

Charity Number: 1189918

Islamic Aid
Annual Report and Consolidated Audited Financial Statements
for the financial year ended 30 June 2025

JR Accounts
Chartered Certified Accountants and Registered Auditors
34-37 Liverpool Street
London
EC2M 7PP

Islamic Aid

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Islamic Aid

TRUSTEES' AND OTHER INFORMATION

Trustees

Aziz Raje
Muhammad Aamir
Saif Ur Rehman Ahmad
Muhammad Asad Ali Khan
Mahmood-UI Hassan

Charity Number in England and Wales

1189918

Company Registration Number

CE022159

Principal Address

29 Church Hill
London
E17 3AB
United Kingdom

Auditors

JR Accounts
Chartered Certified Accountants and Registered
Auditors
34-37 Liverpool Street
London
EC2M 7PP

Islamic Aid TRUSTEES' REPORT

for the financial year ended 30 June 2025

The trustees present their Trustees' Report and the audited financial statements for the financial year ended 30 June 2025.

The financial statements are prepared in accordance with the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees' Report contains the information required to be provided in the Trustees' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The trustees of the charity are also charity trustees for the purpose of charity law and under the charity's constitution are known as members of the board of trustees.

In this report the trustees of Islamic Aid present a summary of its purpose, governance, activities, achievements and finances for the financial year 30 June 2025.

The charity is a registered charity in England and Wales and the financial statements have been prepared in accordance with applicable statutory and regulatory requirements.

Mission, Objectives and Strategy

Mission Statement

Islamic Aid exists to relieve poverty and advance public benefit for communities that have been left behind. For twenty-five years the organisation has delivered food, water, healthcare, education and emergency relief across South Asia, East Africa, the Middle East and beyond. That work continues and remains central to Islamic Aid's identity.

Objectives

What has evolved is the organisation's understanding of how lasting change is created. Two decades of frontline experience have produced a clear conclusion: the most durable contribution a charity can make is not relief alongside broken public systems, but the strengthening of those systems themselves. The communities Islamic Aid serves do not need alternatives to the hospitals, schools and water authorities that already exist - they need those institutions to work.

Strategy

Islamic Aid's strategy is anchored in long-term institutional partnership, delivered through infrastructure development, governance reform, workforce capability building, and independent monitoring, evaluation and learning.

Structure, Governance and Management

Governance

Islamic Aid is governed by a board of trustees meeting quarterly, supported by Finance and Audit, Programmes, and Strategy and Risk committees. Trustee recruitment is conducted against a skills matrix and an annual self-assessment process promotes continuous improvement. Trustees retire by rotation and, being eligible, offer themselves for re-election in accordance with the CIO constitution.

Grant-Making Policy

Grant allocation is determined solely on need, project merit and demonstrated partner capacity. Funds disbursed under Islamic Aid's institutional partnership model are subject to written instruction, held in nominated accounts exclusively for partnership use, and subject to full reporting and audit requirements.

Risk

The trustees maintain active risk oversight across four areas:

Programme delivery - mitigated through long-term Memoranda of Understanding, embedded operational presence and Joint Steering Committees across all partnerships.

Financial and currency risk - managed through substantial reserves, diversified income and Zimrock Limited's Sharia-compliant property income, with currency exposure monitored and factored into programme budgeting.

Reputational and compliance risk - addressed through verified engagement channels, robust staff vetting and an independent safeguarding policy supported by compulsory training.

Cybersecurity and data - protected through encrypted backups, secure cloud infrastructure and the NexusNPS platform.

The trustees are satisfied that Islamic Aid is fully compliant with its obligations under the Charities Act 2011, the Charities SORP and applicable data protection legislation.

Islamic Aid TRUSTEES' REPORT

for the financial year ended 30 June 2025

Review of Achievements and Performance

Islamic Aid's programmes reached a significant number of direct beneficiaries during the year across South Asia and East Africa. At the centre of this work is an integrated child healthcare ecosystem in Lahore, Pakistan - one of the largest of its kind in the world - alongside emerging institutional partnerships in Bangladesh and Somalia. These results represent the early-stage outcomes of a broader transformation whose full impact will be measured over decades.

Pakistan - A Child Healthcare Ecosystem

Islamic Aid's four-year partnership in Lahore has evolved into an embedded, strategic role within one of the world's largest integrated child healthcare ecosystems. This ecosystem comprises The Children's Hospital, Lahore - the second largest paediatric hospital in the world, treating 1.3 million children annually - the University of Child Health Sciences, the proposed Children's Hospital II, and the proposed Hospital of Genetics and Rare Diseases. When complete, this ecosystem will serve 2.5 million children every year.

Islamic Aid is funding, constructing and will co-manage a dedicated 100,000 square foot academic campus for the University of Child Health Sciences, with a student capacity of 7,000. The campus will house the College of Nursing, the College of Allied Health Sciences, the College of Paediatrics, the Institute of Genetics and Blood Diseases, and Pakistan's first College of Digital Health - a discipline proposed by Islamic Aid, accepted by the Syndicate, and being implemented under Islamic Aid's full authority.

A Joint Steering Committee comprising Islamic Aid, the University of Lahore and the University of Child Health Sciences is actively working to make UCHS the first fully digitalised public university in Pakistan, through a Campus Management System and Learning Management System contributed entirely as gift in kind by the University of Lahore. Upon completion, the campus will release approximately 85,000 square feet of space within the hospital, creating capacity for approximately 150 additional clinical beds.

In 2025, the Government of Punjab approved Children's Hospital II - a 1,000-bed super specialty paediatric facility whose development Islamic Aid proposed. Islamic Aid will fully fund and co-manage Phase 1, comprising 250 beds, with the Government of Punjab committing approximately \$125 million in part-funding for subsequent phases, endorsed by the Chief Minister and formally included in the Punjab Provincial Budget 2025-26.

The Hospital of Genetics and Rare Diseases - also proposed by Islamic Aid and accepted by both the Syndicate and the Government of Punjab - will form a further constituent institution of this ecosystem. This is one of the largest public-private partnerships in the history of child healthcare in Pakistan, proposed and led by Islamic Aid.

Islamic Aid is also addressing the hospital's forty-year-old clean water supply infrastructure, serving approximately 20,000 daily visitors. Water testing identified contamination levels of approximately 50%, representing a significant public health risk. Remediation is actively underway. From this experience, Islamic Aid proposed to the Syndicate that hospital cleanliness and hygiene be established as a formal academic discipline at the university - a proposal that was accepted.

A further proposal, presented to the Punjab Government, introduces structured evening clinical sessions at the hospital's outpatient department. Senior consultants conduct private practice during otherwise unoccupied hours, contributing 30% of their income to the hospital. This simultaneously will generate revenue, increase senior clinical presence, and enables clearer identification of those requiring free charitable support. No charitable funds are involved. It is an example of what becomes possible when a charity earns the trust to speak at the level of government policy.

Islamic Aid's deployment of Zakat within the ecosystem is grounded in the classical principle of *tamlik* and the Quranic categories of *al-fuqara* and *al-masakin* as defined in Surah At-Tawbah (9:60). Islamic Aid does not give Zakat to institutions. It identifies, verifies and gives directly to deserving individuals within them.

Zakat is transferred directly and individually to verified lower-paid employees of The Children's Hospital whose income falls below sufficiency, and to eligible patients and their families receiving care within the ecosystem. Every distribution involves a named individual, a verified eligibility assessment and a direct transfer.

Among those supported is Ishtiaq, a photographer at The Children's Hospital. Living on a modest income while supporting his family, he faced ongoing financial strain. Through Islamic Aid's Zakat programme he was identified as eligible, verified, and provided direct support. This assistance helped stabilise his household and allowed him to continue his role within the hospital - contributing daily to documenting the lives of children and families passing through its wards. His story reflects the model in practice: support delivered with dignity, rooted in individual need, made possible through deep institutional presence.

All of this work is underpinned by the strategic partnership with the University of Lahore - Pakistan's largest private university, with over 45,000 students. Through its hospital, CSR programme and charitable arm UOL Relief, the University of Lahore contributes master planning, campus construction management, hospital management advisory, procurement, regulatory compliance, digital health systems and ongoing monitoring and evaluation - entirely as gift in kind. Islamic Aid is also reactivating its Child Health Facility in Mian Channu as a pilot towards a 50-bed Mother and

Islamic Aid TRUSTEES' REPORT

for the financial year ended 30 June 2025

Child satellite of The Children's Hospital, Lahore.

Bangladesh - Dhaka Shishu Hospital and Institute

The trustees have allocated £250,000 for Islamic Aid's partnership with Dhaka Shishu Hospital and Institute - Bangladesh's largest specialist children's hospital. A Memorandum of Understanding has been signed with the hospital's Board of Management and with SAWAB, Islamic Aid's implementing partner in Bangladesh since 1995 - thirty years of uninterrupted programme delivery across health, education, poverty reduction and emergency relief, including sustained work with Rohingya refugee communities.

Initial interventions in active delivery include refurbishment of up to 7,000 square feet of clinical areas, establishment of a staff daycare facility, and distribution of Ramadan food packs to frontline staff. As the partnership deepens, Zakat and Sadaqah will be directed to verified eligible employees, patients and families within the institution on the same rigorous basis applied in Pakistan.

Somalia - Banadir Maternity and Children's Hospital, Mogadishu

The trustees have allocated £125,000 for Islamic Aid's partnership with Banadir Maternity and Children's Hospital - one of Somalia's principal public health institutions serving mothers and children. The partnership is facilitated by African Development Trust, a UK-registered charity with over fifteen years of sustained operational presence in Mogadishu, and is governed by a Joint Steering Committee of all four parties.

Zakat and Sadaqah deployed within this programme will be directed exclusively to verified eligible individuals - employees, patients and families - in accordance with the classical requirements of tamlik.

Gaza - Fundraising and Programme Development

Islamic Aid raised £1,000,000 designated for the rebuilding of Gaza, with a further £250,000 allocated from reserves - a total of £1,250,000 committed to delivering institutional impact.

The operating environment presents a documented challenge. By early 2025 only half of Gaza's hospitals remained partially operational and fewer than 40% of primary health centres were functioning. More than 37 international NGOs had their operations suspended under registration measures introduced by Israeli authorities, with the United Nations and multiple governments warning that one in three remaining health facilities would close as a direct consequence.

The trustees are actively identifying appropriate institutional and partner structures through which to deploy these funds. The funds are held securely. A further update will be provided in the next annual report.

Emergency Relief and Core Programme Delivery

Alongside its institutional work, Islamic Aid continued to deliver emergency relief, food distribution, water and sanitation, and support for women and children across its regions of operation. Zakat was distributed exclusively and directly to verified eligible recipients - al-fuqara and al-masakin - in accordance with Islamic jurisprudence and the classical principle of tamlik. Qurbani and Aqiqah were administered transparently, ensuring obligations were fulfilled and distributions reached those most in need with dignity.

Impact and Outcomes

Islamic Aid measures its contribution not by the volume of activity it delivers but by the change that activity produces in the public institutions it serves.

The Government of Punjab formally approved Children's Hospital II, that was and committed approximately \$125 million in part-funding - the most significant public-private commitment to child healthcare in Pakistan's history, proposed and led by Islamic Aid.

The University of Child Health Sciences accepted Islamic Aid's proposal to establish Pakistan's first College of Digital Health as a formal academic discipline, to be implemented under Islamic Aid's full authority.

Islamic Aid's proposal that hospital cleanliness and hygiene be established as a formal academic discipline at the university was accepted and is being implemented - a direct outcome of the maintenance responsibility model.

A policy proposal presented directly to the Government of Punjab introducing structured evening clinical sessions was accepted as government policy - demonstrating that Islamic Aid's institutional presence has reached a depth at which the charity shapes public health policy at provincial government level.

Zakat was distributed with individual-level traceability to every verified eligible recipient in Bangladesh and Somalia. In Gaza, £1,250,000 was preserved in full against a documented operating environment in which more than 37 international NGOs lost operational access entirely.

These are not outputs. They are changes in the systems that serve millions of people - changes that will outlast any individual intervention.

Islamic Aid TRUSTEES' REPORT

for the financial year ended 30 June 2025

Contribution of Volunteers and Strategic Partners

Volunteers and strategic partners contribute to Islamic Aid's work in three distinct ways: through the governance of the charity itself; through the voluntary engagement of professionals within the public institutions Islamic Aid serves; and through the personal commitment of two of Pakistan's most accomplished entrepreneurs whose strategic leadership and professional teams have been placed at Islamic Aid's disposal without charge.

Islamic Aid's trustees serve in respect of their governance responsibilities, giving their time, professional expertise and networks in furtherance of the charity's mission. The time committed to board meetings, committee work, partner visits and strategic oversight represents a contribution whose financial equivalent would be a material cost to the charity were it procured externally.

More than twenty employees of The Children's Hospital, Lahore - clinical, administrative and technical staff - volunteer their personal time to Islamic Aid's work outside their contracted duties and without obligation. They assist with programme coordination, Zakat eligibility verification, beneficiary identification and institutional liaison. More than twenty professionals within one of the world's largest paediatric hospitals choose to give their time freely.

Awais Raoof, Chairman of the University of Lahore - Pakistan's largest private university with over 45,000 students - has been instrumental in translating Islamic Aid's institutional vision into operational reality. His personal engagement goes beyond institutional contribution: he brings the full weight of his relationships with government, academia and the healthcare sector, opening doors and building confidence at levels that no externally commissioned adviser could replicate.

Imran Saleemi, Chairman of Rainbow Stores, brings a different but equally remarkable dimension of strategic leadership. Within twelve years, starting from a single store, Mr Saleemi built Rainbow Stores into one of Pakistan's leading retail chains employing over 2,500 people. He volunteers his personal time and expertise to Islamic Aid's partnership work in Pakistan and brings experienced members of his professional team whenever and wherever the programme requires - spanning operational problem-solving, supply chain expertise, stakeholder management and the practical institutional knowledge that only someone who has built a large organisation from the ground up can provide.

Together, Awais Raoof and Imran Saleemi embody a model of private sector leadership in service of public institutional strengthening that is rare in any country and exceptional in Pakistan's charitable landscape. They do not lend their names to Islamic Aid's work. They give their time, their teams, their relationships and their professional judgment to make it

Financial Review

Our overall objectives in relation to fundraising was to maximise the amount of voluntary income raised and to ensure that we did so at a reasonable cost to income ratio.

The charity's income for the year was £6,588,613, comprising voluntary income of £6,129,744 and investment income of £458,869. Total expenditure was £2,943,516 producing a net surplus of £3,645,097.

Results

At the end of the financial year the charity has assets of £24,243,900 (2024 - £21,303,505) and liabilities of £379,246 (2024 - £1,083,948). The net assets of the charity have increased by £3,645,097.

Review of the Financial Position

Voluntary income includes approximately £1,850,000 from Zakat applied exclusively to verified eligible individuals - al-fuqara and al-masakin - in accordance with the classical principle of tamlik, and approximately £4,270,000 from general donations, Sadaqah, Qurbani and related giving. Gift Aid income of £1,631,309 includes £572,877 of accrued Gift Aid not yet claimed from HMRC at the reporting date.

Investment income of £458,869 comprises rental income of £111,946 from Zimrock Limited's Sharia-compliant property portfolio and bank interest of £346,923, up from £137,264 in the prior year.

Islamic Aid invested £1,826,428 in public engagement activities encompassing donor communications, humanitarian awareness and public education. Following a detailed functional review, the trustees determined these activities serve a dual purpose - generating voluntary income and delivering genuine public benefit. Accordingly 50% - £913,214 - is recognised as fundraising expenditure and 50% - £913,214- absorbed within charitable activities as public education and awareness, consistent with the Charities SORP.

Charitable activities expenditure of £2,030,302 comprises direct programme costs of £1,764,239 and support costs of £266,063. Grants paid increased from £1,439,842 to £2,406,777- reflecting an expansion in funding commitments alongside the continual development of institutional partnerships. Support costs remained broadly consistent at £266,063 (2024: £254,576), indicating stable operational expenditure despite increased programmatic activity.

Islamic Aid holds Waqf capital in accordance with the classical Islamic endowment model, preserving assets in perpetuity for sustained public benefit. This is applied across three recognised uses. First, income-generating Waqf:

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for the financial year ended 30 June 2025

£5,366,822 is deployed through Zimrock Limited into a Sharia-compliant property portfolio, generating halal rental income to support programme delivery.

Second, infrastructure Waqf: the establishment of permanent charitable facilities, with Children's Hospital II representing the most significant current example, consistent with the long tradition of Waqf-funded hospitals. Third, maintenance Waqf: the repair and continuous improvement of existing institutions, regarded in classical scholarship as essential to preserving benefit. Islamic Aid's work at The Children's Hospital - including water systems, clinical upgrades and campus development - falls within this category.

At 30 June 2025, £6,000,000 is held in fixed-term deposits, with deployment under active trustee consideration across infrastructure and maintenance, alongside continued property investment. The trustees are satisfied that the carrying value of Zimrock's portfolio is supported by underlying assets.

The charity employed a lean central team, with programme delivery structured around deep institutional partnerships with verified local partners. Professional management structures commensurate with the growing scale of the organisation's commitments are in development and will be reflected in future periods.

Reserves Position and Policy

Reserves Policy

The trustees maintain a reserves policy requiring unrestricted reserves equivalent to at least twelve months of total annual operational expenditure. The charity is fully compliant. At 30 June 2025 Islamic Aid held unrestricted reserves of £15,807,322, restricted reserves of £2,057,332, and Waqf capital of £6,000,000 governed in accordance with the classical Islamic endowment instrument. Total funds stood at £23,864,654.

Waqf is the charitable endowment under which assets are irrevocably dedicated to charitable purpose and preserved in perpetuity. Classical jurisprudence across all four Sunni madhabs recognises three legitimate applications: investment to generate halal returns funding charitable activity; direct establishment of permanent charitable infrastructure such as hospitals, schools and water systems; and the maintenance, repair and upgrading of existing institutions - an obligation classical scholars regarded as essential to ensuring that the charitable benefit of the Waqf endures without interruption. All three applications are directly engaged within Islamic Aid's programme.

The current level of unrestricted reserves is the deliberate product of a multi-year financial strategy designed to build the capital base required to fund institutional investment at a scale that grant-dependent charities cannot sustain. Islamic Aid does not receive institutional grants from governments or multilateral bodies. Its financial foundation has been built entirely from donor income, Waqf capital returns and disciplined stewardship of accumulated surpluses over twenty-five years.

The trustees have determined that reserves at this level are necessary for four reasons. First, Phase 1 of Children's Hospital II requires sustained multi-year funding that cannot be interrupted by fluctuations in annual income. Second, the institutional partnership model depends on Islamic Aid's credibility as a long-term committed partner - a charity that cannot demonstrate financial staying power cannot earn the trust of governments, universities and hospitals. Third, the Gaza fund of £1,250,000 cannot yet be deployed and must be held in full. Fourth, programme delivery across three countries involves commitments in Pakistani Rupees, Bangladeshi Taka and US Dollars, requiring adequate reserves as a buffer against currency movements.

The trustees have established a target unrestricted reserves range of £8,000,000 to £18,000,000. The upper bound reflects the capital required to fund Phase 1 of Children's Hospital II while maintaining twelve months of operational cover and the Gaza designated fund. The lower bound represents the minimum consistent with Islamic Aid's obligations as an active institutional partner across three countries. The current position of £15,807,322 sits within this range.

The trustees have approved phased deployment over the three financial years from 2025-26 to 2027-28 across the following commitments: Phase 1 of Children's Hospital II; completion of the UCHS academic campus; the Bangladesh allocation of £250,000 and Somalia allocation of £125,000 as programmes mature; and Gaza once appropriate structures are identified. The £6,000,000 Waqf endowment is excluded, held as capital pending redeployment into Sharia-compliant property investments via Zimrock Limited.

In accordance with the Constitution, the trustees retire by rotation and, being eligible, offer themselves for re-election.

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. Islamic Aid subscribes to and is compliant with the following:

- The Charities SORP (FRS 102)

Islamic Aid TRUSTEES' REPORT

for the financial year ended 30 June 2025

Public Benefit

The trustees confirm they have had due regard to the Charity Commission's guidance on public benefit. All activities are directed at the relief of poverty and the advancement of public benefit for communities that have been left behind, in accordance with Islamic Aid's charitable objects and applicable law.

Going Concern

The trustees have reviewed the charity's financial position, cash flows, reserve levels and committed expenditure and are satisfied the charity has adequate resources to continue for at least twelve months from the date of approval. At 30 June 2025 the charity held unrestricted reserves of £15,807,322, restricted fund of £2,057,332 and cash of £17,078,888. Strategic commitments are not contractual obligations, are subject to annual review, and no liability has been recognised in respect of them. The financial statements have been prepared on a going concern basis.

Leasehold Property

Islamic Aid occupies its principal office and operational base at 29 Church Hill, London E17 3AB under a long leasehold interest with approximately 115 years remaining. This is the charity's only material lease. No new leases were entered into during the financial year. Under SORP 2026, which applies to Islamic Aid from the financial year commencing 1 July 2026, however Islamic Aid will opt out for early adoption in the financial statements for the year ending 30 June 2026.

Future Developments

The trustees are focused on the disciplined deployment of Islamic Aid's financial foundation into the programme of institutional investment for which the organisation has been preparing. Principal commitments include:

Commissioning and co-managing Phase 1 of Children's Hospital II, Lahore - a 250-bed super specialty paediatric facility with government part-funding committed for subsequent phases - as part of an integrated child healthcare ecosystem that will serve 2.5 million children annually when complete.

Completing the University of Child Health Sciences academic campus, housing five colleges and institutes including Pakistan's first College of Digital Health and supporting UCHS to become the first fully digitalised public university in Pakistan.

Deepening institutional partnerships with Dhaka Shishu Hospital and Institute in Bangladesh, supported by £250,000 of trustee-allocated funding, and Banadir Maternity and Children's Hospital in Somalia, supported by £125,000 of trustee-allocated funding.

Deploying £1,250,000 raised and allocated for Gaza once appropriate institutional and partner structures have been identified, with a further update in the next annual report.

Training over 1,000 public service professionals across a three-year period, supported by institutional certification programmes raising standards across partner hospitals and academic institutions.

Delivery at this scale will require professional programme management structures commensurate with the ambition, to be reflected in future cost base and disclosures.

Fundraising and Compliance

Islamic Aid's fundraising activities are conducted in accordance with the Code of Fundraising Practice published by the Fundraising Regulator, to whose standards the charity subscribes. The following statements are made in accordance with Section 13 of the Charities (Protection and Social Investment) Act 2016.

Fundraising is conducted across multiple channels including direct mail, digital communications, SMS and telephone. All communications are honest, accurate and respectful of donors' wishes. Islamic Aid does not use professional fundraisers, commercial participators or door-to-door fundraising. All activity is conducted directly by or under the immediate oversight of the charity's staff and trustees.

Islamic Aid subscribes to and conducts all fundraising in accordance with the Code of Fundraising Practice published by the Fundraising Regulator. No failures to comply with the Code occurred during the financial year ended 30 June 2025.

The trustees monitor fundraising activities on an ongoing basis through regular review of donor communications, campaign performance data and donor feedback. All fundraising materials are reviewed and approved by senior staff before deployment. Donor suppression and preference management is maintained and audited regularly to ensure compliance with donor wishes and data protection requirements.

Islamic Aid received no complaints about its fundraising activities during the financial year ended 30 June 2025. No complaints were referred to or considered by the Fundraising Regulator during the period.

Islamic Aid TRUSTEES' REPORT

for the financial year ended 30 June 2025

Islamic Aid is committed to the protection of vulnerable people in connection with its fundraising activities. The charity does not engage in approaches that could cause distress or undue pressure to any donor. Any donor indicating vulnerability or requesting reduced contact is immediately flagged NPS and removed from active fundraising communications without condition. Fundraising practices are reviewed by the trustees annually with specific regard to the protection of vulnerable people and compliance with the Fundraising Regulator's guidance.

Compliance

Islamic Aid subscribes to and is compliant with the Charities SORP (FRS 102), all applicable requirements of the Charities Act 2011, and the Code of Fundraising Practice published by the Fundraising Regulator. The trustees note that the new Charities SORP published on 31 October 2025 applies to reporting periods starting from 1 January 2026, with new audit thresholds coming into effect from 30 September 2026. As Islamic Aid's income exceeds £1.5 million, the charity will be subject to the new requirements and is actively reviewing the implications with its trustees.

Acknowledgements

The trustees extend their sincere gratitude to every donor, partner, staff member and volunteer - and to the hospitals, universities and governments in Pakistan, Bangladesh and Somalia whose trust has made this work possible.

They wish particularly to acknowledge the University of Lahore and its Chairman, Awais Raoof, whose institutional partnership and personal commitment have been foundational to everything Islamic Aid has achieved in Pakistan. Equal and heartfelt acknowledgement is due to Imran Saleemi, Founder and Chairman of Rainbow Stores, whose entrepreneurial leadership, experienced team and unstinting personal engagement have been integral to the programme's success. Together, they represent the best of what Pakistani private sector leadership can contribute to public institutional strengthening.

The trustees also wish to acknowledge SAWAB, Islamic Aid's implementing partner in Bangladesh since 2002, and African Development Trust, whose sustained operational presence in Mogadishu has made Islamic Aid's Somalia partnership possible.

Above all, the trustees acknowledge the communities Islamic Aid serves - whose dignity and resilience are the measure by which everything the organisation does must ultimately be judged.

Islamic Aid is committed to continuous improvement, transparency, and a faith-driven mission that ensures no one is left behind.

Approved by the Board of Trustees on 29 April 2026 and signed on its behalf by:

Mahmood-UI Hassan
Trustee

Aziz Raje
Trustee

Islamic Aid

STATEMENT OF TRUSTEES' RESPONSIBILITIES

for the financial year ended 30 June 2025

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the assets, liabilities and financial position of the charity as at the financial year end date and of the surplus or deficit of the charity and otherwise comply with the Charities Act 2011.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on 29 April 2026 and signed on its behalf by:

Mahmood-UI Hassan
Trustee

Aziz Raje
Trustee

INDEPENDENT AUDITOR'S REPORT

to the Members of Islamic Aid

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Islamic Aid (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2025 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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, when reporting in accordance with a fair presentation framework the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 30 June 2025 and of the group's incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with 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 the charity's ability to continue as a going concern for a period of at least twelve months from the date 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 group and the parent charity'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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with

INDEPENDENT AUDITOR'S REPORT

to the Members of Islamic Aid

regulations made under section 154 of that Act.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Javad H Rana (Statutory Auditor)
for and on behalf of
JR Accounts
Registered Auditors
34-37 Liverpool Street
London
EC2M 7PP

29 April 2026

Islamic Aid

STATEMENT OF FINANCIAL ACTIVITIES

for the financial year ended 30 June 2025

	Notes	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total Funds 2025 £	Unrestricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £
Income								
Donations and legacies	4.1	3,072,038	3,057,706	-	6,129,744	6,151,027	-	6,151,027
Investments	4.2	458,869	-	-	458,869	137,264	-	137,264
Total income		3,530,907	3,057,706	-	6,588,613	6,288,291	-	6,288,291
Expenditure								
Raising funds	5.1	913,214	-	-	913,214	1,486,439	-	1,486,439
Charitable activities	5.2	1,029,928	1,000,374	-	2,030,302	1,753,953	-	1,753,953
Total Expenditure		1,943,142	1,000,374	-	2,943,516	3,240,392	-	3,240,392
Net income/(expenditure)		1,587,765	2,057,332	-	3,645,097	3,047,899	-	3,047,899
Transfers between funds		-	-	-	-	(3,000,000)	3,000,000	-
Net movement in funds for the financial year		1,587,765	2,057,332	-	3,645,097	47,899	3,000,000	3,047,899
Reconciliation of funds:								
Total funds beginning of the year	22.1	14,219,557	-	6,000,000	20,219,557	14,171,658	3,000,000	17,171,658
Total funds at the end of the year		15,807,322	2,057,332	6,000,000	23,864,654	17,219,557	6,000,000	20,219,557

The Statement of Financial Activities includes all gains and losses recognised in the financial year.
All income and expenditure relate to continuing activities.

Islamic Aid

BALANCE SHEET - CONSOLIDATED

as at 30 June 2025

		2025	2024
	Notes	£	£
Fixed Assets			
Tangible assets	11	<u>5,514,076</u>	<u>5,310,424</u>
Current Assets			
Debtors	14	<u>1,650,936</u>	<u>252,476</u>
Cash at bank and in hand	16	<u>17,078,888</u>	<u>15,740,605</u>
		<u>18,729,824</u>	<u>15,993,081</u>
Creditors: Amounts falling due within one year	18	<u>(379,246)</u>	<u>(1,083,948)</u>
Net Current Assets		<u>18,350,578</u>	<u>14,909,133</u>
Total Assets less Current Liabilities		<u>23,864,654</u>	<u>20,219,557</u>
Funds			
Endowment funds		<u>6,000,000</u>	<u>6,000,000</u>
Income funds:			
Restricted trust funds		<u>2,057,332</u>	<u>-</u>
General fund (unrestricted)		<u>15,807,322</u>	<u>14,219,557</u>
Total funds	22.3	<u>23,864,654</u>	<u>20,219,557</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Approved by the Board of Trustees and authorised for issue on 29 April 2026 and signed on its behalf by



Mahmood-UI Hassan
Trustee



Aziz Raje
Trustee

Islamic Aid
BALANCE SHEET - CHARITY
as at 30 June 2025

		2025	2024
	Notes	£	£
Fixed Assets			
Tangible assets	12	302,516	306,703
Investments	13	5,376,822	5,108,866
		<u>5,679,338</u>	<u>5,415,569</u>
Current Assets			
Debtors	15	1,650,936	252,476
Cash at bank and in hand	17	16,955,071	15,667,629
		<u>18,606,007</u>	<u>15,920,105</u>
Creditors: Amounts falling due within one year	19	<u>(379,246)</u>	<u>(1,083,948)</u>
Net Current Assets		<u>18,226,761</u>	<u>14,836,157</u>
Total Assets less Current Liabilities		<u>23,906,099</u>	<u>20,251,726</u>
Funds			
Endowment funds		6,000,000	6,000,000
Income funds:			
Restricted trust funds		2,057,332	-
General fund (unrestricted)		15,848,767	14,251,726
Total funds	22.3	<u>23,906,099</u>	<u>20,251,726</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Approved by the Board of Trustees and authorised for issue on 29 April 2026 and signed on its behalf by



Mahmood-UI Hassan
Trustee



Aziz Raje
Trustee

Islamic Aid

STATEMENT OF CASH FLOWS - CONSOLIDATED

for the financial year ended 30 June 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net movement in funds		3,645,097	3,047,899
Adjustments for:			
Depreciation		16,220	5,744
Interest receivable and similar income		(346,923)	(46,056)
		<u>3,314,394</u>	<u>3,007,587</u>
Movements in working capital:			
Movement in debtors		(1,398,460)	5,727
Movement in creditors		(704,702)	321,566
		<u>1,211,232</u>	<u>3,334,880</u>
Cash flows from investing activities			
Interest received		346,923	46,056
Payments to acquire tangible assets		(219,872)	(369,003)
		<u>127,051</u>	<u>(322,947)</u>
Net cash generated from/(used in) investment activities			
		<u>1,338,283</u>	<u>3,011,933</u>
Net increase in cash and cash equivalents		<u>15,740,605</u>	<u>12,728,672</u>
Cash and cash equivalents at the beginning of the year			
		<u>17,078,888</u>	<u>15,740,605</u>
Cash and cash equivalents at the end of the year	16	<u>17,078,888</u>	<u>15,740,605</u>

Islamic Aid

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

1. GENERAL INFORMATION

Islamic Aid is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales. The principal address for the charity is 29 Church Hill, London, E17 3AB, United Kingdom.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The CIO was incorporated on 12 June 2020 and established control over its subsidiary, Zimrock Limited (Company Registration Number: 13209945), on 18 February 2021.

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line-by-line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet.

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

The Group has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis. The trustees have assessed the charity's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. This assessment included consideration of the charity's reserves position, cash flow forecasts, and the continued donations. The trustees are satisfied that the charity has adequate resources to meet its obligations and continue operations for the foreseeable future.

Income

The group's turnover arises from charitable activities and from trading undertaken by its wholly-owned subsidiary.

Donations, grants and other voluntary income are recognised when the group has entitlement, receipt is probable, and the amount can be measured reliably.

The trading subsidiary generates income from investment properties and income is recognised when received.

Interest on funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Tax recoverable under Gift Aid is recognised when the related income is recognised and is classified as unrestricted income unless the underlying donation to which it relates was itself restricted. Gift Aid income is accrued at the balance sheet date where the claim has not yet been submitted to HM Revenue & Customs.

The Trustees consider this provides a faithful representation of the charity group's performance, aligning revenue recognition with the financial statements.

Islamic Aid

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

Expenditure

Expenditure is analysed between costs of charitable activities and raising funds. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured.

Support costs are apportioned between fundraising and charitable activities on the basis of the area occupied by each activity where such information about the aims, objectives and projects of the charity is also provided to potential donors.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for charitable purposes. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's charitable objects. Where the trustees have resolved to set aside unrestricted funds for a specific future purpose, such amounts are classified as designated funds and disclosed separately.

Restricted funds are subject to specific conditions imposed by donors at the time of giving, requiring that the funds be applied for particular purposes, as specified by the donor. Expenditure is charged against the relevant restricted fund to the extent it can be directly attributed to fulfilling that restricted purpose.

Where restricted income is received but not yet expended at the balance sheet date, the balance is carried forward within restricted funds and will be applied in future periods strictly in accordance with the donor's conditions. Where a restricted fund is in deficit, this represents expenditure incurred in anticipation of restricted income and is disclosed separately.

There was no deficit in restricted funds at the balance sheet date.

Zakat funds are funds which are to be used in accordance with the Islamic religious conditions and parameters. The charity's policy defines the criteria for the fundraising, allocation and distribution of Zakat. The charity is required to record its justification as to how projects match the criteria of Zakat.

Endowment (Waqf) funds are used to create a sustainable source of benefit for the community by ensuring that they continue to generate income or provide services for future generations. During the year these funds were invested in a Lloyds fixed term bank account and are classified as cash equivalents in the financial statements.

Pension costs

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The charity is compliant with its statutory automatic enrolment obligations under the Pensions Act 2008. The pension liability outstanding at the balance sheet date was £191.16 (2024: £162.92), included within creditors.

Fixed Asset Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in the charity's own financial statements. The carrying value is reviewed annually and any impairment identified is charged to the Statement of Financial Activities in the period in which it arises.

Loans to subsidiary undertakings are stated at cost less any provision for impairment. Where a loan represents long-term endowments advanced to a subsidiary and is not expected to be repaid within the foreseeable future, it is classified within fixed asset investments rather than debtors. The carrying value is reviewed annually for impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Islamic Aid

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

- | | |
|------------------------------------|--------------------------|
| - Land and buildings freehold | 2% on cost |
| - Long leasehold property | Over the period of lease |
| - Fixtures, fittings and equipment | 33% on cost |

Debtors

Debtors are recognised where the charity has a present legal or constructive entitlement to the amounts due and it is probable that the amounts will be received.

Debtors are measured at their recoverable amount, being the present value of the amount receivable where material. Prepayments are valued at the amount prepaid. Accrued income represents income earned in the reporting period but not yet received at the balance sheet date.

Where there is objective evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities.

PayPal balances are included within 'other debtors' in the balance sheet. Amounts held in PayPal accounts are not classified as cash at bank and in hand and such balances are recognised as amounts due from third parties.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured reliably.

Creditors are recognised initially at settlement amount after allowing for any trade discounts due. Accruals represent liabilities for goods or services that have been received or supplied but not yet invoiced at the reporting date.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months' notice of withdrawal.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Foreign currencies

The functional currency of the charity is considered to be pounds sterling that is the currency of the primary economic environment it operates in the UK. The consolidated financial statements are presented in pound sterling.

Transactions in foreign currencies are translated at the rate of exchange at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Foreign currency gains and losses are recognised through the Statement of Financial Activities for the period in which they are incurred.

All exchange differences are recognised through the statement of financial activities.

Financial Instruments

Financial instruments are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method, where material.

3. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities.

The key areas of judgement include:

Allocation of support costs

Classification of funds

Valuation of investment properties

Actual results may differ from these estimates.

Islamic Aid

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

4. INCOME

4.1 DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Donations and legacies	1,440,729	3,057,706	4,498,435	5,423,940
Gift Aid	1,631,309	-	1,631,309	727,087
	<u>3,072,038</u>	<u>3,057,706</u>	<u>6,129,744</u>	<u>6,151,027</u>

4.2 INVESTMENTS	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Investments	<u>458,869</u>	<u>-</u>	<u>458,869</u>	<u>137,264</u>

5. EXPENDITURE 5.1 RAISING FUNDS

	Direct Costs £	Other Costs £	Support Costs £	2025 £	2024 £
Raising funds	<u>913,214</u>	<u>-</u>	<u>-</u>	<u>913,214</u>	<u>1,486,439</u>

5.2 CHARITABLE ACTIVITIES

	Direct Costs £	Other Costs £	Support Costs £	2025 £	2024 £
Expenditure on charitable activities	<u>1,764,239</u>	<u>-</u>	<u>266,063</u>	<u>2,030,302</u>	<u>1,753,953</u>

5.3 SUPPORT COSTS

	Charitable Activities £	2025 £	2024 £
Support	<u>266,063</u>	<u>266,063</u>	<u>254,576</u>

6. ANALYSIS OF SUPPORT COSTS

	2025 £	2024 £
Governance (auditor's remuneration)	14,400	10,400
IT, telephone, and computer costs	76,813	53,817
HR, finance, and administration	174,850	190,359
	<u>266,063</u>	<u>254,576</u>

7. NET INCOME

	2025 £	2024 £
Net Income is stated after charging/(crediting):		
Depreciation of tangible assets	16,220	5,744
Auditor's remuneration:		
- audit services	14,400	10,400
- other non-audit services	17,782	8,320

Islamic Aid

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

8. INVESTMENT AND OTHER INCOME

	2025 £	2024 £
Rental income	111,946	91,208
Bank interest	346,923	46,056
	<u>458,869</u>	<u>137,264</u>

9. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed during the financial year was as follows: 3

	2025 Number	2024 Number
Full Time	<u>3</u>	<u>2</u>

The staff costs comprise:

	2025 £	2024 £
Wages and salaries	57,380	59,535
Pension costs	914	967
	<u>58,294</u>	<u>60,502</u>

No employees received emoluments in excess of £60,000.

10. TRUSTEES REMUNERATION

During the year a trustee, M Hassan, was paid the sum of £89,000 for services rendered, as per the relevant provisions in the charity's constitution and his contract with the charity. In addition, the other trustees approved £70,000 to be paid in advance to M Hasan for upcoming services.

11. TANGIBLE FIXED ASSETS - CONSOLIDATED

	Land and buildings freehold £	Long leasehold property £	Fixtures, fittings and equipment £	Total £
Cost or Valuation				
At 1 July 2024	5,032,942	317,568	6,008	5,356,518
Additions	219,368	-	504	219,872
At 30 June 2025	<u>5,252,310</u>	<u>317,568</u>	<u>6,512</u>	<u>5,576,390</u>
Depreciation				
At 1 July 2024	29,221	13,742	3,131	46,094
Charge for the financial year	11,529	2,521	2,170	16,220
At 30 June 2025	<u>40,750</u>	<u>16,263</u>	<u>5,301</u>	<u>62,314</u>
Net book value				
At 30 June 2025	<u>5,211,560</u>	<u>301,305</u>	<u>1,211</u>	<u>5,514,076</u>
At 30 June 2024	<u>5,003,721</u>	<u>303,826</u>	<u>2,877</u>	<u>5,310,424</u>

Islamic Aid
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2025

12. TANGIBLE FIXED ASSETS - CHARITY

	Long leasehold property £	Fixtures and fittings £	Computer, equipment £	Total £
Cost or Valuation				
At 1 July 2024	317,568	2,980	3,028	323,576
Additions	-	-	504	504
At 30 June 2025	317,568	2,980	3,532	324,080
Depreciation				
At 1 July 2024	13,742	1,986	1,145	16,873
Charge for the financial year	2,521	993	1,177	4,691
At 30 June 2025	16,263	2,980	2,322	21,564
Net book value				
At 30 June 2025	301,305	993	1,210	302,516
At 30 June 2024	303,826	993	1,883	306,703

13. FIXED ASSET INVESTMENTS

	2025 £	2024 £
Shares in group undertakings	10,000	10,000
Loan to group undertaking	5,366,822	5,098,866
	5,376,822	5,108,866

The loan to group undertaking includes amounts owed by the subsidiary, which was previously presented within other debtors.

14. DEBTORS - CONSOLIDATED

	2025 £	2024 £
Other debtors	1,008,059	252,476
Prepayments and accrued income	642,877	-
	1,650,936	252,476

15. DEBTORS - CHARITY

	2025 £	2024 £
Other debtors	1,008,059	252,476
Prepayments and accrued income	642,877	-
	1,650,936	252,476

16. CASH AND CASH EQUIVALENTS - CONSOLIDATED

	2025 £	2024 £
Cash and bank balances	11,078,888	9,740,605
Cash equivalents	6,000,000	6,000,000
	17,078,888	15,740,605

Islamic Aid

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

17.	CASH AND CASH EQUIVALENT - CHARITY		2025 £	2024 £	
	Cash and bank balances		10,955,071	9,667,629	
	Cash equivalents		6,000,000	6,000,000	
			16,955,071	15,667,629	
18.	CREDITORS - CONSOLIDATED		2025	2024	
	Amounts falling due within one year		£	£	
	Trade creditors		230,122	871,733	
	Taxation and social security costs (Note 21)		4,029	1,533	
	Other creditors		59,624	140,593	
	Accruals and deferred income		85,471	70,089	
			379,246	1,083,948	
19.	CREDITORS - CHARITY		2025	2024	
	Amounts falling due within one year		£	£	
	Trade Creditors		230,122	871,733	
	Taxation and social security costs		4,029	1,533	
	Other creditors		59,624	140,593	
	Accruals and deferred income		85,471	70,089	
			379,246	1,083,948	
20.	TAXATION AND SOCIAL SECURITY		2025	2024	
			£	£	
	Creditors:				
	PAYE / NI		4,029	1,533	
21.	RESERVES		2025	2024	
			£	£	
	At the beginning of the year		20,219,557	17,171,658	
	Surplus for the financial year		3,645,097	3,047,899	
	At the end of the year		23,864,654	20,219,557	
22.	FUNDS				
22.1	RECONCILIATION OF MOVEMENT IN FUNDS	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£
	At 1 July 2023	14,171,658	-	3,000,000	17,171,658
	Movement during the financial year	47,899	-	3,000,000	3,047,899
	At 30 June 2024	14,219,557	-	6,000,000	20,219,557
	Movement during the financial year	1,587,765	2,057,332	-	3,645,097
	At 30 June 2025	15,807,322	2,057,332	6,000,000	23,864,654

Islamic Aid
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2025

22.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 July 2024 £	Income £	Expenditure £	Transfers between funds £	Balance 30 June 2025 £
Endowment funds					
Endowment Fund	6,000,000	-	-	-	6,000,000
Restricted funds					
Restricted	-	3,057,706	1,000,374	-	2,057,332
Unrestricted funds					
Unrestricted General	14,219,557	3,530,907	1,943,142	-	15,807,322
Total funds	20,219,557	6,588,613	2,943,516	-	23,864,654

22.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use £	Current assets £	Current liabilities £	Total £
Endowment capital Expendable	-	6,000,000	-	6,000,000
Restricted trust funds	-	2,057,332	-	2,057,332
Unrestricted general funds	5,514,076	10,672,492	(379,246)	15,807,322
	5,514,076	18,729,824	(379,246)	23,864,654

23. CONTINGENT LIABILITIES

After the reporting date, the Trustees submitted a Serious Incident Report to the Charity Commission on 2 October 2025 in relation to a fire-safety regulatory matter concerning the property at 40–43 Lune Street, Preston, held by the group. Legal proceedings in respect of this matter commenced after the year end, and the case remains ongoing as at the date of approval of these financial statements, so no financial liability has been recognised in the these financial statements.

24. RELATED PARTY TRANSACTIONS

During the year, the charity paid £600,000 to Elevatum Limited, a company in which trustee M Hassan is a director and person of significant control, for a CRM and donation management system. This transaction was approved in accordance with the Charities Act 2011 and was approved by the other trustees in line with the charity's constitution.

Due to the delays in the delivery of this system, Elevatum Limited has returned the full amount to the charity after the year end, therefore this amount is recognised as receivable from a related party on the balance sheet.

Also see Note 10.

All related party transactions were conducted on an arm's length basis. Amounts outstanding at the reporting date are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

25. POST-BALANCE SHEET EVENTS

As per Note 24, the £600,000 receivable from a related party has been received.

26. CHARITABLE DONATIONS

A total amount of £1,650,000 was credited in the financial statements during the year ended 30 June 2025 in

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respect of charitable donations. This amount consists of an accrual of £650,000 in the year ended 30 June 2023 and a refund of £1,000,000 related to a charitable donation made during the year ended 30 June 2024.

27. SUBSIDIARY UNDERTAKING

The charity has control over the activities of Zimrock Limited, a company registered in England and Wales. The registered office address is 29 Church Hill, London, E17 3AB.

All activities have been consolidated on a line-by-line basis in the statement of financial activities.

Available profits may be distributed as charitable donations to the parent charity.

The trustees Mahmood-UI Hassan and Aziz Raje are also directors of the subsidiary.

A summary of the results of the subsidiary for their full financial year is shown below:

Turnover: £111,946
Loss for the year: (£9,275)
Net liabilities: (£31,444)

The results of the subsidiary have been consolidated into these financial statements.