



Impact Report

and financial statements
for the year ended
31 December 2025



**National Zakat
Foundation**

Contents

	Introduction from the Chief Executive and Chair	4
SECTION 1	Impact at a glance	8
Impact report	About us	11
	How do we help? Our charitable activity	13
	The services we provide	16
	How we raised and spent funds	18
	Thank you	20
	Our supporter community	21
	Bringing Zakat to life: closing one strategy cycle, opening the next	22
SECTION 2	Our people	26
How we operate	Our organisational structure	27
	How we manage the money givers trust us with	28
	Our approach to operations	30
	How we are governed	31
	How we manage our finances	34
	Our Board of Trustees and Chief Executive	36
	Statement of Trustees' Responsibilities	37
SECTION 3	Independent auditor's report to the members of National Zakat Foundation (NZF)	40
Financial statements	Statement of financial activities	43
	Balance sheet	44
	Statement of cash flows	45
	Notes to the financial statements	46

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

Introduction from the Chief Executive and Chair

Assalamu alaikum, Peace be upon you

It is with gratitude to God that we present this annual report for 2025, as we mark the start of our 15th year of operation – another milestone year for National Zakat Foundation.

Zakat income reached its highest level in our history at £8.77m, with £7.37m distributed to individuals and families across the UK, totalling 28,808 people.

Demand for Zakat support continues to break new records as the cost-of-survival pressures of recent years have intensified. Rising rents, in-work poverty and ill-health are pulling more families into crisis, and applications to our Hardship Relief fund (which includes housing) reflect it. National evidence increasingly confirms what our applicants tell us. Across England, 40% of Muslims live in the 46 most deprived local authority districts, compared with 20% of the population as a whole. That figure has barely shifted in two decades.¹ For our communities, poverty and inequality are deepening. It is through the generosity of Zakat givers that we have been able to respond quickly, locally and with dignity.

The impact of your Zakat is real and lasting. Recipients tell us they have not only found relief in their difficult moments but have felt closer to their community and stronger in their faith. This is the Prophetic tradition of local giving brought to life, neighbour caring for neighbour, exactly as Zakat was meant to work.

We were also proud to work with Every Pregnancy, the Zakat-certified maternal and newborn health coalition supported by the Gates Foundation. Through our Muslim Women's Zakat Fund, we supported more Muslim women in hardship, especially mothers and babies, with dignity and care.

We also continued to modernise how we work. We embedded our new CRM, introduced AI-assisted application tools, and launched a National Zakat Vulnerability Index to help us prioritise those most in need. Alongside this, we refreshed our giver-facing services to make giving simpler and clearer.

We continued to strengthen our Community Zakat Programme, expanding the way Zakat is distributed through trusted local partners. During the year, the programme evolved to a more partner-led model, giving community organisations a greater role in shaping its design, delivery and ongoing development. We worked closely with partners throughout the year, providing support and consulting regularly to ensure the programme continued to meet local needs.

The programme grew from 14 partner organisations at the beginning of 2025 to 20 by year-end, with new partnerships established in areas of greatest need and with organisations best placed to deliver support within their communities. To strengthen collaboration, we also introduced a monthly coordination forum, creating a regular opportunity for partners to share learning, raise challenges and stay informed about developments across the programme.



¹ Source: Muslim Council of Britain (2025), British Muslims in Numbers: Census Report Summary March 2025, drawing on 2021 Census data.

2025 also marked the close of one strategy cycle and the shaping of the next. Our new strategy, beginning in 2026, sets out to build a comprehensive national Zakat system in the UK. It is a deliberate evolution of the path we have followed in recent years. It carries forward our investment in locally rooted, community-based distribution and extends it to developing more organised communities and a stronger national voice on Muslim economic welfare.

Looking forward, our goal is to build a truly national Zakat system, where every Muslim in the UK can live with the confidence that their community will be there for them in times of need. Two key areas of focus are:

Structured communities. We believe that organised, well-represented communities, with local institutions that speak for their people, are best placed to deliver and sustain local welfare. Building on the Community Zakat Programme, we will work deeply in selected areas: bringing local organisations together through forums and roundtables, strengthening partners in governance and fundraising, and nurturing a movement of volunteers who support local distribution and lead grassroots efforts. Over the next four years, we aim to develop and embark on a clear roadmap for building these communities, while continuing to support communities right across the UK.

Advocacy. We will work to become the national expert voice on Muslim economic welfare, using our unique data and insight to make this hardship visible in policy debates and to drive change. That means a consistent presence in national forums, evidence grounded in new social and economic research, and campaigns led by us, or alongside others, that place Zakat within mainstream social policy. This national voice grows directly from the local realities our community work uncovers, connecting what we learn on the ground to influence at the national level.

We also continue to work closely with the wider NZF Worldwide family, sharing lessons and expertise across the network so that each country can better serve its community. In this last year, our global CEOs and project teams have worked closely to support the new NZF in Germany, sharing learnings across community development, distribution, and marketing, and working together to create new services.

On behalf of everyone at NZF, we thank our donors, partners and dedicated team for your trust and your commitment to the mission of local Zakat. Together, we are making a real difference in the lives of British Muslims and building a stronger, more resilient Muslim community in the UK.

We are grateful for all that has been achieved, and we look to the years ahead with hope and ambition.

Sincerely and with much appreciation,

Sohail Hanif
Chief Executive



Sultan Choudhury
Chair of the Board
of Trustees



Section 1

Impact report

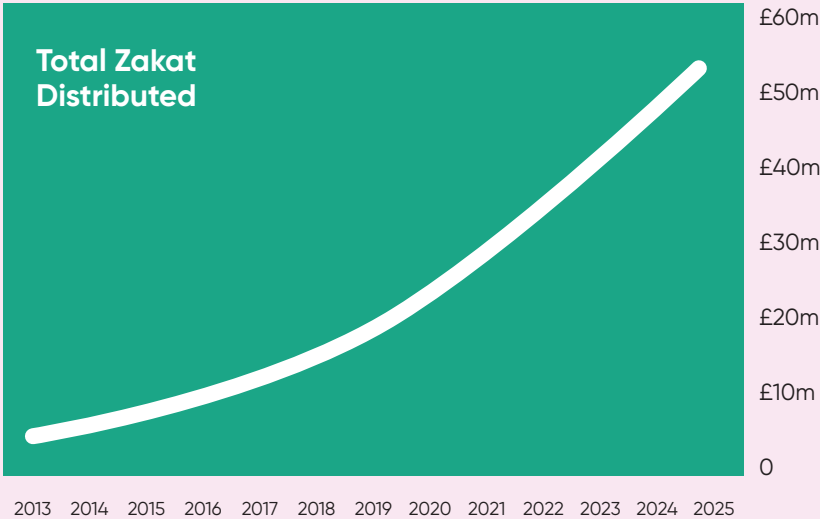


Impact at a glance

Since NZF began, 14 years ago:

Givers have supported over
134,000 people

Total Zakat distributed
£52.97 million



The impact of your Zakat in building a thriving, closer Muslim community¹



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

Zakat recipients rated the impact on average 4.72 out of 5 – that's 94%!



Has the help from NZF increased your faith?

Zakat recipients rated the impact on average 4.48 out of 5 – that's 90%!



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

Zakat recipients rated the help on average 4.72 out of 5 – that's 94%!

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

In 2025: number of people in need helped



Impact at a glance

continued

You gave help in these areas

Hardship Relief	Empowerment	Community Zakat Programme
Grants for vulnerable Muslims to pay for basic essentials and safe and secure housing.	Employment and Training support to help Muslims find work and build lasting independence.	Supporting people in need through their local community organisations for direct access.

How you’ve helped in 2025, by fund

	Your Zakat distributed, by fund		People in need you’ve helped, by fund	
	£	%	No. of people	%
Direct Hardship Relief (inc Housing)	6,059,320	82.24	17,599	61.099
Community Zakat Programme (hardship grants issued via community partners)	981,030	13.32	10,254	35.59
Empowerment (formerly Work & Education)	327,257	4.44	955	3.32
Total	7,367,607	100	28,808	100



About us

The Challenge

Supporting people within their own communities helps strengthen social connections, reduces isolation and ensures assistance reaches those who understand local needs best. Localised intervention brings benefit, directly or indirectly, to everyone – Muslim and non-Muslim alike – by fighting poverty and desperation in the cities, towns and villages in which we all live and work. For NZF, this reflects both our charitable purpose and the Islamic principles that underpin them. Zakat is more than an obligation; it is a means of fostering mutual responsibility and building stronger communities. Islamic tradition encourages Muslims to support those closest to them, reinforcing bonds of solidarity. While Islamic scholars differ on whether this local priority is an obligation or a recommended practice, there is broad agreement that caring for one's local community is a fundamental expression of Zakat's wider social purpose. In 2025 we saw this wider social purpose borne out across six dimensions of our work.

1. Strengthening local communities:

addressing systemic local deprivation. By allocating Zakat within the giver's own community, the impact is direct and immediate. In 2025, the Community Zakat Programme delivered emergency financial assistance through a network of decentralised partners. This infrastructure matters because national analysis indicates Muslims are disproportionately affected by neighbourhood deprivation, with a large share of England's Muslim population living in the most deprived areas. Our localisation targets these high-need areas directly.

2. Boosting the local economy:

exposing hidden and in-work poverty. When Zakat is distributed locally, it circulates within the community, supporting local businesses and services. This is a critical intervention against 'hidden poverty', where families can struggle to pay household bills, and against 'in-work poverty', where work is no longer a guaranteed exit from deprivation. Locally distributed Zakat acts as both stimulus and safety net for the working poor.

3. Fulfilling religious obligations ethically:

circumventing deepening deprivation. Islam encourages Muslims to look after their neighbours. For households facing the deepest poverty, our Hardship Relief Fund serves as an ethical, rapid-response mechanism, providing timely, Zakat cash transfers that stabilise households before they are forced into negative coping strategies such as skipping meals or taking on high-cost credit.

4. Enhancing transparency and trust:

restoring solidarity. In 2025, we processed a substantially higher volume of applications through the Community Zakat Programme and increased local disbursement. Localised Zakat does more than provide relief; it strengthens belonging, rebuilds communal trust, and protects the most vulnerable from the compounding effects of poverty and social isolation.

5. Empowering local decision making:

addressing labour market barriers. Local administration allows decisions to be made by those closest to recipients, such as local mosques. This is crucial for tackling discrimination in the labour market and recognises that young Muslims are more likely to seek support from peers than from professional services. Our Empowerment Programme bridges this gap through trusted local networks.

6. Creating a sustainable model of charity:

bridging the help gap. By nurturing local resources, communities can revive a sustainable model that bypasses the 'help gap'. Too often, those in financial difficulty are reluctant to ask for help, and some experiencing food insecurity do not turn to food banks. Our model fosters a unified and resilient community that provides for its own in a culturally literate way, preserving dignity and reducing long-term reliance on external aid.



About us continued

What NZF does

NZF works to build stronger Muslim communities across the UK by alleviating poverty, helping people secure and sustain safe housing, and providing access to training that can secure employment. We deliver this through Direct Hardship Relief, (hardship and housing grants delivered directly by NZF) the Community Zakat Programme (hardship grants via community partners), and the Empowerment Programme.

Alongside providing direct financial assistance, we connect recipients with wider support, local services and opportunities that help them overcome hardship, maintain secure housing and progress towards greater financial independence and long-term stability.

Our systems are overseen by experienced teams, allowing Muslims to give their Zakat confidently and efficiently to eligible recipients in the UK. Alongside 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

Direct Hardship Relief

Through Direct Hardship Relief, NZF delivers Zakat cash assistance to Muslims across the UK facing acute financial crisis, prioritising the most vulnerable to uphold their dignity and address immediate material poverty regardless of background or identity. By benchmarking assistance against the Minimum Income Standard*, the programme delivers tailored support (averaging around £615 per household in 2025) that reduces food insecurity and pre-empting homelessness or reliance on high-cost credit. Beyond immediate relief, this work builds longer-term resilience through signposting and strategic partnerships, including mental health support and debt advice. Rigorous eligibility assessment of financial vulnerability and household composition ensures that direct relief reaches genuinely at-risk households.

Changes and innovation in 2025:

We have introduced AI-supported processes into our application system to streamline the applicant journey and improve efficiency. Our multilingual grants officers provide tailored support to applicants facing language, digital or other practical barriers, reducing waiting times while improving the accuracy of assessments. We also use the National Zakat Vulnerability Index (NZVI) to identify and prioritise the most vulnerable applicants, ensuring support reaches those in greatest need. Finally, automated signposting, feedback and post-distribution systems connect applicants with wider support through our partner organisations while capturing valuable feedback to monitor outcomes and continuously improve the programme. Grant amounts were revised to reflect higher costs for larger households, with awards ranging from £450 for a single adult to £1,870 for a couple with four children.

Community Zakat Programme

The Community Zakat Programme (CZP) is a community-led model of Zakat cash assistance, focused on localising distribution to strengthen social ties and communal resilience. Through it, NZF partners with local mosques, organisations and grassroots groups to distribute Zakat and to draw on their knowledge of their own communities. The programme ensures equitable, trust-based and holistic assistance that addresses local priorities, develops partner capacity, and connects recipients to other services such as food banks, mental health support, and legal advice. It is of high strategic importance to NZF for the expanded value and social impact it demonstrates.

Changes and innovation in 2025:

The programme shifted to a more partner-led model of design, implementation, and monitoring, with partners regularly supported and consulted throughout the year. It expanded from 14 partners at the start of 2025 to 20 partners, with growth strategically directed to areas of high need and to key local actors best placed to lead delivery. A monthly coordination mechanism was introduced to enable partners to share ideas and concerns and receive updates. A partner gathering was held in Birmingham (hosted by Sultan Bahu Trust) to review achievements and shape the programme's future strategy.

*The UK Minimum Income Standard estimates how much income different households need to achieve a minimum socially acceptable standard of living, based on what members of the public agree is necessary, not merely what is needed for survival. (Joseph Rowntree Foundation)]

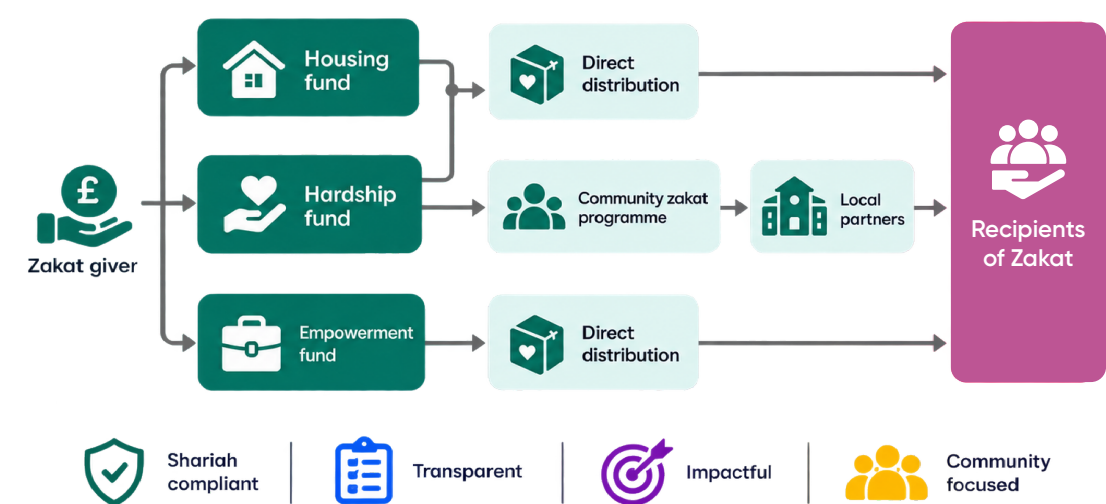
Empowerment Programme

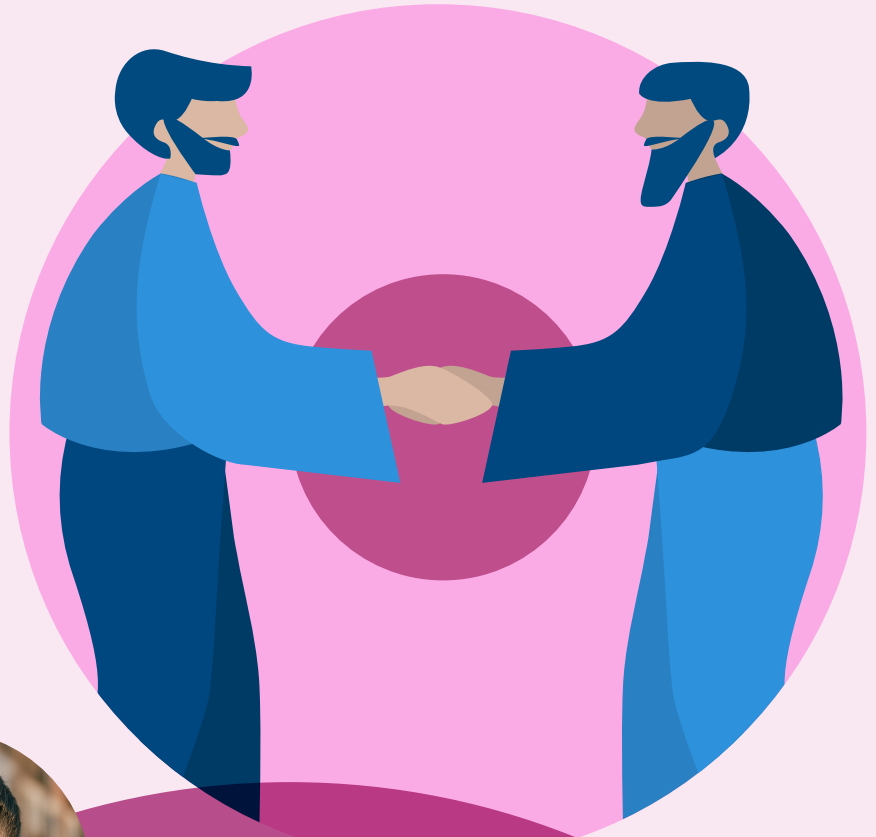
The Empowerment Programme is a strategic economic inclusion initiative designed to transform Zakat recipients into Zakat givers by bridging skills gaps within the UK and providing a sustainable pathway out of poverty. The programme combines accredited vocational training (selected in line with the needs of targeted communities) with mentorship and market access. This moves participants beyond short-term relief towards long-term career progression in high-employability sectors, increasing the impact of Zakat. Each candidate undergoes rigorous assessment for both Zakat eligibility and vocational suitability, while NZF maintains oversight of completion rates and employment outcomes. The programme complements our hardship, housing and community interventions by creating defined routes from financial instability towards self-sufficiency.

Changes and innovation in 2025:

We have refined our course selection strategy to identify the training programmes that deliver the greatest impact in addressing key skills gaps. The programme has also evolved beyond training alone, placing greater emphasis on supporting participants into employment or further study and helping them achieve long-term success. In addition, we have introduced a new application portal that enables approved partner organisations to submit applications on behalf of eligible Muslim applicants, while NZF continues to assess Zakat eligibility.

NZF Zakat Flow





How Local Zakat Helped Adil Rebuild His Life and Give Back to His Community

When Adil lost his job as a mechanic, one of the hardest periods of his life began. The bills mounted, his confidence took a knock, and he exhausted every option to find help. He finally arrived at his local mosque not knowing where else to turn.

That mosque is Ashton Central Mosque, a Community Zakat Programme (CZP) partner of NZF. Through the programme, Adil was supported quickly and with dignity. The Zakat he received gave him more than immediate relief; it gave him hope and reminded him he wasn't alone.

Over time, Adil became part of the congregation, built friendships and rediscovered a sense of belonging. Through a connection he made at the mosque, he started working as a mechanic again, rebuilding his life piece by piece. Soon, he was able to rent a home for his family, giving them the stability and security they had been searching for.

Today, Adil is one of those giving back. He volunteers at the mosque's food bank and is setting up mechanic classes to pass his skills on to others. Having faced hardship himself, he is passionate about helping people who now find themselves where he once stood.

Distributing Zakat through people who are part of the community did more than help Adil back on his feet. It helped him find a community and give back to it. That on-the-ground presence is what makes the difference, and it is why strengthening communities sits at the heart of NZF's work.

Based on a true story. Names have been changed, and stock images have been used to protect identities.

The services we provide

We provide a suite of services for both givers and recipients of Zakat. Whether someone is working out what's due, giving it to people in their own community, or reaching out for support, we guide them every step of the way.

Calculate:

We help givers calculate their Zakat through a range of services, including our updated online Zakat calculator, which is more accurate, transparent, and easier to use, giving donors clearer results, more reliable calculations, and a smoother overall experience. Other services include a historical Nisab calculator, one-to-one consultations with Zakat experts, a dedicated email service supported by a scholar, and online Zakat education webinars.

Knowledge:

Our website hosts an up-to-date knowledge bank with answers to common and specific Zakat questions, alongside free Zakat guides. We have also introduced Zaki, our AI chatbot, designed to provide accurate answers using NZF's existing Knowledge Bank. It has been carefully reviewed and approved for use by NZF External Quality and Sharia Auditor, Mufti Amjad Mohammed, giving users confidence that they are receiving trustworthy and reliable guidance on their Zakat queries. Our community engagement team continues to deliver in-person and online workshops to community organisations, corporate networks and mosques.

Give:

Through our Give App, givers can pay Zakat, Zakat-ul-Fitr, Sadaqah, Riba, and Fidyah/Kaffarah using multiple payment methods. Givers can choose which fund(s) to support and can also leave messages for recipients. We have also introduced scheduled giving, which enables givers to automate their payments and reduce the pressure of managing their giving, especially during busy periods.

Track

Live maps show where Zakat has been received from and distributed across the UK, and we email givers when their Zakat has been distributed. We have updated our tracking system to ensure that every giver's Zakat is

prioritised to helping people in their own locality in the first instance, before moving to a broader area in the UK if there are no eligible applicants in their own area. This way we ensure that all Zakat is prioritised for the actual communities in which our givers live.

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 complete an online self-assessment tool to quickly check whether they meet the eligibility criteria before completing the full application. This saves the applicant and grants officers time regarding applications that do not meet our eligibility criteria. NZF has also integrated AI-powered modules into the application form to improve efficiency and create a more seamless experience for applicants.

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

Decide: Our Grants Officers work with applicants on a personal level to ensure they receive the right support. They aim to provide applicants with a decision as quickly as possible.

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. For recipients of the Empowerment Fund, Grants 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 8,449 applicants to Money Wellness, where they received financial advice and guidance tailored to their circumstances.

Signposting: Our website hosts a detailed list of organisations that applicants can use for extra support or if they are not successful in their NZF application. 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 2025, we generated a total income of £11.1m (2024: £10.2m), an increase of approximately 9%. Total expenditure was £10.3m (2024: £8.9m). We recorded net incoming resources of £0.76m (2024: £1.3m).

The main source of our income was Zakat, comprising £8.8m (2024: £8.0m), up around 9%. We received £0.12m of Zakat-ul-Fitr (2024: £0.06m) and £0.04m of Fidyah & Kaffarah (2024: £0.03m), both of which are restricted to cash grants for the poor and needy. As in prior years, we used 100% of Zakat for charitable activity and did not use Zakat to raise funds or for non-distribution costs such as facilities, governance, staff development and marketing.

Unrestricted income (used to cover other direct charitable costs, support and governance costs, and the cost of raising funds) included Sadaqah of £0.64m (2024: £0.71m), Riba of £0.33m (2024: £0.34m) and Gift Aid of £1.2m (2024: £1.0m). Investment income was £0.012m (2024: £0.015m).

Income	2025 (£)	2024 (£)
Zakat	8,765,977	8,011,147
Zakat-ul-Fitr	121,012	57,360
Fidyah & Kaffarah	35,628	32,332
Sadaqah	636,142	707,709
Riba	326,599	342,647
Gift Aid	1,188,683	1,006,397
Investment income	12,463	15,307
Total incoming resources	11,086,504	10,173,392

Expenditure

We continue to consult and listen to our givers, including by giving them the option to specify which fund they would like their Zakat to support. Where a giver selected a particular fund, we honoured that preference by distributing their Zakat to eligible applicants within that designated fund.

All Zakat grants were given to eligible individuals in need who applied for either relief of economic hardship (including cash grants and housing support) or training opportunities for economic empowerment. Applications were received directly to NZF as well as through programme partners.

Applicants were supported in the following ways: i) Direct Hardship Relief: hardship and housing grants for applications made directly to NZF; ii) Community Zakat Programme: hardship grants for applications made via community partners; and iii) Empowerment Programme (formerly Work and Education): skills training grants for applications made directly to NZF or via Empowerment programme partners.

NZF distributed £7,367,607 in Zakat and Zakat-ul-Fitr grants in 2025, compared with £6,316,003 in 2024 which is an increase of approximately 17%. Of this total, £6,059,320 was awarded through Direct Hardship Relief (including Housing), £981,030 was distributed through the Community Zakat Programme; and £327,257 through the Empowerment Programme.

Total direct charitable expenditure, excluding grants, support and governance was £1,928,255 (2024: £1,640,744), comprising direct employee costs and other direct costs of delivering our charitable activities. The majority of this is the distribution service: checking that applicants are genuinely in need and getting Zakat directly to them. As in prior years, for every £1 of Zakat given, it cost 9.3p to verify applicants and deliver the grant: £813,581 of Zakat (around 9.3% of Zakat income) was used to cover distribution costs (2024: £638,964).

How we raised and spent funds

Support and governance costs were £370,450 (2024: £336,153), equating to approximately 3.6% of total spending (2024: 3.8%). The cost of raising funds was a further 6.4% (2024: 6.7%) of total spending, covered entirely by Sadaqah and Gift Aid funds. This remains below the average for charities of this size. (Research by Third Sector found that 157 major UK charities spent £1.6 billion to raise £5.1 billion, equivalent to spending 31% of funds raised, or about 31p to raise £1.)

Capital additions in 2025 comprised of £70,643 (2024: £82,789), reflecting the commencement of work on implementing Microsoft Dynamics 365 Business Central as the new accounting system, due to go live in Summer 2026.

Cash reserves

Our Zakat grant cash reserves at the end of December 2025 remained sufficient to enable distribution of Zakat to people in need until Ramadan 2026, when most givers give their Zakat. Cash deposits account for the bulk of cash reserves, and we continue to maintain higher liquidity to enable rapid distribution amid continued high demand. Total funds carried forward at the year-end were £4,977,019 (2024: £4,214,804), of which £2,115,439 were unrestricted general funds and £2,861,580 were restricted funds for distribution to Zakat eligible individuals.

Resources expended	2025 (£)	2024 (£)
Raising funds	781,154	661,758
Direct Hardship Relief	7,093,957	6,552,683
Community Zakat Programme	1,252,194	812,503
Empowerment (Work & Education)	514,580	411,475
Zakat Education & Calculation	682,404	449,009
Total resources expended	10,324,289	8,887,428



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 access our services by signposting and 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 2026 and beyond.

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



Our supporter community

Thank you to all our supporters, referrers and partners, including but not limited to:

Community Zakat Programme partners	Empowerment Programme partners	Hardship Relief Referrers and Partners	Programme Funders
Al Madinah (Barking)	FareShare Midlands	Post Office	KindGiving Foundation
Acton Mosque	The Entrepreneurial Refugee Network	Amaliah	Muslim Welfare Board (IFG)
Purley Mosque	Markfield Institute of Higher Education	Money Wellness	Zouk Foundation
Al Emaan (Croydon)	New Citizens Gateway	BEAM	Islamic Relief
Bradford Foundation Trust	Ashley Community Housing	Ihsan Compassion Fund	Muslim Aid
Green Lane Mosque	Association of Muslim Schools	MIND	Forth Valley Unity
Sultan Bahu Trust	Holt Green Training	NHS Talking Therapies	Glasgow Central Mosque
Ashton Central Mosque	Refugee Council	Maryam Support Line	Aberdeen Mosque and Islamic Centre
Himmah	Cambridge Muslim College	British Palestinian Committee	South London Islamic Centre
Al Manaar Mosque		Red Cross	Noah's Ark (ASCC)
Bolton Council of Mosques		Migrant Organise	
Crawley Islamic Centre		CAWS Homeless Project	
Huddersfield Community First		One Roof	
Al Rahma Mosque (Liverpool)		National Homes	
Humraaz Women's Organisation		Greenbridge Housing	
Islamic Association of North London (IANL)			
Al-Ihsan Zakat			
Sheffield Grand Mosque			
Al Furqaan Mosque			
Leicester Zakat Foundation (LZF)			

Bringing Zakat to life: closing one strategy cycle, opening the next

2025 saw the maturing of significant change across our systems and services. We embedded our organisation-wide CRM, advanced AI-assisted applications and Virtual Grants Officers, introduced the National Zakat Vulnerability Index to target the most vulnerable more accurately, and refreshed our giver facing services including a new Zakat calculator and the Zaki chatbot. The Community Zakat Programme expanded to 20 partners, taking our vision of a localised, community led Zakat system a substantial step closer to reality.

Looking ahead: our new strategy from 2026

As we enter a new strategy cycle in 2026, we will build on the foundations laid in recent years. The strategy is an evolution of our current direction, moving from a community system towards a system of structured communities, with the ambition of building a comprehensive national Zakat system in the UK. It recognises that, while distribution remains essential, Zakat's wider purpose is to strengthen communities, influence systems and deliver measurable change.

Structured communities. At the heart of the strategy is the conviction that organised, represented communities (with local institutions that act as a voice for their people) are best placed to deliver and sustain local welfare. Building directly on the Community Zakat Programme, we will work deeply in selected areas: convening local organisations through forums and roundtables, strengthening partners' capacity in governance and fundraising, and developing a people's movement of volunteers who support local distribution and lead grassroots initiatives. Over the next four years, we aim to develop and embark on a clear roadmap for building these communities.

Advocacy. We will seek to become the national expert on Muslim economic welfare, using our unique data and insight to make Muslim economic hardship visible in policy debates and to influence change. This means a consistent presence in national forums, evidence-based contributions informed by new social and economic research, and campaigns (led by NZF or in partnership with others) that position Zakat within mainstream social policy. The mandate for this national voice flows directly from the local realities surfaced through our structured community work, connecting community level insight to national influence.





Section 2

How we operate



Our people

Our people, governance and organisational culture are fundamental to delivering our mission effectively and responsibly.

During the year, we continued to strengthen our organisational capacity by investing in our employees, maintaining robust safeguarding and people policies, ensuring fair and transparent remuneration practices, and building an inclusive workplace that reflects the communities we serve. This section outlines how we support, develop and govern our people while managing the organisational risks and responsibilities that enable NZF to deliver lasting impact.

We seek to maximise the potential of all employees through quarterly surveys, feedback mechanisms and ongoing professional development.

There was a change in key management personnel during the year: the role of Director of Finance and Governance commenced in May 2025.

Safeguarding

We maintain a Safeguarding Policy and Code of Conduct with regular training for all employees and trustees. Our commitment to fairness as an employer is grounded in the same values that underpin our charitable work. 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

In 2025 we conducted a structured staff equality survey, with 25 of approximately 40 employees taking part (a response rate of 71%). Our workforce is entirely Muslim and 96% from ethnic minority backgrounds, reflecting the communities we serve. Notably, 44% of staff have lived experience of being Zakat eligible, which speaks to the authenticity we bring to our work. The survey identified clear improvement priorities: women are under-represented in senior roles; our disability disclosure rate of 8% sits below the national working-age average of approximately 24%; and no respondent was under 25, indicating we are not yet reaching younger talent from the communities we work with. We are working towards addressing these improvement priorities.

Employees' remuneration

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

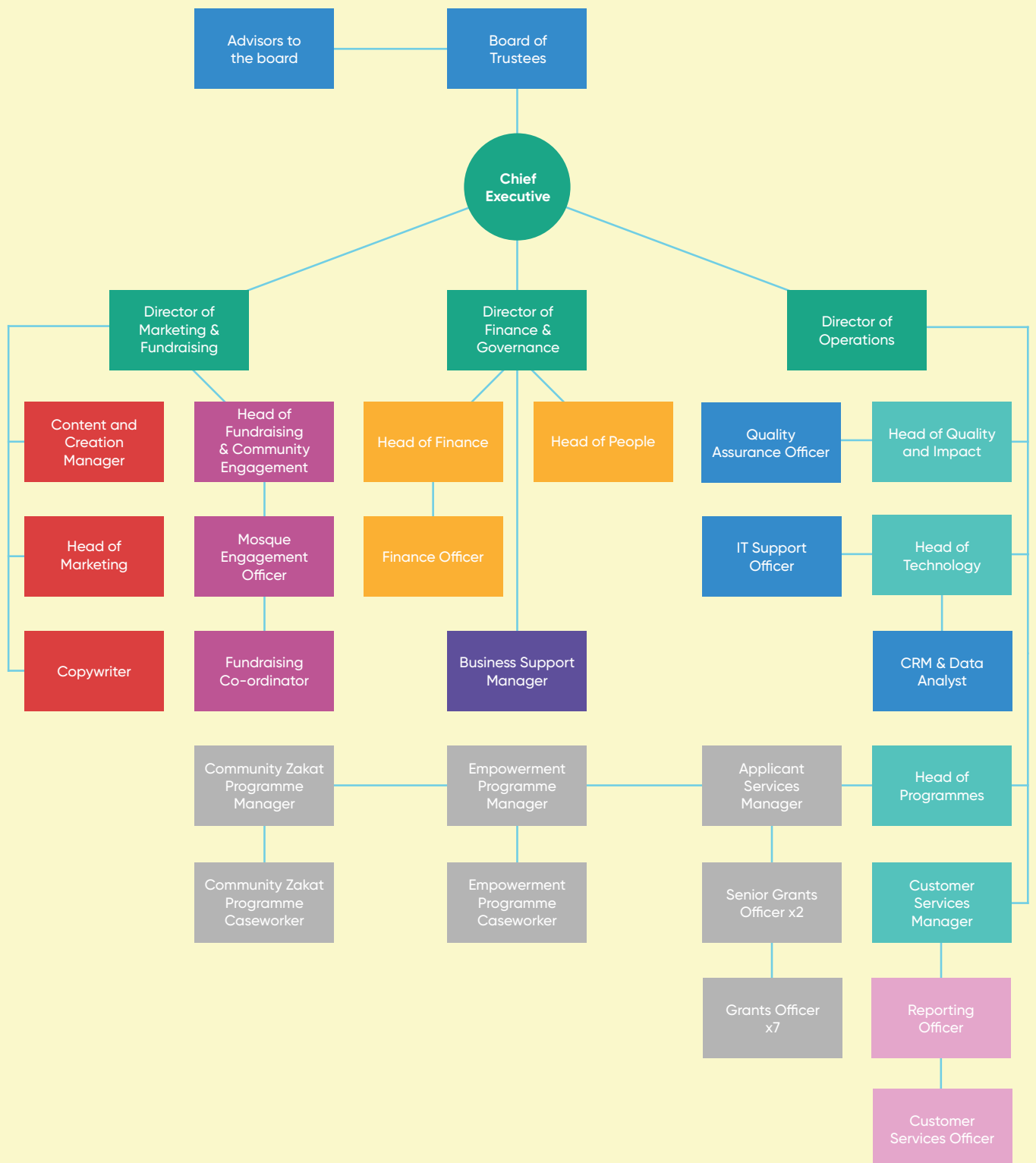
We set and review salaries based on a combination of benchmarking, seniority of the role, experience and NZF's overall budget. Salaries are reviewed shortly after Ramadan each year.

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.

The average number of staff during 2025 was 32 (2024: 35), with a full-time equivalent of 28.8 (2024: 30.6). Two employees had emoluments between £60,000 and £70,000 (2024: two).

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 and ensures that employees and Trustees have been trained on adhering to it. In 2022, the Board introduced a separate Risk and Governance Committee, and the Risk Management Policy was significantly updated; all team members, from middle management and above, have since developed and maintained their own risk registers.

The most significant risks are as follows.

Financial

Risk of insufficient funds to cover the cost of managing the organisation. This risk 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 such as Facilities, Governance, IT and Staff Development. The organisation's strategy and its key elements, including budgetary review and treasury management, are subject to regular oversight by the Finance and Audit Committee and Board, supported by operational updates and key metrics.

People

Risk of insufficient leadership expertise or skilled staff. Our people are our most valuable asset. We continue to create the conditions for employees to thrive, monitoring diversity and inclusion, employee engagement, and providing ongoing opportunities for personal and professional development. We have put in place staff training, filled experience gaps with external advisors, added new senior roles, and reviewed compensation to ensure it aligns with market expectations.



Technology

We continue to invest in resilient technology and robust controls to protect our systems, data and services. The risk of failure of key IT systems is mitigated through our cloud-based infrastructure, which enables effective remote working, online giving and digital grant applications. This is supported by comprehensive IT policies and procedures and cyber insurance to strengthen our operational resilience.

Alongside these measures, we continue to invest in our technology infrastructure to improve efficiency, security and scalability. During 2025, we began implementing Microsoft Dynamics 365 Business Central as our new accounting system, with go-live planned for Summer 2026.

A growing area of risk is the increasing use of artificial intelligence by third parties to fabricate or manipulate application documents, including bank statements and identification, in an attempt to circumvent our eligibility checks. In response, we have strengthened our verification framework through enhanced open banking checks, automated identity verification, cross-referencing of application data to identify anomalous patterns, and additional staff training to recognise indicators of AI-generated fraud. We continue to monitor developments in this rapidly evolving area and adapt our controls accordingly.

Reputation and GDPR

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 proportionate to the size of the grant. We carefully assess suppliers to ensure they are viable and low-risk and involve the Board where financial amounts are significant. We have GDPR-compliant systems in place, conduct an annual GDPR check, and retain an external GDPR advisor.

Safeguarding

Risk of not protecting vulnerable people from harm. This risk is mitigated by our Safeguarding Policy and training for both employees and Trustees, a designated safeguarding lead, and a requirement that community partners have their own safeguarding policy in place. We maintain training, provide safe reporting channels, and take consistent action as required.



Our approach to operations

We continued to improve our use of our CRM for applicant and payer records and embedded our accounting system as we enter the latter stages of our migration.

Our public fundraising approach

Almost all our funding comes from the public, and we aim to raise funds respectfully and compellingly, 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 work to comply with the Code of Fundraising Practice. In 2025, we did not use external professional fundraisers and received no formal fundraising complaints.

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 regulations.

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. The charity has received no complaints relating to fundraising activities during this financial period. We have in place procedures to be followed in the event of a complaint, which are publicly available on our website.

We take privacy seriously. We're committed to protecting personal data and ensuring compliance with the changes introduced by GDPR. We have put in place policies and procedures to comply with GDPR across data protection, data mapping, data retention and cleansing, data processing, supporter data privacy, and 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 currently has four members and meets at least 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 organisation's fundraising and outreach activities. An Applicant Services Advisory Group composed of industry experts reviews our application process and framework. Two further groups that became established in 2025: the Shariah Advisory Panel, consisting of Islamic scholars to provide Shariah oversight of NZF's work, and the Community Engagement Working Group, to offer guidance and expertise for our structured community work. The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

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. Managers then set objectives for their teams that support these organisational aims. 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 aligns 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 when planning future activities. The Trustees consider that the charity's aims and activities 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.

How we are governed continued

Board effectiveness

Trustees are recruited based on relevant expertise – skills, experience, and qualifications – and on their alignment 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, allowing the opportunity to assess their skills and suitability before they are invited to serve. Potential trustees will serve initially as advisors to a working group and may become members after attending two working group meetings. The pathway allows progression to serve as an advisor to the Board and, after attending two to three Board meetings, to serve as a Board member. Progression at each stage is decided by the Chair of Trustees after consultation with the Board.

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

Openness and accountability

We make our charity's impact visible to givers and stakeholders through our website, which we update 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 that details the 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 in delivering its objects most effectively for its beneficiaries and are helping drive its 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, our External Quality and Shariah Auditor, on behalf of the Markaz al-Ifta' wa'l-Qada'. Our Shariah Advisory Panel meets quarterly to provide further scrutiny and assurances.

The Board, Risk and Governance Committee, and the Finance and Audit Committee take feedback from the Shariah audit and the Shariah Advisory Panel to regularly implement governance improvements.

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.



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. We conduct annual EDI surveys to capture and assess diversity across the organisation, better informing future diversity initiatives.

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 environmental impact.

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 held both online and in community settings. We have launched a small-scale engagement programme with community partners so applicants can apply in person.

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, enabling employees to work effectively. The team meets face-to-face at least 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 2025, NZF Worldwide furthered the democratisation of its development, giving every country's chairperson a role on its non-executive advisory board to improve alignment and coordination between countries.

NZF Worldwide also held an annual summit in 2025, involving all NZF countries. CEOs and chairs from all NZF entities came together to plan collaborations on services and infrastructure to amplify the global impact of the NZF family and facilitate growth into new countries.

To strengthen our compliance architecture, Mufti Amjad Mohammed, Chief Shariah Officer of NZF WW, has overseen audits across the NZF entities and introduced a comprehensive audit framework that reviews the full range of Zakat management processes.

How we manage our finances

NZF holds the majority of its short-term funds in cash deposits, with an investment policy that limits risk while earning returns on secure deposits.

Reserves

Our reserves ensure that NZF can continue supporting people in need while investing in our infrastructure and responding to emerging opportunities that strengthen our mission. As part of this approach, we will continue to invest carefully in growing our engagement with communities across the UK, building stronger local partnerships and ensuring that Zakat reaches more people who need support while demonstrating impact across communities.

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

The Trustees have reviewed the charity's reserves.

The charity's total funds at the year-end amounted to £4,977,019, of which £2,115,439 were unrestricted general funds and £2,861,580 were restricted funds.

The restricted funds are for distribution to Zakat eligible individuals; the year-end balance reflects the timing gap between Ramadan income and distribution throughout the following year.

The Trustees consider that unrestricted general reserves should cover and exceed three months of non-distribution costs, which for 2025 amounts to a threshold of £734k (2024: £678k). With unrestricted general reserves of £2,115,439 at the year-end, the charity is comfortably within its reserves policy.

Investments

Our investment policy aims to ensure our reserves are managed effectively and responsibly. By seeking greater returns on investments, we can generate additional income to support our charitable work, while carefully considering and managing investment risks.

During 2025, investments held grew to £1,119,250 (2024: £111,351), held with OFFA (OFFA Holdings Limited) through two investment arrangements maturing in 2026. Investment income in 2025 was £12,463 (2024: £15,307) profits from cash deposits.

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 ISA 570, for a minimum of 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 August 2027.



Our Board of Trustees and Chief Executive

TRUSTEES

- Sultan Choudhury OBE (Chair)
- Anisa Hanif
- Shiraz Hussain
- Dr Shorful Islam

CHIEF EXECUTIVE

Sohail Hanif

REGISTERED OFFICE

Kemp House, 124 City Road, London, EC1V 2NX

CHARITY NUMBER

1153719

COMPANY NUMBER

08536743

AUDITOR

Sayer Vincent LLP, 110 Golden Lane, London,
EC1Y 0TG

Statement of Trustees' Responsibilities

The trustees (who are also directors of National Zakat Foundation (NZF) for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 group 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 auditor is unaware.
- 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2025 was 4 (2024: 4). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

On behalf of the Board

Sultan Choudhury OBE
Chair of Trustees

1 September 2026

Section 3

Financial statements

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

OPINION

We have audited the financial statements of National Zakat Foundation (NZF) (the 'charitable company') for the year ended 31 December 2025 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 2025 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.

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

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. 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.

Jonathan Orchard (Senior statutory auditor)

Date: 21 September 2026

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 2025

	Note	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
INCOMING RESOURCES							
Donations and Legacies							
Hardship Relief	2	-	6,336,642	6,336,642	-	6,151,015	6,151,015
Housing	2	-	1,485,460	1,485,460	-	1,046,123	1,046,123
Empowerment (Work and Education)	2	-	286,934	286,934	-	264,737	264,737
Other	2	2,965,005	-	2,965,005	2,696,210	-	2,696,210
Charitable Activities				-			-
Investment Income	3	12,463	-	12,463	15,307	-	15,307
TOTAL INCOMING RESOURCES		2,977,468	8,109,036	11,086,504	2,711,517	7,461,875	10,173,392
RESOURCES EXPENDED							
Raising Funds	4	781,154	-	781,154	661,758	-	661,758
Charitable Activities							
Direct Hardship Relief	4	1,034,637	6,059,320	7,093,957	996,234	5,556,449	6,552,683
Community Zakat Programme	4	271,164	981,030	1,252,194	260,903	551,600	812,503
Empowerment (Work and Education)	4	187,323	327,257	514,580	203,521	207,954	411,475
Zakat Education and Calculation	4	682,404	-	682,404	449,009	-	449,009
TOTAL RESOURCES EXPENDED		2,956,682	7,367,607	10,324,289	2,571,425	6,316,003	8,887,428
Net Income/(Expenditure)		20,786	741,429	762,215	140,092	1,145,872	1,285,964
Transfer between funds		(24,300)	24,300	-	-	-	-
Other Recognised							
Net gains/(loses) on disposal of tangible fixed assets	10	-	-	-	-	-	-
Net Movement in funds		(3,514)	765,729	762,215	140,092	1,145,872	1,285,964
Reconciliation of funds:							
Total funds brought forward	15	2,118,953	2,095,851	4,214,804	1,978,861	949,979	2,928,840
Total funds carried forward		2,115,439	2,861,580	4,977,019	2,118,953	2,095,851	4,214,804

Balance Sheet

as at 31 December 2025

Company number: 08536743

	Note	2025 £	2024 £
FIXED ASSETS			
Tangible assets	10	3,247	5,335
Intangible assets	11	141,531	139,913
		144,778	145,248
CURRENT ASSETS			
Debtors	13	706,771	335,490
Investments	12	1,119,250	111,351
Cash at bank and in hand		3,122,582	3,654,026
Deposit accounts		82,862	76,630
		5,031,465	4,177,497
LIABILITIES			
Creditors: amounts falling due within one year	14	(199,224)	(107,941)
TOTAL NET CURRENT ASSETS OR LIABILITIES		4,832,241	4,069,556
TOTAL NET ASSETS OR LIABILITIES		4,977,019	4,214,804
THE FUNDS OF THE CHARITY			
Unrestricted funds			
General funds	16	2,115,439	2,118,953
Restricted funds			
Restricted zakat funds, restricted sadaqah and grants	16	2,861,580	2,095,851
TOTAL FUNDS		4,977,019	4,214,804

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 1 September 2026 and signed on its behalf by:

Sultan Choudhury OBE
Chair of Trustees

Statement of Cash Flows

for the year ended 31 December 2025

	2025 £	2024 £
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	762,215	1,285,964
Adjustments for:		
Depreciation/Amortisation charges	71,971	33,373
(Gains)/losses on investments	-	-
Dividends and returns from investments	(12,463)	(15,307)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(371,281)	(168,187)
Increase/(decrease) in creditors	91,283	1,776
Net cash provided by (used in) operating activities	541,725	1,137,619
Cash flows from operating activities:	541,725	1,137,619
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Dividends, profit and rents from investments	6,232	9,020
Purchase of Intangibles	(70,643)	(91,537)
Purchase of property, plant and equipment	(858)	(1,476)
Purchase of investments	(1,119,250)	(275,544)
Cash held for Investment Purposes	-	-
Proceeds from sale of investments	117,582	440,216
Deposit account greater than 3 months	(6,232)	(9,020)
Net cash provided by (used in) investing activities	(1,073,169)	71,659
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(531,444)	1,209,278
Cash and cash equivalents at the beginning of the reporting period	3,654,026	2,444,748
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	3,122,582	3,654,026

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

continued

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.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Zakat	813,581	7,952,396	8,765,977	638,964	7,372,183	8,011,147
Zakat-ul-Fitr	-	121,012	121,012	-	57,360	57,360
Fidyah & Kaffarah	-	35,628	35,628	-	32,332	32,332
Sadaqah	636,142	-	636,142	707,709	-	707,709
Riba	326,599	-	326,599	342,647	-	342,647
In-Kind Donations	-	-	-	-	-	-
Income for NZF services	-	-	-	493	-	493
Gift Aid	1,188,683	-	1,188,683	1,006,397	-	1,006,397
	2,965,005	8,109,036	11,074,041	2,696,210	7,461,875	10,158,085

Zakat:

We use 100% of Zakat for charitable activity. (2024:100%) We do not use Zakat to raise funds or for non-distribution related expenditure. Of the £8,765,977 Zakat, £813,581 of Zakat (2024: £638,964) 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 2025 £	Total funds 2024 £
Income on deposits	6,232	9,020
Return on Investments	6,231	6,287
	12,463	15,307

4. ANALYSIS OF EXPENDITURE

Expenditure by activity

	Direct Hardship Relief £	Community Zakat Programme £	Empowerment £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of Raising Funds £	Total 2025 £	Total 2024 £
Zakat and Zakat ul Fitr grants	6,059,320	981,030	327,257	-	7,367,607	-	7,367,607	6,316,003
Direct employees cost	511,893	116,899	103,133	132,880	864,805	95,876	960,681	1,022,466
Direct costs	359,113	118,240	51,853	534,244	1,063,450	562,101	1,625,551	1,212,806
Support and governance costs	163,631	36,025	32,337	15,280	247,273	123,177	370,450	336,153
Total	7,093,957	1,252,194	514,580	682,404	9,543,135	781,154	10,324,289	8,887,428

Prior Year

	Direct Hardship Relief £	Community Zakat Programme £	Empowerment £	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	-	6,316,003	-	6,316,003	7,601,982
Direct employees cost	517,209	131,328	116,040	112,427	877,004	145,462	1,022,466	886,938
Direct costs	297,153	94,363	52,974	319,250	763,740	449,066	1,212,806	989,358
Support and governance costs	181,872	35,212	34,507	17,332	268,923	67,230	336,153	261,878
Total	6,552,683	812,503	411,475	449,009	8,225,670	661,758	8,887,428	9,740,156

Notes to the Financial Statements

continued

Expenditure by income type

	Direct Hardship Relief £	Community Zakat Programme £	Empowerment £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of Raising Funds £	Total 2025 £	Total 2024 £
Zakat and Fidyah/ Kaffarah	5,938,325	981,030	327,257	-	7,246,612	-	7,246,612	6,258,643
Zakat ul Fitr	120,995	-	-	-	120,995	-	120,995	57,360
Zakat – for distribution service	593,011	97,967	32,680	-	723,658	-	723,658	559,419
Sadaqah, Riba, Gift Aid and other income	441,626	173,197	154,643	682,404	1,451,870	781,154	2,233,024	2,012,006
	7,093,957	1,252,194	514,580	682,404	9,543,135	781,154	10,324,289	8,887,428

Prior Year

	Direct Hardship Relief £	Community Zakat Programme £	Empowerment £	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	-	6,258,643	-	6,258,643	7,558,093
Zakat ul Fitr	57,360	-	-	-	57,360	-	57,360	43,889
Zakat – for distribution service	484,542	54,377	20,500	-	559,419	-	559,419	766,509
Sadaqah, Riba, Gift Aid and other income	511,692	206,526	183,021	449,009	1,350,248	661,758	2,012,006	1,371,665
	6,552,683	812,503	411,475	449,009	8,225,670	661,758	8,887,428	9,740,156

Direct Hardship Relief refers to the hardship and housing grants given to applicants directly by NZF.

‘Community Zakat Programme’ refers to hardship grants distributed via community partners.

Empowerment formerly known as Work and Education.

5. ANALYSIS OF SUPPORT COSTS AND GOVERNANCE COSTS

	2025 £	2024 £
Support Costs		
Office administration	113,294	112,407
Office Services	43,541	38,413
Depreciation	16,727	10,469
Governance (incl External Audit)	196,888	174,864
Total	370,450	336,153
	2025 £	2024 £
Governance costs		
Audit Fees	13,800	13,230
Auditor Fees for other services	1,140	1,140
Other professional fees	31,301	25,834
License fee and compliance costs	31,252	37,349
Staff costs	119,395	97,311
Total Governance costs	196,888	174,864

During 2025, other professional fees consisted of legal fees and external accountancy services.

Audit Fees for other services in 2025 relates to tax fees preparation of the 2024 accounts.

6. ZAKAT GRANTS PAID TO ORGANISATIONS

The charity did not pay any Zakat grants to organisations in 2025. (2024: nil)

7. NET INCOMING RESOURCES

	2025 £	2024 £
Net incoming resources for the period is stated after charging:		
Gains on disposal of fixed assets	-	-
Losses on disposal of fixed assets	-	-
Depreciation and other amounts written off fixed assets	71,971	33,373
Total depreciation and other amounts written off fixed assets	71,971	33,373
Operating lease charges	-	-
Auditors remuneration (Including VAT):		
- Audit fees	13,800	13,230
- Other fees	1,140	1,140

Notes to the Financial Statements

continued

8. STAFF AND TRUSTEE INFORMATION

	2025 £	2024 £
Employment costs:		
Wages and salaries	1,012,527	1,047,004
Redundancy	-	12,692
Social security costs (employers NI)	111,070	100,388
Employer pension contribution	34,576	39,686
Total	1,158,173	1,199,770

	2025	2024
The number of employees with emoluments between £60,000 to £70,000 per annum	2	2

Employees costs exclude amounts paid to external consultants in 2025 of £268,182 (2024: £95,766). This is largely due to the movement from permanent staff to project based consultants.

Trustee costs

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

Key Management Remuneration

Employee benefits of Key Management Personnel totalled £201,624 (2024: £271,570) 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:

	2025 FTE	2024 FTE
Total number of staff	28.8	30.6

Average employee numbers by team

	2025 No.	2024 No.	2025 FTE	2024 FTE
Services	24	24	20.6	19.7
Operations	6	6	6.3	6.0
Marketing	2	5	1.9	4.9
Total	32	35	28.8	30.6

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

	2025 £	2024 £
Cost		
At 1 January	27,137	25,661
Additions in year	858	1,476
Disposals in year	-	-
At 31 December	27,995	27,137
Depreciation		
At 1 January	21,802	17,029
Charge for the year	2,946	4,773
Eliminated on disposal	-	-
At 31 December	24,748	21,802
Net book value		
At 31 December	3,247	5,335

11. INTANGIBLE FIXED ASSETS

	2025 £	2024 £
Cost		
At 1 January	362,428	270,891
Additions in year	70,643	91,537
Disposals in year	(8,064)	-
At 31 December	425,007	362,428
Depreciation		
At 1 January	222,515	193,915
Charge for the year	69,025	28,600
Eliminated on disposal	(8,064)	-
At 31 December	283,476	222,515
Net book value		
At 31 December	141,531	139,913

Notes to the financial statements

continued

12. INVESTMENTS

	2025 £	2024 £
Analysis of movement		
Investments at 01 January	111,351	269,736
Purchase of Investment at cost	1,119,250	275,544
Returns on Investments	6,231	2,345
Disposal Proceeds	(117,582)	(436,274)
Cash held for Investment Purposes	-	-
Release of Cash held to Purchase Investment	-	-
Investments at 31 December	1,119,250	111,351

13. DEBTORS

	2025 £	2024 £
Trade debtors	26,000	-
Accrued Income	17,596	20,447
Prepayments	29,937	4,976
Other debtors	633,238	310,067
	706,771	335,490

Increase in debtors due to final quarter outstanding gift aid claim.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	99,003	74,861
Accruals and deferred income	90,822	25,266
Other creditors	9,399	7,814
	199,224	107,941

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2025 £	Total funds 2024 £
Fund balances at 31 December as represented by:				
Tangible and intangible fixed assets	144,778	-	144,778	145,247
Net current assets	1,970,661	2,861,580	4,832,241	4,069,557
	2,115,439	2,861,580	4,977,019	4,214,804

Prior Year

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Fund balances at 31 December as represented by:				
Tangible and intangible fixed assets	145,248	-	145,248	85,608
Net current assets	1,973,705	2,095,851	4,069,556	2,843,232
	2,118,953	2,095,851	4,214,804	2,928,840

Reserves policy draws attention to Unrestricted Funds requiring 3 months of non-distribution costs. £2,118,953 shows unrestricted reserves supporting non-distribution costs of over 8 months.

Notes to the financial statements

continued

16. ANALYSIS OF FUNDS

	1 January 2025 £	Incoming resources £	Outgoing resources £	Transfers £	31 December 2025 £
Unrestricted designated	-			-	-
General funds	2,118,953	2,977,468	(2,956,682)	(24,300)	2,115,439
Total unrestricted funds	2,118,953	2,977,468	(2,956,682)	(24,300)	2,115,439
Zakat funds	2,095,851	7,952,396	(7,210,984)	24,300	2,861,563
Zakat-ul-Fitr	-	121,012	(120,995)		17
Fidyah and Kaffarah	-	35,628	(35,628)		-
Total restricted funds	2,095,851	8,109,036	(7,367,607)	24,300	2,861,580
Total funds	4,214,804	11,086,504	(10,324,289)	-	4,977,019

Prior Year

	1 January 2024 £	Incoming resources £	Outgoing resources £	Transfers £	31 December 2024 £
Unrestricted designated	-			-	-
General funds	1,978,861	2,711,517	(2,571,425)	-	2,118,953
Total unrestricted funds	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)		-
Total restricted funds	949,979	7,461,875	(6,316,003)	-	2,095,851
Total funds	2,928,840	10,173,392	(8,887,428)	-	4,214,804

17. OPERATING LEASE COMMITMENTS

The charity did not have any operating lease commitments in 2025 (2024: nil).

18. RELATED PARTIES

Sultan Choudhury OBE is a trustee of NZF, a director of NZF Worldwide and also a director of OFFA (OFFA Holdings Limited).

In 2025, NZF paid £24,000 (2024: £24,000) to NZF Worldwide in License Fees as part of a brand licensing agreement and £25,243 (2024: £28,494) to NZF Worldwide as part of a Service Level Agreement.

In return, in 2025 NZF Worldwide matured the global strategy and further developed our governance framework, alongside continued work on the global brand strategy. This is already helping NZF share resources and collaborate across the NZF family, most visibly through new forums for CEOs and operational teams which give each office a route to draw on the experience of other offices and the Worldwide team, share learning, and propose improvements. In 2025 a summative assessment was carried out as an initial baseline, ahead of a wider programme of audits planned for 2026.

In line with the Service Level agreement, NZF Worldwide researched calculation matters and managed the 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. Furthermore, NZF Worldwide facilitated an Annual Members' Summit during June 2025 where members could convene, network and collaborate on operational, governance and strategic development.

During 2025, NZF entered into two investment arrangements through OFFA, a related party.

As at end of the year, £1,119,250 was held with OFFA as investments and income of £6,231 was received in the year.

In 2025, total Trustee donations amounted to £2,262 (2024: £3,828).

**Help build stronger communities
through the power of local Zakat**

