Docusign Envelope ID: CE37099C-3298-847B-81A4-D5C9D0F1971A

Company Number: 09982930

Charity Number: 1166025

Issa Foundation

Trustees' Report and Accounts

Financial Statements
31 December 2025

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ISSA FOUNDATION

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ISSA FOUNDATION

CHARITY INFORMATION

Trustees	M Issa Z Issa
Company Secretary	J Patel
Registered office	Waterside Head Office Haslingden Road Guide Blackburn BB1 2FA
Auditor	MHA 14 Mannin Way Lancaster Business Park Lancaster LA1 3SW
Company registration number	09982930
Charity registration number	1166025

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ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Structure, Governance and Management

The Issa Foundation is a registered UK charity (No. 1166025), established under a trust deed dated 14 March 2016. It was founded by brothers Zuber Issa and Mohsin Issa.

The charity is supported by a voluntary advisory sub-committee and a secretary, who contribute valuable guidance on project selection and delivery. The Trustees and sub-committee meet quarterly, with the Trustees making decisions based on sub-committee recommendations. The sub-committee comprises individuals with diverse expertise in areas including construction, healthcare, and charitable operations.

Members of the sub-committee are:

- Ilyas Rehmani
- Muhammad Sadiq Patel
- Siraj Ahmed Patel
- Zubair Desai
- Irfan Ali
- Harun Patel

Trustees and Key Management Personnel

The Trustees, who are also directors of the charitable company, served throughout the reporting period and their names are listed on page 1 of this report.

The charity considers its key management personnel to include the two Trustees, who are responsible for key decisions regarding grant-making, as well as the members of the voluntary advisory sub-committee.

New Trustees are appointed by the existing Trustees for a term of five years, with the option to be reappointed. Trustees receive no remuneration and are encouraged to declare and register any potential conflicts of interest with the sub-committee. All new Trustees receive a formal induction.

Risk Management

The Trustees have identified several major risks to the organisation, including:

- Banking and financial transaction risks
- Potential fraud
- Exposure to extremism-related activities

To address these, the Foundation has implemented enhanced security measures and rigorous due diligence processes that cover every stage of project delivery.

Given that the Foundation works in collaboration with established charitable partners operating on the ground in various regions, it remains exposed to some financial risk. However, the Trustees have put in place comprehensive procedures to minimise these risks, including careful vetting of partner organisations, monitoring of fund usage, and regular audits of funded activities.

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Due Diligence and Grant-Making Process

- All charitable organisations undergo a rigorous vetting process prior to receiving support.
- Grants are awarded exclusively to organisations that are registered charities within their respective countries.
- Face-to-face meetings are conducted with all recipient organisations, typically via online conferencing platforms, and where feasible through in-country visits.
- References are obtained based on past collaborative work and projects with other verified charitable organisations.
- Field visits are conducted by Trustees or sub-committee members to monitor and evaluate charitable projects on the ground.

Objectives, Activities and Public Benefit

The charity's core mission is to advance education, healthcare, and employment opportunities for people in need, with a particular focus on disadvantaged communities. By supporting initiatives that address these critical areas, the charity also remains open to funding other impactful projects as identified and approved by the Trustees.

In 2025, the charity disbursed over £2.64 million (2024: £3.557 million) to support initiatives across the following categories:

Category	Spent (£)
Education	819,735
Food	681,050
Health	241,911
Housing	93,981
Social	631,034
Water	168,690
	2,636,401

Strategic Approach

Our approach begins with the provision of direct humanitarian aid—food, clean water, medical care, and emergency shelter. This immediate support forms the foundation for long-term development, empowering communities to transition towards self-sufficiency and resilience.

We are committed to supporting orphans, widows, and those in need—irrespective of race, culture, or religion—with compassion, dignity, and respect.

Grant-Making Policy

The Issa Foundation invites proposals from registered charitable organisations delivering humanitarian projects that support communities, particularly those serving disadvantaged groups. All proposals are reviewed by a dedicated sub-committee, which evaluates the merits of each project and advises the Trustees on the appropriate level of funding to be awarded.

The Trustees confirm that, in setting and reviewing the grant-making policy for the year, they have taken into account the Charity Commission's general guidance on public benefit. This guidance continues to inform the charity's strategic aims and future activities.

Social Investment Policy

Grant applications are assessed individually by the Trustees with support from the sub-committee. In cases where an organisation's objectives align closely with those of the Issa Foundation and the organisation demonstrates the capacity for mid- to long-term financial sustainability, the Trustees may offer support through a concessionary loan. These loans, which are repayable on demand, are designed to encourage financial independence while supporting impactful initiatives.

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Self-Managed Capital Projects

In addition to its grant-making activities, the Issa Foundation directly develops and manages its own capital projects within the UK, reflecting its commitment to creating lasting, tangible community infrastructure alongside its funding of partner organisations.

The Foundation has established education sites across the UK to provide accessible learning opportunities for local communities, with a particular focus on supplementing mainstream education and supporting religious and cultural instruction. These facilities are self-managed by the Foundation, allowing direct oversight of curriculum standards, safeguarding practices, and day-to-day operations.

The Foundation has also invested in the development and upkeep of places of worship, providing spaces for prayer, community gathering, and religious education. These sites serve as focal points for the communities they are situated in, offering facilities that extend beyond worship to include community outreach and educational programming.

Together, these self-managed projects complement the Foundation's grant-making programme, ensuring that support reaches beneficiaries both through trusted partner organisations and through infrastructure the Foundation builds and operates directly.

Strategic Report

Achievements and Performance

The Trustees of the Issa Foundation express their sincere appreciation to the sub-committee for their invaluable contributions throughout the year.

During the reporting period, the Foundation delivered impactful projects in India, Malawi, and the United Kingdom. We continued our commitment to supporting the most vulnerable through initiatives focused on healthcare, education, livelihoods, shelter, and food provision. These efforts were made possible through the support of our partners and the unwavering dedication, leadership, and passion of our Trustees and sub-committee members.

One of the standout achievements of the year was the opening of Masjid E Vali, Blackburn marking a significant milestone in the Foundation's programme of self-managed development. The masjid was conceived not simply as a place of prayer, but as a wider community hub — providing a dignified, accessible space for worship, religious instruction, and communal gathering, while also serving as a base from which the Foundation can extend its outreach and support to the local area.

The project reflects the Foundation's broader philosophy: that investment in physical infrastructure, when paired with strong governance and community engagement, delivers lasting public benefit that complements the immediate impact of humanitarian aid and grant funding.

The Trustees extend heartfelt thanks to all our partners, volunteers, and supporters whose contributions have made these achievements possible.

Financial review

The charity's main source of income is voluntary donations and interest received on amounts held within the charity bank account or bank accounts of individual Muslims. Donations received during the year amounted to £7,642,656 (2024: £8,569,765). Interest generated from the bank accounts of individual Muslims during the year was £nil (2024: £1,042,620), which, in the prior year, was transferred to a separate restricted interest fund as can be seen in note 16 to the accounts.

Grants totalling £2,636,401 (2024: £3,557,829) have been awarded to projects. Details of these projects can be found in note 7 to the accounts.

Issa Foundation has been predominantly funded by the Trustees of the Foundation, and the related Gift Aid claims on their donations, for the purpose of meeting the charity's aims and objectives.

The current reserves are to be assigned to charitable projects as and when they have been identified, vetted and approved.

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Reserves policy

Unrestricted funds

Lillah
Lillah comprises the gift aid recovered on Zakat donations. The Lillah fund balance at 31 December 2025 of £11,729,971 (2024: £10,276,947) will be applied to future awards and operating costs of the charity. The Lillah fund includes fixed assets of £27,220,064 (2024: £21,796,823).

Zakat
Donations collected on annual religious grounds from able Muslims to help the poor. The Zakat fund balance at 31 December 2025 of £18,569,495 (2024: £15,320,891) will be applied to future awards.

Interest
Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims. The interest fund balance at 31 December 2025 of £1,152,923 (2024: £1,152,923) will be applied to future awards under the guidance of religious ruling.

The level of funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The Trustees are concerned to maximise the benefit to disadvantaged communities of their grant making policy.

All unrestricted reserves are to be used on future charitable projects.

Fundraising standards information

The charity does not raise funds from the general public.

Plans for future periods

The principal objective of Issa Foundation is **housing, advancement of education, health, empowering those in need, in particular disadvantaged individuals and communities,** by supporting projects that address these issues.

The charity will continually identify projects from time to time as determined by our partners, trustees and volunteers.

Auditor

MHA have indicated their willingness to be reappointed as statutory auditors.

Trustees' Responsibilities

The Trustees, who also serve as the directors of the Issa Foundation for the purposes of company law, are responsible for preparing both the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Under company law, the Trustees are required to prepare financial statements for each financial period that provide a true and fair view of the state of affairs of the charitable company and of its incoming resources and how those resources are applied, including its income and expenditure for the period.

In preparing the financial statements, the Trustees must:

- Select suitable accounting policies and apply them consistently;
- Follow the principles and methods set out in the Charities SORP 2019 (FRS 102);
- Make reasonable and prudent judgements and estimates;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained;

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- Prepare the financial statements on a going concern basis, unless it is inappropriate to assume the charitable company will continue operating.

The Trustees are also responsible for maintaining adequate accounting records that accurately reflect the financial position of the charity at any given time, and for ensuring that the financial statements comply with the Companies Act 2006. Furthermore, they are responsible for safeguarding the charity's assets and taking reasonable steps to prevent and detect fraud or other irregularities.



IF Ref 10286- Empower Through Livelihood (Book Store)

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IF Ref 10286- Empower Through Livelihood (E- Rikshaw)



IF Ref 10286- Empower Through Livelihood (Shelter)

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IF Ref 10286- Empower Through Livelihood (Sewing Machine)



IF Ref 10291 – MRF Borehole (Malawi)

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IF Ref 10294- MRF Housing – Malawi



IF Ref 10293 – MRF Talha Scholarship – Malawi



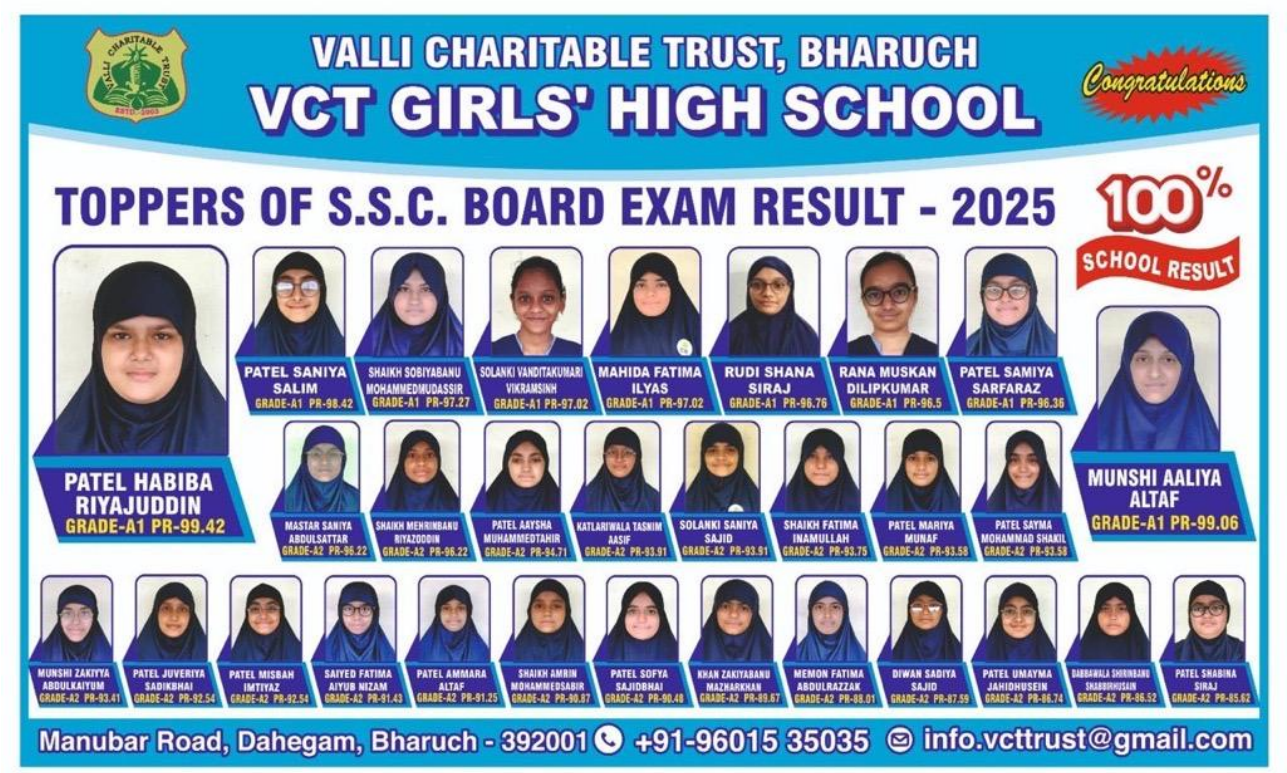
IF Ref 10289 – Valan PS

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IF Ref 10287 – Munshi Gifted 30 (Bharuch India)

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IF Ref 10269 – VCT Bharuch, India

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the Trustees on 29 October 2026

Zuber Issa

Z Issa
Trustee

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Opinion

We have audited the financial statements of Issa Foundation (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 the charitable company'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. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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 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 the Act and relevant regulations made or having effect thereunder.

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:

- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that have had a direct effect on the financial statements;
- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Auditing the risk of fraud in income by way of confirming completeness of donations received during the accounting period and performing substantive testing of rental income received;

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- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA
14 Mannin Way
Lancaster
Lancashire
LA1 3SW

Date 29 October 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

MHA is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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ISSA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds £	Restricted funds £	Total funds 2025 £	*Total funds 2024 £*
Income and endowments from:					
Donations and legacies	2	7,642,656	-	**7,642,656**	*8,569,765*
Income from investments	3	226,856	-	**226,856**	*1,238,876*
Other income	4	166,999	-	**166,999**	*102,387*
Total income and endowments		8,036,511	-	**8,036,511**	*9,911,028*
Expenditure on:					
Charitable activities	5	3,334,883	-	**3,334,883**	*3,985,350*
Total expenditure		3,334,883	-	**3,334,883**	*3,985,350*
Net movement in funds		4,701,628	-	**4,701,628**	*5,925,678*
Reconciliation of funds					
Total funds brought forward		26,750,761	-	**26,750,761**	*20,825,083*
Total funds carried forward		31,452,389	-	**31,452,389**	*26,750,761*

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 18 to 32 form part of these financial statements.

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ISSA FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Note	Unrestricted funds £	Restricted funds £	Total funds 2025 £	*Total funds 2024 £*
Fixed assets:					
Tangible fixed assets	11	20,197,186	-	**20,197,186**	*15,244,188*
Investment property	12	7,022,878		**7,022,878**	*6,552,635*
Current assets:					
Debtors	13	101,127	-	**101,127**	*79,626*
Current asset investments	14	525,000	-	**525,000**	*525,000*
Cash at bank and in hand		4,039,716	-	**4,039,716**	*4,454,377*
		4,665,843	-	**4,665,843**	*5,059,003*
Liabilities:					
Creditors: amounts falling due within one year	15	433,518	-	**433,518**	*105,065*
Net current assets		4,232,325	-	**4,232,325**	*4,953,938*
Total assets less current liabilities		31,452,389	-	**31,452,389**	*26,750,761*
Net assets		31,452,389	-	**31,452,389**	*26,750,761*
Charity funds:					
Unrestricted funds	16	31,452,389	-	**31,452,389**	*26,750,761*
Restricted funds	16	-	-	**-**	*-*
		31,452,389	-	**31,452,389**	*26,750,761*

These financial statements were approved and authorised for issue by the Board of Trustees on 29 October 2026 and signed on its behalf by:

Zuber Issa

Z Issa
Trustee
Company registration number: 09982930

The notes on pages 18 to 32 form part of these financial statements.

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ISSA FOUNDATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Total funds 2025 £	*Total funds 2024 £*
Cash flows from operating activities:			
Net cash generated from operating activities	A	**4,781,724**	*4,647,565*
Cash flows from investing activities:			
Rent and interest from investments		**226,856**	*1,238,876*
Payments to acquire fixed assets		**(5,423,241)**	*(3,816,355)*
Net cash absorbed by investing activities		**(5,196,385)**	*(2,577,479)*
Change in cash and cash equivalents in the reporting period		**(414,661)**	*2,070,086*
Cash and cash equivalents at the start of the reporting period		**4,454,377**	*2,384,291*
Cash and cash equivalents at the end of the reporting period	B	**4,039,716**	*4,454,377*

A Reconciliation of net income to net cash flow from operating activities

	2025 £	*2024 £*
Net income for the reporting period	4,701,628	*5,925,678*
Adjustments for:		
Investment income receivable	(226,856)	*(1,238,876)*
(Increase) / decrease in debtors	(21,501)	(17,523)
(Decrease) / increase in creditors	328,453	*(21,714)*
Net cash generated from operating activities	**4,781,724**	*4,647,565*

B Analysis of cash and cash equivalents

	2025 £	*2024 £*
Cash at bank and in hand	4,039,716	*4,454,377*
	4,039,716	*4,454,377*

The notes on pages 18 to 32 form part of these financial statements.

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1 Accounting policies

Basis of preparation

Issa Foundation is a company limited by guarantee (registered in England and Wales) and does not have share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 11.

The charity constitutes a public benefit entity as defined by FRS 102. 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as cash. It includes bank interest. Interest income is recognised using the effective interest method.

School tuition fees and rental income are recognised in the Statement of Financial Activities in the period in which they are receivable, where the receipt is probable and can be measured reliably.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

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1 Accounting policies (continued)

Expenditure on charitable activities includes grants paid and associated support costs of running the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Freehold property & assets in the course of construction are stated at historical cost. Assets in the course of construction are transferred to freehold property upon completion of the development. Depreciation has not been charged on freehold buildings as the trustees consider the estimated residual value of the property to be a significant proportion of the book value, such that the depreciation would be immaterial. The estimated residual value is expected to be high due to the charity's policy of maintaining the property such that physical deterioration does not occur and the costs of such maintenance are charged in the year of incidence.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in statement of financial activities.

Investments

Social investments are programme related investments being a concessionary loan issued to a charity beneficiary. Concessionary loans include those receivable from a third party which are interest free and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

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1 Accounting policies (continued)

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

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1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

In the opinion of the Trustees' there have been no significant judgements made in the process of applying the above accounting policies. There have been no key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
Donations	7,642,656	-	**7,642,656**
	7,642,656	**-**	**7,642,656**

	Unrestricted funds £	*Restricted funds £*	*Total funds 2024 £*
Donations	*8,569,765*	*-*	*8,569,765*
	8,569,765	*-*	*8,569,765*

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
Bank interest	-	-	**-**
Rental income	226,856	-	**226,856**
	226,856	**-**	**226,856**

	Unrestricted funds £	*Restricted funds £*	*Total funds 2024 £*
Bank interest	*1,042,620*	*-*	*1,042,620*
Rental income	*196,256*		*196,256*
	1,238,876	*-*	*1,238,876*

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4 Other income

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
School tuition fees	166,999	-	**166,999**
	166,999	**-**	**166,999**

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
School tuition fees	101,887	-	**101,887**
Other	500	-	**500**
	102,387	**-**	**102,387**

5 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2025 £
Grants expenditure (note 7):			
Grants payable	2,636,401	-	**2,636,401**
Grant related support costs:			
Governance and support costs (note 6)	698,482	-	**698,482**
	3,334,883	**-**	**3,334,883**

	Unrestricted funds £	*Restricted funds £*	*Total funds 2024 £*
Grants expenditure (note 7):			
Grants payable	*3,557,829*	*-*	*3,557,829*
Grant related support costs:			
Governance and support costs (note 6)	*427,521*	*-*	*427,521*
	3,985,350	*-*	*3,985,350*

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6 Allocation of support costs

	Governance £	Support £	2025 £	Basis of apportionment
Subscriptions	-	833	**833**	Support cost
Advertising & marketing	-	245	**245**	Support cost
Insurance	-	37,129	**37,129**	Support cost
Electricity and gas	-	6,465	**6,465**	Support cost
Bank charges	-	1,586	**1,586**	Support cost
Wages and salaries	-	232,753	**232,753**	Time spent
Subcontractors	-	6,499	**6,499**	Support cost
Travel	-	-	**-**	Support cost
Unrecoverable landlord costs	-	101,685	**101,685**	Support cost
Sundry expenses	-	110,561	**110,561**	Support cost
POW costs	-	75,194	**75,194**	Support cost
Education costs	-	111,505	**111,505**	
Rates	-	9,766	**9,766**	Support cost
Security	-	-	**-**	Support cost
Audit fees	-	-	**-**	Governance cost
Other fees payable to the auditor	787	-	**787**	Governance cost
Professional fees	3,474	-	**3,474**	Governance cost
	4,261	**694,221**	**698,482**	

	Governance £	*Support £*	*2024 £*	*Basis of apportionment*
Subscriptions	-	570	**570**	Support cost
Advertising & marketing	-	245	**245**	Support cost
Insurance	-	(2,925)	**(2,925)**	Support cost
Electricity	-	3,548	**3,548**	Support cost
Gas	-	6,633	**6,633**	Support cost
Bank Charges	-	90	**90**	Support cost
Wages and salaries	-	148,660	**148,660**	Time spent
Travel	-	366	**366**	Support cost
Unrecoverable landlord costs	-	132,160	**132,160**	Support cost
Sundry expenses	-	120,758	**120,758**	Support cost
POW costs	-	40	**40**	Support cost
Security	-	5,772	**5,772**	Governance cost
Audit fees	9,535	-	**9,535**	Governance cost
Other fees payable to the auditor	1,265	-	**1,265**	Governance cost
Professional fees	804	-	**804**	
	11,604	*415,917*	*427,521*	

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7 Analysis of grants

The charity undertakes its charitable activities through grant making and awarded grants to a number of organisations in furtherance of its charitable activities.

		2025 £		*2024* *£*
Balance payable brought forward		-		-
Previously awarded grants released	-		-	
New grants awarded in the period	2,636,401		*3,557,829*	
Net grant cost in the period (note 5)		2,636,401		*3,557,829*
		2,636,401		*3,557,829*
Grants paid in the period		(2,636,401)		*(3,557,829)*
Balance payable carried forward		**-**		-

During the year grants were made as detailed below:

Analysis by institution	**2025** **£**	**2024** **£**
Blackburn Markaz	62,964	67,338
Education India Public Trust	-	-
Hakim-ul-Islam Academy Society	186,573	258,360
International Humanitarian Relief	(30,000)	30,000
Malawi Relief Fund UK	1,573,266	1,516,099
Munshi Trust	526,084	653,379
Valan Hospital	28,013	27,341
Welcare Hospital	21,172	8,902
Masjide Vali	-	2,690
Blackburn Youth Zone	-	25,000
Charity Events	5,440	1,000
Dog Ranch	35,000	40,000
Darul Hijaz Yatama	958	64,192
Markazul Ma'arif	140,975	774,943
Precious Gifts	-	15,000
Valli Charitable Trust	85,956	73,585
	2,636,401	**3,557,829**

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7 Analysis of grants (continued)

Analysis by category

	2025 £	*2024* *£*
Education	819,735	*542,877*
Food	681,050	*1,143,235*
Health	241,911	*244,767*
Housing	93,981	*1,303,204*
Orphanage	-	-
Social	631,034	*323,746*
Water	168,690	-
	2,636,401	*3,557,829*

8 Auditor's remuneration

Auditor's remuneration amounts to an audit fee of £8,125 (2024: £7,735) excluding VAT, accountancy fees of £925 (2024: £880) excluding VAT and fees in relation to assistance with charity tax affairs of £700 (2024: £385) excluding VAT.

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9 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

There were no employee benefits received by key management personnel during the period. The charity considers its key management personnel comprise the two Trustees who make all decisions regarding the awarding and payment of grants to projects and the voluntary advisory subcommittee.

The Trustees did not have any expenses reimbursed during the period.

10 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the period was as follows:

	2025 Number	***2024 Number***
Charitable activities	34	*23*
	34	*23*

The total staff costs and employee benefits were as follows:

	2025 £	***2024 £***
Wages and salaries	230,837	*147,900*
Social security	988	-
Defined contribution pension costs	928	*760*
	232,753	*148,660*

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

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11 Tangible fixed assets

	Freehold property	Assets under construction	Total
		£	£
Cost			
At 1 January 2025	*1,266,531*	*13,977,657*	*15,244,188*
Additions	24,254	4,928,744	*4,952,998*
Transfers	900	(900)	-
At 31 December 2025	**1,291,685**	**18,905,501**	**20,197,186**
Depreciation			
At 1 January 2025	-	-	-
Charge for the year	-	-	-
At 31 December 2025	**-**	**-**	**-**
Net book value			
At 31 December 2025	**1,291,685**	**18,905,501**	**20,197,186**
At 31 December 2024	*1,266,531*	*13,977,657*	*15,244,188*

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12 Investment property

	Investment property
Fair value	
At 1 January 2025	*6,552,635*
Additions	470,243
Transfers	-
At 31 December 2025	**7,022,878**

The Trustees consider that the fair value of the investment properties is equal to its cost.

13 Debtors

	2025 £	*2024 £*
Trade debtors	71,607	*50,106*
Prepayments	29,520	*29,520*
	101,127	*79,626*

14 Current asset investments

	2025 £	*2024 £*
Programme related investments	525,000	*525,000*
	525,000	*525,000*

Programme related investments are concessionary loans made to a charity beneficiary. These are interest free loans repayable on demand.

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15 Creditors: amounts falling due within one year

	2025	*2024*
	£	*£*
Trade creditors	88,396	*37,421*
Accruals and deferred income	345,122	*67,644*
	433,518	*105,065*

Deferred income

	2025	*2024*
	£	*£*
Balance brought forward	56,714	*47,338*
Rental income received in advance	56,714	*56,714*
Release of deferred income	(56,714)	*(47,338)*
	56,714	*56,714*

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16 Fund reconciliation

	Balance at 31 December 2024 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2025 £
Unrestricted funds:					
Lillah	10,276,947	2,156,946	(703,922)	-	**11,729,971**
Zakat	15,320,891	5,879,565	(2,630,961)	-	**18,569,495**
Interest	1,152,923	-	-	-	**1,152,923**
Total unrestricted funds	26,750,761	8,036,511	(3,334,883)	-	**31,452,389**
Restricted funds	-	-	-	-	**-**
Total funds	26,750,761	8,036,511	(3,334,883)	-	**31,452,389**

	Balance at 31 December 2023 £	*Income £*	*Expenditure £*	*Transfers £*	*Balance at 31 December 2024 £*
Unrestricted funds:					
Lillah	*9,859,248*	*1,011,248*	*(593,549)*	-	*10,276,947*
Zakat	*10,823,415*	*7,857,160*	*(3,359,684)*	-	*15,320,891*
Interest	*142,420*	*1,042,620*	*(32,117)*	-	*1,152,923*
Total unrestricted funds	*20,825,083*	*9,911,028*	*(3,985,350)*	-	*26,750,761*
Restricted funds	-	-	-	-	-
Total funds	*20,825,083*	*9,911,028*	*(3,985,350)*	-	*26,750,761*

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The religious restrictions placed on the use of Zakat donations for the original donor do not apply to the related gift aid income.

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. No administrative expenses or other operating expenses are paid for by this fund.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims, these funds are discharged under the guidance of religious ruling.

All funds may be applied for any purpose which falls under the primary objects and activities of the charity.

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17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2025 £
Fixed assets including investment property	27,220,064	-	**27,220,064**
Cash at bank and in hand	4,039,716	-	**4,039,716**
Other current assets/liabilities	192,609	-	**192,609**
	31,452,389	-	**31,452,389**

	Unrestricted funds £	*Restricted funds £*	*Total 2024 £*
Fixed assets including investment property	21,796,823	-	*21,796,823*
Cash at bank and in hand	*4,454,377*	-	*4,454,377*
Other current assets/liabilities	*499,561*	-	*499,561*
	26,750,761	-	*26,750,761*

18 Related party transactions

Mr Z Issa and Mr M Issa were both Trustees of the charity throughout the period.

During the period Mr Z Issa and Mr M Issa both made charitable donations to a UBS UK Donor Advised Fund (DAF).

The total of the charitable donations made by the Trustees to the DAF was £5,871,065 (2024: £7,850,420), with a further £8,500 (2024: £6,540) from a close family member of the Trustees.

Income of £7,642,656 (2024: £8,563,025) was received as a result of the UBS UK Donor-Advised Fund recovering Gift Aid of £1,763,091 (2024: £712,605) on these donations.

During the year the charity was recharged costs relating to capital expenditure of £3,976,928 (2024: £3,816,085) by Monte Developments Limited, a company in which Mr M Issa and Mr Z Issa are directors and ultimate owners. Of this, £287,946 (2024: £nil) was included in accruals at 31 December 2025.