THE ZAHRA TRUST

England & Wales · Charity number 1129501

Details

Other names	THE ZAHRA FOUNDATION, CHARITY DAY, SADAQA CHARITY DAY, SADAQA DAY
Status	Registered
Legal form	Charitable company
Company number	06842695
Registered	2009-05-08
Register	View on the Charity Commission register

Contact

Address	45 Barnfield Road Burnt Oak United Kingdom HA8 0AY
Phone	02084527565
Email	info@zahratrust.com
Website	www.zahratrust.com

Activities

Objects: The objects of the charity are, for the public benefit, (a) the advancement of the faith and religious practices of Islam and (b) the relief of poverty, in particular but not exclusively among those affected by natural disasters or by war and other conflict, including but not limited by:(i) the provision and maintenance of mosques and religious centres;(ii) the teaching and educating of members of the Islamic community; (iii) the provision of medical and financial assistance; and (iv) the promotion of interreligious harmony through dialogue with other faiths and traditions.

Activities: The Zahra Trust is a charitable endownment with its headquaters in the United Kingdom. The Trust focuses on three primary areas, Publications, Productions and Philanthropy. The Trust carries out humanitarian aid across the globe where needed.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE LOCALLY AND OVERSEAS.
- Afghanistan
- Iraq
- Kenya
- Lebanon
- Pakistan
- Tanzania

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,887,940	£4,773,122	£3,616,428	13
2024-03-31	£3,902,235	£3,924,516	£2,501,610	10
2023-03-31	£4,428,296	£5,662,099	£2,523,891	10
2022-03-31	£3,660,710	£2,649,019	£3,757,694	8
2021-03-31	£4,004,197	£2,443,574	£2,746,003	4

Trustees

Name	Role	Appointed
dr ALI MASSOUMI	Chair	2008-03-12
ALIRAZA JAFFAR		2023-04-12
Faisal Alireza Hasham		2020-01-13

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THE ZAHRA TRUST

England & Wales - Charity number 1129501

Accounts

COMPANY REGISTRATION NUMBER: 06842695
CHARITY REGISTRATION NUMBER: 1129501

The Zahra Trust

Trustees' Report and Financial Statements

For the year ended 31 March 2025

	Page
Trustees' annual report (incorporating the director's report)	3 - 18
Independent auditor's report to the members	19 - 21
Statement of financial activities (including income and expenditure account)	22
Balance Sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 34

The trustees, who are also directors of the charity for the purposes of company law, present their report and financial statements of the charity for the period from 1 April 2024 to 31 March 2025. The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, the governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Reference and administrative details

Registered charity name	The Zahra Trust
Charity registration number	1129501
Company registration number	06842695
Principal office and registered office	45 Barnhill Road Edgware HA8 0AY
The trustees	Aliraza Aseer Jaffar Ali Massoumi Faisal Alireza Hasham
Auditor	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Leicester Leicestershire LE87 2BB
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Structure, governance and management

The Zahra Trust

The Zahra Trust ('the Charity') is a faith-based international relief and humanitarian charity. Since its inception in 2009, the Charity has been dedicated to alleviating hardships endured by those in need. Our vision is to have a world where everyone has access to the basic necessities in life, living self-sufficiently with spiritual development.

Governing document

The Charity is registered with the Charity Commission for England and Wales under charity registration number 1129501.The Trust is also a limited company, limited by guarantee, as defined by the Companies Act 2006 and therefore is controlled by its Articles and Memorandum of Association, such having been amended in March 2020.

Trustee Recruitment, Selection and Induction

Trustees are appointed on the basis of their ability to contribute effectively to the strategic leadership, governance and overall management of the Charity. The Board seeks to ensure that collectively, the trustees possess a balanced mix of professional qualifications, expertise and experience relevant to the Charity's activities, including legal, financial, operational and community development skills. Each prospective trustee's suitability is assessed with regard to their integrity, independence of judgment, and understanding of and alignment to the Charity's values and charitable purposes.

As part of the recruitment process, the qualifications, professional background, and prior involvement in community or charitable work of each candidate are reviewed by the Board. Appointments are made through a formal resolution passed by the existing trustees, in accordance with the Charity's governing document and applicable legal requirements.

Before appointment, candidates are provided with key governance materials to support an informed decision about taking on the role. This includes a copy of the Charity's governing document, the most recent annual report and financial statements, and a link to the Charity Commission's guidance 'The Essential Trustee: What You Need to Know, What You Need to Do (CC3)'. Candidates are also briefed on the Charity's strategic priorities, risk framework and trustee responsibilities.

Upon appointment, the requisite filings and notifications are promptly completed with both Companies House and the Charity Commission to ensure regulatory compliance. Newly appointed trustees are also taken through an induction process designed to familiarise them with the Charity's operations, policies and main programmes. This process includes meetings with staff, access to governance and safeguarding.

The Board naturally recognises that good governance depends on the quality and engagement of its trustees, and therefore places strong emphasis on continuous learning and development. Trustees are encouraged to attend training and to keep up to date with relevant guidance from the Charity Commission and other sector bodies to maintain high standards of governance and accountability.

Organisational structure

The Board of Trustees has ultimate responsibility for the overall leadership, control and management of the Charity. Acting as the Charity's principal governing body and key management personnel, the trustees ensure that the Charity remains true to its charitable purposes, operates with integrity and delivers measurable benefit to the public. Trustees serve entirely on a voluntary basis and receive no remuneration or personal financial benefit for their role. This approach safeguards impartiality and reinforces the Board's duty to act solely in the best interests of the Charity and its beneficiaries.

The trustees work collectively to provide strategic direction, approve key policies and budgets and oversee all aspects of the Charity's operations and compliance. Their responsibilities include ensuring sound financial management, maintaining robust governance systems and upholding compliance with charity and company law, regulatory guidance and ethical standards. The Board meets regularly throughout

the year with all decisions being taken jointly following informed discussion which are formally documented.

While the trustees delegate day to day management to senior staff, they retain overall accountability for the Charity's governance, compliance and performance. The Board continually reviews the Charity's internal controls, financial position and risk management framework to ensure that resources are used efficiently and that the Charity continues to achieve its objectives effectively.

Trustees are committed to maintaining high standards of governance, transparency, and accountability Board regularly evaluates its governance arrangements to ensure that they remain proportionate, effective, and responsive to the Charity's evolving activities and strategic goals.

Objectives and aims
For the benefit of the public generally and to advance the Islamic religion worldwide, the Charity's main objectives are as follows:

The objects of the charity are, for the public benefit, (a) the advancement of the faith and religious practices of Islam and (b) the relief of poverty, in particular but not exclusively among those affected by natural disasters or by war and other conflict, including but not limited by:

(i) the provision and maintenance of mosques and religious centres;
(ii) the teaching and educating of members of the Islamic community;
(iii) the provision of medical and financial assistance; and
(iv) the promotion of interreligious harmony through dialogue with other faiths and traditions.

Risk Management and Review
The trustees acknowledge that effective risk management is vital to effective governance and the safeguarding of the Charity's assets and resources. A structured framework has been established to identify, asses , and manage risks that could affect the Charity's ability to fulfil its charitable aims or impact its reputation, financial position, operations or compliance obligations.

An up-to-date risk register is maintained by the Board, which classifies risks across key areas including governance, financial management, safeguarding, operational delivery, regulatory compliance and reputation. Each risk is assessed for its likelihood and potential impact with the corresponding mitigation measures clearly defined. The register is reviewed at least once a year and more frequently where circumstances require this.

The trustees apply a risk based approach to decision making, ensuring that the more significant commitments are supported by a comprehensive risk assessment. Where required, professional advice is obtained to ensure that the trustees make informed decisions and any measures required to mitigate any identified risks are both proportionate and effective.

The Board also monitors emerging risks including the economic climate, geopolitical changes and regulatory or funding developments that may affect the Charity's sustainability.

During the reporting year, the trustees carried out a formal annual risk review confirming that adequate systems and procedures are in place to identify, manage and mitigate significant risks. The Board also ensures that any residual risk remains within the Charity's agreed level of tolerance.
The Board is satisfied that the Charity's current framework provides a sound foundation for maintaining financial stability, safeguarding assets and protecting the Charity's reputation and beneficiaries.

Major Risks and Mitigation
The trustees actively monitor and manage potential risks through a structured framework designed to identify, assess, and mitigate issues that could impact the Charity's assets and reputation, operations and beneficiaries. A formal risk register is reviewed regularly, and control measures are updated to

reflect changing risks. The principal risks identified during the reporting year, together with the actions taken to manage them, are set out below.

- Working with International Partners and High-Risk Jurisdictions

Operating across multiple countries and in regions affected by conflict or weak governance exposes the Charity to risks such as fraud, diversion of funds and non-compliance with international laws. To mitigate these risks, the Charity conducts comprehensive due diligence on all overseas partners in accordance with the Charity Commission's "Know Your Partner" guidance and CC42 (Charities Working Internationally). Partners are assessed prior to engagement to determine factors including sound governance standards and financial integrity prior.
Formal legal agreements set out clear project terms, financial controls, and reporting obligations. Where appropriate, trustees or representatives carry out on-site monitoring visits and enhanced checks are applied in higher-risk jurisdictions.

- Retention of Donors and Funding Stability

The Charity acknowledges that retaining donor confidence is essential to long-term sustainability. Factors such as the cost-of-living crisis, increased competition for charitable giving and reduced engagement could potentially impact donations. To mitigate this, the Charity maintains transparent communication with donors, regularly providing reports on how donations have been applied and what impact they achieve. Strategic fundraising campaigns and digital platforms are used to strengthen engagement and facilitate recurring giving.

- Global Operations and Rising Costs

Inflation, increased logistics costs and local economic pressures could affect operational efficiency and programme impact. The Charity applies strict financial controls and budget monitoring with trustees reviewing expenditure against plans quarterly. Regular partner audits assess financial management and cost efficiency.

- Cybersecurity and Data Protection

With growing reliance on digital fundraising platforms and electronic storage of donor and beneficiary information, the Charity faces increasing exposure to cyber threats and data breaches. Risks include unauthorised access to personal data, phishing attacks, system downtime and reputational damage arising from breaches of confidentiality.
To manage these risks, the Charity maintains compliance with the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018. Policies cover data collection, storage, sharing and disposal, ensuring that information is handled lawfully, securely and only for legitimate charitable purposes.

Technical safeguards include multi-factor authentication and restricted user access controls. The Charity's IT systems are supported by a cloud-based platform with strong security protocols. Regular data-backups and penetration testing are undertaken to reduce the risk of data loss or cyberattack.
All staff, trustees, and volunteers handling personal data receive training and a named Data Protection Lead oversees compliance and incident response. Any suspected breach would be reported promptly in accordance with the Information Commissioner's Office (ICO) requirements and internal escalation procedures.

Internal Controls and Assurance

The trustees have implemented a robust framework of internal controls and assurance processes to protect the Charity's assets, ensure financial integrity and maintain full compliance with legal and regulatory obligations. These controls form an essential part of the Charity's governance system and provide the Board with confidence that resources are being managed responsibly and directed towards achieving the Charity's charitable purposes.

The internal control framework is supported by financial policies, delegated authorities and reporting requirements which set out how income is received, approved and expended. All financial transactions are subject to appropriate authorisation levels, segregation of duties, and full documentation to support

accountability and prevent errors or misuse. The Charity's financial records are maintained in accordance with the relevant accounting standards and the Charities Statement of Recommended Practice (SORP).

Comprehensive financial monitoring and reporting procedures are in place. The Board receives regular management accounts and performance reports, enabling trustees to review expenditure against budget, evaluate financial trends and thereby respond promptly to any variances. Annual financial statements are prepared in accordance with statutory requirements and audited providing an additional layer of assurance over accuracy and compliance.

The trustees also conduct periodic reviews of the efficacy of internal control systems, covering areas including financial operations, data protection and legal compliance. Where any emerging risks are identified, corrective action is taken to address such and policies are updated to ensure continuous improvement. The Board remains committed to maintaining strong internal controls and continuous improvement. Procedures are reviewed regularly to ensure that they remain effective, up to date, and aligned with best practice and the Charity's activities and direction.

The Charity's control environment is supported by adherence to key governance policies including the Financial Procedures Policy, Conflicts of Interest Policy and Code of Conduct which collectively promote best practice in transparency and accountability.

Assurance regarding the effectiveness of controls is obtained through a combination of internal review, advice and the annual audit. Trustees are satisfied that the systems currently in place are proportionate to the Charity's size and complexity and provide a reliable base for effective financial management and governance.

Public Benefit and Charitable Impact
The trustees confirm that in delivering the Charity's programmes and overseeing its governance during the reporting year, they have given full consideration to the Charity Commission's guidance on public benefit. In accordance with the Charities Act 2011, the trustees are confident that the Charity's work continues to provide genuine and measurable benefit to the public and that all activities remain consistent with its charitable purposes.

During the reporting year, the Charity undertook a wide range of programmes designed to advance religion, education and alleviating poverty. These included:

Faith initiatives, including programmes supporting the observance of key religious occasions were delivered throughout the year. These activities provided opportunities for collective remembrance and spiritual renewal, helping to strengthen community bonds and deepen the beneficiaries understanding of faith values in daily life.

Educational assistance formed a vital part of the Charity's work during the year. Support was provided to children and young people through the provision of school materials, educational resources, and school assistance, enabling access to education for those from disadvantaged backgrounds. The Charity's initiatives included the distribution of stationery and textbooks, as well as the funding of equipment for schools in areas where educational opportunities are limited. These efforts helped reduce barriers to learning and created a more supportive environment for academic and personal development. By investing in education, the Charity contributed not only to the immediate welfare of students but also to the long-term empowerment of individuals and communities, reflecting its commitment to breaking the cycle of poverty through knowledge and opportunity.

Humanitarian relief and food aid programmes: The trustees recognise that crises caused by instability and natural disasters will cause a loss of livelihoods and deprivation. In response, the Charity has directed significant resources toward emergency relief ensuring that aid reaches those in need. The Charity has continued to collaborate with trusted partners to deliver emergency support in regions affected by humanitarian crises. Assistance has included the provision of medical supplies, temporary shelter, hygiene kits and essential household goods to families displaced from their homes.

Food Aid: Recognising the growing challenge of food insecurity in both conflict-affected and economically disadvantaged regions, the Charity continued its food distribution and nutritional support programmes. Initiatives included the delivery of food parcels and hot food provisions. Over the year, these programmes collectively provided thousands of meals and food packages.

Monitoring and Evaluation of Impact
The trustees regularly review the effectiveness of all programmes through partner reports, monitoring and beneficiary feedback. Outputs are measured (such as number of meals distributed or households assisted) to assess effectiveness.

Trustees are satisfied that these initiatives have delivered substantial and measurable public benefit, providing relief to those most affected by hardship while embodying the Charity's faith-based principles.

Fundraising
The Charity is committed to conducting all fundraising activities transparently and in full compliance with relevant legislation, including the Charities Act 2011, the Data Protection Act and the Code of Fundraising Practice. The Charity is formally registered with the Fundraising Regulator and actively seeks to uphold its principles of honesty, integrity and accountability in its fundraising work.

All fundraising activities are carefully overseen by the trustees to ensure that methods are appropriate, proportionate, and consistent with the Charity's faith-based values. Donors' privacy and preferences are fully respected and personal information is handled securely in line with data protection legislation.

The Charity employs a range of fundraising approaches designed to request support which include:

- Targeted appeals and campaigns, organised around specific causes, such as, for example, humanitarian aid, food distribution, or educational support;
- Major donor giving, cultivating long-term relationships with individuals and families who share the Charity's mission and values;
- Online fundraising, using digital platforms and social media to engage a wider audience;
- Corporate partnerships and giving, encouraging businesses to contribute through donations, sponsorships or matched funding initiatives; and
- Direct mail and community outreach, enabling supporters to stay connected to the Charity's activities and contribute through the available channels.

Throughout the reporting year, the Charity was humbled to receive remarkable generosity from its donors. Donations from individuals and corporate organisations allowed the Charity to deliver vital aid and expand the reach of its religious, humanitarian and educational programmes.

The trustees express their sincere gratitude to all donors and volunteers who contributed their time, effort and resources to the Charity's work. Their ongoing support reflects a deep sense of shared faith, compassion, and collective responsibility; values at the heart of the Charity's mission. Looking ahead, the Board remains committed to strengthening its fundraising strategy by broadening outreach, and continuing to ensure that every donation continues to make a meaningful and measurable difference to those most in need.

Complaints Handling

The Charity takes all feedback and concerns seriously and is committed to resolving any complaints promptly, fairly and in accordance with its Complaints Policy. Where a complaint relates to fundraising activity, it is handled in line with the Fundraising Regulator's Code of Practice and serious matters are reported to the Regulator where necessary.

The Charity views feedback as an important opportunity for learning and improvement and strives to maintain high standards across all its activities. The trustees are pleased to note that no complaints were received during the current or preceding financial year.

Due Diligence
Given the Charity's work in international environments, the trustees place significant emphasis on maintaining robust due diligence procedures to protect the Charity's reputation, ensure regulatory compliance and safeguard the proper use of funds. The trustees recognise that potential risks may arise through partnerships particularly when operating internationally or in jurisdictions with limited governance infrastructure.

To address these risks, the Charity has enhanced its Due Diligence Policy to ensure that all prospective partners and funded entities are subject to rigorous assessment before any formal relationship is established. This process follows a structured, risk-based approach and is consistent with the Charity Commission's guidance on "Know Your Partner" and CC42: Charities Working Internationally.
Each prospective partnership is evaluated through a comprehensive verification process designed to confirm legitimacy, capacity, and alignment with the Charity's objectives and standards. This process includes:

- Completion of formal due diligence questionnaires and declarations by partner organisations;
- Verification of organisational identity and legal status, including registration and governance documents and requisite authorisations;
- Assessment of governance structures and financial control arrangements to ensure accountability;
- Screening to check for sanctions, adverse media or reputational risks; and
- Evaluation of project delivery capacity, operational practices, and previous performance.

Where any concern is identified, enhanced due diligence review is conducted. This may involve further documentation requests, additional background checks, or escalation to trustees for review. Decisions to proceed are made only once the risk has been fully assessed and appropriate mitigation measures, such as contractual terms and conditions, payment tranches or enhanced monitoring are in place.

In addition to initial checks, the Charity carries out reviews of due diligence on all partners to ensure continued compliance and reliability. This includes periodic verification of governance and financial documentation and, where necessary independent accounts or field monitoring.
Ultimate responsibility for oversight of due diligence lies with the trustees, who receive regular updates on partner reviews, risk assessments and compliance findings. Through this strengthened framework, the Charity seeks to ensure that all partnerships are transparent, trustworthy, and consistent with its mission and values. The trustees believe that this disciplined approach enables the Charity to maintain the highest standards of integrity while ensuring that charitable resources are applied effectively and for the greatest public benefit.

Conflict of Interest and Related Party Transactions
The trustees recognise that strong governance and transparency are fundamental to maintaining public trust and confidence in the Charity's work. The Charity therefore operates a robust Conflict of Interest Policy, designed to ensure that all decisions are made solely in the best interests of the Charity and free from any undue influence. All trustees and senior staff are required to complete annual declarations of interest, disclosing any personal, professional or financial connections that could give rise to an actual, potential or perceived conflict. Trustees are also required to declare any relevant interest at the start of meetings if a new situation arises, ensuring that decision making remains transparent. All disclosures are recorded in a Register of Interests which is reviewed and updated on a regular basis.

Related Party Transactions
In accordance with best practice and accounting standards under the Charities SORP (FRS 102), the Charity maintains transparent procedures for identifying and recording related party transactions. Related parties include trustees, key management personnel or organisations connected to them that may have a financial relationship with the Charity.
Any potential related party transaction, such as a contract, lease, or purchase involving a trustee or connected individual is subject to prior approval by the Board and must be demonstrably in the Charity's best interests. Any such transaction must be on an arm's length basis with clear demonstrable evidence that the terms are fair, reasonable and comparable to those available from independent third parties.

Details of any approved related party transactions are recorded in the Charity's accounts and disclosed within the annual financial statements in line with statutory reporting requirements. During the reporting year, no related party transactions were identified that required disclosure, and the trustees are satisfied that existing controls are adequate to prevent conflicts from arising in this area.

The Board reviews its Conflict of Interest and Related Party Policies annually to ensure continued compliance with the Charity Commission's guidance and to reflect changes in governance standards.

Property
The Charity operates from the property it constructed n the previous year. As well as running the Charity's operations, the Charity has also hosted faith based and educational programmes for the community in this property.

The trustees are committed to maintaining the property to a high standard as part of the Charity's ongoing duty of safeguarding its assets. Pursuant to this, regular inspections and maintenance have been undertaken to identify and address any issues relating to safety and repair. Maintenance will include checks, utilities servicing and compliance with all relevant health and safety, fire safety, and accessibility regulations. A property management schedule has also been implemented to ensure that maintenance and repair works are planned systematically and that funds are appropriately allocated for future needs.

As the property is currently subject to a mortgage, the trustees continue to ensure full compliance with the terms and conditions of the loan agreement. This includes timely repayment and review of the mortgage's financial and legal obligations to ensure they remain sustainable and in the best interests of the Charity. The trustees keep the mortgage arrangements under periodic review to identify opportunities for improved financial efficiency.

The trustees recognise that the property constitutes a significant long-term asset of the Charity and therefore forms part of the Charity's broader risk management and financial planning framework. Insurance coverage is maintained at an appropriate level to safeguard against potential risks such as fire, theft, or structural damage, and policies are reviewed annually to ensure adequacy of protection.
Through prudent management and careful maintenance, the trustees aim to preserve and enhance the value of the property, ensuring that it continues to serve as a base for the Charity's ongoing charitable work for many years to come.

SIGNIFICANT ACTIVITIES

The Charity undertook a diverse array of activities to advance its charitable aims and purposes. The trustees believe that these activities, as set out below, have provided significant benefit to the public both within the local community and internationally and include the advancement of religion, education, the relief of poverty and social development.
By way of advancing its charitable purposes, the Charity has undertaken the following:

Orphans, Widows and the vulnerable
Priority programmes during the year were directed towards the most vulnerable members of society, including orphans, widows, and children living in hardship. Through sponsorships, direct support, and the provision of essential services, the Charity aims not only to meet immediate survival needs but also to address the long-term welfare and development of these individuals. The Charity recognises that sustainable impact comes from providing care that extends beyond emergency relief, helping people rebuild their lives with dignity and hope for a better future.

The Charity's orphan and widow sponsorship programmes continued to expand, enabling assistance to be provided to families facing severe economic challenges. Sponsorship contributions ensure that beneficiaries have access to essential needs such as nutritious food, household essentials, shelter and education. These programmes are designed with a long-term perspective: to support children in remaining in school, empower widows to become self-reliant and ultimately break the intergenerational cycle of poverty.

The Charity also implemented a range of welfare projects aimed at improving living conditions for families in need. Such assistance is prioritised through local assessments to ensure that aid reaches those most in need and is delivered in a fair and transparent manner. With the generosity of the Charity's donors, the Charity has supported over 100,000 orphans, widows and vulnerable individuals with their immediate and longer term needs.

Healthcare

The Charity is dedicated to providing critical health and medical aid to vulnerable individuals facing serious health issues. Throughout the year, cases are individually assessed and support is extended to those requiring immediate or lifesaving treatments which the beneficiaries due to their economic situation cannot afford. During the reporting period, the Charity saw an increase in medical cases requiring urgent intervention. Our support also included psychological assistance to children facing post-traumatic stress where they had experienced crises to enable them to start their process of recovery. In the reporting period, the Charity assisted 19,405 beneficiaries with general medical assistance and a further 729 individuals with assistance for cancer treatments.

Food Aid

One of the Charity's most impactful ongoing initiatives is the distribution of essential food supplies. The Charity regularly provides food parcels containing staple items such as rice, flour, lentils, sugar, and cooking oil, usually distributed as monthly or seasonal packages. These items are selected to reflect the dietary and cultural preferences of local communities, allowing families to prepare meals in ways that preserve their sense of independence and dignity.

In addition to dry staples, the Charity organises community meal distributions, ensuring that vulnerable families and individuals receive warm, nutritious meals at key times of the year. This includes large-scale food drives during the holy month of Ramadan, when fasting families are supported through iftar (breaking of fast) meals, and during the winter months, when the need for warmth and sustenance is greatest. These efforts are often carried out in partnership with local volunteers and community networks ensuring efficient delivery and a deep sense of collectiveness. With the generosity of the Charity's donors, the Charity supported 987,225 individuals with food during the Ramadan period.

Qurbani and Meat Distribution

The Qurbani campaigns are seasonal campaigns which provide meat to those facing hunger and hardship. Through the Charity's Dhul Hijjah campaign, the Charity facilitated qurbani donations, ensuring that this religious act benefited those vulnerable families, many of whom rarely have access to meat as this is beyond their means.

In the reporting period, the Charity successfully facilitated the sacrifice and distribution of meat to just over 64,000 individuals in regions including Iraq, Kenya and Pakistan.

Religious Advancement

During the year, the Charity continued its efforts to advance Islam both locally and internationally.

Commemorations During Muharram

The month of Muharram holds deep significance for the global Muslim community. During this sacred month, the Charity organised and supported a wide range of programmes both locally and internationally to promote understanding of the values embodied by Imam Husain (as).

The Charity hosted majalis (gatherings) and lectures to provide spiritual reflection to the participants.

In the UK, the property of the Charity was used to facilitate majalis for the first nine days of Muharram for the local community.

Across Iraq and Pakistan, the Charity facilitated majalis serving over serving just over 10,000 participants during the ten days of Muharram. Youth led and children programmes were also held to ensure that the younger members of society were included in the religious commemorations.

Arbaeen

The commemoration of Arbaeen represents one of the largest peaceful gatherings in the world. In the reporting period, the Charity once again played a vital role in facilitating the pilgrimage to Karbala and supporting thousands of people who undertook the journey on foot and stayed at the Mowkeb.

The Charity's efforts included both direct service delivery and coordination with local partners to ensure that pilgrims—many of whom come from disadvantaged backgrounds—could complete their journey safely and with dignity.

The activities of the Charity during Arbaeen included:

- Provision of food and water: the provision of 91,000 meals in the days leading up to the Arbaeen and 253,570 drinks and water served.
- Medical and first aid services: Volunteer doctors and nurses provided care and basic medication to thousands of pilgrims.
- Temporary rest areas, overnight accommodation and bathroom/shower facilities were arranged for pilgrims.
- Accessibility assistance: The Charity supported the participation of disabled and elderly pilgrims by providing wheelchairs and companions to assist them during the walk.

Ramadan Programmes

The holy month of Ramadan remains one of the most busy periods of the year for the Charity. The Charity delivered a comprehensive range of programmes that addressed both the religious and nutritious needs of the fasting community. The Charity's Ramadan activities reached tens of thousands of beneficiaries across multiple countries with the initiative including:

- Daily iftar programmes, providing warm, nutritious meals to fasting families in low-income areas. Over 450,000 meals were distributed globally throughout the month.
- Distribution of Ramadan food packs, containing essentials such as rice, flour, lentils, dates, and cooking oil, allowing families to prepare their own meals in a dignified manner.

Education

Through a wide range of programmes and initiatives, the Charity supported children and adults recognising that education is not only a means of personal advancement but also a foundation for building self-sufficient communities.

Education is one of the most effective tools for breaking the cycle of poverty. It provides individuals with the skills and knowledge to improve their circumstances and contribute meaningfully to society. The Charity's commitment to education extends beyond academic achievement; it is rooted in the belief that learning provides opportunity.

In the reporting year, the Charity continued to expand access to quality education by refurbishing and equipping schools in underserved regions. These facilities provide safe, supportive learning environments where children can thrive. For example, with the provision of a grant to provide equip a school in Karbala, has allowed children from orphaned and low income families to attend school with fit for purpose learning facilities.

The Charity also provided essential learning materials, including stationery and school uniforms, to ensure that financial hardship did not prevent children from attending school. Recognising the critical link between nutrition and academic performance, the Charity introduced school meal programmes that provided children with daily nutritious meals, helping to improve concentration, attendance, and overall wellbeing.

Vocational Training and Skills Development

Recognising that not all individuals have access to formal education, the Charity continued to deliver vocational and skills training programmes designed to create sustainable livelihoods and promote self-reliance. In the reporting period, a total of 10,771 individuals benefited from education and training projects across multiple regions.

Programmes were tailored to local contexts and included practical training in healthcare, tailoring, horticulture and carpentry. The Charity also invested in preserving traditional crafts, such as carpet weaving and pottery, enabling participant, especially widows and single mothers, to generate income while safeguarding cultural heritage. Follow-up support, such as the provision of starter kits and business mentoring, helped participants transition from training to employment successfully. Such initiatives reflect the Charity's belief that empowerment and self-sufficiency are essential components of humanitarian care. The Charity assisted 774 widows in the reporting period through its initiatives. By prioritising these vulnerable groups and addressing both their short-term and long-term needs, the Charity not only alleviates suffering but also strives to bring stability within communities. The trustees believe that this holistic approach embodies the Charity's mission to bring relief and empowerment, to those most in need.

Community Empowerment Through Education

Beyond individual learning, the Charity's educational activities promote religious awareness and social development. Regular lectures and workshops were provided to widows to provide adult literacy programmes to advance education and help empower these individuals to make informed decisions and lead more independent lives.

International Aid

The Charity continued to extend vital humanitarian assistance to people affected by conflict, displacement, poverty and natural disasters. Through its extensive network of field teams and trusted partner organisations, the Charity ensured that aid was delivered swiftly and effectively, often in regions that were hard to access or underserved by other relief agencies.

During the reporting year, the Charity undertook emergency responses in regions severely affected by conflict, displacement and natural disasters. These operations focused on providing immediate assistance including food, clean water, medical care and temporary shelter.
As part of its emergency relief campaign, the Charity:

- Secured 63 temporary shelters for displaced families, offering safety and stability to those who had lost their homes.
- Distributed 382,250 cooked meals and 260,825 loaves of bread, ensuring that vulnerable families had access to reliable food sources amid disrupted supply chains.
- Provided 10,000 hygiene kits, including soap, sanitary items, and cleaning materials, to help prevent the spread of disease in overcrowded conditions.
- Supplied 5,300 mattresses and blankets, protecting families from harsh weather and improving living conditions in temporary settlements.

Our winter aid campaign reached 20,162 beneficiaries, providing winter essentials such as blankets, clothing, and heaters to displaced and impoverished families.

When severe flooding struck several regions, destroying homes and livelihoods, the Charity swiftly deployed teams to provide emergency relief. A total of 12,500 individuals were supported with tents, blankets, mattresses, food parcels and potable water. Working closely with local partners, the Charity ensured that aid reached the most affected communities efficiently, reducing the immediate risk of disease and hunger following the floods.

The Charity also prioritised support for communities impacted by violence and instability. Marginalised families living in conflict zones received emergency food packages, clean water supplies, and essential assistance to help rebuild their lives. Special focus was placed on providing care for the widows and orphaned children who often face extreme hardship after losing their primary breadwinners.

Through these comprehensive efforts, the Charity directly improved the lives of tens of thousands of individuals across multiple countries.

Water, sanitation and hygiene

Access to clean water is essential for health, yet millions around the world still struggle to obtain it. Contaminated or scarce water sources continue to threaten lives, particularly among children and vulnerable families. Recognising this, the Charity remained steadfast in its commitment throughout the reporting period to improving access to safe, reliable and sustainable water supplies for communities in need. The Charity expanded its clean water initiatives to provide long-term solutions that improve health outcomes, strengthen livelihoods, and promote dignity across disadvantaged regions.

In the reporting period, the Charity constructed 153 wells across Pakistan including the provinces of Sindh and the Punjab transforming daily life for thousands of individuals and families in underserved communities. These wells, powered by both solar and electric systems, have provided easily accessible water for drinking, cooking, and sanitation.

Solar-powered wells were prioritised in remote or off-grid areas where electricity supply is unreliable, ensuring uninterrupted operation and promoting environmentally sustainable energy use. Electric-powered wells were installed in areas with more stable infrastructure, offering higher water capacity to serve the community.

By replacing unsafe and distant water sources with local, clean alternatives, these projects have significantly reduced the incidence of waterborne diseases such as cholera and diarrhoea while improving overall community health.

Filtration and Desalination Systems

Beyond well construction, the Charity invested in filtration and desalination systems to tackle complex water challenges in regions where existing sources are saline or polluted. These community-based facilities use modern purification technology to remove harmful contaminants, providing safe and affordable water for everyday use.

The benefits of clean water extend far beyond health. Children and women, particularly girls, no longer need to walk long distances to collect water, allowing them to attend school more regularly. Families also enjoy improved nutrition and hygiene standards.

A defining feature of the Charity's water programme is its emphasis on sustainability and local empowerment. Each water point is designed for long-term operation, with community members trained to maintain and repair the systems. Local water committees oversee usage, encourage responsible consumption, and ensure equitable access for all. The integration of solar technology reflects the Charity's commitment to environmental stewardship, reducing carbon emissions while providing dependable, renewable energy to power essential community infrastructure.

By coupling innovation with accountability, the Charity ensures that every water project continues to serve as a lasting source of life, health, and hope. Through these collective efforts, the Charity's water initiatives in the reporting period provided safe, clean, and sustainable water to tens of thousands of people across Pakistan. The impact goes beyond meeting immediate survival needs, it helps to build a foundation for stronger and healthier communities.

Donations and Grant Making

The Charity accepts and distributes a range of religious obligations, including Khums, Zakat, and Sadaqa, strictly in accordance with Islamic principles and jurisprudential guidance. These funds are collected with due care and allocated transparently to ensure that they reach eligible beneficiaries and are applied solely for purposes that align with both the intent of the donor and the religious and charitable objectives of the Charity.

In addition to religious dues, the Charity receives general donations and contributions from members of the public who share its vision of serving humanity through religion, education and poverty relief. These

funds are directed towards a combination of direct charitable activities and grants made to individuals and partner organisations. Through this approach, the Charity is able to reach a broader network of beneficiaries and support a variety of projects that advance its aims, including educational initiatives, humanitarian relief and religious programmes.

Grant-making remains a core part of the Charity's operations and a key mechanism through which it delivers its charitable impact. The trustees have established a Grant Policy that defines the principles, criteria, and due diligence processes governing the approval and monitoring of grants. All grant requests are carefully assessed to ensure that they:

- Align with the Charity's objectives and priorities;
- Demonstrate a clear charitable purpose and tangible public benefit;
- Are supported by adequate documentation and verification of need; and
- Comply with the Charity's internal governance and financial control frameworks.

The trustees retain ultimate responsibility and discretion over all funding decisions. Each application is reviewed in light of the available resources, project outcomes and compliance with charity law. Approved grants are subject to appropriate reporting and monitoring requirements to ensure funds are used for their intended purpose, and progress updates are obtained from grantees to assess impact and effectiveness.

Where grants are made to overseas partners, the trustees apply enhanced due diligence and oversight in line with the Charity Commission's guidance for charities working internationally. This includes verification of partner legitimacy, confirmation of project delivery capacity and evaluation of local conditions to ensure compliance and mitigate risk.

Through this approach, the Charity ensures that religious and general donations are distributed responsibly to those most in need while fulfilling the trust placed in it by donors. The trustees view these duties as both a legal and religious responsibility which they seek to fulfil to the highest standards.

Volunteers

The Charity continues to be extremely grateful for the invaluable support and dedication of its volunteers, who play a vital role in helping to deliver the Charity's programmes and maintain its community presence. The Charity actively encourages members of the community to share their time, skills and expertise in support of its charitable objectives, recognising that volunteering is both an act of service and a means of strengthening social bonds within the community.

Volunteers contribute across a wide range of activities, including event coordination, community outreach and the delivery of certain projects. Their commitment enables the Charity to extend its reach, reduce operational costs and ensure that more of its resources are directed towards charitable activities and beneficiaries.

While volunteers are not financially compensated for their time, the Charity reimburses reasonable expenses, such as travel or meals, to ensure that volunteering remains accessible to all. The Charity has in place comprehensive policies and procedures for the recruitment, vetting and induction of volunteers. These include safeguarding checks where appropriate, clear role descriptions, and training or guidance to ensure that volunteers understand the Charity's values, standards of conduct and expectations.

Community Presence

The Charity continues to maintain a strong and visible presence within the community, actively engaging in a range of events and initiatives that reflect its commitment to advancing its objectives for the public benefit. Throughout the year, the Charity participated in numerous community activities that brought together individuals from different backgrounds, strengthening social ties.

By organising and participating in local events, the Charity reached thousands of attendees, raising awareness of the Charity's primary objectives . Engagements included the Muslim Bazar, which fostered a spirit of collaboration and cultural celebration, participation in Friday congregational prayers across multiple centres, a vital avenue for connecting with local communities, sharing updates on the Charity's

work, and encouraging ongoing involvement in its charitable mission.

The Charity also took an active role in major faith-based gatherings, such as the Arbaeen Procession, where trustees, volunteers, and community representatives came together to promote messages of peace and service to others. Through these events, the Charity not only raised awareness of its humanitarian projects but also collected funds towards its ongoing programmes.

The Charity's also took part in community drives and awareness campaigns, reflecting the shared belief that faith must translate into tangible service and benefit to others.

These activities have also helped to enhance public understanding of the Charity's mission and the impact of its work, encouraging wider participation and collaboration across age groups, backgrounds, and local networks.

The trustees remain committed to further expanding the Charity's community outreach in the coming year, with plans to develop more structured engagement programmes, youth participation initiatives, and collaborations with local organisations. This will ensure that the Charity's presence continues to create positive change across the communities it serves.

The cost of living crisis led to record levels of poverty in the UK and meant that struggling families were

Financial review

The Zahra Trust focuses on key intersecting areas to address in order to meet need. These include humanitarian assistance, community empowerment, healthcare, water provision, caring for orphans, widows and vulnerables, and livelihood projects. With substantial financial reserves, the Trust is well positioned to continue its support in the coming year, aiming for lasting change for the communities and individuals we support.

The primary income streams for the Charity originate from the collection of donations and religious dues from the general public. Currently, the Charity does not maintain any investments with the intention of generating income. The total funds generated by the charity, excluding investment, charity shop and interest income, amounted to £5,850,356 during the year (2024: £3,809,762). This revenue was primarily sourced from the collection of donations for various charitable purposes and gift aid repayments received from HMRC. With our continued process of strengthening internal and external working ethos and professionalism, we have successfully maintained our reclaimable percentage of giftaid over years on our donations.

Total resources expended during the year was £4,773,122 (2024: £3,924,516). This includes £3,855,169 (2024: £3,112,757) expended for grant payables and other charitable activities. Our current year's charitable spending was £848k more than our last year's charitable expenditures leaving a balance of only £738k in our restricted fund balance at year end, mostly deliverables in emergency aid relief. This remarkable project implementations have been the result of untiring efforts of our trustees, management, staff and volunteers and our implementing partners and also our commitment to implement the aspiration of our donors in eradicating the pains and sufferings of the most vulnerable people.

Total funds carried forward at the end of the year was £ 3,616,428 (2024: £ 2,501610). £2,878,850 of the current year fund balance represents the unrestricted fund, and £ 737,578 represents restricted fund balance.

Reserves policy

The Charity maintains reserves of unrestricted funds to cover general operational expenses and to manage potential uncertainties in the future.

In developing the reserve policy, the trustees have identified various restricted funds, as outlined in the Statement of Financial Activities (SOFA) and notes to the accounts. These restricted funds are allocated strictly in accordance with the specific restrictions attached to each fund, where applicable.

The Charity keeps its Reserves Policy for unrestricted funds under regular review and has reviewed this at the yearend; the trustees remain satisfied that holding sufficient funds to cover at least 6 months of the Charity's operational costs, including staff expenses and ongoing work with partners is still valid and prudent. The trustees have considered potential risks and the necessary funds to mitigate those risks .

In the current year, the balance of unrestricted funds of £2,878,850 (2024: £1,972,560), includes £1,386,922 (2024: £1,392,762) for the foundation fund, which is net of £1,462,101 (2024: £ 1,471,459) of tangible fixed assets net book value less loan payable of £ 75,179 (2024: £78,697) as at the year-end. The foundation fund represents the costs incurred and capitalised as Charity's property, intended for extending its charitable activities and is being used as such. This has enabled the Charity to execute its projects and programme with greater efficiency and outreach to the vulnerable and needy people.

At year end the Charity holds a free reserve of £1,491,928 (2024: £579,798), which is sufficient to cover at least 6 months of operational costs at circa £450k, as well as additional work planned for the upcoming period and any shortfall in donations committed for executing restricted projects or in the escalation of its costs, on the discretion of the trustees.

Future work

The Charity has continued to broaden its digital footprint and strengthen its communication channels to better engage with donors, beneficiaries and the wider public. Over the past year, the Charity has ex-panded its presence across social media platforms, using these outlets to share updates on humanitar-ian projects, highlight success stories and raise awareness of new campaigns. This increased visibility has enhanced transparency, encouraged donor engagement and helped to build a growing online pres-ence.

To build on this progress, the trustees plan to implement dedicated digital systems and tools to manage online communication, data analytics and content planning more effectively. These improvements will allow the Charity to reach a wider audience, increase fundraising efficiency and communicate the impact of its work more consistently and effectively. The Charity recognises that effective communication is key to sustaining donor confidence, inspiring potential donors, and ensuring that beneficiaries' voices and stories are shared respectfully.

In line with its broader strategic objectives, the Charity also intends to expand several of its humanitarian and development programmes in the coming year. This includes scaling up initiatives that provide ac-cess to clean and safe water, enabling more families and communities to benefit from reliable, sustain-able water sources in regions facing drought or infrastructure challenges.

Furthermore, the Charity is planning a broader range of educational projects; these will include commu-nity-based educational workshops designed to encourage the youth and promote lifelong learning.

The trustees are confident that by combining strong communication systems, expanded programme delivery and digital innovation, the Charity will continue to strengthen its impact and extend its activities to those in need.

Trustees' responsibilities statement

The trustees, also acting as directors for the purposes of company law, bear the responsibility of preparing the trustees' report and financial statements in compliance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

According to company law, the charity trustees must compile financial statements annually that present a true and fair view of the charitable company's state of affairs, detailing incoming resources and the application of resources, encompassing income and expenditure, for that period.

In the process of preparing these financial statements, the trustees are obligated to:

• Select appropriate accounting policies and consistently apply them.
• Adhere to the methods and principles outlined in the applicable Charities Statement of Recommended Practice (SORP).
• Exercise reasonable and prudent judgment in making accounting estimates.
• Explicitly state whether applicable UK Accounting Standards have been followed, with any material departures disclosed and explained in the financial statements.
• Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

Furthermore, the trustees are accountable for maintaining adequate accounting records that sufficiently demonstrate and elucidate the Charity's transactions. These records must disclose, with reasonable accuracy at any time, the financial position of the charity, enabling the trustees to ensure compliance with the Companies Act 2006. Additionally, the trustees are responsible for safeguarding the charity's assets and must take reasonable measures for the prevention and detection of fraud and other irregularities.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

Ali Massoumi (Dec 2, 2025 18:54:56 GMT+3)

Ali Massoumian
Trustee
Date 2 December 2025

Opinion

We have audited the financial statements of The Zahra Trust for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant 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 March 2025 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statement
As explained more fully in the trustees' responsibilities statement, set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to judgements around revenue at year end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Adam Halsey
(Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 09/12/2025

10 Queen Street Place
London
EC4R 1AG

The Zahra Trust
Statement of Financial Activities
(including income and expenditure account)
Company Number: 06842695 (England and Wales)
Year ended 31 March 2025

	Note	2025 Unrestricted funds £	2025 Restricted funds £	2025 Total funds £	2024 Total funds £
Income and endowments					
Donations and legacies	2	1,741,742	4,108,614	5,850,356	3,809,762
Trading activities	3	27,815	-	27,815	75,397
Investment income	4	8,779	-	8,779	16,626
Other income	5	990	-	990	450
Total income		1,779,326	4,108,614	5,887,940	3,902,235
Expenditure on					
Raising funds	6	431,424	-	431,424	352,281
Charitable activities	7	-	4,333,910	4,333,910	3,552,814
Cost of trading goods		7,788	-	7,788	19,421
Total expenditure		439,212	4,333,910	4,773,122	3,924,516
Net income		1,340,114	(225,296)	1,114,818	(22,281)
Transfers between funds		(433,824)	433,824	-	-
Net movement in funds		**906,290**	**208,528**	**1,114,818**	**22,281**
Reconciliation of funds					
Total funds brought forward		1,972,560	529,050	2,501,610	2,523,891
Total funds carried forward		**2,878,850**	**737,578**	**3,616,428**	**2,501,610**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 25 to 34 form part of these financial statements.

The Zahra Trust
Balance Sheet
As at 31 March 2025

	Note	2025 £	£	2024 £	£
Fixed assets					
Tangible fixed assets	14	1,462,101		1,471,459	
			1,462,101		1,471,459
Current assets					
Shop stock	15	7,995		5,856	
Debtors	16	191,589		54,171	
Cash at bank and in hand		2,077,458		1,092,394	
		2,277,042		1,152,421	
Creditors: amounts falling due within one year	17	57,345		53,765	
Net current assets			2,219,697		1,098,656
Total assets less current liabilities			3,681,798		2,570,115
Creditors: amounts falling due after more than one year	18		65,370		68,505
Net assets			3,616,428		2,501,610
Funds of the charity					
Restricted funds			737,578		529,050
Unrestricted funds			2,878,850		1,972,560
Total charity funds	22		3,616,428		2,501,610

These financial statements were approved by the board of trustees and authorised for issue on 2nd December, 2025 and are signed on behalf of the board by:

Ali Massoumi (Dec 2, 2025 18:54:56 GMT+3)

Ali Massoumian
Trustee

The notes on pages 25 to 34 form part of these financial statements.

The Zahra Trust
Statement of Cash Flows
Year ended March 2025

	Notes	2025		2024	
		£	£	£	£
Net cash inflow from operations					
Net cash provided / (used) by operating activities	(i)		(995,596)		(70,093)
Cash flows from investing activities:					
Bank interest received		8,779		16,626	
Net cash used in investing activities			8,779		16,626
Cash flow from financing activities					
Acquisition of fixed assets		(16,176)		(114,994)	
Repayment of long term loan		(3,135)		(290,244)	
Net cash (used) in financing activities			(19,311)		(405,238)
Change in cash and cash equivalents in the reporting period			985,064		(458,705)
Cash and cash equivalents at the beginning of the period			1,092,394		1,551,099
Cash and cash equivalents at the end of the reporting period	(ii)		2,077,458		1,092,394

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net movement in funds	1,114,818	(22,281)
Depreciation charges	25,533	24,100
Decrease / (Increase) in stock	(2,139)	2,129
Decrease / (Increase) in debtors	(137,417)	(48,752)
(Decrease) / increase in creditors	3,580	(8,663)
Bank interest received	(8,779)	(16,626)
Net cash inflow from operating activities	(995,596)	(70,093)

Analysis of cash and cash equivalents

		2025	2024
		£	£
Cash	25	2,077,458	1,092,394
Total cash and cash equivalents		2,077,458	1,092,394

The Zahra Trust
Notes to the financial statements
Year ended March 2025

1. Accounting Policies

Statement of compliance

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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Zahra Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Trustees assessment of Going Concern

In view of the financial performance and the reserves position as at the balance sheet date, the Board of Trustees have a reasonable expectation that The Zahra Trust will have the resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern. This year the Trust has seen an increment in the income, coupled with the development of a comprehensive fundraising strategy, communications plan and an improve supporter services experience, the Trustees foresee increased restricted and unrestricted income next year.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Investment income is accounted for in the Statement of Financial Activities in the period in which the charity is entitled to receive.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include its audit fees and other costs linked to strategic management of the charity. These are allocated in line with other support costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Building on freehold property	- 2% on straight line
Fixtures and fittings	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Computers and software	- 33% on reducing balance

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
Designated funds are those funds which have been designated by the Trustees for specific purposes within the objects of the charity.
Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.
Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

2. Donations

	Unrestricted funds	Restricted funds	Total funds 2025
	£	£	£
Donations	1,262,421	4,108,614	5,371,035
Gift aid	479,321	-	479,321
Donations	1,741,742	4,108,614	5,850,356

	Unrestricted funds	Restricted funds	Total funds 2024
	£	£	£
Donations	953,704	2,414,366	3,368,070
Gift aid	441,692	-	441,692
Donations	1,395,396	2,414,366	3,809,762

3 Trading activities

	2025	2024
	£	£
Income from charitable shop	27,815	75,397
Cost of goods and services of shop	7,788	19,420
	20,027	55,977

4. Investment income

	Unrestricted funds	Total funds 2025	Unrestricted funds	Total funds 2024
	£	£	£	£
Interest income	8,779	8,779	16,626	16,626

5. Other income

	Unrestricted funds	Total funds 2025	Unrestricted funds	Total funds 2024
	£	£	£	£
Other income	990	990	450	450

6. Costs of raising funds

	2025	2024
	£	£
Cost of raising funds- relate to unrestricted funds	271,844	205,595
Support Costs (see note 8)- relate to unrestricted funds	159,580	146,686
Total	431,424	352,281

7. Expenditure on charitable activities

	2025	2024
	£	£
Grant payable (see note 7.a)- relate to restricted funds	3,855,169	3,112,757
Support Costs (see note 8) - relate to restricted funds	478,741	440,057
Total	4,333,910	3,552,814

7.a Grants Payable

	Grants to Institutions	Grants to Individuals	Total Funds 2025	Grants to Institutions	Grants to Individuals	Total Funds 2024
	£	£	£	£	£	£
Ahlulbayt Foundation	-	-	-	40,000	-	40,000
AL Jalila Child Hosp	-	-	-	210,260	-	210,260
Alulbayt Foundation	311,529	-	311,529	23,815	-	23,815
Bilal Muslim Mission	48,974	-	48,974	18,654	-	18,654
Boreal Light Gmbh	76,320	-	76,320	56,015	-	56,015
In Azzahraa We Trust Foundation	2,663,853	-	2,663,853	2,285,777	-	2,285,777
Jabir Bin Hayyan Trust	260,923	-	260,923	80,238	-	80,238
Al-Khoei Foundation	40,054	-	40,054	259,030	-	259,030
W A B I L	300,015	-	300,015	-	-	-
Other Misc.	129,535	23,966	153,501	130,561	8,407	138,968
	3,831,203	23,966	3,855,169	3,104,350	8,407	3,112,757

8. Support costs

	Raising Fund 2025	Charitable Activities 2025	Total 2025	Raising Fund 2024	Charitable Activities 2024	Total 2024
	£	£	£	£	£	£
Office running costs	4,124	12,371	16,495	8,418	25,254	33,672
Administrative costs	144,560	433,679	578,239	123,587	370,760	494,347
Finance costs	3,130	9,390	12,520	7,762	23,287	31,049
Governance costs	7,766	23,301	31,067	6,919	20,756	27,675
Total	159,580	478,741	638,322	146,686	440,057	586,743

Support costs are allocated in line with the usage by each activity.

9. Net income

Net income is stated after charging / (crediting)

	2025	2024
	£	£
Fees payable to auditors (net of VAT)	20,300	20,300
Depreciation of tangible fixed assets	25,533	24,100
Exchange (loss) / gain	- 4,293	- 2,984

10. Governance cost

	2025	2024
	£	£
Governance costs - audit fees	24,360	24,360
Governance costs - legal fees	6,707	13
Total	31,067	24,373

11. Auditors remuneration

	2025	2024
	£	£
Auditor's remuneration	24,360	20,300

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	362,208	281,775
Social security costs	34,569	26,542
Employer contributions to pension plans	1,004	1,802
	397,781	310,119

The average head count of employees during the year was

	2025	2024
	No.	No.
Number of staff	12.5	10.0

No employee received employee benefits of more than £ 60,000 during the year (2024: nil).
The trustees are the key management personnel who are not remunerated for their services to the charity.

13. Trustee remuneration and expenses

During the year, no Trustees received any remuneration (2024: none).
During the year, no Trustees received any benefits in kind (2024: none).
During the year, no Trustees received any reimbursement of expenses (2024: none).

Trustee expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

14. Tangible fixed assets

	Freehold property	Other equipment	Computers and Software	Fixtures and fittings	Total
Cost	**£**	**£**	**£**	**£**	**£**
At 1 April 2024	1,451,351	18,607	11,978	37,347	1,519,283
Additions	-	2,124	5,888	8,164	16,176
At 31 March 2025	1,451,351	20,731	17,866	45,511	1,535,459
Depreciation					
At 1 April 2024	12,498	10,830	7,371	17,126	47,825
Charge for the year	12,498	2,475	3,464	7,096	25,533
At 31 March 2025	24,996	13,305	10,835	24,222	73,358
Carrying amount					
At 31 March 2025	1,426,355	7,426	7,031	21,289	1,462,101
At 31 March 2024	1,438,854	7,777	4,607	20,221	1,471,459

15. Stock

	2025	2024
	£	**£**
Shop stock	7,995	5,856

16. Debtors

	2025	2024
	£	**£**
Trade debtors	32,762	1,181
Other debtors	158,827	52,990
	191,589	54,171

17. Creditors: amounts falling due within one year

	2025	2024
	£	£
Bank loans and overdrafts	9,809	10,192
Accruals and deferred income	24,551	26,899
Social security and other taxes	22,835	16,329
Pension	150	345
	57,345	53,765

18. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Bank loans and overdrafts	65,370	68,505

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year on demand	9,809	10,192
Amounts falling due within two and five years	39,234	40,766
Amounts falling due in more than five years	26,136	27,739

The loan was originally taken out on 10 February 2018, with an initial interest rate of 3.5% and the remaining term of the loan is 11years and 11 months.

19. Charge - bank loan

There is a charge by Barclays Bank plc in respect of the Charity's property.
The charity with full title guarantee charges by way of a legal mortgage on the property known as Salvation Army Hall, Barnfield Road, Edgware, HA8 0AY, including all buildings now or to be erected thereon and discharge to the bank on the demand by the bank of all the liabilities.

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £ 1,004 (2024: £1,802).

21. Analysis of charitable funds

Unrestricted funds- The foundation fund represents the costs incurred and capitalised as Charity's property, intended for extending its charitable activities and is being used as such.

	At 1 April 2024	Income	Expenditure	Transfers	At 31 March 2025
	£	£	£	£	£
General funds	579,798	1,779,326	(439,212)	(427,984)	1,491,928
Foundation - designated fund	1,392,762	-	-	(5,840)	1,386,922
	1,972,560	1,779,326	(439,212)	(433,824)	2,878,850

Restricted funds

	At 1 April 2024	Income	Expenditure	Transfers	At 31 March 2025
	£	£	£	£	£
Orphans, widows, poor and vulnerables	-	308,723	(308,723)	-	-
Khums	107,333	953,742	(1,061,075)	-	-
WASH	65,988	81,324	(147,312)	-	-
Education	-	83,700	(83,700)	-	-
Healthcare	-	5,244	(5,244)	-	-
Religious obligations	-	826,948	(1,260,772)	433,824	-
Emergency and relief	150,594	1,413,182	(1,009,703)	-	554,073
Poverty and hunger eradication	-	290,665	(290,665)	-	-
Yemen Aid	205,135	145,086	(166,716)	-	183,505
	529,050	4,108,614	(4,333,910)	433,824	737,578
Total				-	
	2,501,610	5,887,940	(4,773,122)	-	3,616,428

Orphans, widows, poor and vulnerables

- Orphans: The charity provides the essentials including food, shelter, winter packs and clothing to orphans in in many regiions including, Iraq, Pakistan, Afghanistan, Syria, Yemen and Africa.
- Widows: The charity also runs camps in many regions and provides food, shelter and clothing to widows.

Khums: This is an obligatory religious tax of 20%. To be spent on poors, needy, syeds etc. The fund is mostly used to needy and vulnerables, widows, people on religious services etc. at the discretion of the trustees.

WASH: The charity runs projects in many regions to provide safe drinking water, sanitation and hygiene. During the current year extensive water sanitation and solar assisted water well programmes were executed in various parts of the world where people do not have access to water.

Education and healthcare: continuing educational, medical and humanitarian support are provided to Muslim community in Myanmar. Medical support are provided to the needy who are suffering from medical ailments. Such medical support includes medical clinics which are set up in areas where access to medical facilities are scarce. Poverty and hunger eradication: We provide life chaning assistance to the poor and vulnerable people around the globe. It includes providing blankets and tents in winter, supporting vulnerable familites with food and shelter, and empowering communities by helping in earning livelihood and providing skill and support to start small businesses. Syria and Yemen: To provide relief and poverty aid to the needy in Syria and Yemen.

Emergency and relief: To provide basic facilities and temporary shelters in conflicts ridden countries, on-going war zones and people affected from natural calamities, communal conflicts; during and post conflict sufferings. Religious obligations: To provide religious rituals, ceremonies and obligations, ramadhan and mosque activities.

Analysis of charitable funds – 31 March 2024

Unrestricted funds

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
General funds	400,789	1,487,869	(371,702)	(937,158)	579,798
Foundation - designated fund	993,862	-	-	398,900	1,392,762
	1,394,651	1,487,869	(371,702)	(538,258)	1,972,560

Restricted funds

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Orphans, widows, poor and vulnerables	-	324,088	(324,088)	-	-
Khums	-	684,515	(577,182)	-	107,333
WASH	129,323	149,334	(212,669)	-	65,988
Education	-	66,100	(262,867)	196,767	-
Healthcare	-	75,412	(161,860)	86,448	-
Religious obligations	-	492,209	(660,502)	168,293	-
Emergency and relief	534,363	295,515	(679,284)	-	150,594
Poverty and hunger eradication	-	95,797	(163,909)	68,112	-
Syria Aid	18,527	19,903	(57,068)	18,638	-
Yemen Aid	447,027	211,493	(453,385)	-	205,135
	1,129,240	2,414,366	(3,552,814)	538,258	529,050
Total	2,523,891	3,902,235	3,924,516	-	2,501,610

22. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Tangible fixed assets	1,462,101		1,462,101	1,471,459
Current assets	1,539,464	737,578	2,277,042	1,152,421
Creditors less than 1 year	- 57,345		- 57,345	- 53,765
Creditors greater than 1 year	- 65,370	-	- 65,370	- 68,505
Net assets	2,878,850	737,578	3,616,429	2,501,610

Analysis of net assets between funds – 31 March 2024

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Tangible fixed assets	1,471,459		1,471,459	1,380,565
Current assets	623,371	529,050	1,152,421	1,564,503
Creditors less than 1 year	53,765		53,765	62,428
Creditors greater than 1 year	68,505	-	68,505	358,749
Net assets	1,972,560	529,050	2,501,610	2,523,891

23. Capital commitments

The Charity had no operating lease or capital commitments at the year-end.

24. Related parties

One of the trustees made donations to the Charity in the sum of £ 3,640 during the year (2024: £3,640).

25. Net debt reconciliation

	At 1 April 2024	Cashflow	Other non Cash changes	At 31 March 2025
	£	£	£	£
Cash	1,092,394	985,064	-	2,077,458
Bank loans and overdrafts	78,697	(3,518)	-	75,179

Net debt reconciliation - 2024

	At 1 April 2023	Cashflow	other non Cash changes	At 31 March 2024
	£	£	£	£
Cash	1,551,099	(458,705)	-	1,092,394
Bank loans and overdrafts	386,703	(308,006)	-	78,697

THE ZAHRA TRUST

England & Wales - Charity number 1129501

Accounts

COMPANY REGISTRATION NUMBER: 06842695
CHARITY REGISTRATION NUMBER: 1129501

The Zahra Trust

Trustees' Report and Financial Statements

For the year ended 31 March 2024

	Page
Trustees' annual report (incorporating the director's report)	3-11
Independent auditor's report to the members	12-14
Statement of financial activated (including income and expenditure account)	15
Balance Sheet	16
Statement of cash flows	17
Notes to the financial statements	18-27

The trustees, who are also directors of the charity for the purposes of company law, present their report and financial statements of the charity for the period from 1 April 2023 to 31 March 2024. The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, the governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Reference and administrative details

Registered charity name	The Zahra Trust
Charity registration number	1129501
Company registration number	06842695
Principal office and registered office	45 Barnhill Road Edgware HA8 0AY
The trustees	
	Aliraza Aseer Jaffar Ali Massoumi Faisal Alireza Hasham
Auditor	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Leicester Leicestershire LE87 2BB
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Structure, governance and management

The Zahra Trust

The Zahra Trust ('the Charity') is a faith-based international relief and humanitarian charity. Since its inception in 2009, the Charity has been dedicated to alleviating hardships endured by those in need. Our vision is to have a world where everyone has access to the basic necessities in life, living self-sufficiently with spiritual development.

Governing document

The Charity is registered with the Charity Commission for England and Wales under charity registration number 1129501.The Trust is also a limited company, limited by guarantee, as defined by the Companies Act 2006 and therefore is controlled by its Articles and Memorandum of Association, the latter having been amended in March 2020.

Recruitment and appointment of new trustees

Trustees are chosen based on their ability to manage the Charity effectively. In this selection process, the qualifications, expertise, and skills of each prospective trustee are reviewed, as well as their previous experience in community or charitable work. Trustees are appointed through a resolution passed by the existing trustees. Prior to a trustee being appointed, they are provided with the Charity's governing document, the latest accounts of the Charity as well as the link to the Charity Commission's guidance 'The Essential Trustee'. Once a new trustee is appointed, the requisite filings are made both at Companies House and the Charity Commission.

Induction and training of new trustees

After their appointment, new trustees are introduced to their responsibilities and provided with copies of the Charity's policies and regulations. They have the opportunity to observe and collaborate with current trustees, benefiting from their extensive experience. Additionally, trustees are provided with training to help them carry out their roles effectively.

Organisational structure

The overall control and management of the Charity rests with the trustees, who serve as the key management personnel and do not receive any remuneration or financial benefits. The trustees meet regularly to discuss and make decisions, operating collectively to oversee all aspects of the Charity's management and activities.

Fundraising

The Charity complies with all relevant statutory regulations including the Data Protection Act, and the Charities Act. The charity is registered with the Fundraising Regulator and endeavours to adhere to the highest standards of fundraising.

The fundraising undertaken by the Charity utilizes a few different approaches, which include the following:

- Appeals/campaigns
- Major Donor giving
- Online Fundraising
- Corporate giving
- Direct Mail

The continued generosity of our donors has contributed to the Charity's success in campaigns throughout the year, enabling us to extend support to a larger number of beneficiaries than in previous years.

Complaints handling

Any received complaints are addressed according to the Charity's Complaint Policy and, if applicable, reported to the Fundraising Regulator. The Charity is extremely humbled to note that there were no complaints raised in the current or preceding year.

Risk Management and Review

The Trustees oversee and implement robust controls and policies to mitigate risks across all areas of the Charity's operations. They proactively manage these risks to safeguard the Charity's objectives, finances and assets. Trustees have addressed key risk areas identified by the Charity Commission, including governance, financial stability, environmental impact, operational efficiency and regulatory compliance. They also comply with national and international laws regarding overseas work, following guidelines provided by the Charity Commission and HMRC.

A central risk register is maintained and regularly updated, allowing for timely review and adjustment of procedures and policies to ensure they remain appropriate and effective, particularly for international operations. When new risks emerge, policies and procedures are revised accordingly. This continuous review process gives the Trustees confidence that risks are identified and managed swiftly and effectively.

Assurance Framework

The Charity has an internal compliance department dedicated to enhancing governance, risk management, and internal controls. This department provides an additional layer of assurance that the Charity is fulfilling its objectives efficiently and effectively.

Major Risks and Mitigation

- Working with International Partners or High-Risk Jurisdictions:

The Charity conducts rigorous due diligence on potential partners and requires them to comply with the Charity Commission's "Know Your Partner" guidelines before initiating any project. Comprehensive legal agreements bind partners to fulfil their project obligations, and they must submit reports to track the grants' impact and alignment with the Charity's goals. Trustees also perform periodic site visits as part of their monitoring process. A risk-based approach is applied to grant-making, factoring in grant size, project location, and beneficiary details, especially in higher risk areas.

- Retention of Donors:

The Charity recognises the risk of donor attrition due to factors like economic conditions such as the current cost of living situation, competition with other charities or ineffective communication. To address these risks, it engages experienced marketing professionals to devise and execute effective fundraising strategies. The Charity strives for transparency and keeps donors informed and engaged in its activities.

- Currency Fluctuations:

Given its international scope, the Charity closely monitors currency values to determine the most effective means of transferring funds internationally whilst at the same time ensuring that the Charity's funds can be sent safely.

- Global Operations and Rising Costs:

Weak oversight or rising local costs could lead to elevated operational costs, which could impact the efficiency of operations. The Charity monitors and regularly reviews operational expenses to ensure they stay within budget. Additionally, efforts include ongoing staff training on policies and procedures, partner audits to assess effectiveness and mitigate risks, and exploration of alternative funding from regional donors, trusts and foundations to support global initiatives.

Due Diligence

Operating in challenging environments, the Charity encounters potential risks related to partnerships and funding. To mitigate these risks, the Charity has recently strengthened its Due Diligence policy. This process involves thorough verification of prospective partners' identities before formal partnerships are established. The Due Diligence process includes completing forms, verifying identity documents, and conducting comprehensive appraisals using multiple resources and online tools. When concerns arise, an in-depth assessment is performed to gauge the level of risk before proceeding. The Charity also conducts regular checks on all active funding partners to ensure ongoing compliance and reliability.

Conflict of Interest
The Charity has internal policies and procedures in place designed to identify potential conflicts of interest and, when necessary, to mitigate or resolve them appropriately. These policies apply to all partners across all areas of operations.

Property
The renovation of the Charity's property has now been completed and the trustees will ensure that asset will be subject to regular inspection including maintenance and repair where necessary. As the property is subject to a mortgage, the trustees ensure that the terms of the mortgage are complied with and kept under review.

Fundraising
The Charity relies on and is immensely grateful for the generosity of its donors in fulfilling its objectives. Due to the kindness and support of individuals, the Charity has seen steady growth in both its donor base and income. However, the uncertainty surrounding funding remains an ongoing concern, especially in the current climate. To mitigate this, the Charity has developed and implemented a comprehensive fundraising strategy, which appears to have delivered positive results.

Sending Money Overseas
The Charity depends on the banking system to deliver overseas aid for its humanitarian and other assistance programs. The Charity regularly reviews its internal controls to ensure that any risks pertaining to funds transfers are identified and appropriate mitigation measures are taken.

Objectives and activities

Objectives and aims

For the benefit of the public generally and to advance the Islamic religion worldwide, the Charity's main objectives are as follows:

The objects of the charity are, for the public benefit, (a) the advancement of the faith and religious practices of Islam and (b) the relief of poverty, in particular but not exclusively among those affected by natural disasters or by war and other conflict, including but not limited by:

(i) the provision and maintenance of mosques and religious centres;
(ii) the teaching and educating of members of the Islamic community;
(iii) the provision of medical and financial assistance; and
(iv) the promotion of interreligious harmony through dialogue with other faiths and traditions.

Significant activities
The Charity undertook a diverse array of activities to advance its charitable aims and objectives. The trustees believe that these activities, as outlined below, have been beneficial to the general public both in the local community and on a global scale. By way of advancing its charitable purposes, the Charity has undertaken the following:

a) The advancement of education by providing, inter alia, financial assistance to schools as well as the provision of school uniforms and stationery to children. The Charity has also provided funds for the dissemination of knowledge by way of religious programmes.
b) The prevention of relief of poverty by providing, inter alia, subsistence sponsorship to orphaned children, food parcels and hot meal and meal distribution to impoverished families. The Charity also assists in facilitating medical assistance to those who cannot afford medical care as well as life-saving treatments.
c) Overseas aid/emergency relief – the Charity provides food, water, medical and essential supplies as well as

temporary shelter to communities affected by earthquakes, floods and other disasters. With generous donations, the Charity has been able to facilitate the construction of water wells in remote areas as well as water filtration systems where the demand for clean and safe water is great.

d) The advancement of religion by supporting religious institutions to commemorate religious occasions for the benefit of the community which include Quranic recitation and religious lectures. During the holy months of Ramadan, and Moharram and during the period of Arbaeen, funding is provided to support religious commemoration and activities for the benefit of the beneficiaries.

The above services are provided by means of:

a) Making grants to individuals and organisations
b) Other charitable activities

Grant making
The Charity accepts and distributes various religious obligations, such as Khums, Zakat, and Sadaqa, in accordance with Islamic principles. Additionally, it gathers general donations, which are then allocated through grants to individuals and organisations, supporting the Charity's objectives in education, training, relief of poverty and various religious activities.

Grant-making plays a vital role in achieving the Charity's charitable goals and objectives. The trustees are responsible for managing the Charity's grant allocation policy by defining and overseeing the principles, criteria, and processes put in place for funding. They have complete discretion in utilising the Charity's funds to support its charitable purposes and objectives, with their decisions being final.

Volunteers
The Charity encourages community members to share their skills with others where possible. Volunteers are vital to the Charity's operations, and we are immensely grateful for their contributions. They offer their time, expertise, and assistance with fundraising activities. Although volunteers are not compensated, reasonable out-of-pocket expenses, such as travel costs are reimbursed. The Charity has established policies and procedures to recruit, vet, guide and train volunteers.

Achievements and performance

How our activities deliver public benefit

The Trustees ensure that the Charity's activities, which are in line with its charitable aims and objectives, provide public benefit. The activities outlined below, as determined by the Trustees, provides benefit to the wider community and fall within the purposes set out in the Charities Act 2011. The Trustees confirm that they have carefully reviewed and followed the Charity Commission's guidance the on public benefit requirement in the Charity's operations. They have also considered the additional guidance on the advancement of health or the saving of lives, as outlined in section 17(5) of the Charities Act 2011.

Food Aid

Unfortunately, many individuals do not have access to adequate food and nourishment. Thanks to the support of our generous donors, the Charity consistently distributes essential food items in the form of food baskets or parcels throughout the year, including during Ramadan, when the majority of healthy Muslims observe fasting. These parcels typically contain staple items such as rice, lentils, dates, tea, oil, flour and sugar. The Charity aims to ensure that these food parcels are enough to sustain a family for up to one month. Over the past year, the Charity has provided food aid to thousands of individuals and families in several countries, including Iraq, Pakistan and Afghanistan.

In addition to distributing food parcels, the Charity provides hot meals to families and individuals during Ramadan and other special occasions. These meals offer nutritional value, especially to families who may struggle to

include meat in their regular diet. The Charity also supports the poor and vulnerable by providing Qurbanis (nutritious meat) during Eid to those in need in Iraq, Pakistan and Afghanistan, benefiting families with limited or no access to meat.

Religious dues

The Charity is authorised by prominent scholars to collect religious obligations. Within the Islamic faith, it is obligatory for individuals to contribute religious dues like Zakat and Khums as well as recommended dues such as Sadaqa. The Charity accepts these contributions from donors and allocates them to the appointed religious institutions responsible for collecting such funds. These funds are then directed towards charitable efforts to support the needy and impoverished, as well as to promote the teachings of Islam pursuant to the objectives of the Charity.

Widow Aid

In the communities where the Charity operates, individuals in female-headed households face heightened vulnerability. Widows, in particular, grapple with the difficulty of securing a sustainable income to provide for their children. Meanwhile, orphans often find themselves susceptible to abuse and forced labour, robbing them of a proper childhood. Children from disadvantaged backgrounds encounter barriers to formal education, limiting their chances for success and perpetuating the cycle of poverty within their generation. Beyond female-headed households, vulnerable families face additional challenges due to their unique circumstances, and the Charity is committed to identifying and assisting these families.

Across all its projects, the Charity places a priority on orphans, widows, and vulnerable families, ensuring they receive the necessary support wherever feasible.

Support for Struggling Families

Struggling families often grapple with the challenge of providing for their households with limited means. The burden of prioritising basic necessities, such as shelter, food, medical care, clothing, shoes, and clean drinking water, can be overwhelming. Throughout the year, the Charity has extended financial support to provide food and water to families requiring assistance as well as household items such as hot water heaters, coolers, fridges and blankets.

Projects for Orphans

The Charity provides funding for essential necessities, such as food and clothing, to orphans in various regions. Offering vital support to orphans is an act of compassion, offering both physical and emotional relief to those who may feel neglected or alone. In addition to financial aid, the Charity aims to provide toys, outings, and clothing, adopting a comprehensive approach to ensure the well-being and broader benefits of the support given.

The Charity has an ongoing commitment to organising diverse programs throughout the year that bring together orphans and widows who may be feeling isolated. These gatherings serve as occasions to celebrate religious events, fostering spiritual development while providing a platform for attendees to form meaningful friendships with others who share similar life experiences. Our aim is to create a supportive environment that helps alleviate loneliness and encourages open conversations among participants. Additionally, these events serve as valuable opportunities for staff to assess engagement levels and identify individuals who may benefit from further support, especially in cases where mental well-being is a concern.

Education

Elevating individuals and communities from poverty hinges on the transformative power of education and skill development. Education not only empowers individuals directly but also radiates its positive impact across families and communities. Unfortunately, due to poverty and adverse circumstances, countless children find themselves compelled to engage in low-paying labour instead of attending school, severely limiting their future opportunities.

The Charity is dedicated to facilitating education for both children and adults through various initiatives, ranging from constructing and refurbishing schools to providing essential learning materials. With a specific focus on widows and vulnerable children, we strive to pave the way out of poverty for those facing obstacles in accessing education.

In Iraq, the Charity has provided assistance to schools in Karbala providing children with access to learning they might otherwise be unable to afford. Recognising that school is vital to children's development, the Charity strives to ensure that children are not impeded in their educational journey.

As part of our ongoing development initiatives, we are incorporating modern facilities such as smart boards, enhancing the overall educational experience.

Furthermore, our schools prioritise the training of teachers to enhance their computer literacy and equip them with innovative teaching methods. This approach ensures that our educators can deliver a comprehensive and engaging learning experience to the students.

Religious activities

In order to advance the religion of Islam, the Charity places great emphasis on religious activities. These include holding gatherings (majalis) for thousands of individuals annually, particularly during significant religious occasions and the months of Ramadan and Muharram. In Iraq, regular visits to holy shrines are facilitated for orphaned children and those in need, allowing children to stay connected to their faith and forge bonds with their peers. In the past year, the Charity delivered religious programmes to thousands of individuals across its operational areas.

Water Aid Projects

Access to clean water is an essential human right and can result in the difference between life and death. Contaminated water, responsible for diseases like cholera, dysentery, typhoid, and polio, leads to hundreds of thousands of deaths annually. This crisis disproportionately affects vulnerable populations such as children and the elderly.

Throughout the year, the Charity has played a pivotal role in facilitating access to clean water sources, benefiting over hundreds of thousands of people and contributing significantly to alleviating water-related challenges in various communities.

Water wells, providing a long-term source of clean water, offer stability to residents in remote villages. The Charity contributed to the installation of wells in Pakistan granting thousands of people access to safe water for drinking and cooking, eliminating the need for perilous journeys to contaminated sources.

Winter Aid

The harsh winter months can be a struggle for those lacking the resources to find warmth and sustenance. Ahead of the winter season, the Charity proactively implements solutions, offering heaters, blankets, warm clothing and essential food supplies to families. This initiative aims to ensure that individuals facing winter hardships have the necessary resources to endure the challenging conditions.

Community presence

The Charity demonstrated a pervasive and impactful presence within the community by actively participating in a diverse array of events. Engaging with thousands of attendees, our mission was resolute in supporting local initiatives and projects, raising awareness on crucial causes, and raising funds for our ongoing projects. From contributing to the vibrant atmosphere of the Muslim Bazar, to strategically participating in Friday prayers at various centres and prominent events such as the Arbaeen Procession, our commitment to community outreach remained unwavering. Through these multifaceted engagements, the Charity exemplified its dedication to fostering unity, creating awareness and making a tangible impact on local initiatives.

Financial review

The Zahra Trust focuses on key intersecting areas to address in order to meet need. These include humanitarian assistance, community empowerment, healthcare, water provision, caring for orphans, widows and vulnerables, and livelihood projects. With substantial financial reserves, the Trust is well positioned to continue its support in the coming year, aiming for lasting change for the communities and individuals we support.

The primary income streams for the Charity originate from the collection of donations and religious dues from the general public. Currently, the Charity does not maintain any investments with the intention of generating income. The total funds generated by the charity, excluding investment, charity shop and interest income, amounted to £3,809,762 during the year (2023: £4,412,621). This revenue was primarily sourced from the collection of donations for various charitable purposes and gift aid repayments received from HMRC. With our continued process of strengthening internal and external working ethos and professionalism, we have been successfully increased our reclaimable percentage of giftaid by 2 percent from last year on our donations.

Total resources expended during the year was £3,924,516 (2023: £5,690,724). This includes £3,112,757 (2023: £4,866,679) expended for grant payables and other charitable activities. Since last year we spent our entire pending charitable expenditures of earlier periods, there was a decrease of £1.737 million in the current year's expenditures as compared to last year. Funds balance at the year-end represents donations received in last couple of months of the accounting year, and are yet to be channelised.

Total funds carried forward at the end of the year was £ 2,501,610 (2023: £ 2,523,891). £1,972,560 of the current year fund balance represents the unrestricted fund, and £ 529,050 represents restricted fund balance.

Reserves policy

The Charity maintains reserves of unrestricted funds to cover general operational expenses and to manage potential uncertainties in the future.

In developing the reserve policy, the trustees have identified various restricted funds, as outlined in the Statement of Financial Activities (SOFA) and notes to the accounts. These restricted funds are allocated strictly in accordance with the specific restrictions attached to each fund, where applicable.

The Charity keeps on reviewing its Reserves Policy for unrestricted funds periodically and has reviewed it in more detail at the year end, however, the trustees are satisfied that holding sufficient funds to cover at least 6 months of the Charity's operational costs, including staff expenses and ongoing work with partners is still valid and prudent. The trustees have considered potential risks and the necessary funds to mitigate those risks.

In the current year, the balance of unrestricted funds of £1,972,560 (2023: £1,394,651), includes £1,392,762 (2023: £993,862) for the foundation fund. £1,471,459 (2023: £ 1,380,565) of tangible fixed assets net value is stated after deducting the loan payable of £ 78,697 (2023: £386,703) as at the year-end. The foundation fund represents the costs necessary for the development of the Charity's property for its charitable purposes and will be utilised in the upcoming period, as it could not be utilised during the previous period due to post pandemic economic climate and cost of living crisis. Hence, the Charity holds a free reserve of £ 501,101 (2023: £14,085 at the year-end, after deducting the balance for the foundation fund and the net book value of tangible fixed assets. This amount is sufficient to cover at least 6 months of operational costs, as well as additional work planned for the upcoming period.

Future work

The Charity has expanded its presence on social media platforms and plans to further enhance this visibility by implementing dedicated systems for these efforts. Several of the Charity's projects, including the provision of clean and safe water to those in need, are set to be expanded. A broader range of educational initiatives are also being planned benefitting an increased number of beneficiaries receiving our assistance.

Events since the end of the period

There are no events to report since the end of the period.

Trustees' responsibilities statement

The trustees, also acting as directors for the purposes of company law, bear the responsibility of preparing the trustees' report and financial statements in compliance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

According to company law, the charity trustees must compile financial statements annually that present a true and fair view of the charitable company's state of affairs, detailing incoming resources and the application of resources, encompassing income and expenditure, for that period.

In the process of preparing these financial statements, the trustees are obligated to:

- Select appropriate accounting policies and consistently apply them.
- Adhere to the methods and principles outlined in the applicable Charities Statement of Recommended Practice (SORP).
- Exercise reasonable and prudent judgment in making accounting estimates.
- Explicitly state whether applicable UK Accounting Standards have been followed, with any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

Furthermore, the trustees are accountable for maintaining adequate accounting records that sufficiently demonstrate and elucidate the Charity's transactions. These records must disclose, with reasonable accuracy at any time, the financial position of the charity, enabling the trustees to ensure compliance with the Companies Act 2006. Additionally, the trustees are responsible for safeguarding the charity's assets and must take reasonable measures for the prevention and detection of fraud and other irregularities.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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



Ali Massoumi

Trustee

Date: 11 December 2024

Opinion
We have audited the financial statements of The Zahra Trust for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant 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 March 2024 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 [group/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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.
In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to judgements around revenue at the year end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Adam Halsey
(Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
Date: 18 Dec 2024

10 Queen Street Place
London
EC4R 1AG

The Zahra Trust
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 March 2024

	Note	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Total funds £
Income and endowments					
Donations and legacies	2	1,395,396	2,414,366	3,809,762	4,412,621
Trading activities	3	75,397	-	75,397	41,135
Investment income	4	16,626	-	16,626	3,165
Other income	5	450	-	450	-
Total income		1,487,869	2,414,366	3,902,235	4,456,921
Expenditure on					
Raising funds	6	352,281	-	352,281	449,719
Charitable activities	7	-	3,552,814	3,552,814	5,212,380
Cost of trading goods	2	19,421	-	19,421	28,625
Total expenditure		371,702	3,552,814	3,924,516	5,690,724
Net income		1,116,167	(1,138,448)	(22,281)	(1,233,803)
Transfers between funds		(538,258)	538,258	-	-
Net movement in funds		**577,909**	**(600,190)**	**(22,281)**	**(1,233,803)**
Reconciliation of funds					
Total funds brought forward		1,394,651	1,129,240	2,523,891	3,757,694
Total funds carried forward		1,972,560	529,050	2,501,610	2,523,891

The Statement of financial activities includes all gain and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 18 to 27 form part of these financial statements.

The Zahra Trust
Balance Sheet
Company number 06842695
Year ended 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible fixed assets	14	1,471,459		1,380,565	
			1,471,459		1,380,565
Current assets					
Shop stock	15	5,856		7,985	
Debtors	16	54,171		5,419	
Cash at bank and in hand		1,092,394		1,551,099	
		1,152,421		1,564,503	
Creditors: amounts falling due within one year	17	53,765		62,428	
Net current assets			1,098,656		1,502,075
Total assets less current liabilities			2,570,115		2,882,640
Creditors: amounts falling due after more than one year	18		68,505		358,749
Net assets			2,501,610		2,523,891
Funds of the charity					
Restricted funds			529,050		1,129,240
Unrestricted funds			1,972,560		1,394,651
Total charity funds	22		2,501,610		2,523,891

These financial statements were approved by the board of trustees and authorised for issue and are signed on behalf of the board by:

Ali Massoumian
Trustee
Date: 11 December 2024

The notes on page 18 to 27 form part of these financial statements

The Zahra Trust
Statement of Cash Flows
Year ended 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Net cash inflow from operations					
Net cash provided / (used) by operating activities	(i)		(70,093)		(1,147,708)
Cash flows from investing activities:					
Bank interest received		16,626		3,165	
Net cash used in investing activities			16,626		3,165
Cash flow from financing activities					
Acquisition of fixed assets		(114,994)		(513,050)	
Repayment of long term loan		(290,244)		(9,927)	
Net cash (used) in financing activities			(405,238)		(522,977)
Change in cash and cash equivalents in the reporting period			(458,705)		(1,667,521)
Cash and cash equivalents at the beginning of the period			1,551,099		3,218,620
Cash and cash equivalents at the end of the reporting period	(ii)		1,092,394		1,551,099

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITES

	2024 £	2023 £
Net movement in funds	(22,281)	(1,233,803)
Depreciation charges	24,100	2,576
Decrease / (Increase) in stock	2,129	(4,452)
Decrease / (Increase) in debtor	(48,752)	95,854
(Decrease) in creditors	(8,663)	(4,718)
Bank interest received	(16,626)	(3,165)
Net cash inflow from operating activities	(70,093)	(1,147,708)

Analysis of cash and cash equivalents

	2024 £	2023 £
Cash	1,092,394	1,551,099
Total cash and cash equivalents	1,092,394	1,551,099

1. Accounting Policies

Statement of compliance

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (Second Edition effective 1 January 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006. The Charity meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in Pounds Sterling rounded to the nearest Pound

Trustees assessment of Going Concern

In view of the financial performances and the reserves position as at the balance sheet date, the Board of Trustees have a reasonable expectation that The Zahra Trust will have the resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern. The year the Trust has seen an increment in the income, coupled with the development of a comprehensive fundraising strategy, communications plan, and an improved support service experience, the Trustees foresee increased restricted and unrestricted income next year.

Income

All income is recognized once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.
Investment income is accounted for in the Statement of Financial Activities in the period in which the charity is entitled to receive.

Expenditure

Liabilities are recognized as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants payables are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include its audit fees and other costs linked to strategic management of the charity. These are allocated in line with other support costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Building on freehold property	- 2% on straight line
Fixtures and fittings	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Computers and software	- 33% on reducing balance

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
Designated fund are those funds which have been designated by the Trustees for specific purposes within the objects of the charity.
Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operated a defined contribution pension scheme. Contributions payable to the charity's pension scheme is charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Basic financial instruments are initially recognized at transaction value and subsequently measured at amortized cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and using as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognized at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors

Creditors are recognized where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third part and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

Employee benefits

- Short term benefits

Short term benefits, including holiday pay are recognized as an expense in the period in which the services is received.

2. Donations

	Unrestricted funds	Restricted funds	Total funds 2024
	£	£	£
Donations	953,704	2,414,366	3,368,070
Gift aid	441,692	-	441,692
Donations	1,395,396	2,414,366	3,809,762

	Unrestricted funds	Restricted funds	Total funds 2023
	£	£	£
Donations	1,135,564	2,840,445	3,976,009
Gift aid	436,612	-	436,612
Donations	1,572,176	2,840,445	4,412,621

3. Trading activities

	2024	2023
	£	£
Income from charitable shop	75,397	41,135
Cost of goods and services of shop	(19,420)	(28,625)
	55,977	12,510

4. Investment income

	Unrestricted funds	Total funds 2024	Unrestricted funds	Total funds 2023
	£	£	£	£
Bank interest receivable	16,626	16,626	3,165	3,165

5. Other income

	Unrestricted funds	Total funds 2024	Unrestricted funds	Total funds 2023
	£	£	£	£
Other income	450	450	-	-

6. Costs of raising funds

	2024	2023
	£	£
Cost of raising funds	205,595	334,485
Support Costs (see note 8)	146,686	115,234
Total	352,281	449,719

7. Expenditure of charitable activities

	2024	2023
	£	£
Grant payable (see note 7.a)	3,112,757	4,866,679
Support Costs (see note 8)	440,057	345,701
Total	3,552,814	5,212,380

7.a Grants Payable

	Grants to Institutions	Grants to Individuals	Total Funds 2024	Grants to Institutions	Grants to Individuals	Total Funds 2023
	£	£	£	£	£	£
Ahlulbayt Foundation	40,000	-	40,000	57,409	-	57,409
AL Jalila Child Hospital	210,260	-	210,260	399,885	-	399,885
Alulbayt Foundation	23,815	-	23,815	216,402	-	216,402
Bilal Muslim Mission	18,654	-	18,654	79,240	-	79,240
Boreal Light Gmbh	56,015	-	56,015	-	-	-
In Azzahraa We Trust Foundation	2,285,777	-	2,285,777	3,718,665		3,718,665
Jabir Bin Hayyan Trust	80,238	-	80,238	69,242		69,242
The Al-Khoei Benevolent Foundation	259,030	-	259,030	-		-
Wali ul Asr Learning Institute	-		-	200,045		200,045
Other Misc.	130,561	8,407	138,968	89,650	36,141	125,791
	3,104,350	8,407	3,112,757	4,830,538	36,141	4,866,679

8. Support costs

	Raising Fund 2024	Charitable Activities 2024	Total 2024	Raising Fund 2023	Charitable Activities 2023	Total 2023
	£	£	£	£	£	£
Office running costs	8,418	25,254	33,672	4,178	12,533	16,711
Administrative costs	123,587	370,760	494,347	100,793	302,379	403,172
Finance costs	7,762	23,287	31,049	4,760	14,279	19,039
Governance costs	6,919	20,756	27,675	5,503	16,510	22,013
Total	146,686	440,057	586,743	115,234	345,701	460,935

Support costs are allocated in line with the usage by each activity

9. Net Income

Net income is stated after charging/(crediting)

	2024	2023
	£	£
Fees payable to auditors (net of VAT)	20,300	18,333
Depreciation of tangible fixed assets	24,100	2,576
Exchange (loss) / gain	2,984	4,434

10. Governance cost

	2024	2023
	£	£
Governance costs	24,360	22,000
Legal fees	13	13
Total	24,373	22,013

11. Auditors remuneration

	2024	2023
	£	£
Auditor's remuneration	20,300	18,333

12. Staff costs

The total staff costs and employee benefits for the reporting period are analyzed as follows:

	2024	2023
	£	£
Wages and salaries	281,775	283,537
Social security costs	26,542	27,551
Employer contributions to pension plans	1,802	1,893
	310,119	312,981

The average head count of employees during the year was

	2024	2023
	No.	No.
Number of staff	10	10

No employee received employee benefits of more than £60,000 during the year (2023: nil)
The trustees are the key management personnel who are not remunerated for their services to the charity.

13. Trustee remuneration and expenses

During the year, no Trustees received any remuneration (2023: none)
During the year, no Trustees received any benefits in kind (2023: none)
During the year, no Trustees received any reimbursement of expenses (2023: none)

Trustees expenses

There were no trustees; expenses paid for the year ended 31 March 2024 for the year ended 31 March 2023.

14. Tangible fixed assets

	Assets in the course of construction	Freehold property	Other equip-ment	Computers and Soft-ware	Fixtures and fit-tings	Total
Cost	£	£	£	£	£	£
At 1 April 2023	547,859	826,443	8,666	8,165	13,157	1,404,290
Additions	77,050	-	9,941	3,813	24,190	114,994
Transfers	(624,909)	624,909	-	-	-	-
At 31 March 2024	-	1,451,352	18,607	11,978	37,347	1,519,284
Depreciation						
At 1 April 2023	-	-	8,238	5,102	10,385	23,725
Charge for the year	-	12,498	2,592	2,269	6,741	24,100
At 31 March 2024	-	12,498	10,830	7,371	17,126	47,825
Carrying amount						
At 31 March 2024	-	1,438,854	7,777	4,607	20,221	1,471,459
At 31 March 2023	547,859	826,443	428	3,063	2,772	1,380,565

15. Stock

	2024	2023
	£	£
Shop stock	5,856	7,985

16. Debtors

	2024	2023
	£	£
Trade debtors	1,181	-
Prepayments	-	233
Other debtors	52,990	5,186
	54,171	5,419

17. Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans and overdrafts	10,192	27,954
Accruals and deferred income	26,899	22,476
Social security and other taxes	16,329	11,535
Pension	345	463
	53,765	62,428

18. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Bank loans and overdrafts	68,505	358,749

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand	10,192	27,954
Amounts falling due within two and five years	40,766	111,818
Amounts falling due in more than five years	27,739	246,931

In response to rising interest costs on bank loans and overdrafts, the Trustees evaluated the option of early redemption and decided to pay off £300,000 during the year, utilizing unrestricted funds. This action has effectively reduced the annual interest expense to approximately one-fifth of its previous level.

The loan was originally taken out on 10 February 2018, with an initial interest rate of 3.5%, and the remaining term of the loan is 12 years and 11 months.

19. Charge – bank loan

There is a charge by Barclays Bank plc in respect of the Charity's property. The charity with full title guarantee charges by way of a legal mortgage the property known as Salvation Army Hall, Barnfield Road, Edgware, HA8 0AY, including all buildings now or to be erected thereon and discharge to the bank on the demand by the bank of all the liabilities.

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognized in income or expenditure as an expense in relation to defined contribution plans was £1,802 (2023: £ 1,893)

21. Analysis of charitable funds

Unrestricted funds

	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£	£	£	£	£
General funds	400,789	1,487,869	(371,702)	(937,158)	579,798
Foundation - designated fund	993,862	-	-	398,900	1,392,762
	1,394,651	1,487,869	(371,702)	(538,258)	1,972,560

Restricted funds

	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£	£	£	£	£
Orphans, widows, poor and vulnerables	-	324,088	(324,088)	-	-
Khums	-	684,515	(577,182)	-	107,333
WASH	129,323	149,334	(212,669)		65,988
Education	-	66,100	(262,867)	196,767	-
Healthcare	-	75,412	(161,860)	86,448	
Religious obligations	-	492,209	(660,502)	168,293	-
Emergency and relief	534,363	295,515	(679,284)		150,594
Poverty and hunger eradication	-	95,797	(163,909)	68,112	-
Syria Aid	18,527	19,903	(57,068)	18,638	-
Yemen Aid	447,027	211,493	(453,385)		205,135
	1,129,240	2,414,366	(3,552,814)	538,258	529,050
Total	2,523,891	3,902,235	(3,924,516)	-	2,501,610

Orphans, widows, poor and vulnerables
- Orphans: The charity provides the essentials including food, shelter, winter packs and clothing to orphans in in many regions including, Iraq, Pakistan, Afghanistan, Syria, Yemen and Africa.
- Widows: The charity also runs camps in many regions and provides food, shelter and clothing to widows.

Khums: This is an obligatory religious tax of 20%. To be spent on poors, needy, syeds etc. The fund is mostly used to needy and vulnerables, widows, people on religious services etc. at the discretion of the trustees.

WASH: The charity runs projects in many regions to provide safe drinking water, sanitation and hygiene. During the current year extensive water sanitation programmes were executed in

Education and healthcare: continuing educational, medical and humanitarian support are provided to Muslim community in Middle East. Medical support are provided to the needy who are suffering from medical ailments. Such medical support includes medical clinics which are set up in areas where access to medical facilities are scarce.

Poverty and hunger eradication: We provide life changing assistance to the poor and vulnerable people around the globe. It includes providing blankets and tents in winter, supporting vulnerable families with food and shelter, and empowering communities by helping in earning livelihood and providing skill and support to start small businesses.

Syria and Yemen: To provide relief and poverty aid to the needy in Syria and Yemen.

Emergency and relief: To provide basic facilities and temporary shelters in conflicts ridden countries, on-going war zones and people affected from natural calamities, communal conflicts; during and post conflict sufferings.

Religious obligations: To provide religious rituals, ceremonies and obligations, Ramadhan and mosque activities.

Analysis of charitable funds – 31 March 2023

Unrestricted funds

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
General funds	1,575,479	1,587,851	(449,719)	(2,312,822)	400,789
Foundation - designated fund	465,336	-	-	528,526	993,862
	2,040,815	1,587,851	(449,719)	(1,784,296)	1,394,651

Restricted funds

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
Orphans, widows, poor and vulnerables	-	330,498	(2,599,494)	2,268,996	-
Khums	343,721	609,348	(677,259)	(275,810)	-
WASH	646,258	205,803	(122,738)	(600,000)	129,323
Education	-	283,226	(300,182)	16,956	-
Healthcare	-	57,255	(435,271)	378,016	-
Religious obligations	-	331,532	(1,063,872)	732,340	-
Emergency and relief	586,648	558,441	(10,726)	(600,000)	534,363
Poverty and hunger eradication	-	139,040	(2,838)	(136,202)	-
Syria Aid	-	18,527	-	-	18,527
Yemen Aid	140,252	306,775	-	-	447,027
	1,716,879	2,840,445	(5,212,380)	1,784,296	1,129,240
Total	3,757,694	4,428,296	(5,662,099)	-	2,523,891

22. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Tangible fixed assets	1,471,459	-	1,471,459	1,380,565
Current assets	623,371	529,050	1,152,421	1,564,503
Creditors less than 1 year	(53,765)		(53,765)	(62,428)
Creditors greater than 1 year	(68,505)	-	(68,505)	(358,749)
Net assets	1,972,560	529,050	2,501,610	2,523,891

Analysis of net assets between funds – 31 March 2023

	Unre-stricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible fixed assets	1,380,565		1,380,565	870,090
Current assets	435,263	1,129,240	1,564,503	3,323,426
Creditors less than 1 year	(62,428)		(62,428)	(67,146)
Creditors greater than 1 year	(358,749)	-	(358,749)	(368,676)
Net assets	1,394,651	1,129,240	2,523,891	3,757,694

23. Capital commitments

The Charity had no operating lease or capital commitments at the year-end.

24. Related Parties

One of the trustees paid donations in the sum of £3,640 during the year (2023: £3,640)

25. Net debt reconciliation

	At 1 April 2023	Cashflow	Other non- Cash changes	At 31 March 2024
	£	£	£	£
Cash	1,551,099	(458,705)	-	1,092,394
Bank loans and overdrafts	386,703	(308,006)	-	78,697

Net debt reconciliation - 2023

	At 1 April 2022	Cashflow	other non- Cash changes	At 31 March 2023
	£	£	£	£
Cash	3,218,620	(1,667,521)	-	1,551,099
Bank loans and overdrafts	404,754	(18,051)	-	386,703

THE ZAHRA TRUST

England & Wales - Charity number 1129501

Accounts

COMPANY REGISTRATION NUMBER: 06842695
CHARITY REGISTRATION NUMBER: 1129501

The Zahra Trust

Trustees' Report and Financial Statements

For the year ended 31 March 2023

The Zahra Trust
Contents
Year ended 31 March 2023

	Page
Trustees' annual report (incorporating the director's report)	**1-9**
Independent auditor's report to the members	**10-12**
Statement of financial activities (including income and expenditure account)	**13**
Balance Sheet	**14**
Statement of cash flows	**15**
Notes to the financial statements	**16-25**

The trustees, who are also directors of the charity for the purposes of company law, present their report and financial statements of the charity for the period from 1 April 2022 to 31 March 2023. The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, the governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Second Edition).

Reference and administrative details

Registered charity name	The Zahra Trust
Charity registration number	1129501
Company registration number	06842695
Principal office and registered office	45 Barnhill Road London HA8 0AY
The trustees	Dr A Massoumian Faisal Alireza Hasham Aliraza Aseer Jaffar
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Leicester Leicestershire LE87 2BB
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Structure, governance and management

The Zahra Trust
The Zahra Trust ('the Charity') is a faith-based international relief and humanitarian. The Charity has been working for over a decade to help improve the lives of people in some of the world's poorest communities. The vision of the Charity is a world without poverty.

Governing document
The Charity is registered with the Charity Commission for England and Wales under charity registration number 1129501.The Trust is also a limited company, limited by guarantee, as defined by the Companies Act 2006 and therefore is controlled by its Articles and Memorandum of Association, the latter having been amended in March 2020.

Recruitment and appointment of new trustees
Trustees are selected based on their aptitude for efficiently managing the Charity. In this regard, the qualifications, expertise, and skills of potential Trustees are evaluated, along with their past involvement in community or charitable activities. The appointment of trustees is carried out through a resolution passed by the current trustees. Upon the appointment of a new trustee, a memorandum documenting the appointment is prepared and filed in accordance with the necessary procedures.

Induction and training of new trustees
Upon their appointment, newly appointed trustees are oriented to their responsibilities and furnished with copies of the Memorandum of Association, along with the policies and regulations of the Charity. They are offered the chance to shadow and liaise with existing trustees, leveraging their wealth of experience. Trustees are also provided with Charity Commission guidance, in addition to internal and external training, to support them in fulfilling their roles effectively.

Organisational structure
General control and management of the Charity is the responsibility of the charity trustees. The trustees represent the key management personnel and receive no remuneration or other financial benefits. The trustees convene and engage in discussions and meetings, functioning as a unified entity responsible for all decisions pertaining to the management and affairs of The Zahra Trust.

Fundraising
The Charity adheres to all relevant statutory regulations including the Data Protection Act 2018, and the Charities Act 2011 & 2022. The charity is registered with the Fundraising Regulator and endeavours to adhere to the highest standards of fundraising.

The fundraising undertaken by the Charity utilizes a few different approaches, which include the following:

Major Donor giving
Online Fundraising
Corporate giving
Direct Mail
Appeals/campaigns

The benevolence of our donors has contributed to the Charity's success in campaigns throughout the year, enabling us to extend support to a larger number of beneficiaries.

Complaints handling
Any received complaints are addressed according to the Charity's Complaint Policy and, if necessary, reported to the Fundraising Regulator. The Charity is pleased to report that there were no complaints raised in the current or preceding year.

Risk Management and Review
The Trustees ensure the implementation of controls and policies to mitigate risks across all facets of the Charity's operations. They diligently address and manage these risks to ensure the Charity's objectives are achieved while safeguarding its funds and assets. The Trustees have effectively managed risk areas outlined by the Charity Commission, encompassing governance, financial, environmental, operational and compliance. Additionally, they adhere to national and international legislation regarding overseas work, following guidelines from the Charity Commission and HMRC.

The Charity maintains a central risk register, regularly updating it to review and adjust procedures or policies as needed, ensuring their ongoing suitability and robustness, particularly in the context of international operations. When new risks are identified, existing policies and procedures are modified to address them. Given the continuous nature of this review process, the trustees are confident that risks are identified and managed promptly and effectively.

Assurance framework
The Zahra Trust has a dedicated internal compliance department committed to improving governance, risk management and internal controls. This provides an additional and independent layer of assurance that the Trust is achieving its objects effectively and efficiently.

Major risks and mitigation
The Charity considers the following risks potentially affecting it at an organisational level. For each risk, specific action and performance indicators relating to such are monitored by the Senior Leadership Team and the Board of Trustees.

- Working with partners internationally and/or in high-risk jurisdictions.
  The Charity carries out an enhanced due diligence on partners while making selection, and in addition to the due diligence obtained from partners prior to any project commencing in accordance with the Know your Partner principles set out by the Charity Commission, the Charity signs robust legal agreements to ensure that the partner is bound by its obligations in respect of each project. Partners must also provide periodical and final reports to enable the Charity to monitor and evaluate the utilisation of the grants and the extent to which the objectives of the Charity were met. The Trustees of the Charity also regularly undertake site visits as a further means of verification. The Charity adopts a risk-based approach in its grant-making activities, taking into account factors such as the size of the grant, geographical location (including high risk jurisdictions), beneficiary size and location and other pertinent considerations.

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- Retention of donors to enable the Charity to continue with its projects.
  In respect to the Charity's donors, as is common with other charities, there is always a risk of the potential loss of our donor base. Various factors may contribute to this risk including economic conditions, such as the current 'cost of living crisis', competition with other charities or ineffective communication with donors. To mitigate these risks, the Charity endeavours to retain experts including marketing professionals to plan and implement effective fundraising strategies. The Charity strives to ensure that all its operations are transparent as well as engaging with and informing its donors on the positive impact of the Charity's work to ensure confidence and promote charitable giving.

- Currency fluctuation
  As the Charity works internationally, the Charity keeps abreast of currency valuations and maintains

robust relationships with financial services providers. Where appropriate, the Charity engages with the wider sector to exploring mitigating approaches to forex challenges.

- Global operations and rising costs.
  Weak oversight of global operations may result in high operational costs in field offices which impedes on the Charity's effectiveness in delivering programmes overseas.
  The Charity rigorously and continuously reviews the operational costs for implementation of its charitable projects to ensure this is kept within budget.

Along with above we continue to:

- Provide continuous training on policies and procedures for all staff.
- Partner audits to mitigate risks and assess effectiveness.
- Explore other income streams from regional donors, trusts and foundations to support global programmes.

Due Diligence

Operating frequently in challenging environments, the Charity faces potential risks concerning partnerships and funding. To mitigate these risks, the Charity has recently revisited and updated its Due Diligence policy. This ongoing effort ensures thorough verification and assessment of the identity of potential partners before establishing any formal relationship. The Due Diligence process involves the completion of forms and identity documents, coupled with a comprehensive appraisal utilising various sources and online searches. In instances where issues arise, the Charity conducts in-depth assessments to gauge the level and extent of associated risks before making any decisions. Additionally, the Charity is committed to conducting regular checks on all active partners receiving funding from the organisation.

Conflict of Interest

The Charity has established internal policies and procedures to identify conflicts, and when necessary, take steps to mitigate or address them appropriately. These policies are applicable to all partners within the Charity's operational domains.

Property

The property of the Charity was undergoing renovation and once completed will be subject to regular inspection including maintenance and repair where necessary. and review of security documentation. The repayment of the mortgage is also kept under regular review by the trustees.

Fundraising

The Charity depends on and expresses deep gratitude for the generosity of its donors to achieve its objectives. Through the kindness and benevolence of individuals, the Charity has experienced a consistent growth in both its donor base and income. Nevertheless, the uncertainty surrounding income is a constant consideration, particularly in the current climate. To address this, the Charity has implemented a comprehensive fundraising strategy, which seems to be yielding successful results.

Sending money overseas

The Charity depends on the banking system to deliver overseas aid for its humanitarian and other assistance programs. Operating in challenging environments, the Charity has faced challenges in the past when transferring funds to provide timely assistance. Nonetheless, the Charity is actively enhancing its internal controls and has taken measures to mitigate any risks associated with fund transfers.

Objectives and activities Objectives and aims

For the benefit of the public generally and to advance the Islamic religion worldwide, the Charity's main objectives are as follows:

The objects of the charity are, for the public benefit, (a) the advancement of the faith and religious practices of Islam and (b) the relief of poverty, in particular but not exclusively among those affected by natural disasters or by war and other conflict, including but not limited by:

- the provision and maintenance of mosques and religious centers;
- the teaching and educating of members of the Islamic community;
- the provision of medical and financial assistance; and
- the promotion of interreligious harmony through dialogue with other faiths and traditions.

Significant activities
The Charity undertook a diverse array of activities to advance its charitable aims and objectives. The trustees believe that these activities, as outlined below, have been beneficial to the general public both in the local community and on a global scale. The Charity offered a range of services including:

General counselling
Educational advancement
The prevention of relief of poverty
Overseas aid/emergency relief
Religious activities
Economic/community development

The above services are provided by means of:

Making grants to individuals and organisations
Providing other finance to individuals and organisations
Providing human resources
Other charitable activities

Grantmaking
The Charity manages the gathering and disbursing of various religious obligations such as Khums, Zakat, and Sadaqat in accordance with the principles of the Islamic faith. Additionally, the Charity collects general donations, which are then distributed through grants to individuals and institutions, aligning with the Charity's objectives related to education, training, poverty relief, and various religious activities.

Grant making is integral to realising the charitable objectives and goals of the Charity. The trustees govern the Charity's policy for allocating grants by setting and supervising the principles, criteria, and process for funding. The trustees of the Charity have unrestricted discretion in utilising the Charity's funds in accordance with its charitable purposes and objectives, and their decisions are conclusive.

Volunteers
We promote active participation in voluntary activities and encourage members of the community to share their skills with others. Volunteers play a crucial role in the Charity's operations, for which we are deeply thankful. They contribute their time, expertise, and aid in the Charity's fundraising activities. While volunteers are not remunerated, reasonable out-of-pocket expenses, such as travel costs, are reimbursed. The Charity has established policies and procedures to vet, recruit, guide and support volunteers.

Achievements and performance

How our activities deliver public benefit
The Trustees ensure that the Charity's activities, aligned with its charitable aims and objectives, result in public benefit. The summarized activities below, as deemed by the Trustees, bring advantages to the broader community and fall within the purposes outlined by the Charities Act 2011. The trustees affirm that they have thoroughly considered and adhered to the Charity Commission guidance regarding public benefit in the organisation's activities. Additionally, they have taken into account the supplementary public benefit guidance on the advancement of health or the saving of lives, as per section 17(5) of the Charities Act 2011.

Food Aid
Unfortunately, a significant number of individuals lack access to nourishing and wholesome food. With the

support of our generous donors, the Charity persistently distributes various essential food items in the form of food baskets or parcels throughout the year, including the month of Ramadan, when a majority of healthy Muslims observe fasting. These parcels or baskets typically contain staple items like rice, lentils, dates, tea, oil, flour, and sugar. The Charity endeavours to ensure that the provided food parcels are sufficient to sustain a family for up to one month.

Alongside the distribution of food parcels, hot meals are also provided to families and individuals during Ramadan and other special occasions. These meals offer nutritional value, particularly to families who may lack the means to include meat dishes in their regular diet. Additionally, the Charity extends support by providing Qurbanis (nutritious meat) to the impoverished and vulnerable in Iraq, Pakistan, Yemen, and Afghanistan during the religious occasion of Eid. This initiative benefits families with limited or no resources to purchase meat on a regular basis.

Throughout the past year, the Charity provided food aid to individuals and families in various countries, including Iraq, Pakistan, Africa, Yemen and Afghanistan.

Religious dues
The Charity is authorised by distinguished scholars to collect religious obligations. Within the Islamic faith, it is customary for individuals to contribute religious dues like Zakat, Khums, and Sadaqa. The Charity accepts these contributions from donors and allocates them to the appointed religious institutions responsible for collecting such funds. These funds are then directed towards charitable efforts to support the needy and impoverished, as well as to promote the teachings of Islam, aligning with the objectives of the Charity.

Assisting the vulnerable and needy
Throughout the past year, the Charity has actively addressed emergency crises, providing essential aid to the vulnerable and needy, not only focusing on immediate necessities but also on long-term development. During this period, the Charity has delivered support in the form of food, medical assistance and shelter to communities in its operational regions. Additionally, the Charity has extended emergency aid to those affected by disasters such as the Pakistan floods and the Syria-Turkiye earthquake.

Widow Aid
Amongst the most risk in societies across our areas of operation are members of female-headed households. Widows often face the challenge of securing a sustainable income to provide for their children, whilst orphans are vulnerable to abuse and forced labour without the chance to enjoy a childhood. Children from disadvantaged backgrounds are much less likely to attend formal education which limits their opportunity to succeed, potentially preventing them from breaking the cycle of poverty within their generation. Often, vulnerable families are affected even more greatly than female-headed households as a result of their unique set of circumstances and the Charity takes care to ensure that these families are identified and cared for.

Across all of its projects, the Charity prioritises orphans, widows and vulnerable families, ensuring that they receive the support they need wherever we can provide it.

Projects for Orphans
The Charity helps provide essential necessities, including food and clothing, to orphans in various regions such as Iraq, Yemen and Afghanistan. Offering crucial support to orphans is an act of charity, providing both physical and emotional relief to those who may feel forgotten or isolated. Beyond financial assistance, the Charity strives to offer toys, outings, and community initiatives for orphans, aiming for a comprehensive and holistic approach to enhance the benefits derived from the provided assistance.

Child educational and development programs
Education constitutes a pivotal element of development, and the Charity deems it crucial to aid children with limited or no access to education. The Charity engages in educational and recreational initiatives for orphans and underprivileged children, offering them opportunities for interaction with peers to develop social skills and a broader support network. Additionally, The Zahra Trust has collaborated with In Azzahra We Trust and Dar Al Zahra in Iraq to deliver educational and holistic support to over 1000 orphans and vulnerable children in the holy

cities of Najaf and Karbala.

Children from disadvantaged backgrounds are doubly disadvantaged when they are unable to have nutritious meals to sustain them while they learn. The Charity provided approximately 1000 lunches per day during term to disadvantaged children to ensure that they receive a nutritious meal during the day to support their education as well as alleviating the financial hardship of their families to provide them with meals.

Water Aid Projects
The Charity receives donations from generous individuals to contribute to the provision of safe and clean drinking water for those lacking ready access. The Charity facilitated the establishment of water wells in more remote villages in Pakistan, enabling local communities to access drinking water more conveniently. Through the generosity of our donors, we successfully installed over 300 wells during the year. This has greatly benefitted the local communities as this has provided them with a local and safe source of fresh water which many people take for granted, but for some, the provision of this basic necessity has been life altering.

Medical Assistance
The Charity remains committed to offering medical assistance to those in need, including orphans and widows. Free medical clinics have been established to provide individuals with medical care that they would otherwise be unable to afford.

The medical support extended also included the provision of free cataract surgeries in Yemen for individuals identified as urgently needing the procedure. This initiative saved the sight of these individuals in the affected eye and, in some cases, prevented blindness.

Winter Aid
The winter season brings bitter and harsh conditions, intensifying the challenges of poverty. For those already grappling with limited access to basic necessities, uncertainty about their next meal or source of clean water is compounded by the difficulty of securing adequate shelter and heat to protect their families from the elements. In response, the Charity extends support during the winter months, delivering winter supplies to thousands of families. These supplies include heaters, mattresses as well as blankets.

Local presence
Throughout the year, the Charity was present across communities, taking part in events, fairs and visiting centers. This enabled the Charity to strengthen bonds with local and national communities and meet with people to answer questions about our work. Our trustees, staff and volunteers thoroughly enjoyed meeting everyone.

UK Food drive
The Charity, in partnership with a local charity, identified and supported vulnerable families in the UK for winter support, including by helping to cover the cost of energy bills for those struggling to afford them. Through this campaign, together we supported around hundreds of people in the winter period. Throughout the year, The Zahra Trust also supported local food banks to help alleviate the hardship of families as well as to relieve the strain that the food banks are experiencing.

Financial review
The primary income streams for the Charity originate from the collection of donations and religious dues from the general public. Presently, the Charity does not maintain any investments with the intention of generating income. The total funds generated by the charity, excluding investment and interest income, amounted to £4,412,629 during the year (2022: £3,659,363). This revenue was primarily sourced from the collection of donations for various charitable purposes and gift aid repayments received from HMRC.

Total resources expended during the year is £5,662,099 (2022: £2,649,018). This includes £4,866,679 (2022: £2,194,117) expended for grant payables and other charitable activities.

Total funds carried forward at the end of the year was £2,523,891 (2022: £3,757,694). £1,394,651 of the current year fund balance represents unrestricted fund, and £1,129,240 represents restricted fund balance.

Reserves policy
Reserves of unrestricted funds are maintained to cover the general operational expenses of the Charity and to address potential uncertainties in the future.

In setting up the Charity reserve policy, the trustees have identified various restricted funds, detailed in the Statement of Financial Activities (SOFA). The restricted funds are allocated strictly in accordance with the imposed restrictions on the relevant fund where this is applicable.

The Charity's policy on unrestricted funds is to hold enough funds to meet at least 6 months of operating costs of the Charity. The Charity has taken into account the potential risks which may be encountered together with the expected funds required to cover such risks. In the current year the unrestricted fund balance of £1,394,651 (2022: 2,040,815) includes £993,862 (2022: £465,336) for the foundation fund.

£1,380,565 (2022: £870,090) of fixed assets and capital works in progress net value and is stated after deducting the loan payable of £386,703 (2022: 404,754) as at the year-end. The foundation fund represents the costs required for the development of the Charity's property to be utilised for its charitable purposes and will be used within the upcoming period as this could not be utilised during the former period due to the prolonged coronavirus situation. Therefore, the Charity has free reserve of £14,085 (2022: 705,389) at the year-end after deducting the balance for foundation fund and the net book value of fixed assets and capital work in progress, compared to its projected six months of the operating reserve target of c.180k. Whilst the Charity's free reserves are below its target, it has sufficient liquid reserves and a good ongoing fundraising performance to allow it sufficiently meet its ongoing operating costs. The trustees aim to continue to build the Charity's free reserves in the coming periods.

Future work
The Charity has already broadened its footprint on social media platforms and intends to amplify this presence, having established dedicated systems for such purposes. There are plans for the expansion of several of the Charity's projects, including the provision of fresh and safe water to those in need. Educational initiatives will also be extended, aiming to increase the number of students benefiting from the Charity's support. The Charity will be looking to establish new partnerships to expand the scope of beneficiaries receiving benefits from the Charity's grants.

Events since the end of the period
There are no events to report since the end of the period.

Trustees' responsibilities statement

The trustees, also acting as directors for the purposes of company law, bear the responsibility of preparing the trustees' report and financial statements in compliance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

According to company law, the charity trustees must compile financial statements annually that present a true and fair view of the charitable company's state of affairs, detailing incoming resources and the application of resources, encompassing income and expenditure, for that period.

In the process of preparing these financial statements, the trustees are obligated to:

- Select appropriate accounting policies and consistently apply them.
- Adhere to the methods and principles outlined in the applicable Charities Statement of Recommended Practice (SORP).
- Exercise reasonable and prudent judgment in making accounting estimates.
- Explicitly state whether applicable UK Accounting Standards have been followed, with any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

Furthermore, the trustees are accountable for maintaining adequate accounting records that sufficiently demonstrate and elucidate the Charity's transactions. These records must disclose, with reasonable accuracy at any time, the financial position of the charity, enabling the trustees to ensure compliance with the Companies Act 2006. Additionally, the trustees are responsible for safeguarding the charity's assets and must take reasonable measures for the prevention and detection of fraud and other irregularities.

Each of the persons who is a trustee at the date of approval of this report confirms that:

so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and

they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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



Trustee
Ali Massoumian

Date: 11 December 2023

Opinion
We have audited the financial statements of The Zahra Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash flow Statement and the related notes to the financial statements, including a summary of significant 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 March 2023 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report for the purpose of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit[; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as include the Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of revenue, including the cut-off of revenue at the year end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Use of our report

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



Vikram Sandhu (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 20 December 2023

The Zahra Trust
Statement of Financial Activities
(including income and expenditure account)
Company Number: 06842695 (England and Wales)
Year ended 31 March 2023

	Note	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Income and endowments					
Donations and legacies	**2**	1,572,176	2,840,445	4,412,621	3,659,363
Trading activities	**3**	12,510	-	12,510	799
Investment income	**4**	3,165	-	3,165	104
Other income	**5**	-	-	-	444
Total income		**1,587,851**	**2,840,445**	**4,428,296**	3,660,710
Expenditure on					
Raising funds	**6**	449,719	-	449,719	191,299
Charitable activities	7	-	5,212,380	5,212,380	2,457,720
Total expenditure		**449,719**	**5,212,380**	**5,662,099**	2,649,019
Net income		**1,138,132**	**(2,371,935)**	**(1,233,803)**	**1,011,691**
Transfers between funds		(1,784,296)	**1,784,296**	-	-
Net movement in funds		**(646,164)**	**(587,639)**	**(1,233,803)**	**1,011,691**
Reconciliation of funds					
Total funds brought forward		2,040,815	1,716,879	3,757,694	2,746,003
Total funds carried forward		**1,394,651**	**1,129,240**	**2,523,891**	**3,757,694**

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

The Zahra Trust
Balance Sheet
As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	**14**	1,380,565		870,091	
			1,380,565		870,091
Current assets					
Shop stock	**15**	7,985		3,533	
Debtors	**16**	5,419		101,273	
Cash at bank and in hand		1,551,099		3,218,620	
		1,564,503		3,323,426	
Creditors: amounts falling due within one year	**17**	62,428		67,146	
Net current assets			1,502,075		3,256,280
			2,882,640		3,757,695
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	**18**		358,749		368,676
Net assets			2,523,891		3,757,695
Funds of the charity					
Restricted funds			1,129,240		1,716,879
Unrestricted funds			1,394,651		2,040,815
Total charity funds	**22**		2,523,891		3,757,694

These financial statements were approved by the board of trustees and authorised for issue on 11 December 2023 and are signed on behalf of the board by:



Ali Massoumian
Trustee

The notes on pages 16 to 25 form part of these financial statements.

The Zahra Trust
Statement of Cash Flows
Year ended March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Net cash inflow from operations					
Net cash provided / (used) by operating activities	(i)		(1,147,708)		918,409
Cash flows from investing activities:					
Bank interest received		3,165		104	
Net cash used in investing activities			3,165		104
Cash flow from financing activities					
Acquisition of fixed assets		(513,050)		(40,868)	
Repayment of long term loan		(9,927)		(21,029)	
Net cash (used) in financing activities			(522,977)		(61,897)
Change in cash and cash equivalents in the reporting period			(1,667,521)		856,617
Cash and cash equivalents at the beginning of the period			3,218,620		2,362,003
Cash and cash equivalents at the end of the reporting period	(ii)		1,551,099		3,218,620

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net movement in funds	(1,233,803)	1,011,691
Depreciation charges	2,576	2,684
(Increase) in stock	(4,452)	(2,424)
(Increase) / decrease in debtors	95,854	(101,273)
Increase / (decrease) in creditors	(4,718)	7,835
Bank interest received	(3,165)	(104)
Net cash inflow from operating activities	(1,147,708)	918,409

Analysis of cash and cash equivalents

	2023 £	2022 £
Cash	1,551,099	3,218,620
Total cash and cash equivalents	1,551,099	3,218,620

The Zahra Trust
Notes to the financial statements
Year ended March 2023

1. Accounting Policies

Statement of compliance

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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Zahra Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Trustees assessment of Going Concern

In view of the financial performance and the reserves position as at the balance sheet date and the impact of Covid-19, the Board of Trustees have a reasonable expectation that The Zahra Trust will have the resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern. This year the Trust has seen an increment in the income, coupled with the development of a comprehensive fundraising strategy, communications plan and an improve supporter services experience, the Trustee foresees increased restricted and unrestricted income next year.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.
Investment income is accounted for in the Statement of Financial Activities in the period in which the charity is entitled to receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include its audit fees and other costs linked to strategic management of the charity. These are allocated in line with other support costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on straight line
Fixtures and fittings	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Computers and software	- 33% on reducing balance

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
Designated funds are those funds which have been designated by the Trustees for specific purposes within the objects of the charity.
Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

· **Short term benefits**
Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

2. Donations

	Unrestricted funds	Restricted funds	Total funds 2023
	£	£	£
Donations	1,135,564	2,840,445	**3,976,009**
Gift aid	436,612	-	436,612
Donations	1,572,176	2,840,445	4,412,621

	Unrestricted funds	Restricted funds	Total funds 2022
Donations	996,550	2,166,532	**3,163,082**
Gift aid	496,281	-	496,281
Donations	1,492,831	2,166,532	3,659,363

3 Trading activities

	2023	2022
	£	£
Income from charitable shop	12,510	799

4. Investment income

	Unrestricted funds	Total funds 2023	Unrestricted funds	Total funds 2022
	£	£	£	£
Bank interest receivable	3,165	3,165	104	104

5. Other income

	Unrestricted funds	Total funds 2023	Unrestricted funds	Total funds 2022
	£	£	£	£
Interest received on giftaid	-	-	444	444

6. Costs of raising funds

	2023	2022
	£	£
Cost of raising funds	334,485	103,431
Support Costs (see note 8)	115,234	87,868
Total	449,719	191,299

7. Expenditure on charitable activities

	2023	2022
	£	£
Grant payable (see note 7.a)	4,866,679	2,194,117
Support Costs (see note 8)	345,701	263,603
Total	5,212,380	2,457,720

7.a Grants Payable

	Grants to Institutions	Grants to Individuals	2023
	£	£	£
AHLULBAYT FOUNDATION	57,409		57,409
AL Jalila	399,885		399,884
ALULBAYT FOUNDATION	216,402		216,402
ANJUMAN-E-JAAFARIY	307		307
Ataba	17,048		17,048
Bilal Muslim Trust	79,240		79,240
IN AZZAHRAA WE T	3,718,665		3,718,665
J.B.H.T (Jabir b	69,242		69,242
KCLSU	1,500		1,500
SPIRITUAL JOURNEY	30,000		30,000
STANMORE JAFFERYS	4,000		4,000
Sufra	4,000		4,000
UNHCR	10,015		10,015
W A B I L	5,000		5,000
Wali ul asr lear	200,045		200,045
Zainabiya Welfare	2,000		2,000
Other Misc.	15,780	36,141	51,921
	4,830,538	36,141	4,866,679

	Grants to Institutions	Grants to Individuals	Total Funds 2022
	£	£	£
Ahlulbayt Foundation	25,000		25,000
Alulbayt Foundation	118,867		118,867
In Azzahraa We Trust Foundation	1,817,806		1,817,806
Aero Asian for hospital	31,744		31,744
AL Jalila Child Hosp	118,975		118,975
AL-HARAKA	5,000		5,000
Lady Fatemah Trust	3,754		3,754
Memorable buys	7,004		7,004
Impact Culture	9,552		9,552
Bilal Muslim Mission	4,130		4,130
Other Misc.	10,353	41,931	52,284
	2,152,185	41,931	2,194,116

8. Support costs

	Raising Fund 2023	Charitable Activities 2023	Total 2023
	£	£	£
Office running costs	4,178	12,533	16,711
Administrative costs	100,793	302,379	403,172
Finance costs	4,760	14,279	19,039
Governance costs	5,503	16,510	22,013
Total	115,234	345,701	460,935

	Raising Fund 2022	Charitable Activities 2022	Total 2022
	£	£	£
Office running costs	4,195	12,587	16,782
Administrative costs	74,078	222,233	296,311
Finance costs	4,115	12,344	16,459
Governance costs	5,480	16,439	21,919
Total	87,868	263,603	351,471

Support costs are allocated in line with the usage by each activity.

9. Net income

Net income is stated after charging / (crediting)

	2023	2022
	£	£
Fees payable to auditors (net of VAT)	18,333	17,400
Depreciation of tangible fixed assets	2,576	2,684
Exchange gain	4,434	-

10. Governance cost

	2023	2022
	£	£
Governance costs - audit fees	22,000	20,880
Governance costs - legal fees	13	1,039
Total	22,013	21,919

11. Auditors remuneration

	2023	2022
	£	£
Auditor's remuneration	18,333	17,400

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows

	2023	2022
	£	£
Wages and salaries	283,537	218,996
Social security costs	27,551	17,413
Employer contributions to pension plans	1,893	1,341
	312,981	237,750

The average head count of employees during the

	2023	2022
	No.	No.
Number of staff	10	8

No employee received employee benefits of more than £ 60,000 during the year (2022: nil).
The trustees are the key management personnel who are not remunerated for their services to the charity.

13. Trustee remuneration and expenses

During the year, no Trustees received any remuneration (2022: none).
During the year, no Trustees received any benefits in kind (2022: none).
During the year, no Trustees received any reimbursement of expenses (2022: none).

Trustee expenses
There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

14. Tangible fixed assets

	WIP	Freehold property	Other equipment	Computers and Software	Fixtures and fittings	Total
Cost	£	£	£	£	£	£
At 1 April 2022	37,471	826,443	8,308	7,522	11,496	891,240
Additions	510,388	-	358	643	1,661	513,050
At 31 March 2023	547,859	826,443	8,666	8,165	13,157	1,404,290
Depreciation						
At 1 April 2022	-	-	8,095	3,593	9,461	21,149
Charge for the year	-	-	143	1,509	924	2,576
At 31 March 2023	-	-	8,238	5,102	10,385	23,725
Carrying amount						
At 31 March 2023	547,859	826,443	428	3,063	2,772	1,380,565
At 31 March 2022	37,471	826,443	213	3,929	2,035	870,091

15. Stock

	2023	2022
	£	£
Shop stock	7,985	3,533

16. Debtors

	2023	2022
	£	£
Trade debtors	-	34,194
Prepayments	233	35,000
Other debtors	5,186	32,079
	5,419	101,273

17. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	27,954	36,078
Accruals and deferred income	22,476	21,780
Social security and other taxes	11,535	7,932
Pension	463	300
Other creditors - Net Wages	-	1,056
	62,428	67,146

18. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	358,749	368,676

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand	27,954	36,078
Amounts falling due within two and five years	111,818	144,312
Amounts falling due in more than five years	246,931	224,364

19. Charge - bank loan

There is a charge by Barclays Bank plc in respect of the Charity's property.
The charity with full title guarantee charges by way of a legal mortgage the property known as Salvation Army Hall, Barnfield Road, Edgware, HA8 0AY, including all buildings now or to be erected thereon and discharge to the bank on the demand by the bank of all the liabilities.

20. Pensions and other post-retirement benefits

Defined contribution plans
The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £ 1,893 (2022: £1,341)

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
General funds	1,575,479	1,587,851	(449,719)	(2,312,822)	400,789
Foundation - designated fund	465,336	-	-	528,526	993,862
	2,040,815	1,587,851	(449,719)	(1,784,296)	1,394,651

Restricted funds

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Orphans, widows, poor and vulnerables	-	330,498	(2,599,494)	2,268,996	-
Khums	343,721	609,348	(677,259)	(275,810)	-
WASH	646,258	205,803	(122,738)	(600,000)	129,323
Education	-	283,226	(300,182)	16,956	-
Healthcare	-	57,255	(435,271)	378,017	-
Religious obligations	-	331,532	(1,063,872)	732,340	-
Emergency and relief	586,648	558,441	(10,726)	(600,000)	534,363
Poverty and hunger eradication	-	139,040	(2,838)	(136,202)	-
Syria Aid	-	18,527	-	-	18,527
Yemen Aid	140,252	306,775	-	-	447,027
	1,716,879	2,840,445	(5,212,380)	1,784,296	1,129,240
				-	
Total	3,757,694	4,428,296	(5,662,099)	-	2,523,891

Orphans, widows, poor and vulnerables

- Orphans: The charity provides the essentials including food, shelter, winter packs and clothing to orphans in in many religions including, Iraq, Pakistan, Afghanistan, Syria, Yemen and Africa.
- Widows: The charity also runs camps in many regions and provides food, shelter and clothing to widows.

Khums: This is an obligatory religious tax of 20%. To be spent on poors, needy, syeds etc. The fund is mostly used to needy and vulnerables, widows, people on religious services etc. at the discretion of the trustees.

WASH: The charity runs projects in many regions to provide safe drinking water, sanitation and hygiene. During the current year extensive water sanitation programmes were executed in

Education and healthcare: continuing educational, medical and humanitarian support are provided to Muslim community in Myanmar. Medical support are provided to the needy who are suffering from medical ailments. Such medical support includes medical clinics which are set up in areas where access to medical facilities are scarce.

Syria and Yemen: To provide relief and poverty aid to the needy in Syria and Yemen.

Emergency and relief: To provide basic facilities and temporary shelters in conflicts ridden countries, on-going war zones and people affected from natural calamities, communal conflicts; during and post conflict sufferings.

Religious obligations: To provide religious rituals, ceremonies and obligations, Ramadhan and mosque activities.

Poverty and hunger eradication:

our volunteers distributed educational leaflets and provided advice in various places to raise awareness in public for minimising the rise of the spread of Covid-19.

Analysis of charitable funds – 31 March 2022

Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
General funds	843,510	1,494,178	(191,299)	(570,910)	1,575,479
Foundation - designated fund	407,097	-	-	58,239	465,336
	1,250,607	1,494,178	(191,299)	(512,671)	2,040,815

Restricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Orphans, widows, poor and vulnerables	-	303,332	(489,623)	186,291	-
Khums	596,090	591,773	(844,142)	-	343,721
WASH	438,897	215,121	(7,760)	-	646,258
Education	-	1,656	(32,780)	31,124	-
Healthcare	29,957	70,419	(149,236)	48,859	-
Religious obligations	-	375,862	(581,682)	205,820	-
Emergency and relief	-	592,549	(5,901)	-	586,648
Pandemic	51,892	15,820	(77,268)	9,556	-
Syria Aid	38,566	-	69,587	31,021	-
Yemen Aid	339,994	-	199,741	-	140,253
	1,495,396	2,166,532	(2,457,719)	512,671	1,716,879
Total	2,746,003	3,660,710	(2,649,018)	-	3,757,694

22. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**	Total Funds **2022**
	£	£	£	£
Tangible fixed assets	1,380,565		1,380,565	870,090
Current assets	435,263	1,129,240	1,564,503	3,323,426
Creditors less than 1 year	(62,428)		(62,428)	(67,146)
Creditors greater than 1 year	(358,749)	-	(358,749)	(368,676)
Net assets	1,394,651	1,129,240	2,523,891	3,757,694

Analysis of net assets between funds – 31 March 2022

	Unrestricted Funds	Restricted Funds	**Total Funds 2022**	Total Funds **2021**
	£	£	£	£
Tangible fixed assets	870,090	-	870,090	831,907
Current assets	1,606,547	1,716,879	3,323,426	2,363,112
Creditors less than 1 year	(67,146)	-	(67,146)	(59,311)
Creditors greater than 1 year	(368,676)	-	(368,676)	(389,705)
Net assets	2,040,815	1,716,879	3,757,694	2,746,003

23. Capital commitments

The Charity had no operating lease or capital commitments at the year-end.

24. Related parties

One of the trustees paid donation in the sum of £3,640 during the year (2022: none).

25. Net debt reconciliation

	At 1 April 2022	Cashflow	Other non Cash changes	At 31 March 2023
	£	£	£	£
Cash	3,218,620	(1,667,521)	-	1,551,099

Net debt reconciliation - 2022

	At 1 April 2021	Cashflow	Other non Cash changes	At 31 March 2022
	£	£	£	£
Cash	2,362,003	856,617	-	3,218,620

THE ZAHRA TRUST

England & Wales - Charity number 1129501

Accounts

COMPANY REGISTRATION NUMBER: 06842695
CHARITY REGISTRATION NUMBER: 1129501

The Zahra Trust

Trustees' Report and Financial Statements

For the year ended 31 March 2022

The Zahra Trust
Contents
Year ended 31 March 2022

	Page
Trustees' annual report (incorporating the director's report)	**1-8**
Independent auditor's report to the members	**9-11**
Statement of financial activities (including income and expenditure account)	**12**
Balance Sheet	**13**
Statement of cash flows	**14**
Notes to the financial statements	**15-24**

The Zahra Trust
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 March 2022

The trustees, who are also directors of the charity for the purposes of company law, present their report and financial statements of the charity for the period from 1 April 2020 to 31 March 2022. The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, the governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Reference and administrative details

Registered charity name	The Zahra Trust
Charity registration number	1129501
Company registration number	06842695
Principal office and registered office	131 Walm Lane London NW2 3AU
The trustees	
	Dr A Massoumian Sayyada Mohamedraza Hamir Faisal Alireza Hasham
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Leicester Leicestershire LE87 2BB
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Structure, governance and management

The Zahra Trust
The Zahra Trust ('the Charity') is a faith-based international relief and development agency. The Charity has been working for over a decade to help improve the lives of people in some of the world's poorest countries. The vision of the Charity is a world without poverty.

Governing document
The Charity is registered with the Charity Commission for England and Wales under charity registration number 1129501.The Trust is also a limited company, limited by guarantee, as defined by the Companies Act 2006 and therefore is controlled by its Articles and Memorandum of Association, the latter having been amended in March 2020.

Recruitment and appointment of new trustees
Trustees are recruited on the basis of their suitability to run the Charity in an effective manner. In light of such, the experience, qualifications and skills of any incoming Trustees are considered as well as any previous community or charity experience. Trustees are appointed by resolution of the existing trustees. When a new trustee is so appointed, a memorandum of his or her appointment is prepared and filed in accordance with the requisite procedures.

Induction and training of new trustees
Following appointment, new trustees are introduced to their new role and given copies of the Memorandum of Association and the policies and regulations adopted by the Charity. New trustees are provided the opportunity of working with existing trustees to benefit from their experience. Charity Commission guidance is also provided to trustees as well as internal and external training to assist them in their role.

Organisational structure
General control and management of the Charity is the responsibility of the charity trustees. The trustees represent the key management personnel and receive no remuneration or other financial benefits. The trustees meet and speak together as a body and are responsible for all decisions taken in relation to the affairs of The Zahra Trust.

Fundraising
The Charity adheres to all relevant statutory regulations including the Data Protection Act 2018, and the Charities Act 2011. The charity is registered with the Fundraising Regulator and strives for best practice in fundraising.

The fundraising undertaken by the Charity utilizes a few different approaches, which include the following:

- Major Donor giving
- Corporate giving
- Direct Mail
- Appeals/campaigns
- Online Fundraising

The generosity of our donors has helped the Charity's achieve successful campaigns during the year meaning that the Charity has been able to reach a greater number of beneficiaries.

Complaints handling
Any complaints received are dealt with in line with the Charity's Complaint Policy and where required would be reported to the Fundraising Regulator. The Charity is humbled to confirm that no complaints were raised this year or last year.

Risk Management and Review
The Trustees ensure that controls and policies are in place to control any risks faced by the Charity in all areas of its work are addressed and managed to ensure that the objectives of the Charity are met whilst ensuring that the funds and assets of the Charity are safeguarded. The Trustees have addressed and managed the risk areas as set out by the Charity Commission in their risk management guidance being governance, financial, environmental, operational and compliance as well as observing national and international legislation in respect of overseas work including Charity Commission and HMRC guidance.

The Charity has in place a central risk register which it updates regularly to ensure that any procedures or policies which require adjustment are so reviewed to ensure they remain suitable and robust in their application especially with regards to the Charity's international work and where any new risks are identified, the existing policies and procedures are amended to manage the identified risks. As this is an ongoing review procedure, the Trustees are satisfied that any risks are identified and managed in a timely and effective manner.

The key risks and mitigating measures identified by the trustees including the following:

Due Diligence
The Charity often operates in difficult environments which could potentially expose the Charity to risk in relation to potential partnerships and funding. In order to mitigate potential risks, the Charity has further reviewed and updated its Due Diligence policy. This continues to ensure that the identity of the proposed partner is verified and assessed prior to establishing any formal partnership relationship. The Due Diligence process includes the completion of due diligence forms and identity documents as well as a detailed appraisal using the relative sources and searches online. In the cases where issues are found, the Charity undertakes comprehensive assessments to evaluate the level and scale of risk involved, prior to making any decisions. The Charity endeavours to carry out regular checks on all active partners who receive funding from the Charity.

Conflict of Interest
The Charity has internal policies and procedures in place to ensure that conflicts are noted and if needed mitigated or other action taken where appropriate. These policies extend to all partners in the Charity's areas of operation.

Property
Any property of the Charity will be subject to regular inspection including maintenance and repair where necessary and review of security documentation. The repayment of the mortgage is also kept under regular review by the trustees.

Fundraising
The Charity is reliant on and extremely grateful for the generosity of its donors to meet its objectives. As a result of hard work and the generosity of individuals, the Charity has seen its donor base and income grow steadily. However, uncertainty in relation to income is always a factor to consider especially in this climate. The Charity has invested in a comprehensive fundraising strategy and appears to be reaping a successful result with this strategy.

Objectives and activities

Objectives and aims

For the benefit of the public generally and to advance the Islamic religion worldwide, the Charity's main objectives are as follows:

The objects of the charity are, for the public benefit, (a) the advancement of the faith and religious practices of Islam and (b) the relief of poverty, in particular but not exclusively among those affected by natural disasters or by war and other conflict, including but not limited by:

(i) the provision and maintenance of mosques and religious centres;

(ii) the teaching and educating of members of the Islamic community;

(iii) the provision of medical and financial assistance; and

(iv) the promotion of interreligious harmony through dialogue with other faiths and traditions.

Significant activities
The charity carried out wide range of activities in order to pursue its charitable aims and objectives. The trustees consider that these activities as summarised below, provided benefit to the general public in the local community and worldwide. The Charity offered a range of services including:

a) General counselling
b) Marriage counselling
c) Educational advancement
d) The prevention of relief of poverty
e) Overseas aid/emergency relief
f) Religious activities
g) Economic/community development

The above services are provided by means of:

a) Making grants to individuals and organisations
b) Providing other finance to individuals and organisations
c) Providing human resources
e) Providing advocacy/advice/information
f) Other charitable activities

Grantmaking
The Charity administers collection and distribution of various religious dues like Khums, Zakat, Sadaqat in accordance with the teachings of Islamic faith. The Charity also collects general donations and are distributed by way of providing grants to individuals and institutions pursuant to the Charity's objectives to provide education and training, relief of poverty and various religious activities.

Volunteers
We encourage all members of our charity to be involved in voluntary activities and to share their skills with others. Volunteers play an extremely important role in the operations of the Charity for which the Charity is extremely grateful for. The volunteers provide us with their time, know-how and assist the Charity in its fundraising activities. Volunteers are not paid, however, reasonable out of pocket expenses such as travel costs are reimbursed. The Charity has policies and procedures in place for volunteers both in the UK and overseas which are regularly reviewed and includes recruitment, vetting and management of volunteers.

Achievements and performance

How our activities deliver public benefit
The Trustees ensure that the activities carried out by the Charity in pursuance of the charitable aims and objectives deliver public benefit. The Trustees consider that these activities, summarised below, provide benefit to the wider community and are included within the purposes defined by the Charities Act 2011. The trustees confirm that they have considered and have complied with the Charity Commission guidance in respect of Public benefit in its activities as well as the supplementary public benefit guidance on the advancement of health or the saving of lives pursuant to section 17(5) of the Charities Act 2011.

Food Aid
It is a sad fact that many individuals do not have access to nutritious and healthy food. The Charity, from the assistance of our generous donors, continues to distribute a range of staple food items in the form of food baskets or food parcels throughout the year, including Ramadhan, the Islamic month where the majority of healthy Muslims are fasting. These parcels or baskets include staple items such as rice, lentils, dates, tea, oil, flour and sugar. The Charity does try and ensure that the food parcels will last a family up to one month.

In addition to the food parcels, hot meals are also distributed to families and individuals during Ramadhan and other special occasions providing hot nutritious meals to families who often do not have the means to eat meals which include meat dishes. The Charity provided Qurbanis (Nutritious meat) to the poor and vulnerable in Iraq, Pakistan, Yemen and Afghanistan on the religious occasion of Eid to families who have little or no resources to purchase meat.

The Charity provided thousands of meals to those affected by subsequent waves of the coronavirus pandemic affecting countries including India where many families were affected by extreme food poverty as many of the breadwinners had unfortunately passed away or severely ill and thus leaving families with no access to food. Over the last year, the Charity provided food aid to individuals and families in India, Pakistan, Tanzania, Yemen, Iraq, Afghanistan and Lebanon.

Religious dues
The Charity is authorised to receive religious dues by certain eminent scholars. It is part of the Islamic faith that individuals pay religious dues such as Zakat, Khums, and Sadaqa. The Charity receives dues from donors and distributes these dues to the religious institution authorised to collect such for charity to the needy and impoverished as well as to further the teachings of Islam, all being objects of the Charity.

Assisting the vulnerable and needy
The Charity has been responding to emergency crises over the last year, assisting the vulnerable and needy with not only basic necessities but long-term development. Over the last year, the Charity has assisted with food, medical aid, sanitation kits (including Covid19 aid) and shelter to communities in the regions of operation of the Charity. This includes housing projects specifically built for those who have lost their homes due to atrocities. The Charity also provided emergency aid to those affected by the pandemic and other disasters such as the Beirut explosion.

COVID-19 Aid
Since the beginning of the spread of COVID-19, the Charity has been active in the provision of aid and assistance and our generous donors have helped us to continue in our aid work in this respect. Covid 19 packs were distributed to the beneficiaries which included soap, hand sanitiser, face masks and tissues. The Charity's volunteers also assisted in raising awareness to the beneficiaries of minimising the risk of the spread of Covid 19 through educational leaflets and advice.

Projects for Widows
The Charity continues its microfinance projects for vulnerable women to empower these women to attain independence and social standing in society. The Zahra Trust also runs an ongoing training program for illiterate widows in Iraq, teaching them to read and write as well as training them with marketable

skills, such as tailoring, product assembly and handicraft production. With these marketable skills, the widows are empowered to earn a sustainable, independent livelihood and provide for themselves and their families.

Projects for Orphans
The Charity provides the essentials including food, shelter and clothing to orphans in many regions including, Iraq, Pakistan, Afghanistan and Africa. Providing vital support to orphans is an act of charity and provides a source of physical and emotional relief to orphans who feel forgotten or alone. In addition to financial aid, the Charity endeavours to provide toys and days out for the orphans as well as community initiatives to provide a multifaceted holistic approach in relation to the benefits achieved in the assistance provided.

Child educational and development programs
Education is a key component of development and the Charity feels it is vital to support children who have little or no access to education. The Charity undertakes educational and recreational activities for orphans and under privileged children providing them with an opportunity to interact with other children and provide them with social skills as well as a wider support network. The Zahra Trust has also teamed up with Dar Al Zahra in Iraq to provide educational and holistic support to over 1000 orphans and vulnerable children in the holy city of Najaf.

Water Aid Projects
The Charity continues to receive donations from generous individuals to help in the provision of safe and clean drinking water to those who do not have ready access to such. In Yemen, we assisted in the installation of five water filtration plants and thus providing access to fresh safe drinking water to thousands of people in need.

The Charity also facilitated the provision of water wells in more remote villages in Pakistan thus providing the public with local access to drinking water and thereby assisting the communities in the vicinities of these wells. With the generosity of our donors, over 100 wells were installed during the year.

Medical Assistance
The Charity continues its work in providing medical support to those in need including orphans and widows. Free medical clinics were set up to provide individuals with medical assistance which they would not otherwise be able to afford.

Unfortunately, the requirement for medical aid was more acute as a direct result of the coronavirus pandemic. In India, as a result of a new wave of the pandemic affecting its population, The Zahra Trust assisted by procuring, transporting and distributing oxygen tanks, oxygen concentrators, oximeters and covid kits to patients and individuals.

The medical care provided included the provision of 158 free cataract surgery to those requiring identified as requiring the urgent procedure in Yemen which saved the sight of these individuals in the affected eye and in some cases from blindness.

A free eye clinic was also set up in Iraq to provide assistance to 258 individuals requiring medical assistance.

Winter Aid
The winter months are bitter and harsh and exacerbate poverty and its effects. For those who already struggle with access to basic necessities, not knowing where their next meal or source of clean water will come from having adequate shelter and heat sources to protect their families from the elements is sometimes impossible. During the winter months, the Charity provides over 2000 families with winter supplies including heaters, coal and wood as forms of heating and blankets.

Financial review
The charity's main sources of income are from collection of donations and religious dues from the general public. The Charity does not currently hold any investments with a view to deriving income

therefrom. Total funds generated by the charity, excluding investment and interest income, during the year amounted to **£3,659,363 (2021: 4,003,473),** mainly through collection of donations for various charitable purposes and gift aid repayments received from HMRC.

Total resources expended during the year is **£2,649,018 (2021: £2,443,574). This includes £2,194,116 (2021: £2,041,248**) expended for grant payables and other charitable activities.

Total funds carried forward at the end of the year was **£3,757,694 (2021: £2,746,003). £2,040,815** of the current year fund balance represents unrestricted fund, and **£1,716,879** represents restricted fund balance.

Reserves policy
Unrestricted funds reserve are maintained to cover general charity running costs and against future uncertainties.

In setting up the Charity reserve policy, the trustees have identified various restricted funds as detailed in the Statement of Financial Activities (SOFA). The restricted funds are distributed strictly in accordance with the restrictions imposed on the relevant fund where this is applicable.

The Charity's policy on unrestricted funds is to hold enough funds to meet at least 6 months of operating costs of the Charity. The Charity has taken into account the potential risks which may be encountered together with the expected funds required to cover such risks. In the current year the unrestricted fund balance of £2,040,815 (2021: 1,250,607) includes £465,336 (2021: £407,097) for the foundation fund, £870,090 (2021: £831,907) of fixed assets and capital works in progress net value and is stated after deducting the loan payable of £404,754 (2021: 424,810) as at the year-end. The foundation fund represents the costs required for the development of the Charity's property to be utilised for its charitable purposes and will be used within the upcoming period as this could not be utilised during the former period due to the prolonged coronavirus situation. Therefore, the Charity has free reserve of £705,389 (2021: 11603) at the year-end after deducting the balance for foundation fund and the net book value of fixed assets and capital work in progress, which is sufficient to meet at least 6 months of operating costs as well as additional work which will be taking place in the upcoming period.

Future work
The Charity has already expanded its social media presence and plans to increase this further having systems in respect of such. Expansion of a few of the Charity's projects are planned including the provision of water to those in need by installing further water filtration plants and wells. Educational projects will also be expanded to increase the number of students being supported by the Charity.

COVID-19
Due to our immediate reaction to the coronavirus situation, remote working practices were set up and implemented very quickly which resulted in the Charity continuing its work with no disruption. The Charity continued to assist beneficiaries of the subsequent waves of coronavirus affecting populations and provided assistance by way of COVID-19 safety packs as well as food and medical assistance. The Charity will continue assisting those suffering as a result of the COVID-19 pandemic as the need for this unfortunately remains ongoing .

Events since the end of the period
There are no events to report since the end of the period.

Trustees' responsibilities statement

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

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

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

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

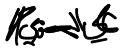
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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



Ali Massoumian
Trustee

Date: 3 November 2022

Opinion

We have audited the financial statements of The Zahra Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash flow Statement and the related notes to the financial statements, including a summary of significant 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 March 2022 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude

that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement page 7 & 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for Charities and Companies and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as include the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journals entries to revenue. Audit procedures performed by the engagement team included:

- Obtaining confirmation and corroborating evidence that there have been no regulatory or tax issues;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Use of our report

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

Murtaza Jessa (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
Date: 8 November 2022

The Zahra Trust
Statement of Financial Activities (including income and expenditure account)
Year ended 31 March 2022

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Income and endowments					
Donations and legacies	2	1,492,831	2,166,532	3,659,363	4,003,473
Trading activities	3	799	-	799	-
Investment income	4	104	-	104	615
Other income	5	444	-	444	109
Total income		**1,494,178**	**2,166,532**	**3,660,710**	**4,004,197**
Expenditure on					
Raising funds	6	191,299	-	191,299	241,939
Charitable activities	7	-	2,457,720	2,457,720	2,201,635
Total expenditure		**191,299**	**2,457,720**	**2,649,019**	**2,443,574**
Net income		**1,302,879**	**(291,188)**	**1,011,691**	**1,560,623**
Transfers between funds		(512,671)	512,671	-	-
Net movement in funds		**790,208**	**221,483**	**1,011,691**	**1,560,623**
Reconciliation of funds					
Total funds brought forward		1,250,607	1,495,396	2,746,003	1,185,380
Total funds carried forward		**2,040,815**	**1,716,879**	**3,757,694**	**2,746,003**

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

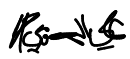
All income and expenditure derive from continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

The Zahra Trust
Balance Sheet
As at 31 March 2022
Company Number: 06842695 (England and Wales)

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	14	870,091		831,907	
			870,091		831,907
Current assets					
Shops assets	15	3,533		1,109	
Debtors	16	101,273		-	
Cash at bank and in hand		3,218,620		2,362,003	
		3,323,426		2,363,112	
Creditors: amounts falling due within one year	17	67,146		59,311	
Net current assets			3,256,280		2,303,801
Total assets less current liabilities			4,126,371		3,135,708
Creditors: amounts falling due after more than one year	18		368,676		389,705
Net assets			3,757,694		2,746,003
Funds of the charity					
Restricted funds			1,716,879		1,495,396
Unrestricted funds			2,040,815		1,250,607
Total charity funds	21/22		3,757,694		2,746,003

These financial statements were approved by the board of trustees and authorised for issue on and are signed on behalf of the board by:



Ali Massoumian
Trustee

Date: 3 November 2022

The notes on pages 15 to 24 form part of these financial statements.

The Zahra Trust
Statement of Cash Flows
Year ended 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Net cash inflow from operations					
Net cash provided by operating activities	(i)		918,409		1,666,720
Cash flows from investing activities:					
Bank interest received		104		615	
Net cash used in investing activities			104		615
Cash flow from financing activities					
Acquisition of fixed assets		(40,868)		(5,185)	
Repayment of long-term loan		(21,029)		(19,403)	
Net cash (used) in financing activities			(61,897)		(24,588)
Change in cash and cash equivalents in the reporting period			856,617		1,642,746
Cash and cash equivalents at the beginning of the period			2,362,003		719,257
Cash and cash equivalents at the end of the reporting period	(ii)		3,218,620		2,362,003

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds	1,011,691	1,560,623
Depreciation charges	2,684	2,374
(Increase) in stock	(2,424)	(1,109)
(Increase) / decrease in debtors	(101,273)	117,074
Increase / (decrease) in creditors	7,835	(11,627)
Bank interest received	(104)	(615)
Net cash inflow from operating activities	918,409	1,666,720

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash	3,218,620	2,362,003
Total cash and cash equivalents	3,218,620	2,362,003

1. Accounting Policies

Statement of compliance

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) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Zahra Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Trustees assessment of Going Concern

In view of the financial performance and the reserves position as at the balance sheet date the Board of Trustees have a reasonable expectation that The Zahra Trust will have the resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern. This year the Trust has seen an increment in the income, coupled with the development of a comprehensive fundraising strategy, communications plan and an improve supporter services experience, the Trustee foresees increased restricted and unrestricted income next year.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.
Investment income is accounted for in the Statement of Financial Activities in the period in which the charity is entitled to receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include its audit fees and other costs linked to strategic management of the charity. These are allocated in line with other support costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on straight line
Freehold land	-nil%
Fixtures and fittings	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are those funds which have been designated by the Trustees for specific purposes within the objects of the charity.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Stock

Stock is included at the lower of cost and the net realisable value and relates to shop goods purchased for resale to the public.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basis financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Donations

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Donations	996,550	2,166,532	3,163,082
Gift aid	496,281	-	496,281
Donations	1,492,831	2,166,532	3,659,363

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Donations	983,894	2,525,647	3,509,541
Gift aid	493,932	-	493,932
Donations	1,477,826	2,525,647	4,003,473

3 Trading activities

	2022 £	2021 £
Income from charitable shop	799	-

4. Investment income

	Unrestricted funds £	Total funds 2022 £	Unrestricted funds £	Total funds 2021 £
Bank interest receivable	104	104	615	615

5. Other income

	Unrestricted funds £	Total funds 2022 £	Unrestricted funds £	Total funds 2021 £
Interest received on gift aid	444	444	109	109

6. Costs of raising funds

	2022 £	2021 £
Cost of raising funds	103,431	188,477
Support Costs (see note 8)	87,868	53,462
Total	191,299	241,939

7. Expenditure on charitable activities

	2022	2021
	£	£
Grant payable (see note 7.a)	2,194,117	2,041,248
Support Costs (see note 8)	263,603	160,387
Total	2,457,720	2,201,635

7.a Grants Payable

	Grants to Institutions	Grants to Individuals	2022
	£	£	£
Ahlulbayt Foundation	25,000		25,000
Alulbayt Foundation	118,867		118,867
In Azzahraa We Trust Foundation	1,817,806		1,817,806
Aero Asian for hospital	31,744		31,744
AL Jalili Child Hosp	118,976		118,976
AL-HARAKA	5,000		5,000
Lady Fatemeh Trust	3,754		3,754
Memorable buys	7,004		7,004
Impact Culture	9,552		9,552
Bilal Muslim Mission	4,130		4,130
Other Misc.	10,353	41,931	52,284
	2,152,186	41,931	2,194,117

	Grants to Institutions	Grants to Individuals	2021
	£	£	£
Al-Khoie Foundation	300,000		300,000
Ahlulbayt Foundation	137,500		137,500
Alulbayt Foundation	238,089		238,089
In Azzahraa We Trust Foundation	1,100,700		1,100,700
Boreal Light	99,374		99,374
Mawa Trust	51,614		51,614
Charity Consultancy	9,031		9,031
Soft Mark Solution	11,034		11,034
Strong flower	10,027		10,027
TMV Project Ltd	9,250		9,250
Bilal Muslim Mission	8,164		8,164
Shaheed Foundation	5,700		5,700
National Enterprise	4,800		4,800
Aya Hachem school and support	-	28,722	28,722
Other Misc.	1,516	25,727	27,243
	1,986,799	54,449	2,041,248

8. Support costs

	Raising Fund 2022 £	Charitable Activities 2022 £	Total 2022 £
Office running costs	4,195	12,587	16,782
Administrative costs	74,078	222,233	296,311
Finance costs	4,115	12,344	16,459
Governance costs	5,480	16,439	21,919
Total	87,868	263,603	351,471

	Raising Fund 2021 £	Charitable Activities 2021 £	Total 2021 £
Office running costs	3,902	11,706	15,608
Administrative costs	36,621	109,864	146,485
Finance costs	4,872	14,617	19,489
Governance costs	8,067	24,200	32,267
Total	53,462	160,387	213,849

Support costs are allocated in line with the usage by each activity.

9. Net income

Net income is stated after charging / (crediting)

	2022 £	2021 £
Fees payable to auditors (net of VAT)	17,400	15,000
Depreciation of tangible fixed assets	2,684	2,374
Foreign exchange differences	-	3,878

10. Governance cost

	2022 £	2021 £
Governance costs - audit fees	20,880	18,000
Governance costs - legal and other professional fees	1,039	14,267
Total	21,919	32,267

11. Auditors remuneration

	2022 £	2021 £
Auditor's remuneration	17,400	15,000

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	218,996	86,762
Social security costs	17,413	6,882
Employer contributions to pension plans	1,341	1,319
	237,750	94,963

The average head count of employees during the year was

	2022	2021
	£	£
Number of staff	8	4

No employee received employee benefits of more than £ 60,000 during the year (2021: nil).
The trustees are the key management personnel who are not remunerated for their services to the charity.

13. Trustee remuneration and expenses

During the year, no Trustees received any remuneration (2021: none).
During the year, no Trustees received any benefits in kind (2021: none).
During the year, no Trustees received any reimbursement of expenses (2021: none).

Trustee expenses
There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

14. Tangible fixed assets

	WIP	Freehold land & property	Other equipment	Computers equipment	Fixtures and fittings	Total
Cost	£	£	£	£	£	£
At 1 April 2021	-	826,443	8,308	4,975	10,646	850,372
Additions	37,471	-	-	2,547	850	40,868
At 31 March 2022	37,471	826,443	8,308	7,522	11,496	891,240
Depreciation						
At 1 April 2021	-	-	8,024	1,658	8,783	18,465
Charge for the year	-	-	71	1,935	678	2,684
At 31 March 2022	-	-	8,095	3,593	9,461	21,149
Carrying amount						
At 31 March 2022	37,471	826,443	213	3,929	2,035	870,091
At 31 March 2021	-	826,443	284	3,317	1,863	831,907

The total value of the freehold land and property is made of a site known as Salvation Army Hall, Barnfield Road, Edgware, HA8 0AY. The value of the old property is deemed as £nil.

15. Stock

	2022	2021
	£	£
Shops goods	3,533	1,109

16. Debtors

	2022	2021
	£	£
Trade debtors	34,194	-
Prepayments	35,000	-
Other debtors	32,079	-
	101,273	-

17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	36,078	35,105
Accruals and deferred income	21,780	20,817
Social security and other taxes	7,932	3,054
Pension	300	335
Other creditors - Net Wages	1,056	-
	67,146	59,311

18. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	368,676	389,705

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand	36,078	35,105
Amounts falling due within two and five years	144,312	140,420
Amounts falling due in more than five years	224,364	214,180

19. Charge - bank loan

There is a charge by Barclays Bank plc in respect of the Charity's property.
The charity with full title guarantee charges by way of a legal mortgage the property known as Salvation Army Hall, Barnfield Road, Edgware, HA8 0AY, including all buildings now or to be erected thereon and discharge to the bank on the demand by the bank of all the liabilities.

20. Pensions

Defined contribution plans
The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £ 1,341 (2021: £1,319).

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	843,510	1,494,178	(191,299)	(570,910)	1,575,479
Foundation - designated fund	407,097	-	-	58,239	465,336
	1,250,607	1,494,178	(191,299)	(512,671)	2,040,815

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Orphans, widows, poor and vulnerables	-	303,332	(489,623)	186,291	-
Khums	596,090	591,773	(844,142)	-	343,721
WASH	438,897	215,121	(7,760)	-	646,258
Education	-	1,656	(32,780)	31,124	-
Healthcare	29,957	70,419	(149,235)	48,859	-
Religious obligations	-	375,862	(581,682)	205,820	-
Emergency and relief	-	592,549	(5,901)	-	586,648
Pandemic	51,892	15,820	(77,268)	9,556	-
Syria Aid	38,566	-	(69,587)	31,021	-
Yemen Aid	339,994	-	(199,742)	-	140,252
	1,495,396	2,166,532	(2,457,720)	512,671	1,716,879
Total	2,746,003	3,660,710	(2,649,019)	-	3,757,694

Orphans, widows, poor and vulnerables

- Orphans: The charity provides the essentials including food, shelter and clothing to orphans in many regions including, Iraq, Pakistan, Afghanistan, Syria, Yemen and Africa.
- Widows: The charity also runs camps in many regions and provides food, shelter and clothing to widows.

Khums: This is an obligatory religious tax of 20%. To be spent on poors, needy, syeds etc.

WASH: The charity runs projects in many regions to provide safe drinking water, sanitation and hygiene.

Education and healthcare: continuing educational, medical and humanitarian support are provided to Muslim community in Myanmar. Medical support are provided to the needy who are suffering from medical ailments. Such medical support includes medical clinics which are set up in areas where access to medical facilities are scarce.

Syria and Yemen: To provide relief and poverty aid to the needy in Syria and Yemen.

Emergency and relief: To provide basic facilities and temporary shelters in conflicts ridden countries, on-going war zones and people affected from natural calamities, communal conflicts; during and post conflict sufferings.

Religious obligations: To provide religious rituals, ceremonies and obligations, ramadhan, and mosque activities.

Pandemic: packs including soap, hand sanitiser, face masks and tissues were distributed to the beneficiaries and our volunteers distributed educational leaflets and provided advice in various places to raise awareness in public for minimising the rise of the spread of Covid-19.

Analysis of charitable funds – 31 March 2021

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	278,682	1,478,550	(241,939)	(671,783)	843,510
Foundation - designated fund	384,723	-	-	22,374	407,097
	663,405	1,478,550	(241,939)	(649,409)	1,250,607

Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Orphans, widows, poor and vulnerable	-	446,960	(477,405)	30,445	-
Khums	221,843	631,646	(257,399)		596,090
WASH	121,198	400,241	(82,542)		438,897
Education	-	19,184	(133,460)	114,276	-
Healthcare	30,203	11,654	(11,900)		29,957
Religious obligations	58,245	352,614	(747,721)	336,862	-
Emergency and relief	-	155,962	(323,788)	167,826	-
Pandemic	-	111,053	(59,160)		51,893
Syria Aid	-	38,565	-		38,565
Yemen Aid	90,486	357,768	(108,260)	-	339,994
	521,975	2,525,647	(2,201,635)	649,409	1,495,396
Total	1,185,380	4,004,197	(2,443,574)	-	2,746,003

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Tangible fixed assets	870,090		870,090	831,907
Current assets	1,606,547	1,716,879	3,323,426	2,363,112
Creditors less than 1 year	(67,146)		(67,146)	(59,311)
Creditors greater than 1 year	(368,676)	-	(368,676)	(389,705)
Net assets	2,040,815	1,716,879	3,757,694	2,746,003

Analysis of net assets between funds – 31 March 2021

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	831,907		831,907	829,096
Current assets	867,716	1,495,396	2,363,112	836,331
Creditors less than 1 year	(59,311)		(59,311)	(70,939)
Creditors greater than 1 year	(389,705)	-	(389,705)	(409,108)
Net assets	1,250,607	1,495,396	2,746,003	1,185,380

23. Capital commitments

The Charity has entered into an agreement with AH UK Management Ltd for the construction of building in the sum of £370,000. Works remaining outstanding as at 31 March 2022 was in the sum of £351,750 (2021: nil)

24. Related parties

One of the trustees made a total donation of £3,640 to the Charity during the year (2021: nil). No other related parties have occurred in the year or prior year

25. Net debt reconciliation

	At 1 April 2021	Cashflow	Other non-cash changes	At 31 March 2022
	£	£	£	£
Cash	2,362,003	856,617	-	3,218,620

Net debt reconciliation - 2021

	At 1 April 2020	Cashflow	Other non-cash changes	At 31 March 2021
	£	£	£	£
Cash	719,257	1,642,746	-	2,362,003

THE ZAHRA TRUST

England & Wales - Charity number 1129501

Accounts

COMPANY REGISTRATION NUMBER: 06842695
CHARITY REGISTRATION NUMBER: 1129501

The Zahra Trust

Trustees' Report and Financial Statements

For the year ended 31 March 2021

WEDNESDAY
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A04 01/12/2021 #110
COMPANIES HOUSE

The Zahra Trust

Contents

Year ended 31 March 2021

	Page
Trustees' annual report (incorporating the director's report)	1-7
Independent auditor's report to the members	8-10
Statement of financial activities (including income and expenditure account)	11
Balance Sheet	12
Statement of cash flows	13
Notes to the financial statements	14-23

The Zahra Trust
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 March 2021

The trustees, who are also directors of the charity for the purposes of company law, present their report and financial statements of the charity for the period from 1 April 2020 to 31 March 2021. The financial statements have been prepared in accordance with the Companies Act 2006, Charities Act 2011, the governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Reference and administrative details

Registered charity name	The Zahra Trust
Charity registration number	1129501
Company registration number	06842695
Principal office and registered office	131 Walm Lane London NW2 3AU
The trustees	
	Dr Ali Massoumian Sayyada Mohamedraza Hamir Faisal Alireza Hasham
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank Plc Leicester Leicestershire LE87 2BB
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Structure, governance and management

The Zahra Trust
The Zahra Trust ('the Charity') is an international relief and development agency. The Charity has been working for over a decade to help improve the lives of people in some of the world's poorest countries. The vision of the Charity is a world without poverty.

Governing document
The Charity is registered with the Charity Commission for England and Wales under charity registration number 1129501.The Trust is also a limited company, limited by guarantee, as defined by the Companies Act 2006 and therefore is controlled by its Articles and Memorandum of Association, the latter having been amended in March 2020.

Recruitment and appointment of new trustees
Trustees are recruited on the basis of their suitability to administer the Charity in an effective manner. In light of such, the experience, qualifications and skills of any incoming Trustees are considered as well as any previous community or charity experience. Trustees are appointed by resolution of the existing trustees. When a new trustee is so appointed, a memorandum of his or her appointment is prepared.

Induction and training of new trustees
Following appointment, new trustees are introduced to their new role and given copies of the Memorandum of Association and the policies and regulations adopted by the Charity. New trustees are provided the opportunity of working with existing trustees to benefit from their experience. Charity Commission guidance is also provided to trustees as well as internal and external training.

Organisational structure
General control and management of the Charity is the responsibility of the charity trustees. The trustees represent the key management personnel and receive no remuneration or other financial benefits. The trustees meet and speak together as a body and are responsible for all decisions taken in relation to the affairs of The Zahra Trust.

Fundraising
The Charity adheres to all relevant statutory regulations including the Data Protection Act 2018, and the Charities Act 2011. The charity is registered with the Fundraising Regulator and strives for best practice in fundraising.

The fundraising undertaken by the Charity utilizes a few different approaches, which include the following:

- Major Donor giving
- Corporate giving
- Direct Mail
- Appeals/campaigns
- Online Fundraising

The generosity of our donors has helped the Charity's achieve successful campaigns during the year meaning that the Charity has been able to reach a greater number of beneficiaries. The Charity did not engage external fundraisers and relied on its staff and volunteers in its fundraising activities.

Complaints handling
Any complaints received are dealt with in line with the Charity's Complaint Policy and where required would be reported to the Fundraising Regulator. The Charity is pleased to confirm that that no complaints were raised this year or last year.

Risk Management and Review
The Trustees ensure that controls and policies are in place to control any risks faced by the Charity in all areas of its work are addressed and managed to ensure that the objectives of the Charity are met whilst ensuring that the funds and assets of the Charity are safeguarded. The Trustees have addressed and managed the risk areas as set out by the Charity Commission in their risk management guidance being governance, financial, environmental, operational and compliance as well as observing national and international legislation in respect of overseas work including Charity Commission and HMRC guidance.

The Charity has in place a central risk register which it updates regularly to ensure that any procedures or policies which require adjustment are so reviewed to ensure they remain suitable and robust in their application especially with regards to the Charity's international work and where any new risks are identified, the existing policies and procedures are amended to manage the identified risks. As this is an ongoing review procedure, the Trustees are satisfied that any risks are identified and managed in a timely and effective manner.

The key risks and mitigating measures identified by the trustees including the following:

Due Diligence
The Charity often operates in difficult environments which could potentially expose the Charity to risk in relation to potential partnerships and funding. In order to mitigate potential risks, the Charity has further reviewed and updated its Due Diligence policy. This continues to ensure that the identity of the proposed partner is verified and assessed prior to establishing any formal partnership relationship. The Due Diligence process includes the completion of due diligence forms and identity documents as well as a detailed appraisal using the relative sources and searches online. In the cases where issues are found, the Charity undertakes comprehensive assessments to evaluate the level and scale of risk involved, prior to making any decisions. The Charity endeavours to carry out regular checks on all active partners who receive funding from the Charity.

Conflict of Interest
The Charity has internal policies and procedures in place to ensure that conflicts are noted and if needed mitigated or other action taken where appropriate. These policies extend to all partners in the Charity's areas of operation.

Property
Any property of the Charity will be subject to regular inspection including maintenance and repair where necessary and review of security documentation. The repayment of the mortgage is also kept under regular review by the trustees.

Fundraising
The Charity is reliant on and extremely grateful for the generosity of its donors to meet its objectives. As a result of hard work and the generosity of individuals, the Charity has seen its donor base and income grow steadily. However, uncertainty in relation to income is always a factor to consider especially in this climate. The Charity has invested in a comprehensive fundraising strategy and appears to be reaping a successful result with this strategy.

Objectives and activities

Objectives and aims

The objects of the charity are, for the public benefit, (a) the advancement of the faith and religious practices of Islam and (b) the relief of poverty, in particular but not exclusively among those affected by natural disasters or by war and other conflict, including but not limited by:

(i) the provision and maintenance of mosques and religious centres;

(ii) the teaching and educating of members of the Islamic community;

(iii) the provision of medical and financial assistance; and

(iv) the promotion of interreligious harmony through dialogue with other faiths and traditions.

Significant activities

The charity carried out wide range of activities in order to pursue its charitable aims and objectives. The trustees consider that these activities as summarised below, provided benefit to the general public in the local community and worldwide. The Charity offered a range of services including:

a) General counselling
b) Marriage counselling
c) Educational advancement
d) The prevention of relief of poverty
e) Overseas aid/emergency relief
f) Religious activities
g) Economic/community development

The above services are provided by means of:

a) Making grants to individuals and organisations
b) Providing other finance to individuals and organisations
c) Providing human resources
e) Providing advocacy/advice/information
f) Other charitable activities

Grant-making

The Charity administers collection and distribution of various religious dues like Khums, Zakat, Sadaqat in accordance with the teachings of Islamic faith. The Charity also collects general donations and are distributed by way of providing grants to individuals and institutions pursuant to the Charity's objectives to provide education and training, relief of poverty and various religious activities.

Volunteers

We encourage all members of our charity to be involved in voluntary activities and to share their skills with others. Volunteers play an extremely important role in the operations of the Charity for which the Charity is extremely grateful for. The volunteers provide us with their time, know-how and assist the Charity in its fundraising activities. Volunteers are not paid, however, reasonable out of pocket expenses such as travel costs are reimbursed. The Charity has policies and procedures in place for volunteers both in the UK and overseas which are regularly reviewed and includes recruitment, vetting and management of volunteers.

Achievements and performance

How our activities deliver public benefit

The Trustees ensure that the activities carried out by the Charity in pursuance of the charitable aims and objectives deliver public benefit. The Trustees consider that these activities, summarised below, provide benefit to the wider community and are included within the purposes defined by the Charities Act 2011. The trustees confirm that they have considered and have complied with the Charity Commission guidance in respect of Public benefit in its activities, in accordance with Section 17 of the Charities Act 2011.

Food Aid

The Charity recognises the importance of nutrition and healthy food to those in need who often do not have the resources to provide the basic nutritious needs for themselves and their families. A lot of our food aid involves the Charity distributing staple foods in the form of food baskets or food parcels throughout the year, including Ramadhan, the Islamic month where the majority of healthy Muslims are fasting. These parcels or baskets comprise staple items such rice, lentils, dates, tea, oil and sugar although the Charity does strive to ensure that the staples included within the parcels are tailored to the local diet.

Additionally, hot meals are also provided to families and individuals during Ramadhan and other special occasions providing hot nutritious meals to families who often do not have the means to eat meals which include meat dishes. The Charity provided Qurbanis (Nutritious meat) to the poor and vulnerable in Iraq, Pakistan, Yemen and Afghanistan on the religious occasion of Eid to families who have little or no resources to purchase meat.

Religious dues

It is part of the Islamic faith that individuals pay religious dues such as Zakat, Khums, and Sadaqat. The Charity collects it in accordance with the teaching of Islam and distributes these dues to the religious institution authorised to collect such for charity to the needy and impoverished as well as to further the teachings of Islam.

Assisting the vulnerable and needy

The Charity has been responding to emergency crises over the last year, assisting the vulnerable and needy with not only basic necessities but long-term development. Over the last year, the Charity has assisted with food, medical aid, sanitation kits (including Covid19 aid) and shelter to communities in the regions of operation of the Charity. This includes housing projects specifically built for those who have lost their homes due to atrocities. The Charity also provided emergency aid to those affected by the pandemic and other disasters such as the Beirut explosion.

COVID-19 Aid

Since the beginning of the spread of COVID-19, the Charity has been active in the provision of aid and assistance and our generous donors have helped us to continue in our aid work in this respect. Covid 19 packs were distributed to the beneficiaries which included soap, hand sanitiser, face masks and tissues. The Charity's volunteers also assisted in raising awareness to the beneficiaries of minimising the risk of the spread of Covid 19 through educational leaflets and advice.

Projects for Widows

The Charity continues its microfinance projects for vulnerable women to empower these women to attain independence and social standing in society. These projects include sewing and information technology lessons for vulnerable women to allow them to attain new skills.

Projects for Orphans

The Charity provides the essentials including food, shelter and clothing to orphans in many regions including, Iraq, Pakistan, Afghanistan and Africa. Providing vital support to orphans is an act of charity and provides a source of physical and emotional relief to orphans who feel forgotten or alone. In addition to financial aid, the Charity endeavours to provide toys and days out for the orphans as well as community initiatives to provide a multifaceted holistic approach in relation to the benefits achieved in the assistance provided.

Child educational and development programs
Education is a key component of development and the Charity feels it is vital to support children who have little or no access to education. The Charity undertakes educational and recreational activities for orphans and under privileged children providing them with an opportunity to interact with other children and provide them with social skills as well as a wider support network.

Water Aid Projects
The Charity has been humbled by the donations of generous individuals to provide safe and clean drinking water to those who do not have access to such. In Pakistan, the Charity has facilitated the provision of water wells to communities who did not have local access to drinking water and this basic human right has improved the lives of those benefitting from the wells.

Medical Assistance
The Charity continues to provide medical support to the needy including orphans, widows and refugees who are suffering from medical ailments. Such medical support includes medical clinics which are set up in areas where access to medical facilities are scarce. The requirement for medical assistance has been more acute as a result of the pandemic.

Financial review
The charity's main sources of income are from collection of donations and religious dues from the general public. The Charity does not currently hold any investments with a view to deriving income therefrom. Total funds generated by the charity, excluding investment and interest income, during the year amounted to **£4,003,473 (2020: £1,408,219)**, mainly through collection of donations for various charitable purposes and gift aid repayments received from HMRC.

Total resources expended during the year is **£2,443,574 (2020: £1,002,340). This includes £2,041,248 (2020: £732,993)** expended for grant payables and other charitable activities.

Total funds carried forward at the end of the year was **£2,746,003 (2020: £1,185,380). £1,250,607** of the current year fund balance represents unrestricted fund, and £1,495,396 represents restricted fund balance.

Reserves policy
Unrestricted funds reserve are maintained to cover general charity running costs and against future uncertainties.

In setting up the Charity reserve policy, the trustees have identified various restricted funds as detailed in the Statement of Financial Activities (SOFA). The restricted funds are distributed strictly in accordance with the restrictions imposed on the relevant fund where this is applicable.

The Charity's policy on unrestricted funds is to hold enough funds to meet at least 6 months of operating costs of the Charity. In making this policy, the potential risks which may be encountered by the Charity have been considered as well as the funds required to cover such risks. In the current year unrestricted fund balance of **£1,250,607** includes **£407,097** designated for the foundation fund, £831,907 of fixed assets net book value and is stated after deducting the loan payable of £424,810 as at the year-end. The foundation fund represents the sum required for the development of the Charity's property to be utilised for its charitable purposes and will be used within the upcoming period as this could not be utilised during the former period due to lockdown restrictions. Therefore, the Charity has free reserves of £11,603 at the year-end after deducting the balance for the foundation fund and the net book value of the fixed assets, compared to its projected six months of the operating reserves target of c.100k. Whilst the Charity's free reserves are below its target, it has sufficient liquid reserves and a good ongoing fundraising performance to allow it sufficiently meet its ongoing operating costs. The trustees aim to continue to build the Charity's free reserves in the coming period.

Future work
The Charity plans to extend its activities in line with its charitable objectives subject to availability of resources and means to benefit an increased number of beneficiaries with wider projects aimed at enhancing the lives of those who we assist. The Charity is planning to expand its social media presence

and has implemented systems in respect of such. Current works which are ongoing are also proposed to be expanded such as the very successful well campaign which the Charity has been running which sees water wells being constructed in areas of need in remoter areas as well as the water filtration systems.

COVID-19

Our procedure on remote working were implemented almost immediately which resulted in the Charity's work continuing without disruption. The Charity quickly recognised the grave impact that the pandemic would potentially have on the more vulnerable members in the Charity's area of operation and commenced fundraising for this purpose at the outset of the pandemic for this purpose and as part of the Charity's objectives. With the generosity of the donors as well as corporate entities, COVID-19 safety packs as well as food packs and medical assistance were provided to those in need. The Charity will continue assisting those suffering as a result of the COVID-19 pandemic as the need for this unfortunately remains ongoing with countries suffering their second, third or even greater number in waves affecting their population.

Trustees' responsibilities statement

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

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

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

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

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 Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

Sayyada Mohamedraza Hamir
Trustee
Date: 25/11/2021

Opinion

We have audited the financial statements of The Zahra Trust for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and notes to the financial statements, including a summary of significant 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 March 2021 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for Charities, Companies, Health and Safety, Employment law, Fundraising Regulations and GDPR and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, income tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimate and application of controls around authorisation of grants, expenditure and payments. Audit procedures performed by the engagement team included:

- Obtaining confirmation and corroborating evidence that there have been no regulatory or tax compliance issues ;
- Discussions with management and review of relevant minutes of trustees' meetings including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Murtaza Jessa (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 26/11/2021

10 Queen Street Place

London

EC4R 1AG

The Zahra Trust
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 March 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments					
Donations and legacies	2	1,477,826	2,525,647	4,003,473	1,408,219
Investment income	3	615	-	615	1,234
Other income	4	109	-	109	1,319
Total income		1,478,550	2,525,647	4,004,197	1,410,772
Expenditure on					
Raising funds	5	241,939	-	241,939	117,925
Charitable activities	6	-	2,201,635	2,201,635	884,415
Total expenditure		241,939	2,201,635	2,443,574	1,002,340
Net income		1,236,611	324,012	1,560,623	408,432
Transfers between funds		(649,409)	649,409	-	-
Net movement in funds		587,202	973,421	1,560,623	408,432
Reconciliation of funds					
Total funds brought forward		663,405	521,975	1,185,380	776,948
Total funds carried forward		1,250,607	1,495,396	2,746,003	1,185,380

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

The Zahra Trust
Balance Sheet
As at 31 March 2021
Company Number: 06842695 (England and Wales)

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	13	831,907	829,096
Current assets			
Stock	14	1,109	-
Debtors	15	-	117,074
Cash at bank and in hand		2,362,003	719,257
		2,363,112	836,331
Creditors: amounts falling due within one year	16	59,311	70,939
Net current assets		2,303,801	765,392
Total assets less current liabilities		3,135,708	1,594,488
Creditors: amounts falling due after more than one year	17	389,705	409,108
Net assets		2,746,003	1,185,380
Funds of the charity			
Restricted funds		1,495,396	521,975
Unrestricted funds		1,250,607	663,405
Total charity funds	20	2,746,003	1,185,380

These financial statements were approved by the board of trustees and authorised for issue on 25/11/2021 and are signed on behalf of the board by:

Sayyada Mohamedraza Hamir
Trustee

The notes on pages 14 to 23 form part of these financial statements.

The Zahra Trust
Statement of Cash Flows
Year ended March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Net cash inflow from operations					
Net cash provided by operating activities	(i)		1,666,720		392,385
Cash flows from investing activities:					
Payments for tangible fixed assets		-		(506)	
Bank interest received		615		1,234	
Net cash used in investing activities			615		728
Cash flow from financing activities					
Acquisition of fixed assets		(5,185)		-	
Repayment of long term loan		(19,403)		(36,914)	
Net cash (used) in financing activities			(24,588)		(36,914)
Change in cash and cash equivalents in the reporting period			1,642,746		356,199
Cash and cash equivalents at the beginning of the period			719,257		363,058
Cash and cash equivalents at the end of the reporting period	(ii)		2,362,003		719,257

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	1,560,623	408,432
Depreciation charges	2,374	885
(Increase) in stock	(1,109)	-
Decrease/(increase) in debtors	117,074	(26,603)
(Decrease) / increase in creditors	(11,627)	10,905
Bank interest received	(615)	(1,234)
Net cash inflow from operating activities	1,666,720	392,385

Analysis of cash and cash equivalents

	2021 £	2020 £
Cash	2,362,003	719,257
Total cash and cash equivalents	2,362,003	719,257

1. Accounting Policies

Statement of compliance

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 Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Zahra Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

There are no judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a risk of material adjustment in the next year.

Trustees assessment of Going Concern

In view of the financial performance and the reserves position as at the balance sheet date and the impact of Covid-19, the Board of Trustees have a reasonable expectation that The Zahra Trust will have the resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties that call into doubt our ability to continue as a going concern. The annual financial statements have therefore been prepared on the basis that the charity is a going concern. This year the Trust has seen an increment in the income, coupled with the development of a comprehensive fundraising strategy, communications plan and an improve supporter services experience, the Trustee foresees increased restricted and unrestricted income next year.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.
Investment income is accounted for in the Statement of Financial Activities in the period in which the charity is entitled to receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include its audit fees and other costs linked to strategic management of the charity. These are allocated in line with other support costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on straight line
Fixtures and fittings	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Computers and softwares	- 33% on reducing balance

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are those funds which have been designated by the Trustees for specific purposes within the objects of the charity.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

- **Short term benefits**
  Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

2. Donations

	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£
Donations	983,894	2,525,647	3,509,541
Gift aid	493,932	-	493,932
Donations	1,477,826	2,525,647	4,003,473

	Unrestricted funds	Restricted funds	Total funds 2020
Donations	297,527	951,347	1,248,874
Gift aid	159,345	-	159,345
Donations	456,872	951,347	1,408,219

3. Investment income

	Unrestricted funds	Total funds 2021	Unrestricted funds	Total funds 2020
	£	£	£	£
Bank interest receivable	615	615	1,234	1,234

4. Other income

	Unrestricted funds	Total funds 2021	Unrestricted funds	Total funds 2020
	£	£	£	£
Interest received on giftaid	109	109	1,319	1,319

5. Costs of raising funds

	2021	2020
	£	£
Cost of raising funds	188,477	60,243
Support Costs (see note 7)	53,462	57,682
Total	241,939	117,925

6. Expenditure on charitable activities

	2021	2020
	£	£
Grant payable (see note 6.a)	2,041,248	732,993
Support Costs (see note 7)	160,387	151,422
Total	2,201,635	884,415

6.a Grants Payable

	Grants to Institutions	Grants to Individuals	Total Funds 2021
	£	£	£
Al-Khoie Foundation	300,000		300,000
Ahlulbayt Foundation	137,500		137,500
Alulbayt Foundation	238,089		238,089
In Azzahraa We Trust Foundation	1,100,700		1,100,700
Boreal Light	99,374		99,374
Mawa Trust	51,614		51,614
Charity Consultancy	9,031		9,031
Soft Mark Solution	11,034		11,034
Strong flower	10,027		10,027
TMV Project Ltd	9,250		9,250
Bilal Muslim Mission	8,164		8,164
Shaheed Foundation	5,700		5,700
National Enterprise	4,800		4,800
Aya Hachem school and support		28,722	28,722
Other Misc.	1,516	25,727	27,243
	1,986,799	54,449	2,041,248

	Grants to Institutions	Grants to Individuals	Total Funds 2020
	£	£	£
WABIL	110,285	-	110,285
Al-Khoie	50,000	-	50,000
Ahlulbayt	25,000	-	25,000
Alulbayt Foundation	145,800	-	145,800
In Azzahraa We Trust Foundation	290,401	-	290,401
Brighter Hope	77,595	-	77,595
Charity Consultancy	1,650	-	1,650
Health Point Foundation	900	-	900
Kritinos Healthcare	600	-	600
Strong flower	20,882		20,882
Orison	5,000	-	5,000
Other Misc.	3,932	948	4,880
	732,045	948	732,993

7. Support costs

	Raising Fund 2021 £	Charitable Activities 2021 £	Total 2021 £
Office running costs	3,902	11,706	15,608
Administrative costs	36,621	109,864	146,485
Finance costs	4,872	14,617	19,489
Governance costs	8,067	24,200	32,267
Total	53,462	160,387	213,849

	Raising Fund 2020 £	Charitable Activities 2020 £	Total 2020 £
Project execution cost	-	13,406	13,406
Office running costs	4,528	13,584	18,112
Administrative costs	31,408	59,195	90,603
Finance costs	8,524	25,571	34,095
Governance costs	13,222	39,666	52,888
Total	57,682	151,422	209,104

Support costs are allocated in line with the usage by each activity.

8. Net income

Net income is stated after charging / (crediting)

	2021 £	2020 £
Fees payable to auditors (net of VAT)	15,000	15,000
Depreciation of tangible fixed assets	2,374	885
Foreign exchange differences	3,878	(2,277)

9. Governance cost

	2021 £	2020 £
Governance costs - audit fees	18,000	18,000
Governance costs - legal and other professional fees	14,267	34,888
Total	32,267	52,888

10. Auditors remuneration

	2021 £	2020 £
Auditor's remuneration	15,000	15,000

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows

	2021	2020
	£	£
Wages and salaries	86,762	39,980
Social security costs	6,882	477
Employer contributions to pension plans	1,319	677
	94,963	41,134

The average head count of employees during

	2021	2020
	No.	No.
Number of staff	4	3

No employee received employee benefits of more than £ 60,000 during the year (2020: nil).
The trustees are the key management personnel who are not remunerated for their services to the charity.

12. Trustee remuneration and expenses

During the year, no Trustees received any remuneration (2020: none).
During the year, no Trustees received any benefits in kind (2020: none).
During the year, no Trustees received any reimbursement of expenses (2020: none).

Trustee expenses
There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

13. Tangible fixed assets

	Freehold property	Other equipment	Computers and Software	Fixtures and fittings	*Total*
Cost	£	£	£	£	£
At 1 April 2020	826,443	8,308	-	10,436	845,187
Additions	-	-	4,975	210	5,185
At 31 March 2021	826,443	8,308	4,975	10,646	850,372
Depreciation					
At 1 April 2020	-	7,929	-	8,162	16,091
Charge for the year	-	95	1,658	621	2,374
At 31 March 2021	-	8,024	1,658	8,783	18,465
Carrying amount					
At 31 March 2021	826,443	284	3,317	1,863	831,907
At 31 March 2020	826,443	379	-	2,274	829,096

14. Stock

	2021	2020
	£	£
Shop - goods purchased for resale	1,109	-

15. Debtors

	2021	2020
	£	£
Other debtors	-	117,074

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	35,105	35,265
Trade creditors	-	2,875
Accruals and deferred income	20,817	29,676
Social security and other taxes	3,054	2,258
Pension	335	-
Other creditors - Net Wages	-	865
	59,311	70,939

17. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	389,705	409,108

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand	35,105	35,105
Amounts falling due within two and five years	140,420	140,420
Amounts falling due in more than five years	214,180	233,583

18. Charge - bank loan

There is a charge by Barclays Bank plc in respect of the Charity's property.
The charity with full title guarantee charges by way of a legal mortgage the property known as Salvation Army Hall, Barnfield Road, Edgware, HA8 0AY, including all buildings now or to be erected thereon and discharge to the bank on the demand by the bank of all the liabilities.

19. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,319 (2020: £677).

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General funds	278,682	1,478,550	(241,939)	(671,783)	843,510
Foundation - designated fund	384,723	-	-	22,374	407,097
	663,405	1,478,550	(241,939)	(649,409)	1,250,607

Restricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Orphan & Widows	-	446,960	(477,405)	30,445	-
Khums	221,843	631,646	(257,399)		596,090
WASH	121,198	400,241	(82,542)		438,897
Education	-	19,184	(133,460)	114,276	-
Healthcare	30,203	11,654	(11,900)		29,957
Religious obligations	58,245	352,614	(747,721)	336,862	-
Emergency and relief	-	155,962	(323,788)	167,826	-
Pandemic	-	111,052	(59,160)		51,892
Syria Aid	-	38,565	-		38,565
Yemen Aid	90,486	357,768	(108,260)	-	339,994
	521,975	2,525,647	(2,201,635)	649,409	1,495,396
Total	1,185,380	4,004,197	(2,443,574)	-	2,746,003

Orphans & widows:

- Orphans: The charity provides the essentials including food, shelter and clothing to orphans in many regions including, Iraq, Pakistan, Afghanistan, Syria, Yemen and Africa.
- Widows: The charity also runs camps in many regions and provides food, shelter and clothing to widows.

Khums: This is an obligatory religious tax of 20%

WASH: The charity runs projects in many regions to provide safe drinking water, sanitation and hygiene.

Education and healthcare: continuing educational, medical and humanitarian support are provided to Muslim community in Myanmar. Medical support are provided to the needy who are suffering from medical ailments. Such medical support includes medical clinics which are set up in areas where access to medical facilities are scarce.

Syria and Yemen: To provide relief and poverty aid to the needy in Syria and Yemen.

Emergency and relief: To provide basic facilities and temporary shelters in conflicts ridden countries, on-going war zones and people affected from natural calamities, communal conflicts; during and post conflict sufferings.

Religious obligations: To provide religious rituals, ceremonies and obligations, ramadhan activities.

Pandemic: packs including soap, hand sanitiser, face masks and tissues were distributed to the beneficiaries and our volunteers distributed educational leaflets and provided advice in various places to raise awareness in public for minimising the rise of the spread of Covid-19.

Analysis of charitable funds – 31 March 2020

Unrestricted funds

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
General funds	127,860	459,425	(123,112)	(185,491)	278,682
Foundation - designated fund	328,930	-	-	55,793	384,723
	456,790	459,425	(123,112)	(129,698)	663,405

Restricted funds

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
Orphan & Widows	-	180,088	(265,697)	85,609	-
Khums	91,798	366,295	(236,250)	-	221,843
Water Project	81,238	76,930	(36,970)	-	121,198
Education	-	13,732	(32,155)	18,423	-
Healthcare	-	32,014	(1,811)		30,203
Religious obligations	-	211,168	(152,923)		58,245
Rohingya Muslims Aid	74,069	-	(82,551)	8,482	-
Syria Aid	-	12,981	(30,165)	17,184	-
Yemen Aid	73,053	58,140	(40,707)	-	90,486
	320,158	951,347	879,228	129,698	521,975
Total	776,948	1,410,772	1,002,340	-	1,185,380

21. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible fixed assets	831,907		831,907	829,096
Current assets	867,717	1,495,396	2,363,112	836,331
Creditors less than 1 year	(59,311)		(59,311)	(70,939)
Creditors greater than 1 year	(389,705)	-	(389,705)	(409,108)
Net assets	1,250,607	1,495,396	2,746,003	1,185,380

Analysis of net assets between funds – 31 March 2020

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Tangible fixed assets	829,096	-	829,096	829,475
Current assets	314,356	521,975	836,331	453,529
Creditors less than 1 year	(70,939)	-	(70,939)	(61,828)
Creditors greater than 1 year	(409,108)	-	(409,108)	(444,228)
Net assets	663,405	521,975	1,185,380	776,948

21. Capital commitments

The Charity had no operating lease or capital commitments at the year-end.

22. Related parties

There were no related party transactions to disclose for the year (2020: none).

23. Net debt reconciliation

	At 1 April 2020	Cashflow	other non Cash changes	At 31 March 2021
	£	£	£	£
Cash	719,257	1,642,746	-	2,362,003

Net debt reconciliation - 2020

	At 1 April 2019	Cashflow	other non Cash changes	At 31 March 2020
	£	£	£	£
Cash	363,058	356,199	-	719,257