fitr grants	5,556,449	551,600	207,954	-	<b>6,316,003</b>	-	<b>6,316,003</b>	7,601,982
Direct employees cost	517,209	131,328	116,040	112,427	<b>877,004</b>	145,462	<b>1,022,466</b>	886,938
Direct costs	297,153	94,363	52,974	319,250	<b>763,740</b>	449,066	<b>1,212,806</b>	989,358
Support & governance costs	181,872	35,212	34,507	17,332	<b>268,923</b>	67,230	<b>336,153</b>	261,878
<b>Total</b>	<b>6,552,683</b>	<b>812,503</b>	<b>411,475</b>	<b>449,009</b>	<b>8,225,670</b>	<b>661,758</b>	<b>8,887,428</b>	<b>9,740,156</b>

#### Prior Year

	Hardship Relief £	Housing £	Work and Education £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of Raising Funds £	Total 2023 £	Total 2022 £
Zakat and Zakat ul Fitr grants	6,958,556	67,825	575,601	-	<b>7,601,982</b>	-	<b>7,601,982</b>	3,830,183
Direct employees cost	487,125	71,450	106,299	68,597	<b>733,471</b>	153,467	<b>886,938</b>	690,674
Direct costs	272,267	28,083	64,132	166,153	<b>530,635</b>	458,723	<b>989,358</b>	1,012,388
Support & governance costs	170,090	3,688	28,965	31,636	<b>234,379</b>	27,499	<b>261,878</b>	154,843
<b>Total</b>	<b>7,888,038</b>	<b>171,046</b>	<b>774,997</b>	<b>266,386</b>	<b>9,100,467</b>	<b>641,767</b>	<b>9,740,156</b>	<b>7,540,985</b>

# Notes to the financial statements

## continued

### Expenditure by income type

	Hardship Relief £	Community Zakat Programme £	Work and Education £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of Raising Funds £	Total 2024 £	Total 2023 £
Zakat and Fidyah/ Kaffarah	5,499,089	551,600	207,954	-	<b>6,258,643</b>	-	<b>6,258,643</b>	7,558,093
Zakat ul Fitr	57,360	-	-	-	<b>57,360</b>	-	<b>57,360</b>	43,889
Zakat - for distribution service	484,542	54,377	20,500	-	<b>559,419</b>	-	<b>559,419</b>	766,509
Sadaqah, Riba, Gift Aid and other income	511,692	206,526	183,021	449,009	<b>1,350,248</b>	661,758	<b>2,012,006</b>	1,371,665
<b>Total</b>	<b>6,552,683</b>	<b>812,503</b>	<b>411,475</b>	<b>449,009</b>	<b>8,225,670</b>	<b>661,758</b>	<b>8,887,428</b>	<b>7,540,985</b>

### Prior Year

	Hardship Relief £	Community Zakat Programme £	Work and Education £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of Raising Funds £	Total 2024 £	Total 2023 £
Zakat and Fidyah/ Kaffarah	6,914,667	67,825	575,601	-	<b>7,558,093</b>	-	<b>7,558,093</b>	5,501,936
Zakat ul Fitr	43,889	-	-	-	<b>43,889</b>	-	<b>43,889</b>	36,039
Zakat - for distribution service	625,838	82,028	58,643	-	<b>766,509</b>	-	<b>766,509</b>	557,220
Sadaqah, Riba, Gift Aid and other income	303,644	21,193	140,753	266,386	<b>731,976</b>	639,689	<b>1,371,665</b>	1,445,790
<b>Total</b>	<b>7,888,038</b>	<b>171,046</b>	<b>774,997</b>	<b>266,386</b>	<b>9,100,467</b>	<b>639,689</b>	<b>9,740,156</b>	<b>7,540,985</b>

## 5. ANALYSIS OF SUPPORT COSTS AND GOVERNANCE COSTS

	2024 £	2023 £
<b>Support Costs</b>		
Office administration	112,407	57,588
Office Services excl depreciation	38,413	39,278
Depreciation	10,469	5,456
Office services	48,882	44,734
Governance (incl External Audit)	174,864	159,556
<b>Total</b>	<b>336,153</b>	261,878
	2024 £	2023 £
<b>Governance costs</b>		
Audit Fees	13,230	12,600
Auditor Fees for other services	1,200	1,200
Other professional fees	25,774	9,341
License fee and compliance costs	37,349	58,100
Staff costs	97,311	78,316
<b>Total Governance costs</b>	<b>174,864</b>	159,557

During 2024, other professional fees consisted of legal fees and external accountancy services. Audit Fees for other services in 2024 relates to tax preparation of the 2023 accounts.

## 6. ZAKAT GRANTS PAID TO ORGANISATIONS

The charity did not pay any Zakat grants to organisations in 2024. (2023:nil)

## 7. NET INCOMING RESOURCES

	2024 £	2023 £
<b>Net incoming resources for the period is stated after charging:</b>		
Gains on disposal of fixed assets	-	-
Losses on disposal of fixed assets	-	-
Depreciation and other amounts written off fixed assets	<b>33,373</b>	26,245
Operating lease charges	-	-
Auditors remuneration (excluding VAT):		
- Audit fees	<b>11,025</b>	10,500
- Other fees	<b>1,000</b>	1,000

All VAT is irrecoverable, therefore the full cost to NZF of the services received from the auditors is £14,430 (2023: £13,800).

# Notes to the financial statements

## continued

### 8. STAFF AND TRUSTEE INFORMATION

<b>Employment costs:</b>	<b>2024 £</b>	<b>2023 £</b>
Wages and salaries	1,047,004	904,402
Redundancy	12,692	-
Social security costs (employers NI)	100,388	77,699
Employer pension contribution	39,686	22,527
<b>Total</b>	<b>1,199,770</b>	<b>1,012,330</b>
	<b>2024</b>	<b>2023</b>
The number of employees with emoluments between £60,000 to £70,000 per annum	2	0

Employees costs exclude amounts paid to external consultants in 2024 of £95,766 (2023 £67,837).

#### Trustee costs

The charity Trustees were not paid and did not receive any other benefits from employment with the charity in the year (2023: £nil). In 2024, £805 was claimed for travel expenses by a trustee (2023: £nil). No charity trustee received payment for professional services or other services supplied to the charity (2023: £nil).

#### Key Management Remuneration

Employee benefits of Key Management Personnel totalled £271,570 (2023: £192,362) including Employers NI. The employees' component of this cost is included within employment costs above; the consultant component is included within the consultants' payments above.

#### Employee numbers:

The average number of persons employed by National Zakat Foundation whether on a full time or part time basis during the period was as follows:

			2024 FTE	2023 FTE
Total number of Staff			30.6	26.4
Average employee numbers by team	2024 No.	2023 No.	2024 FTE	2023 FTE
Services	24	21	19.7	17.0
Operations	6	4	4.8	4.5
Marketing	5	7	6.0	4.9
Total	35	32	30.6	26.4

The average employee numbers above reflect the number of staff as well the full time equivalent (FTE) average headcount.

## 9. TAXATION

The National Zakat Foundation is a registered charity and, as such, is exempt from taxation on its income to the extent it is applied to its charitable purposes.

## 10. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2024	25,661	25,661
Additions in year	1,476	1,476
Disposals in year	-	-
<b>At 31 December 2024</b>	<b>27,137</b>	<b>27,137</b>
Depreciation		
At 1 January 2024	17,029	17,029
Charge for the year	4,773	4,773
Eliminated on disposal	-	-
<b>At 31 December 2024</b>	<b>21,802</b>	<b>21,802</b>
Net book value		
<b>At 31 December 2024</b>	<b>5,335</b>	<b>5,335</b>
<b>At 31 December 2023</b>	<b>8,632</b>	<b>8,632</b>

# Notes to the financial statements

## continued

### 11. INTANGIBLE ASSETS

	Total £
<b>Cost</b>	
At 1 January 2024	270,891
Additions in year	91,537
Disposals in year	-
<b>At 31 December 2024</b>	<b>362,428</b>
<b>Amortisation</b>	
At 1 January 2024	193,915
Charge for the year	28,600
Eliminated on disposal	-
<b>At 31 December 2024</b>	<b>222,515</b>
Net book value	
<b>At 31 December 2024</b>	<b>139,913</b>
<b>At 31 December 2023</b>	<b>76,976</b>

### 12. INVESTMENTS

Analysis of movement	2024 £	2023 £
Investments at 01 January	269,736	252,407
Purchase of Investment at cost	275,544	150,000
Returns on Investments	2,345	17,329
Disposal Proceeds	(436,274)	(100,000)
Cash held for Investment Purposes	-	100,000
Release of Cash held to Purchase Investment	-	(150,000)
<b>Investments at 31 December</b>	<b>111,351</b>	<b>269,736</b>

### 13. DEBTORS

	2024 £	2023 £
Accrued Income	20,447	13,790
Prepayments	4,976	16,775
Other debtors	310,067	136,738
	<b>335,490</b>	<b>167,303</b>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024 £	2023 £
Trade creditors	<b>74,861</b>	65,428
Accruals and deferred income	<b>25,266</b>	29,544
Other creditors	<b>7,814</b>	11,193
	<b>107,941</b>	106,165

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Fund balances at 31 December as represented by:				
Tangible and intangible fixed assets	145,247	-	<b>145,247</b>	85,608
Net Current assets	1,973,706	2,095,851	<b>4,069,557</b>	2,843,323
Total	2,118,953	2,095,851	<b>4,214,804</b>	2,928,840

**Prior Year**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Fund balances at 31 December as represented by:				
Tangible and intangible fixed assets	85,608	-	<b>85,608</b>	37,607
Net Current assets	1,893,253	949,979	<b>2,843,232</b>	3,676,488
Total	1,978,861	949,979	<b>2,928,840</b>	3,714,095



# Notes to the financial statements

## continued

### 16. ANALYSIS OF FUNDS

	1 January 2024 £	Incoming Resources £	Outgoing Resources £	Transfers £	31 December 2024 £
Unrestricted designated	-			-	-
General Funds	<b>1,978,861</b>	<b>2,711,517</b>	<b>(2,571,425)</b>	-	<b>2,118,953</b>
<b>Total Unrestricted Funds</b>	1,978,861	2,711,517	(2,571,425)	-	2,118,953
Zakat funds	949,979	7,372,183	(6,226,311)		2,095,851
Zakat-ul-Fitr	-	57,360	(57,360)		-
Fidyah and Kaffarah	-	32,332	(32,332)		-
<b>Total Restricted Funds</b>	<b>949,979</b>	<b>7,461,875</b>	<b>(6,316,003)</b>	-	<b>2,095,851</b>
<b>Total Funds</b>	<b>2,928,840</b>	<b>10,173,392</b>	<b>(8,887,428)</b>	-	<b>4,214,804</b>

#### Prior Year

	1 January 2023 £	Incoming Resources £	Outgoing Resources £	Transfers £	31 December 2023 £
Unrestricted designated	-			-	-
General Funds	<b>1,725,056</b>	<b>2,391,979</b>	<b>(2,138,174)</b>	-	<b>1,978,861</b>
<b>Total Unrestricted Funds</b>	1,725,056	2,391,979	(2,138,174)	-	1,978,861
Zakat funds	1,989,039	6,484,497	(7,523,557)		949,979
Zakat-ul-Fitr	-	43,889	(43,889)		-
Fidyah and Kaffarah	-	34,536	(34,536)		-
<b>Total Restricted Funds</b>	<b>1,989,039</b>	<b>6,562,922</b>	<b>(7,601,982)</b>	-	<b>949,979</b>
<b>Total Funds</b>	<b>3,714,095</b>	<b>8,954,901</b>	<b>(9,740,156)</b>	-	<b>2,928,840</b>

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## 17. OPERATING LEASE COMMITMENTS

The charity did not have any operating lease commitments in 2024 (2023: nil).

## 18. RELATED PARTIES

Azim Kidwai was a Trustee of NZF in 2024 (resigned 8th July 2024), CEO of Mercy Mission and a Director of NZF Worldwide.

In 2024, NZF paid £24,000 (2023: £24,000) to NZF Worldwide in License Fees as part of a brand licensing agreement and £24,000 (2023: £28,494) to NZF Worldwide as part of a Service Level Agreement. A further £30,000 was paid in 2024 in relation to 2023 expenditure.

In return, in 2024, NZF Worldwide helped develop a global strategy which will inform development of our governance framework, conducted training in fundraising and organised a global brand strategy workshop. This was done to explore how NZF can share resources globally within the NZF family in order to improve efficiencies and reduce costs.

In line with the Service Level agreement, NZF Worldwide researched calculation matters and managed Zakat calculation queries throughout the year, and specifically in the Ramadan period. NZF Worldwide delivered two months of Zakat consultancy to NZF UK in the Ramadan period ensuring that donors to NZF UK have calculation support in relation to their Zakat payments.

Income of £64,582 was received through Mercy Mission in 2024 (2023: £709,672).

Sultan Choudhury OBE is a trustee of NZF and also a director of OFFA (OFFA Holdings Limited). During 2024, NZF entered into two investment arrangements through OFFA, a related party.

As at end of the year, £111,272 was held with OFFA as investments and income of £3,943 was received in the year.

In 2024, total Trustee donations amounted to £3,828 (2023: £4,688).

***Building a stronger UK Muslim  
community through local Zakat***

