

# Impact Report

and financial statements  
for the year ended  
31 December 2021



National Zakat  
Foundation



# Contents

	Introduction from the Chief Executive and Chair	4
<b>SECTION 1</b>	Impact at a glance	8
<b>Impact report</b>	About us	11
	How our givers helped people in need	13
	The service we provide	19
	How we raised and spent funds	20
	Thank you	22
	Our supporter community	23
	Bringing Zakat to life in 2022 and beyond	24
<b>SECTION 2</b>	Our people	28
<b>How we operate</b>	How we manage the money givers trust us with	30
	Our approach to operations	32
	How we are governed	33
	How we manage our finances	37
	Our leadership team	38
	Statement of Trustees' responsibilities	39
<b>SECTION 3</b>	Independent auditor's report to the members of National Zakat Foundation (NZF)	42
<b>Financial statements</b>	Statement of financial activities	45
	Balance sheet	46
	Statement of cash flows	47
	Notes to the financial statements	48

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

---

**With God's help, NZF's Zakat givers and our supporters have been part of something amazing.**

As the new Chief Executive and new Chair of Trustees, it is with a true sense of honour that we present this annual report to you. We would like to extend warm thanks and gratitude to our predecessors, Iqbal Nasim and Azim Kidwai. Not only was National Zakat Foundation (NZF) founded upon their visionary intentions, but it was thoughtfully and graciously built over 10 years into an excellent Zakat institution both in organisational culture and in service to the community. 2021 brought significant changes within our leadership team, yet the vision of NZF to build a thriving, closer Muslim community is stronger than ever. We're grateful for this opportunity to lead NZF and are excited to share the achievements of the year gone by and plans for the year ahead.

In 2021, over 10,400 Muslims trusted NZF to distribute their Zakat within the UK. This is more than ever before. We distributed £3.8 million of your Zakat – and you supported over 11,100 Muslims in need right here. Families who were in real hardship say they feel stronger in faith and closer to the Muslim community as a result of being supported by your Zakat.

Our communities here are still recovering from the economic effects of COVID-19 and are now dealing with a cost-of-living crisis. With rising inflation, fuel and energy prices, and reduction in welfare, the basic cost of living is increasingly unaffordable for the most vulnerable in our communities. NZF is receiving unprecedented numbers of applications from Muslim families, refugees, single parents, and individuals who desperately and urgently need support. NZF is here for givers and recipients and is working diligently to distribute Zakat with dignity.

In response to the COVID-19 crisis, as the leading Zakat service in the UK, NZF enabled other international Muslim charities to ensure some of their Zakat is distributed in the UK. In late December 2020, NZF received £200,000 in Zakat from Islamic Relief. In 2021, NZF directly distributed this as Zakat grants through our Hardship Relief Fund to Muslims facing hardship in the UK. Islamic Relief trusts NZF to distribute Zakat received by their donors to those in need within the UK and has committed to contribute more Zakat for NZF to support more local Muslims. We continue to build strong partnerships to help more Muslims in the UK, now and in the long term.





---

We have made improvements to our Zakat distribution service to ensure help is given with greater efficiency to those most in need. We introduced a quick online tool to help applicants understand upfront how much Zakat they are likely to receive given their circumstances. We enhanced fraud security, with automated checks on applicant ID and open banking integration for quick and accurate financial checks. We supported asylum seekers to open bank accounts. We have partnered with the National Post Office to enable those who aren't able to receive their Zakat through a direct bank transfer to collect it from a Post Office near them.

As a growing Zakat service institution, NZF has welcomed additional members to the team including new key roles to contribute to developing functions. Further Zakat distribution staff fulfilled the essential role of assessing more grant applications and delivering your Zakat. Our new Communications staff have enhanced supporter experience, Zakat awareness and reach of our message to build sustainable Zakat income.

In the year ahead, there will be a greater focus on Zakat Education. We would like more Muslims in the UK to have knowledge of the third pillar and how Zakat gives dignity to the givers and recipients of Zakat. We will increase outreach work to bring our message to local communities and build a wider Zakat network to create a greater impact. We will work to strengthen existing partnerships with Muslim institutions to both add to our funding and to partner in delivery of Zakat grants to those in need locally.

NZF Worldwide continues to draw on the UK's model and the learnings from it to establish and support new National Zakat Foundations across the world. During the year, NZF UK participated in a global NZF Worldwide conference to share best practice in governance, communications, technology and Zakat service delivery.

Much has happened at NZF over this past year. It would not have been possible without your support. Together, we have managed to serve more people and distribute more Zakat than any other year in NZF's history. On behalf of the team and the Zakat recipients of the UK, we thank you for your support. May Allah accept your good intentions and bless you. NZF runs a transparent and efficient project with great ambition. Please continue in supporting us to serve you.

Sincerely and with much appreciation,

**Sohail Hanif**  
Chief Executive



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



# Section 1

Impact report



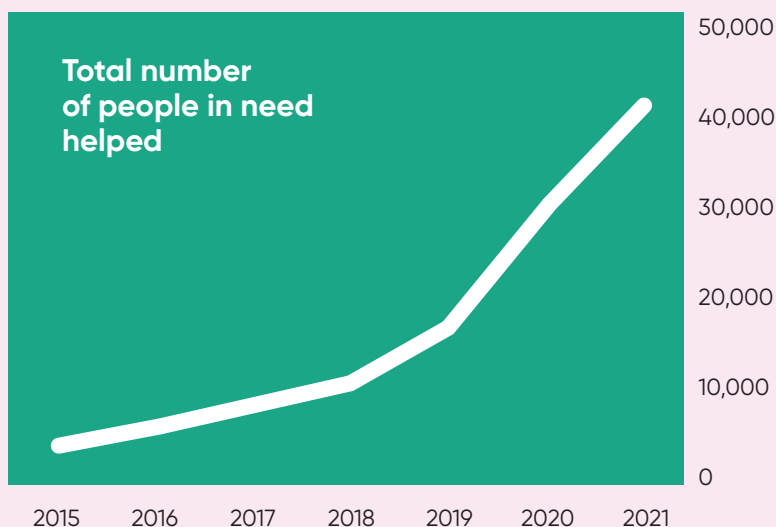


## Impact at a glance

Since NZF began, 10 years ago:

Givers have supported  
**over 42,000 people**

Total Zakat distributed  
**£22.8 million**



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



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

**Zakat recipients rated the impact on average 4.83 out of 5 –**

**that's 97%!**



Has the help from NZF increased your faith?

**Zakat recipients rated the impact on average 4.76 out of 5 –**

**that's 95%!**



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

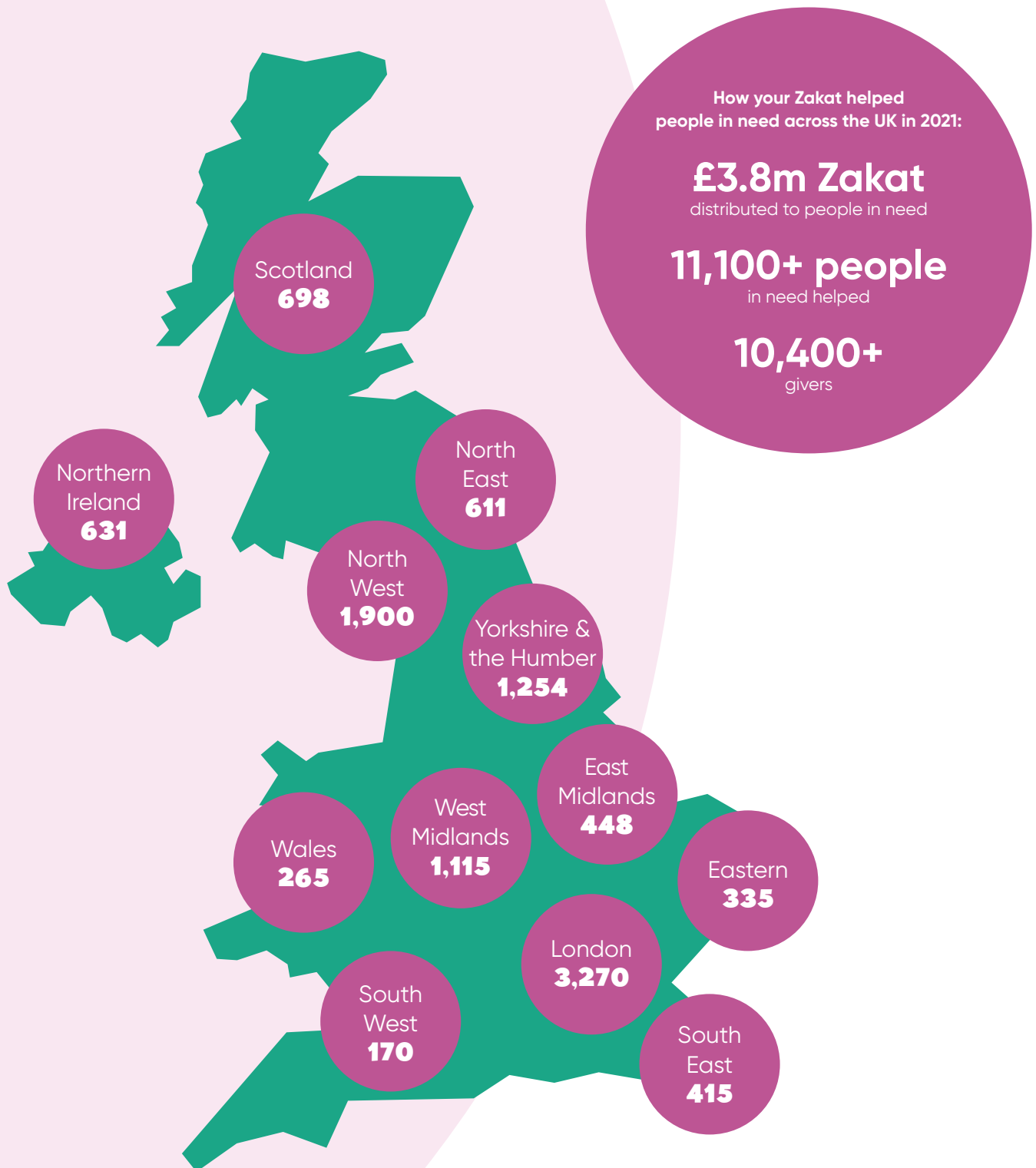
**Zakat recipients rated the help on average 4.32 out of 5 –**

**that's 86%!**

<sup>1</sup> 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 2021: number of people in need helped



## Impact at a glance continued

### Do we use any Zakat for admin costs?

We use all Zakat for charitable activity.

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

### How you've helped in 2021, by fund

	People in need you've helped, by fund		Your Zakat distributed, by fund	
	No. of people	%	£	%
Hardship Fund	9,444	85%	£2,606,428	68%
Housing & Work Fund	1,457	13%	£772,466	20%
Education Fund	211	2%	£451,289	12%
<b>Total</b>	<b>11,112</b>	<b>100%</b>	<b>£3,830,183</b>	<b>100%</b>

### How people accessed NZF Zakat education services in 2021

**1,000**

attendees  
at Zakat  
Masterclasses

**531**

personal Zakat  
consultations  
conducted

**789**

calculation  
queries answered

**155,087**

number of times  
knowledge bank  
accessed

**38,852**

number of times  
online calculator  
accessed



# About us

## The problem

Zakat is not simply charity, rather Zakat is a specific institution. It is meant to create a tie between Muslims reminding them that they are one family, one ummah. To strengthen this notion of building ties amongst the believers, Zakat is meant to be paid in the locality where a person lives. This is agreed upon by all schools of law – they differ only in whether they consider this an obligation or a Sunnah. Those who are nearest us have a special right on us. This is because it is meant to build real ties in real communities, so that no one feels alone and alienated wherever there is a group of believers.

We are not investing enough in our UK Muslim community to address the multiple challenges we face. Almost half of all Muslims in the UK are living in poverty<sup>1</sup>. That's more than twice the national average of 20%. The pandemic and cost-of-living crisis have exacerbated existing inequalities: one impact of COVID-19 is

increasing mental health issues for low-income families<sup>2</sup>; the cost-of-living crisis has impacted the poorest as incomes have decreased by 6% and costs have increased by 10%<sup>3</sup>. Moreover, those trying to propel the community forward, our emerging religious leaders and other community champions, are often held back by their difficult financial circumstances.

It's often hard for individual Zakat givers to know how to get their Zakat directly to support people in need in the community.

## The solution

Zakat givers need a trusted way to be able to get their Zakat directly to people in need in the UK.

Zakat enables Muslims in need in the UK to get back on their feet. Zakat also helps those in financial need who are working hard to uplift the community to access training and education. The result of these individual and collective efforts is a thriving, closer Muslim community.

1 Social Mobility Commission. The Social Mobility Challenges Faced by Young Muslims. Stevenson J, Demack S, Stiell B, Abdi M, Clarkson L, Sheffield Hallam University (Sept 2017)

2 Child Poverty Action Group

3 Resolution Foundation (Mar 2022), Institute for Fiscal Studies (Jan 2022)



## Zakat recipient: Fatima

After separation, Fatima was left to bring up her young children in a bare, unfurnished flat. With debts mounting, just coping day to day seemed impossible.

*"I was struggling to pay my bills, like council tax, water and a Universal Credit loan. And that's before things I really needed like clothes for my baby. At the end of the month, even if I had a little money left, I would pay back loans I'd taken from family, so I ended up with even less. It was so stressful, especially with a baby."*

**Your impact:** When life seemed impossible, Zakat was here to bring a better life today, and hope for a brighter tomorrow for Fatima and her children.

Through our Hardship Relief Fund, Fatima received help with basic costs such as food and clothes for her children. A Housing Fund grant helped furnish their bare flat with essentials of a bed, fridge and washing machine. Our Work Fund supported Fatima to join a one-year course in Education Practice to qualify her for a better-paid job.

## About us continued

### What NZF does

Our vision is a thriving, closer Muslim community in the UK.

Our mission is to connect every Muslim in the UK through Zakat. NZF is the only platform with a national reach which helps Muslims get their Zakat to those in need who should be receiving it here in the UK. Rooted in our faith and reflective of our modern times, we are building a nationwide network of support.

NZF is committed to listen to our givers. We learn from experience. We have made it clearer who receives Zakat given through NZF. Zakat givers now have a choice about where their individual Zakat payment goes, who it helps, and whether any of it is used to contribute to the cost of getting it there. We are diligent in ensuring policies are reviewed, endorsed and certified by scholars and make this certification available on the website.

It helps us all to get closer to achieving the vision.

### What's our purpose?

Our purpose is to enable givers to bring Zakat to life where they live, to achieve a thriving, closer Muslim community in the UK.

### What are our values?

We adhere to four key values:

- **We are pioneering:** We create positive change. We've built the only UK network that connects Muslims through Zakat. This is helping change the lives of Muslims across the country and is creating a thriving, closer Muslim community.
- **We are faithful:** We unite our faith with times. We offer a dynamic way to give Zakat, firmly rooted in our faith. We want to make sure every Muslim who can give Zakat does so in a way that meets the requirements of our faith.
- **We are purposeful:** We care, so we act. We ensure Muslims can give Zakat easily and effectively in the UK. We use Zakat to give the most vulnerable and disadvantaged people in our community the help they need and make sure Muslims with the potential to propel the community forward are not held back by financial circumstances.

- **We are meticulous:** The details matter to us. Our platform hands control to the giver. At the same time, we carefully ensure that Zakat goes to those who should receive it. We care deeply about every penny of Zakat we handle, and who it goes to. Our processes are thorough, and we openly communicate our decisions.

### What are our strategic aims?

We have four strategic aims:

- 1. Hardship Relief Fund:** Help Muslims get through difficult situations by giving them urgent funds to cover essentials such as food and clothing.
- 2. Housing & Work Fund:** Help Muslims get back on their feet with affordable accommodation and the work skills to find a job and sustain themselves and their families.
- 3. Education Fund:** Help strengthen the community by investing in educating and developing Muslim scholars and other community champions.
- 4. Zakat Awareness, Education and Calculation:** To help people understand Zakat and its purpose, and to help givers calculate the right amount of Zakat.

*"Euro Quality Foundation...has supported NZF from the very beginning when it was just an idea to excel in Zakat-giving locally within the UK. Fast-forward to today and we have witnessed the tremendous impact they have had on identifying and supporting those in need in the UK as well as raising the bar generally to professionalise the collection, management and distribution of Zakat. Their impact cannot be understated. Year-after-year they get better with more innovative solutions, more transparency and more accountability. Recently we've stepped up the level of due diligence... and we're pleased to share that NZF has been included within our top tier of non-profits for its impact, governance and excellence. We cannot recommend NZF enough."*

**Rizvan Khalid, Trustee, Euro Quality Foundation (corporate foundation of Euro Quality Lambs)**





# How our givers helped people in need

## 1. Hardship Relief Fund

NZF distributes your Zakat directly to Muslims in the UK who are in hardship, providing funds to cover basic essentials, to help them get out of a rough patch.

We give a grant to help cover the costs of food, clothing, and small debts. Often, this support is what's needed to get them through a moment of urgent need so they can regain peace of mind and start to get their lives back on track.

### Who Zakat givers helped

In 2021, Zakat givers supported 9,444 people in need across the UK through NZF's Hardship Relief Fund. 85% of all 2021 Zakat distributed was done so through this fund.

Zakat supported refugees and asylum seekers, victims of domestic abuse, those facing homelessness and those struggling due to unemployment or low paid work.

(Note: to protect the identity of Zakat recipients, names have been changed in many of the real-life stories)

## The impact of Zakat givers' support

The Hardship Relief Fund has:

- helped Muslims in need through their immediate financial distress;
- dedicated support, so individuals feel more confident about their financial circumstances in the future;
- helped individuals feel like they belong to a caring and supportive community.

And Muslims we've supported have often reported a direct and beneficial impact on their faith.

*"National Zakat Foundation's work is invaluable to many who would otherwise be utterly destitute in the UK due to poverty and legal barriers in the labour market. They have provided efficient, professional services for most of our clients from the Horn of Africa People's Aid NI."*

**Suleiman Abdulahi, Director and Founder, Horn of Africa People's Aid Northern Ireland**



## Zakat recipient: Khadija

*"I had no hope that someone could help me. Until my friend told me about you and your support. With your help and your support, you also brought me the belief that good people exist. Thank you all, may Allah bless you."*

## How our givers helped people in need continued

### COVID-19 Hardship Relief partnership with Islamic Relief

In response to the COVID-19 crisis, NZF received £200,000 Zakat from the international aid charity Islamic Relief UK in late December 2020. During 2021, NZF used the income to distribute Hardship Relief Zakat grants to support 1,396 Muslims in need. Islamic Relief UK trusts NZF to distribute their Zakat within the UK. Towards the end of 2021, Islamic Relief committed to further Zakat donations as part of their strategy to support local Muslims in the UK.

*"The rising cost of living has plunged struggling families in the UK even deeper into poverty as they choose between feeding themselves or their children. The NZF Hardship Fund is an essential lifeline and provides an immediate helping hand to the most vulnerable families on home ground."*

*"Islamic Relief UK is proud to partner with NZF, and we hope our support is a step towards making a positive impact during these difficult times."*

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



### Zakat recipient: Mohammed

Mohammed fled Eritrea with his family to find safety in the UK. One of his children has autism and epilepsy, made worse by trauma the family saw in Eritrea. Mohammed hoped desperately to find work and support his family. Dependent on benefits and faced with the extra costs of supporting a disabled child, Mohammed found the bills just mounted up. A friend from the mosque helped Mohammed apply for Zakat: *"The help we get is not enough. Now we must pay the electricity and gas bills that we cannot afford. Even clothes for the children is difficult to afford. Our situation is so difficult"*

**Your impact:** A grant from our Hardship Fund, helping to tackle the family's most pressing needs. And a further grant from the Work Fund is helping Mohammed study to be a translator.

The family's journey isn't over yet, but hope is on the horizon – and Mohammed feels peace at last.



## 2. Housing & Work Fund

The Housing Fund gives grants to help Muslims in the UK who need support to live in affordable, liveable and safe accommodation. The Work Fund gives grants to help Muslims in the UK who are unemployed or on low incomes to get a job and increase their incomes.

**Housing partner:**  
Caritas Anchor House

Abdullah was struggling with his mental health due to the burden of rent arrears and debt. Caritas Anchor House helped Abdullah apply to NZF's Housing Fund for a grant to support him through this difficult time. Your Zakat donations helped alleviate Abdullah's burden when he most needed support.

Caritas say:

"National Zakat Foundation is an amazing service for the community. Caritas Anchor House can't thank you and your team enough for this very generous grant. It will make a real difference for this young person; it will also benefit greatly his mental health and reduce his anxieties and go a long way to paying off his rent arrears."

### Who Zakat givers helped

In 2021, Zakat givers supported 1,457 people in need across the UK through NZF's Housing & Work Fund. 13% of all 2021 Zakat distributed was done so through this fund.

Zakat supported those struggling due to unemployment or low-paid work who could not afford the costs for which they were applying for help.

### The impact of Zakat givers' support

The Housing & Work Fund has:

- enabled Muslims to access both safe and affordable accommodation and the labour market;
- offered dedicated support, so individuals feel more confident about their financial circumstances in the future;
- helped individuals feel like they belong to a caring and supportive community.



## Housing Zakat recipient: Hanifa

Hanifa was only 27 years old when she left her violent marriage. With a young baby to take care of and a home with no bed or kitchen appliances, she desperately needed support. Your Zakat saved Hanifa and her daughter from unimaginable living conditions.

*"My husband would hit me – a lot. It wasn't safe for me or my daughter to stay with him, so I left and was moved into temporary accommodation. By the grace of Allah, I was soon given a permanent place to live, but my new home was completely unfurnished. I couldn't afford to buy any furniture or kitchen appliances. The NZF Housing Team reviewed my situation and approved my application for urgent support really quickly. They covered the cost of a cooker, a fridge freezer, a single bed and a washing machine, and even had the items delivered and installed so I didn't have to do any of the heavy lifting. Your Zakat has given me and my daughter a stable life free from poverty and violence. Now that I have basic living essentials, I can start building the life I'd always imagined for us."*



## How our givers helped people in need continued

### Work Zakat partner: Lab Med Experts

A partnership was established through the NZF Work Fund, and through the fund we have supported a number of Muslims to do courses: "We thought you will be happy to know that the majority of those whom you have supported through our training are now working within the NHS or private pathology laboratories. We always assist every one of our candidates in searching for jobs upon completing their training with us."

Kunle Akanbi, Training Coordinator,  
Lab Med Experts



### Work Zakat recipient: Emre

As a refugee Emre's future was uncertain. He was living week to week dependent on benefits and had lost hope in humanity. His greatest wish was to be treated with dignity and be able to work. In his home country, Emre was a skilled locksmith. But when he came to the UK as a refugee, he couldn't afford the cost of retraining. Your Zakat helped Emre retrain and start work. Emre now provides a valuable service to his community.

*"After years of living in limbo in the UK, I was finally granted indefinite leave to remain. It felt like the weight of the world had been lifted off my shoulders. Immediately, I threw myself into looking for a job so I could support myself without needing help from the government. I was so hopeful to begin with, but after months of searching I hadn't made any progress because I didn't have the right skills or qualifications. One shop owner had told me he'd give me a job as a locksmith if I could pass the training course, but since I couldn't afford the fees, I'd put it to the back of my mind thinking it was a lost cause. From the moment I met my caseworker, I knew NZF was different from all the other organisations I'd come across. I was treated like an equal. Now, I can come off Jobseeker's Allowance and pay for my own food, clothes, and travel. NZF helped me so I could help myself, and for that I'll be eternally grateful."*



### 3. Education Fund

The Education Fund gives grants for education and training to help Muslims who can demonstrate a high level of commitment to community service, to help them to better serve Islam and Muslims in the UK. Applicants eligible to receive Zakat are supported with vocational training courses, postgraduate academic courses, and/or learning resources.

#### Who Zakat givers helped

In 2021, Zakat givers supported 211 people in need across the UK through NZF's Education Fund. 2% of all 2021 Zakat distributed was done so through this fund.

Zakat supported those actively working to serve the community, who were eligible to receive Zakat and could not afford the education and training costs for which they were applying for help.

#### The impact of Zakat givers' support

The Education Fund has:

- enabled Zakat-eligible Muslims to access education and training;
- offered dedicated support so individuals can build capacity in UK Muslims to serve Islam and their communities;
- helped Zakat-eligible Muslims feel like they belong to a caring and supportive community.



### Education Zakat recipient: Samreen

After redundancy, a challenging marriage and divorce, Samreen found herself responsible for raising two children alone. Samreen researched coaching as a solution to support other Muslim single mothers in her situation while at the same time providing a stable income for her young family. Samreen discovered the Animas course for Transformational Coaching. Samreen says:

*"There was no way I was going to afford the fees. After making qiyaam (night prayer)... a group message caught my eye, it was NZF advertising funding support for Muslims to train and benefit the ummah. Subhanallah, I applied and within 24 hours the funding was approved, within 48 hours I was accepted on the course. A year later, I am a qualified transformational coach specialising in healing and mindset... I have created a unique coaching programme giving people hope and self-help strategies to overcome any hurdles that they may experience in life for permanent change. This investment in me insha'Allah will impact thousands if not millions of lives as I endeavour to make the best out of this life-changing opportunity."*



# How our givers helped people in need continued

## Imam development campaign

In 2021 NZF launched an Imam development campaign to support the development of a generation of effective Muslim leaders through a range of courses. The aim was to help Imams who faced financial difficulties by removing this barrier to attain the essential skills they needed to better serve their communities as effective leaders. Skills-based courses included training as public speakers and gaining new digital skills. Qualifications included accredited interpersonal mediator, Muslim chaplain, and life coach.

## 4. Zakat Awareness, Education and Calculation

We continued to provide Zakat awareness, education and calculation services to UK Zakat givers in 2021. This is funded by non-Zakat voluntary income (Sadaqah and other income).

These services:

- spread knowledge about the spiritual and societal significance and impact of Zakat;
- increase understanding of the need for Zakat in the UK;
- improve understanding of how to calculate Zakat.



## Education Zakat recipient: Imam Faisal

Faisal is a UK Imam and teacher working in the heart of our communities. Imam Faisal wanted to develop his skills to support Muslims dealing with the adverse effects of COVID-19, so he applied to NZF for a grant to enrol onto a 'Responding to COVID-19 Islamic Counselling Course'.

Imam Faisal says *"For a community leader to assist individuals struggling with the aftermath of COVID-19, it is imperative that they see the bigger picture and have the requisite skills to understand and support them. I've learned invaluable practical skills including proactive listening and careful questioning to help two parties move past their dispute to a place of higher potential."*

## How our givers are supported

We provided Zakat givers with many ways to help ensure they paid the right amount of Zakat, including workshops, online content, publications; and online and offline giving.

Givers now have access to a historical Nisab calculator that records prices of gold and silver back to the year 2000, allowing people to accurately calculate missed Zakat over the last 21 years.

Givers are able to save their Zakat calculation progress and return to it at any time. Our calculator was integrated with the apps of pioneering Muslim Fintech projects of Kestrl and Rizq. NZF offered Zakat Masterclasses and personal Zakat consultations with our scholars.

We have introduced new ways to pay Zakat. Our new integrated PayPal payment gateway now accounts for 30% of all payments. We also started receiving Zakat payments in cryptocurrency.

We also raised awareness of the issue of Missed Zakat. We gave individual telephone consultations to ensure Zakat givers correctly calculated and paid any Zakat they may have missed over the years.

## The impact of support to our givers

In 2021, the Zakat calculator was accessed over 38,000 times. NZF's Knowledge Bank articles available online received 155,000 hits. NZF responded to 789 emailed calculation queries and provided over 531 personal Zakat consultations by telephone. NZF Masterclasses had over 1,000 attendees.

## The service we provide

**We provide a full service for the giver, benefitting the giver and the recipient. The process is:**

### Calculate:

We help Zakat givers to work out how much Zakat they need to give based on their financial situation. We do this through a variety of calculation services including our easy-to-use online calculator, a historical Nisab calculator, one-to-one consultations with Zakat experts, email queries, online webinars, an up-to-date knowledge bank and Zakat guides.

### Give:

Zakat givers choose at the time of payment as to where they would like their Zakat to go. Zakat givers choose how to allocate their Zakat to those who need it across three funds: Hardship Relief, Housing & Work, and Education. Zakat givers also choose whether they would like to cover the Zakat distribution service (of checking and verification of people applying for funds) from their Zakat or through additional Sadaqah. We don't use Zakat for core costs or fundraising.

### 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. In 2021 we introduced an online self-assessment tool for applicants to instantly check if they meet the eligibility criteria in a few minutes, before completing the full application. This saves both applicant and Grants Officer time on applications that do not meet our eligibility criteria.

**Check:** The NZF team then conducts meticulous checks to ensure applicants are eligible for Zakat. In 2021 we improved efficiency in the verification process for applicants with more up-to-date and more robust financial checks for applicants via open banking, and tighter fraud security, including automated checks on applicant ID.

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

**Support:** For recipients of a Hardship Grant, Grants Officers usually give cash Zakat grants directly to the successful eligible applicant, by bank transfer where possible, or via the Post Office. Where that is not possible, we send support in the form of electronic vouchers. For recipients of a Housing Grant, we work with a partner to deliver basic furniture, a fridge and a cooker where this is needed. For recipients of Work or Education Grants, Grants Officers offer funding for training and education to help applicants get into work and serve their communities. In addition, Grants Officers refer applicants to any additional funding or help they might be eligible to access.

The NZF team is experienced and dedicated. Many in our team have a history of working within local councils and other agencies and organisations which provide support and funding to people in need. A Senior Grants Officer conducts regular internal audits ensuring quality is maintained.

NZF's Zakat policies and processes are endorsed and certified as sound by UK scholarly organisations: Islamic Shari'a Council and Markaz al-Ifta' wa'l-Qada'. Mufti Amjad Mohammed now conducts regular Shariah audits.

### Track:

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



### Zakat Giver: Ahmed

"I love how easy it is and how transparent NZF are in showing the impact of Zakat on people's lives. Very few people are doing this!"

## How we raised and spent funds

### Income:

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

In 2021, we generated total voluntary income of £6,275,347 (2020: £6,337,182). Total expenditure was £5,688,088 (2020: £5,219,342). We had net incoming resources in 2021 of £587,259 (2020 net incoming resources: £1,086,626).

The main source of our income was Zakat, comprising £4,686,166 (2020: £4,471,971). The majority of Zakat givers gave one-off payments rather than regular contributions. While givers gave 73% of the annual value of Zakat income in Ramadan, people in need apply for Zakat throughout the year. This can mean there is a gap in timing between Zakat income and Zakat grants across the accounting period. We commit to distribute Zakat to individuals in need within a lunar year (11.5 months) of any individual Zakat giver's payment to NZF – on average, we distribute an individual's Zakat within five to six months.

Despite the ongoing pandemic, in 2021 we sustained the significantly higher Zakat income levels achieved in 2020. The increase in 2021 reflects a growing individual donor base, growing 32% from 7,918 to 10,418 givers.

Islamic Relief contributed £200,000 funds at the year end in 2020 for NZF to distribute in the UK in 2021 (2020 total: £350,000). The NZF partnership with Islamic Relief was strengthened in 2021; discussions took place on how the charities would work together. Islamic Relief has committed to provide funds for distribution in 2022.

Givers continued to be offered choice about which funds their Zakat would support, and whether they would prefer a proportion of their Zakat to cover the distribution service or if they preferred making an additional Sadaqah donation for this service.

Throughout the year, we continued to raise Sadaqah funds to support the work of the organisation – this made a vital contribution towards enabling NZF to grow and achieve our vision. We received £662,832 (2020: £853,136) of unrestricted Sadaqah funds in the year which, along with £794,990 (2020: £737,330) of Gift Aid, was critical to cover core costs of the charity and to raise funds. NZF received £73,514 (2020: £130,214) Riba also used for core costs. Income for NZF services is now £0 (2020: £1,100). In previous years, this was a small category of additional income, received from the occasional renting out of unused office space for community activity. No further income is expected in this category in future years as we continue to operate a fully remote working operation.



### Expenditure:

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

Of the £3,830,183 of Zakat/Zakat ul Fitr grants we distributed in 2021, 68% or £2,606,428 was distributed directly to eligible people in need by the Hardship Relief Fund (2020: 76%); 20% or £772,466 by the Housing & Work Fund (2020: 18%); and 12% or £451,289 by the Education Fund (2020: 5%); and 0% by the Leadership Investment Programme (2020: 1%) – this fund is no longer in use and will therefore not be reported on in future periods. We have increased the scope of the Education Fund to fund more extensive courses.

Total charitable costs of the distribution service were £931,483 (2020: £691,087). This distribution service checks that Muslims who apply for help are genuinely in need and takes great care to get the Zakat directly to them. The increased costs reflect the full impact of distribution staff recruited in the previous year. Costs are covered by Zakat and Sadaqah funds. Each Zakat giver chose to contribute to their distribution service either from Zakat or Sadaqah. Their contribution is capped at 10% of their Zakat.

We incurred support and governance costs of £154,843 (2020: £203,399) during the year. Governance costs relate to audit fees, professional fees, licence fees and compliance costs, and related staff costs (see note 5). As per the Charities Commission regulation, no Trustees received any remuneration. Support and governance costs equated to 2.7% (2020: 3.9%) of total spending. With a fully remote workforce and no physical office, we continued to save on rental and related utility costs.

The cost of raising funds was a further 8.3% (2020: 5.9%) of total spending, covered entirely by Sadaqah and other non-Zakat funds.

The capital expenditure for a new CRM to improve the experience for Zakat givers, other givers, applicants and all other users is now planned for 2022/3.

### Cash reserves

Our Zakat grant cash reserves at the end of December 2021 remained high enough to enable sufficient distribution of Zakat to people in need until Ramadan 2022, when we anticipate many givers will give further Zakat.

Our non-grant reserves are also higher than anticipated, due to a delayed investment in IT projects.





# Thank you

**Zakat givers, organisations and partners have enabled NZF to support many people in hardship including emerging religious leaders and other community champions who are eligible to receive Zakat.**

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 of them and from us at NZF, thank you.

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

In addition, our work is strengthened by partners.

We look forward to building upon existing relationships and forging new ones in 2022 and beyond.

Together, we have achieved genuine change, helping Muslims in the UK unlock their potential, individually and as a community, through the power of Zakat.





## Our supporter community

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

Hardship Relief Fund	Housing & Work Fund	Education Fund	Fundraising and other supporters
British Red Cross	North London Dental Centre	Cambridge Muslim College (CMC)	Kestrl
East London Mosque	LabMedExpert	Markfield Institute of Higher Education (MIHE)	Amanah Advisors
Hestia	Crisis	Al-Salaam	Islamic Finance Guru
Islamic Relief	Association of Muslim Schools	Common Purpose	Rizq Digital Bank
Unity Centre, Glasgow	Chromium Group Of Companies Ltd	Association of Muslim Schools	My Ten Nights
Horn of Africa People's Aid Northern Ireland (HAPANI)	Refugee Council	Happy	Emerald Network
NISA (Northern Ireland Somali association)	Bradford Foundation Trust	Clore Social Leadership	CUBE Network
Muslim Women's Network	C Supplies	Citizens UK	Amaliah
Bradford Foundation Trust	Family Fund	Muslim Council of Britain	Inspire FM
New Citizens' Gateway	St Mungo's	Aziz Foundation	Euro Quality Foundation
	Thames Reach	Whitethread Institute	Minted
	Jet North	Stephen Maynard Islamic Counselling	Qardus
	Hestia	Sakoon Education	Islamic Impressions
	Barnardo's (Northern Ireland Refugee Employment Support Service)	Warwick University	Muslim Aid
	Breaking Barriers		Islamic Relief
	Mercy Mission		Cambridge Central Mosque
	RefuAid		
	Skills Pad		
	Caritas Anchor House		

# Bringing Zakat to life in 2022 and beyond

**It remains our commitment to uphold Zakat, the third pillar of Islam, for our community. We strive to provide a platform for UK giving that is grounded in our faith at the same time as adapting to changes in the environment to create the greatest impact.**

Our new Chief Executive will lead the vision for a thriving closer Muslim community with a greater focus on the strategic aim of Zakat education to help people understand Zakat and its community-centred purpose. NZF seeks to propagate the concept of Zakat as an essential pillar in giving dignity within the community of Muslims, both givers and recipients of Zakat. We'll continue to raise awareness, educate and inform about Zakat across the country, providing online resources, consultation services and webinars. We'll also work with a range of networks and organisations to spread knowledge about Zakat even further.

NZF will explore moving from a digital-only distribution model to a hybrid model, including distribution via partnerships with existing charities working at the heart of local Muslim communities. This could include mosques, community centres and food banks. By working alongside grassroots organisations who already have recipients in need within their communities, NZF will provide these organisations with a supplementary service to enable them to offer financial help to Muslims quickly and with dignity. The intention is to improve accessibility to Zakat grants and embed Zakat within the community.

NZF, in partnership with the Bradford Foundation Trust and Bradford University, will pilot 'New Dawn' – a project which aims to support vulnerable Muslim refugees with grants to enable them to flourish as entrepreneurs as part of the Work Fund. This project may expand to other grassroots organisations who have a strong track record of working with and for their local Muslim communities.

The UK is gripped in a cost-of-living crisis with high inflation, high energy costs and decreases in benefits, which has disproportionately impacted the Muslim community. NZF received significantly higher volumes of applications at the end of 2021 and anticipates the trend to continue in 2022.

To meet further expected increases in applications, NZF is working to establish sustainable income sources for both Zakat grants and support and governance costs which are essential for maintaining exemplary governance. In addition to renewing funding partnerships with other charities and foundations, including Islamic Relief and Euro Quality Foundation, NZF is actively creating new partnerships with Muslim Aid and other charities.

Income in 2022 is uncertain, given the impact of the cost-of-living crisis. On balance, we expect Zakat income in 2022 to increase due to increased awareness of UK givers of need right here and from additional income from new funding partners.



In 2022, we intend to move forward with plans to update our Customer Relationship Management system (CRM) in order to improve the experience for givers and recipients. A specialist data analyst has been recruited at the end of 2021 to support the project. The research, assessment and approval of the CRM solution has been completed in preparation for the large-scale technology transformation project to commence after Ramadan. The project will deliver better technological support for the smooth functioning of all aspects of the organisation.

We'll continue to work with in-house and independent Islamic scholars, experts and practitioners to refine our Zakat policies and processes, which are both rooted in our faith and relevant to our time and place. Since NZF began, we have rigorously ensured our faith is at the heart of all we do. Our approach is certified as Shariah compliant by Mufti Amjad Mohammed, an external Shariah and Quality Auditor on behalf of the Markaz al-Ifta' wa'l-Qada'.

We'll continue to improve the way we let you know what we're doing with your giving. Our live maps continue to show where Zakat has been received from and distributed to across the UK. We'll send out a personal email to let you know when your own Zakat has been distributed to those who need it.

To maintain the high quality of the distribution service – the service of checking, verifying and distributing Zakat to people in need – Zakat givers will continue to choose whether they would like to cover the Zakat distribution service from their Zakat or through additional Sadaqah.

We'll continue to help Muslims bring Zakat to life here in the UK. Together, we will achieve this vision, God willing.

And we'll continue to adhere to our values: being pioneering, faithful, purposeful and meticulous in all that we do.

*"National Zakat Foundation (NZF) has been instrumental in advising and supporting Barnardo's Northern Ireland Refugee Employment Support Service. With NZF involvement, over 30 Syrian refugees have gained training, employment and advice helping them understand and navigate the cultural nuances of job seeking and CV building in the UK, preparing for interview, and gaining and maintaining meaningful employment. These individuals will through NZF financial support complete courses, gain licences, and achieve certification in skills to enhance their employability and financial income. Without NZF support these refugees would not have the financial means to achieve this.*

*Working with NZF, we hope to build on this success in the coming year as we plan to welcome many more beneficiaries, including Afghan refugees across 2022/23 into this provision. This model for employment support has already been considered as a blueprint for similar initiatives in other areas of Barnardo's work across the UK."*

**Geoff Phillips, Children's Service Manager,  
Barnardo's Refugee Support Service**

# Section 2

How we operate





## Our people

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

#### We do this through:

##### Employee engagement surveys

Our employees participate in quarterly employee engagement surveys, giving valuable feedback on what it is like to work at National Zakat Foundation. During 2021, over 90% of participating employees agreed or strongly agreed that “the mission of NZF inspires” them. Employees know they can give feedback or put forward ideas at any time, and we have formal and informal mechanisms in place to facilitate this.

##### Safeguarding

We expect all employees, volunteers, partners, interns and consultants to conduct themselves in a way that preserves the dignity and respect of every individual. We have a Safeguarding policy and Code of Conduct that reflects this. We have made public our Safeguarding Commitment.

We have zero tolerance for harassment, bullying or exploitation in any form.

##### Equal opportunities and diversity

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

We encourage employees to develop within National Zakat Foundation to match their circumstances and aspirations. We support flexible working practices wherever possible.

We strive for continuous improvement and have formed a Diversity Working Group with participants from a variety of backgrounds and designations in the organisation. The aim is 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.

##### Employees' remuneration

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

The Chief Executive proposes salary principles for the organisation and the salaries of key management personnel to the Board, which amends as appropriate and approves. The Key Management Personnel of the charity comprises the CEO, Director of Services, Director of Communications and Director of Operations. There were significant changes in the Key Management Personnel in 2021. In November 2021, the CEO stepped down from his long-standing service. From August 2021 to November 2021, the new CEO served as a Deputy CEO for a transition period. During the year, the role title of Director of Marketing was amended to Director of Communications. An interim Director of Communications joined as a (maternity cover) consultant in December 2021.

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

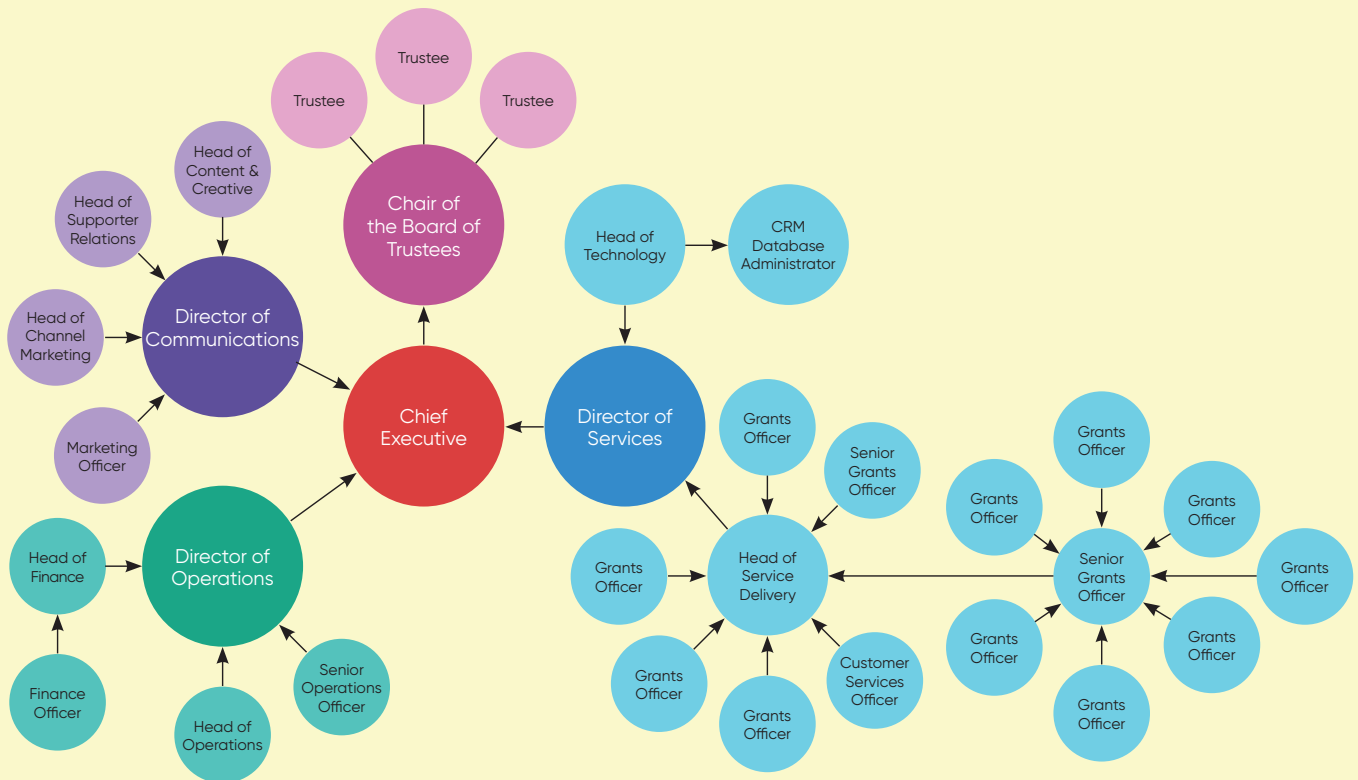


### Volunteer Grants Officer: Ahmar

*"As a humanitarian worker, I've travelled to Africa, Greece, Jordan, Lebanon, and Turkey to distribute Zakat and humanitarian aid. However, there is a growing need here in the UK. Previously as Project Manager for the UK Syrian Refugees Resettlement Scheme, I have travelled up and down the country to seek out the needy, from Weymouth in Dorset, to as far as Greenock in Scotland.*

*National Zakat Foundation caters for the Muslim ummah struggling nationally, and I am honoured to be a part of this great team. NZF is a transparent, honest and trustworthy Zakat Foundation; I have no doubt in recommending them, a trustable organisation serving the needs of Muslims in the UK. They are swift in dealing with Zakat cases. As a volunteer they have been very supportive in my training. The team is amazing and very helpful."*

## Our organisational structure



In 2021, we implemented a new people system for managing the team with access to unlimited professional HR advice. There were improvements in ease of employee access to policies and processes which are more easily and centrally located.

As part of the salaries review, the employment contract was revised. Appropriate employee benefits were introduced to ensure the calibre of team given the growing demands on and consequent size of NZF, while recognising that NZF is a charity which exists first and foremost for recipients and givers. These benefits comprised optional salary sacrifice and basic healthcare schemes.

### Use of volunteers

Volunteers are a valued resource in our work. In 2021, we had 10 volunteers. Volunteers are supported and trained in their roles by employees and given assistance where required.

Volunteers have been involved in three areas: contributing professional services; caseworker administration; and raising awareness.

In 2021, six professionals within the Service development, Finance, Risk and Legal sectors contributed their time and professional services on a pro bono or reduced cost basis. We had two long-term volunteer Grant Officers contributing one day per week for seven and two months respectively. We had an additional two volunteers supporting the Operations team. The total value of services given in kind is approximately £52,500. This is not reflected in the financial statements.

We have supporters across the country who help communicate the work of NZF.

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 locally.

We're thankful to have had this level of support from volunteers to achieve NZF's vision.

## How we manage the money givers trust us with

### Managing risk

The Trustees assess all major risks to which the charity is exposed and review the systems and procedures established to manage those risks. The charity has a Serious Incident policy in place and ensures that employees and Trustees have been trained on adhering to the policy. Trustees continue to ensure that all risks are managed appropriately. Trustees review systems and procedures for risk management throughout the year. In 2020, an external Risk Analyst engaged in an in-depth review of the Risk Management policy and the Risk Register, supporting the Trustees. The Risk Analyst assessed Assurance as high or adequate in all areas of risk.

The most significant risks are:

#### Financial:

The risk of insufficient generation of non-Zakat funds to cover the cost of ensuring the grant gets to those who need it, as well to cover the core costs of the organisation and the cost of raising funds. This would affect NZF's ability to grow and meet the needs of eligible UK Zakat recipients. Historically, sufficient non-Zakat funds including Gift Aid have been generated to cover core costs of operations and the cost of raising funds.

This risk is being mitigated by ensuring that each giver covers the direct cost of getting their Zakat to recipients. Since February 2020, the Zakat giver can choose to give an additional Sadaqah donation to cover the cost of the distribution service– the service of checking, verifying and distributing Zakat to people in need.

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

### Independent risk analyst: Ruhall

*"I found the organisation to be helpful and transparent, always looking to improve and be proactive. Having reviewed their risks, I am comfortable providing my Zakat to them and trust them completely."*

---

### **People:**

The risk of people leaving, lack of alignment to values, and/or lack of sufficient expertise. Our people are our most valuable asset. We continue to create the conditions for our employees to thrive. We manage and consider diversity and inclusion as well as colleague engagement. We provide ongoing opportunities for personal and professional development. We have put in place staff training, with the team responsible for distributing Zakat grants to those in need additionally benefitting from counselling support. We have reviewed compensation to ensure it is in line with what skilled employees can expect.

### **Technology:**

The risk of failure of key IT systems or IT infrastructure. This could result in loss of information, inability to operate or regulatory breaches.

The likelihood of this risk is being mitigated through operational systems, controls and improvements. Operational systems include full cloud capability, enabling effective remote working, online giving and online applying. Controls within this area include deployment of approved comprehensive IT policies and procedures to safeguard data and mitigate any breaches. Other mitigating actions include constant improvements to NZF's technological capabilities – for example, with the upgrade of our CRM system. This is an evolving area and requires constant monitoring to ensure the infrastructure is invested in adequately. In addition, NZF has cyber insurance to mitigate the impact of the risk.

### **Reputation and GDPR:**

The risk of incidents that damage reputation and/or negatively impact operations (including recipients of Zakat grants, suppliers and GDPR breaches).

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

### **Safeguarding:**

The risk that people who encounter the charity are not protected from harm.

This risk is being mitigated by ensuring NZF has a Safeguarding policy and training rolled out for both employees and Trustees, a policy which ensures reinforcement of good culture and good practice. We will continue to provide safe places, encourage the confidence to report any issues, and take consistent action.

## Our approach to operations

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

### Our public fundraising approach

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

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

The Director of Communications managed most income-generation activities, guided and monitored by the Chief Executive, with overall oversight by the members of the Board. The charity's employees and consultants carry out fundraising activities for the charity. In 2021, we did not use professional fundraisers.

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

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

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

Charity Clarity reviewed NZF for how it is run and awarded a rating of 3.65/5. Charity Clarity provides robust independent rating and assessment of charities. The average rating of charities on their website is 2.92. The average rating of Muslim charities selected by Charity Clarity as comparable to NZF is 3.24.

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

### General Data Protection Regulation

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

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

We consider 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, aims and 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. In 2020, the Board refreshed the Articles of Association to ensure the charitable objectives and Trustee powers were up to date.**

The Board is currently made up of four members. The Trustees who served during the period and up to the date of this report are set out on page 38.



*"Against the devastating backdrop of Muslims in the UK falling into poverty at a rate 10 times higher than the national average, the need for NZF has never been greater. With that has come the challenge of ensuring that NZF continues to grow and adapt to meet this unprecedented need. As a Trustee I am pleased to observe the resolute focus and commitment of the NZF team, at all levels, to meet this challenge and ensure our purpose as a charity is being met. NZF's commitment to streamline processes and facilitate giving is stronger than ever, connecting even more Zakat givers with those who desperately need it in our local communities."*

**Anisa Hanif, Trustee and Associate General Counsel (Alliances & Acquisitions) at McKinsey & Company**

The Board meets at a minimum four times a year.

In addition, the Board has a Finance and Audit Committee (FAC) which meets regularly, usually shortly before each Board meeting. The FAC promotes and safeguards the highest standards of integrity, financial reporting and internal control; it also oversees the organisation's risk management processes and any capital spend projects. FAC membership includes a co-opted experienced member who is independent, not a Board member. There was a proposal to introduce a separate Risk Management Committee during 2022, with the focus to utilise new Trustee skills in overseeing the further development of risk management.

Trustees are rotated over a medium- to long-term basis, to provide fresh ideas and to avoid complacency in the role.

The Chief Executive and employees make operational decisions and run the charity. The Chief Executive or Line Manager (as appropriate) sets and agrees objectives with employees to ensure that the strategic objectives of the charity are being met. The Chief Executive or Line Manager (as appropriate) also ensures employees who have direct contact with recipients are regularly supported, trained and assessed to ensure their communication is in line with the charity's values.

### Organisational purpose: Public benefit

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

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

## How we are governed continued

### Board effectiveness

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

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

We are working on ensuring the profile of Trustees is broadly representative of the people we are trying to help and the givers and recipients we serve. We have an Advisor with lived experience of poverty.

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

### Openness and accountability

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

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

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

*"As an elected member in the London borough of Barking & Dagenham, I regularly encounter hard-working individuals struggling with basic necessities. The pandemic has impacted everyone. However, it is those most vulnerable in our community that have been severely affected. We are living in unprecedented times; food banks are on the rise due to the increasing cost of living.*

*NZF ensures that Zakat, the third pillar of Islam, is diligently being deployed to those truly in need within the Muslim community. I am honoured to serve NZF as an Advisor to the Board. Established 10 years ago, NZF has laid down solid foundations providing a platform where collecting and distributing Zakat plays a pivotal role in responding to the call of the poor and needy in the UK. Being such an important pillar that has real potential to tackle poverty, NZF's presence has given it the credibility it deserves by addressing many of the socio-economic issues our society is crying out for today."*

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



### Integrity

NZF's Board of Trustees has established a solid foundation in governance in which all Trustees are clear about their roles and legal responsibilities, are committed to supporting the charity to deliver its objects most effectively for its beneficiaries' benefit and contribute to the charity's continued improvement.

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

We welcome the 2017 Charity Governance Code as a positive step toward improving governance and excellence in resource management in the sector. The Chair has undertaken a review of its current practice compared to that recommended in the Governance Code. Building on this, in 2021 we had an independent review of NZF in relation to the seven areas of the Governance Code. All Trustees and key management personnel provided feedback. The independent reviewer concluded NZF performed well on all the areas, and strongest in the area of Integrity and Leadership. An important aim of the review was to seek areas for improvement, and recommendations were given for developing Equality, Diversity and Inclusion throughout NZF. Both the Board and the Finance and Audit Committee take feedback on board and regularly implement aspects for improved governance. The Board has established a Diversity Working group and will identify further areas for improvement over time. This is part of the continued concern of the Trustees to constantly improve the effectiveness of the organisation.

We have a Serious Incidents policy. There were no serious incidents in 2021.

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 the 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 have formed a Diversity Working group with the 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. The Working Group comprises members of a variety of diverse backgrounds and designations in the organisation.

Trustees and employees are from a range of backgrounds. All Trustees have an ethnic minority background. We currently have three male Trustees and one female Trustee. The charity is BAME-led. In addition to the Chief Executive, there are three members of the Senior Leadership Team: two females and one male.

### Environmental impact

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

The main method of giving is online through the website, and the second most popular method is 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. Since COVID-19, all educational events (webinars etc.) are held online.

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

Due to COVID-19, since March 2020, most meetings are held online. Despite easing restrictions nationwide, all staff continue to work fully remotely. Our IT systems continue to work well to enable employees to work effectively.

## How we are governed continued

### 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 the efficiency and effectiveness of asset creation

In 2021, NZF Worldwide represented NZF UK at various global forums. NZF Worldwide presented the NZF model to the United Nations Development Programme (UNDP). NZF Worldwide used the NZF UK model to design and model a sovereign Zakat fund in Somalia and Somaliland with UNDP. NZF Worldwide assisted and reviewed UNRWA's (United Nations Relief and Works Agency) Zakat operations in Palestine, referring to NZF UK as a case study.

In addition, NZF Worldwide organised monthly forums for NZF UK with other NZF member countries to learn best practices. NZF Worldwide has published four guidance documents on Zakat management for NZF UK and all other NZFs across the world in 2021.

NZF UK also benefits from services provided by NZF Worldwide, in line with a 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 Zakat training and presentations to support Zakat payers in their payments to NZF. NZF Worldwide reviewed and updated the knowledge bank of Zakat queries to support Zakat payers in their Zakat payments, including the guidance on debts to facilitate a better experience for Zakat payers.

NZF Worldwide developed Zakat Standards to guide the operations of NZF UK and supported staff with operational queries. In addition, NZF Worldwide conducted a Zakat review of operations and produced an independent report with recommendations to improve. In line with the NZF WW Audit Framework, the Auditor was of the view that **"The overall governance is excellent and the Foundation has a robust framework covering major key areas. We found the policies to be sound and comprehensive. Financial controls are in place, ensuring that funds are segregated correctly."** The Zakat Auditor made recommendations to strengthen grant distribution controls further.



### Independent Charity Governance Expert: Nasir Ahmed:

*"As a charity I always found NZF unique in that they are focused on the cause of collecting and distributing Zakat in the UK. Having met and worked with the team to carry out a governance review earlier this year, I feel even more confident that my money will go the right cause. During this review I found the team to be very professional and dedicated to ensuring Zakat is distributed as per the Islamic guidance on the subject. Furthermore, despite already high standards on controls and governance the team is always looking for ways to develop and improve the organisation."*

## How we manage our finances

### Reserves policy

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

The Trustees have reviewed the reserves of the charity with independent expert input.

Each year, substantial non-Zakat funds are raised to improve the financial health of the organisation and ensure that sufficient funds are generated beyond the initial reserves level. The charity's total funds at the year-end amounted to £3,477,800 of which £1,629,509 were unrestricted general funds and £1,848,291 were restricted funds for distribution to Zakat-eligible individuals i.e. not available for general purposes. The Zakat distribution reserves were high at year end. Zakat grants spend for the year was £184,000 (5%) below the revised budget. Corrective action was taken to meet spend targets and in January 2022 record levels of Zakat grants were distributed to meet targets. This increase in spend was partly in response to a 90% increase in Zakat applications in January 2022 compared to the same period last year.

The Trustees consider that unrestricted general reserves are at a level that cover and exceed three months of core costs (operations salaries, office charges and cost of raising funds, less the costs of depreciation/amortisation) and that these are sufficient for this purpose at the current time and in line with reserves policy. There are no material amounts designated or otherwise for the reporting period.

### Investment policy and performance

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

Investment income in 2021 was £2,288 (2020: £9,200).

### Going concern

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





## Our leadership team

---

### TRUSTEES

Sultan Choudhury OBE (Chair)

Sabah Gilani OBE (resigned 7 June 2021)

Anisa Hanif (joined 19 November 2021)

Azim Kidwai

Muhammed Yesilhark

### CHIEF EXECUTIVE

Iqbal Nasim MBE (resigned 26 November 2021)

Sohail Hanif (appointed 27 November 2021)

### AUDITOR

Sayer Vincent

Invicta House

108-114 Golden Lane

London

EC1Y 0TL

### BANKERS

Al Rayan Bank

394 Coventry Road

Small Heath

Birmingham

B10 0UF

Lloyds Bank

PO Box 1000

BX1 1LT

### SOLICITORS

Bates Wells

10 Queen Street Place

London

EC4R 1BE

### CHARITY NUMBER

1153719

### COMPANY REGISTRATION NUMBER

08536743

### REGISTERED OFFICE

124 City Road

London

EC1V 2NX

## Statement of Trustees' responsibilities

---

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

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

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

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

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

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

In so far as the Trustees are aware:

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

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

On behalf of the Board

**Sultan Choudhury OBE**  
Chair of Trustees

27 June 2022



# 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 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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, including the strategic 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.

### 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.

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

## continued

---

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

### Use of our report

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

**Jonathan Orchard**  
(Senior statutory auditor)

6 July 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

# Statement of financial activities

## for the year ended 31 December 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<b>INCOMING RESOURCES</b>							
<b>Incoming resources from generated funds:</b>							
Donations and Legacies							
Hardship Relief	2		3,017,547	<b>3,017,547</b>		2,934,877	2,934,877
Housing and Work	2		881,225	<b>881,225</b>		858,134	858,134
Education	2		423,869	<b>423,869</b>		336,246	336,246
Other	2	1,952,706		<b>1,952,706</b>	2,207,925		2,207,925
Charitable activities				–			–
Investment income	3	2,288	–	<b>2,288</b>	9,200	–	9,200
<b>TOTAL INCOMING RESOURCES</b>		<b>1,954,994</b>	<b>4,322,641</b>	<b>6,277,635</b>	<b>2,217,125</b>	<b>4,129,257</b>	<b>6,346,382</b>
<b>RESOURCES EXPENDED</b>							
<b>Raising funds</b>	4	474,069	–	<b>474,069</b>	321,760	–	321,760
<b>Charitable activities</b>							
Hardship Relief	4	711,504	2,606,428	<b>3,317,932</b>	612,818	2,891,818	3,504,636
Housing and Work	4	210,880	772,466	<b>983,346</b>	165,524	671,570	837,094
Education	4	137,619	451,289	<b>588,908</b>	81,567	177,280	258,847
Leadership Investment	4		–	–		59,434	59,434
Zakat Education and Calculation	4	323,833	–	<b>323,833</b>	237,571	–	237,571
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,857,905</b>	<b>3,830,183</b>	<b>5,688,088</b>	<b>1,419,240</b>	<b>3,800,102</b>	<b>5,219,342</b>
<b>Net income/(expenditure)</b>		97,089	492,458	<b>589,547</b>	797,885	329,155	1,127,040
Transfer between funds	14	–	–	–	(632,808)	632,808	–
<b>Other recognised</b>							
Net gains (losses) on disposal of tangible fixed assets	10	–		–	(40,415)		(40,415)
<b>Net movement in funds</b>		97,089	492,458	<b>589,547</b>	124,662	961,963	1,089,625
<b>Reconciliation of funds:</b>							
Total funds brought forward	13	1,532,420	1,355,833	<b>2,888,253</b>	1,407,758	393,870	1,801,628
<b>Total funds carried forward</b>		<b>1,629,509</b>	<b>1,848,291</b>	<b>3,477,800</b>	<b>1,532,420</b>	<b>1,355,833</b>	<b>2,888,254</b>

# Balance sheet

## as at 31 December 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	10	5,873	1,816
Intangible assets	10	66,540	127,213
		<b>72,413</b>	<b>129,029</b>
<b>CURRENT ASSETS</b>			
Debtors	11	144,415	88,514
Cash at bank and in hand		2,683,126	2,695,306
Deposit accounts		892,257	6,536
		<b>3,719,798</b>	<b>2,790,356</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	12	(314,411)	(31,132)
<b>TOTAL NET CURRENT ASSETS OR LIABILITIES</b>		<b>3,405,387</b>	<b>2,759,224</b>
<b>TOTAL NET ASSETS OR LIABILITIES</b>		<b>3,477,800</b>	<b>2,888,253</b>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Unrestricted funds</b>			
Designated funds	13	–	–
General funds	13	1,629,509	1,532,420
<b>Restricted funds</b>			
Restricted Zakat funds, restricted Sadaqah and grants	13	1,848,291	1,355,833
<b>TOTAL FUNDS</b>		<b>3,477,800</b>	<b>2,888,253</b>

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

Approved by the Board on 27 June 2022 and signed on its behalf by:

**Sultan Choudhury OBE**  
Chair of Trustees

# Statement of cash flows

## for the year ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	<b>677,120</b>	<b>1,180,449</b>
<b>Cash flows from investing activities:</b>		
Dividends, profit and rents from investments	2,288	9,220
Proceeds from the sale of property, plant and equipment		2,755
Purchase of property, plant and equipment	(5,867)	(120,788)
Proceeds from sale of investments	–	–
Deposit account greater than 3 months	(885,721)	1,210,800
<b>Net cash provided by (used in) investing activities</b>	<b>(889,300)</b>	<b>1,101,967</b>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	–	–
Cash inflows from new borrowing	200,000	–
Receipt of endowment	–	–
<b>Net cash provided by (used in) financing activities</b>	<b>200,000</b>	<b>–</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(12,180)</b>	<b>2,282,416</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,695,306</b>	<b>412,890</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>	<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,683,126</b>	<b>2,695,306</b>
<b>A. Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>589,547</b>	<b>1,086,625</b>
<b>Adjustments for:</b>		
Depreciation charges	62,483	69,859
(Gains)/losses on investments	–	–
Dividends, interest and rents from investments	(2,288)	(9,200)
Loss/(profit) on the sale of fixed assets	–	41,415
(Increase)/decrease in stocks	–	–
(Increase)/decrease in debtors	(55,901)	(12,166)
Increase/(decrease) in creditors	83,279	3,916
<b>Net cash provided by (used in) operating activities</b>	<b>677,120</b>	<b>1,180,449</b>
<b>B. Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	2,683,126	2,695,306
<b>Total cash and cash equivalents</b>	<b>2,683,126</b>	<b>2,695,306</b>



# Notes to the financial statements

## for the year ended 31 December 2021

### 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 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 39.

#### 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 three 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.

### **Grant Officer support**

Volunteer Grant Officers, both short-term and long-term, have worked with the Zakat distribution team to provide assistance in the processing of Zakat applications and queries. Volunteer Grant Officers have direct interaction with Zakat applicants. The role is one that provides invaluable experience of being on the front line. Volunteers are supported and trained in their roles by employees and given assistance where required.

### **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. It comprises costs 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 objects 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.

# Notes to the financial statements

## continued

### 1.10 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 four months; 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.

### 1.11 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.

### 1.12 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 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Zakat	416,370	4,269,796	<b>4,686,166</b>	406,145	4,065,826	4,471,971
Zakat-ul-Fitr	–	25,639	<b>25,639</b>	–	33,646	33,646
Fidyah and Kaffarah	–	27,206	<b>27,206</b>	–	29,785	29,785
Sadaqah	662,832	–	<b>662,832</b>	853,136	–	853,136
Riba	73,514	–	<b>73,514</b>	130,214	–	130,214
Income for NZF services	–	–	–	1,100	–	1,100
Gift Aid	794,990	–	<b>794,990</b>	737,330	–	737,330
Legacy Income	5,000	–	<b>5,000</b>	–	–	–
Grant income	–	–	–	80,000	–	80,000
	<b>1,952,706</b>	<b>4,322,641</b>	<b>6,275,347</b>	<b>2,207,925</b>	<b>4,129,257</b>	<b>6,337,182</b>

#### Zakat:

We use all Zakat for charitable activity. (2020:100%) We do not use Zakat to raise funds or for core costs.

In 2020, Islamic Relief contributed £350,000 Zakat to National Zakat Foundation. £200,000 of this was received at the year end and was distributed in 2021.

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.

### 3. INVESTMENT INCOME

	Total funds 2021 £	Total funds 2020 £
Income on deposits	2,288	9,200
	<b>2,288</b>	<b>9,200</b>

### 4. ANALYSIS OF EXPENDITURE

#### Expenditure by activity

	Hardship Relief £	Housing & Work £	Education £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of raising funds £	Total 2021 £	Total 2020 £
Zakat and Zakat-ul-Fitr grants	2,606,428	772,466	451,289	–	<b>3,830,183</b>	–	<b>3,830,183</b>	3,800,103
Direct employees costs	388,009	101,576	58,781	60,129	<b>608,495</b>	82,179	<b>690,674</b>	472,798
Direct costs	236,037	83,385	63,695	248,220	<b>631,337</b>	381,051	<b>1,012,388</b>	743,042
Support and governance costs	87,458	25,919	15,143	15,484	<b>144,004</b>	10,839	<b>154,843</b>	203,399
	<b>3,317,932</b>	<b>983,346</b>	<b>588,908</b>	<b>323,833</b>	<b>5,214,019</b>	<b>474,069</b>	<b>5,688,088</b>	<b>5,219,342</b>

#### Prior Year

	Hardship Relief £	Housing & Work £	Education £	Leadership Investment £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of raising funds £	Total 2020 £	Total 2019 £
Zakat and Zakat-ul-Fitr grants	2,891,819	671,570	177,280	59,434	–	3,800,103	–	<b>3,800,103</b>	2,979,062
Direct employees costs	256,908	71,058	32,813	–	44,343	405,122	67,676	<b>472,798</b>	380,989
Direct costs	227,439	64,631	38,238	–	172,888	503,196	239,846	<b>743,042</b>	696,416
Support and governance costs	128,470	29,835	10,516	–	20,340	189,161	14,238	<b>203,399</b>	211,987
	<b>3,504,636</b>	<b>837,094</b>	<b>258,847</b>	<b>59,434</b>	<b>237,571</b>	<b>4,897,582</b>	<b>321,760</b>	<b>5,219,342</b>	<b>4,268,454</b>

# Notes to the financial statements

## continued

### Expenditure by income type

	Hardship Relief £	Housing & Work £	Education £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of raising funds £	Total 2021 £	Total 2020 £
Zakat and Zakat-ul-Fitr grants	2,580,789	772,466	415,289	–	<b>3,804,544</b>	–	<b>3,804,544</b>	3,766,456
Direct employees costs	25,639	–	–	–	<b>25,639</b>	–	<b>25,639</b>	33,646
Direct costs	251,890	76,225	44,532	–	<b>372,737</b>	–	<b>372,737</b>	380,260
Support and governance costs	459,524	134,655	93,087	323,833	<b>1,011,099</b>	474,069	<b>1,485,168</b>	1,038,980
	<b>3,317,932</b>	<b>983,346</b>	<b>588,908</b>	<b>323,833</b>	<b>5,214,019</b>	<b>474,069</b>	<b>5,688,088</b>	<b>5,219,342</b>

### Prior Year

	Hardship Relief £	Housing & Work £	Education £	Leadership Investment £	Zakat Education and Calculation £	Total direct cost of charitable activity £	Cost of raising funds £	Total 2020 £	Total 2019 £
Zakat and Fidyah/ Kaffarah	2,858,172	671,570	177,280	59,434	–	3,766,456	–	<b>3,766,456</b>	2,979,062
Zakat-ul-Fitr	33,646	–	–	–	–	33,646	–	<b>33,646</b>	10,682
Zakat – for direct costs	288,561	67,801	23,898	–	–	380,260	–	<b>380,260</b>	425,984
Sadaqah, Riba, Gift Aid and other income	324,527	97,723	57,669	–	237,571	717,220	321,760	<b>1,038,980</b>	852,726
	<b>3,504,636</b>	<b>837,094</b>	<b>258,847</b>	<b>59,434</b>	<b>237,571</b>	<b>4,897,582</b>	<b>321,760</b>	<b>5,219,342</b>	<b>4,268,454</b>



**5. ANALYSIS OF SUPPORT COSTS AND GOVERNANCE COSTS**

	2021 £	2020 £
<b>Support costs</b>		
Office administration	57,107	53,617
Office Services excl depreciation	19,635	23,148
Depreciation	4,844	69,859
Office services:	24,479	93,007
Governance (incl external audit)	73,257	56,776
	<b>154,843</b>	<b>203,399</b>
<b>Governance costs:</b>		
Audit fees	10,320	10,530
Auditor fees for non-audit services	–	–
Other professional fees	9,631	4,330
Licence fee and compliance costs	29,610	27,547
Staff costs	23,696	14,369
	<b>73,257</b>	<b>56,776</b>

During 2021, other professional fees consisted of legal fees and external accountancy services.

**6. ZAKAT GRANTS PAID TO ORGANISATIONS**

Programme	Organisation	Project	2021 £	2020 £
Leadership Investment	Muslim Council of Britain	Centre for Media Monitoring	–	59,434
			<b>–</b>	<b>59,434</b>

**7. NET INCOMING RESOURCES**

	2021 £	2020 £
<b>Net incoming resources for the period is stated after charging:</b>		
Gains on disposal of fixed assets	–	(932)
Losses on disposal of fixed assets	–	41,347
Depreciation and other amounts written off fixed assets	62,483	69,859
Total depreciation and other amounts written off fixed assets	62,483	110,274
Operating lease charges	–	36,074
<b>Auditor's remuneration (Including VAT):</b>		
Audit fees	10,320	10,530
Non-audit fees	–	–

# Notes to the financial statements

## continued

### 8. ANALYSIS OF EMPLOYEES COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
<b>Employment costs:</b>		
Wages and salaries	690,133	516,822
Social security costs (employers NI)	63,280	40,890
Employer pension contribution	15,316	8,485
	<b>768,729</b>	<b>573,398</b>

No employee (2020: no employee) had employee benefits in excess of £60,000.

Employees costs exclude amounts paid to external consultants in 2021 of £4,167 (2020 £121,308). This amount reflects the consultant Interim Director of Communications who joined in November 2021. The Director of Marketing and the Head of Technology previously providing services as consultants joined as employees. The consultant Director of Fundraising did not continue in service in 2021.

The charity Trustees were not paid and did not receive any other benefits from employment with the charity in the year (2020: £nil). In 2021, no Trustee was reimbursed for travel expenses (2020: £nil). No charity Trustee received payment for professional services or other services supplied to the charity (2020: £nil).

There were significant changes in Key Management Personnel in 2021. In November 2021 the CEO stepped down from his long-standing service. From August 2021 to November 2021 the new CEO served as a Deputy CEO for a transition period. During the year the role title of Director of Marketing was amended to Director of Communications. An interim Director of Communications joined (as a maternity cover) consultant in December 2021. The Key Management Personnel of the charity comprised the CEO, Director of Services, Director of Communications and Director of Operations. Their employee benefits total £190,224 (2020: £170,252) 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:

#### Employee numbers

	2021 FTE	2020 FTE
All team	20.5	16.5

#### Average employee numbers by team

	2021 No.	2020 No.	2021 FTE	2020 FTE
Services	16	13	13.5	11.0
Marketing	3	3	3.5	3.0
Operations	4	3	3.5	2.5
	<b>23</b>	<b>19</b>	<b>20.5</b>	<b>16.5</b>

## 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. INTANGIBLE AND TANGIBLE FIXED ASSETS

	INTANGIBLE £	TANGIBLE Buildings £	TANGIBLE Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2021	194,829	–	16,617	211,446
Additions in year	–	–	5,867	5,867
Disposals in year	(12,810)	–	(6,013)	(18,823)
<b>At 31 December 2021</b>	<b>194,829</b>	<b>–</b>	<b>16,617</b>	<b>198,490</b>
<b>Depreciation</b>				
At 1 January 2021	67,616	–	14,801	82,417
Charge for the year	60,673	–	1,810	62,483
Eliminated on disposal	(12,810)	–	(6,013)	(18,823)
<b>At 31 December 2021</b>	<b>115,479</b>	<b>–</b>	<b>10,598</b>	<b>126,077</b>
<b>Net book value at 31 December 2021</b>	<b>66,540</b>	<b>–</b>	<b>5,873</b>	<b>72,413</b>
At 31 December 2020	127,213	–	1,816	129,029

The disposals relates to redundant software developed for the website.

## 11. DEBTORS

	2021 £	2020 £
Trade debtors	–	–
Accrued income	10,267	12,997
Prepayments	64,729	1,350
Other debtors	69,419	74,167
	<b>144,415</b>	<b>88,514</b>

# Notes to the financial statements

## continued

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	<b>49,056</b>	16,410
Taxation and social security	–	–
Accruals and deferred income	<b>56,981</b>	10,650
Other creditors	<b>208,374</b>	4,072
	<b>314,411</b>	<b>31,132</b>

A £200,000 interest-free COVID-19 loan from the Resilience and Recovery Fund was provided by British Business Bank in 2021. This was paid off in February 2022.

Some Zakat grants are approved in principle for periods which extend past the year end date. Subsequent period Zakat grants represent planned future commitments but are not recognised as a liability when they are approved, as payment is conditional upon satisfactory progress.

As at 31 December 2021, planned future commitments under formal multi-year funding cycle approvals amounted to £nil (2020: £nil).

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fund balances at 31 December 2020 as represented by:				
Tangible and intangible fixed assets	72,413	–	<b>72,413</b>	129,029
Net current assets	1,557,097	1,848,291	<b>3,405,387</b>	2,759,223
	<b>1,629,509</b>	<b>1,848,291</b>	<b>3,477,800</b>	<b>2,888,253</b>

#### Prior Year

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Fund balances at 31 December 2019 as represented by:				
Tangible and intangible fixed assets	129,029	–	<b>129,029</b>	122,269
Net current assets	1,403,391	1,355,833	<b>2,759,223</b>	1,679,359
	<b>1,532,420</b>	<b>1,355,833</b>	<b>2,888,253</b>	<b>1,801,628</b>

## 14. ANALYSIS OF FUNDS

	1 January 2021 £	Incoming resources £	Outgoing resources £	Transfers £	31 December 2021 £
Unrestricted designated	–			–	–
General funds	1,532,420	1,954,994	(1,857,905)	–	1,629,509
<b>Total unrestricted funds</b>	<b>1,532,420</b>	<b>1,954,994</b>	<b>(1,857,905)</b>	<b>–</b>	<b>1,629,509</b>
Zakat funds	1,355,833	4,269,796	(3,777,338)		1,848,291
Zakat-ul-Fitr	–	25,639	(25,639)		–
Fidyah and Kaffarah	–	27,206	(27,206)		–
<b>Total restricted funds</b>	<b>1,355,833</b>	<b>4,322,641</b>	<b>(3,830,183)</b>	<b>–</b>	<b>1,848,291</b>
	<b>2,888,253</b>	<b>6,277,635</b>	<b>(5,688,088)</b>	<b>–</b>	<b>3,477,800</b>

### Prior Year

	1 January 2020 £	Incoming resources £	Outgoing resources £	Transfers £	31 December 2020 £
Unrestricted designated	779,475			(779,475)	–
General funds	628,283	2,218,057	(1,460,587)	146,667	1,532,420
<b>Total unrestricted funds</b>	<b>1,407,758</b>	<b>2,218,057</b>	<b>(1,460,587)</b>	<b>(632,808)</b>	<b>1,532,420</b>
Zakat funds	393,870	4,065,826	(3,736,671)	632,808	1,355,833
Zakat-ul-Fitr	–	33,646	(33,646)		–
Fidyah and Kaffarah	–	29,785	(29,785)		–
<b>Total restricted funds</b>	<b>393,870</b>	<b>4,129,257</b>	<b>(3,800,102)</b>	<b>632,808</b>	<b>1,355,833</b>
	<b>1,801,628</b>	<b>6,347,314</b>	<b>(5,260,689)</b>	<b>–</b>	<b>2,888,253</b>

## 15. OPERATING LEASE COMMITMENTS

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Office equipment		Total	
	2021 £	2020 £	2021 £	2020 £	2021 £	2020 £
Due within one year	–	–	–	–	–	–
Due between two to five years	–	–	–	–	–	–
Due in over five years	–	–	–	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

# Notes to the financial statements

## continued

---

### 16. RELATED PARTIES

Azim Kidwai is a Trustee of NZF and a Director of NZF Worldwide.

In 2021, NZF paid £24,000 (2020: £24,000) to NZF Worldwide in License Fees as part of a brand licensing agreement. NZF paid £24,000 (2020: £24,000) to NZF Worldwide as part of a Service Level Agreement.

In return, in 2021, NZF Worldwide presented the NZF model to the United Nations Development Programme (UNDP). NZF Worldwide used the NZF UK model to design and model a sovereign Zakat fund in Somalia and Somaliland with UNDP. Furthermore, NZF Worldwide assisted and reviewed UNRWA's (United Nations Relief and Works Agency) Zakat operations in Palestine, referring to NZF UK as a case study. In addition, NZF Worldwide organised monthly forums for NZF UK with other NZF member countries to learn best practices. NZF Worldwide has published four guidance documents on Zakat management for NZF UK and all other NZFs across the world in 2021.

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.

In addition, NZF Worldwide conducted a Zakat review of operations and produced an independent report. In line with the NZF WW Audit Framework, the Zakat Auditor was of the view that "the Foundation has a very good framework and policies in place...The Zakat Auditor commends the overall progress, the work and determination that the Foundation espouses in its operations." The Zakat Auditor made recommendations to strengthen grant distribution controls further.

Muhammed Yesilhark is a Trustee of NZF and has a substantial interest in Shamaazi Ltd. In 2021, NZF paid £100,000 (2020: £60,000) to Shamaazi for featuring NZF within the 'My Ten Nights' giving app. £55,000 is carried forward for being featured in 2022.

In 2021, total Trustee donations amounted to £3,803.85 (2020: £2,936.83).

### 17. POST BALANCE SHEET EVENT

A £200,000 interest-free COVID-19 loan from the Resilience and Recovery Fund was provided by British Business Bank in 2021. This was paid off in February 2022.





Helping you bring Zakat to life where you live

**Working towards a thriving, closer Muslim community**



**National Zakat**  
Foundation

National Zakat Foundation is a registered charity  
in England and Wales (1153719)