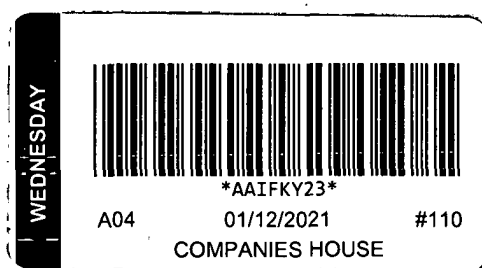


COMPANY REGISTRATION NUMBER: 06842695
CHARITY REGISTRATION NUMBER: 1129501

The Zahra Trust
Trustees' Report and Financial Statements
For the year ended 31 March 2021



The Zahra Trust

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Year ended 31 March 2021

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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

The Zahra Trust

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2021

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.

The Zahra Trust

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2021

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.

The Zahra Trust

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2021

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.

The Zahra Trust

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)* **Year ended 31 March 2021**

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 Covid 19 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.

The Zahra Trust

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2021

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

The Zahra Trust

Trustees' Annual Report (Incorporating the Directors' Report) (continued) Year ended 31 March 2021

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 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.

Sayyada Mohamedraza Hamir

Trustee

Date:

25/11/2021



The Zahra Trust

Independent Auditor's Report to the Members of The Zahra Trust

Year ended 31 March 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.

The Zahra Trust

Independent Auditor's Report to the Members of The Zahra Trust

Year ended 31 March 2021

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:

The Zahra Trust

Independent Auditor's Report to the Members of The Zahra Trust Year ended 31 March 2021

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

		2021			2020
		Unrestricted	Restricted	Total funds	Total funds
		funds	funds		
	Note	£	£	£	£
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		<u>1,478,550</u>	<u>2,525,647</u>	<u>4,004,197</u>	<u>1,410,772</u>
Expenditure on					
Raising funds	5	241,939	-	241,939	117,925
Charitable activities	6	-	2,201,635	2,201,635	884,415
Total expenditure		<u>241,939</u>	<u>2,201,635</u>	<u>2,443,574</u>	<u>1,002,340</u>
Net income		<u>1,236,611</u>	<u>324,012</u>	<u>1,560,623</u>	<u>408,432</u>
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		<u>663,405</u>	<u>521,975</u>	<u>1,185,380</u>	<u>776,948</u>
Total funds carried forward		<u>1,250,607</u>	<u>1,495,396</u>	<u>2,746,003</u>	<u>1,185,380</u>

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		<u>2,362,003</u>	<u>719,257</u>
		2,363,112	836,331
Creditors: amounts falling due within one year	16	<u>59,311</u>	<u>70,939</u>
Net current assets		<u>2,303,801</u>	<u>765,392</u>
Total assets less current liabilities		3,135,708	1,594,488
Creditors: amounts falling due after more than one year	17	<u>389,705</u>	<u>409,108</u>
Net assets		<u>2,746,003</u>	<u>1,185,380</u>
Funds of the charity			
Restricted funds		1,495,396	521,975
Unrestricted funds		<u>1,250,607</u>	<u>663,405</u>
Total charity funds	20	<u>2,746,003</u>	<u>1,185,380</u>

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		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		<u>615</u>		<u>1,234</u>	
Net cash used in investing activities			615		728
Cash flow from financing activities					
Acquisition of fixed assets		<u>(5,185)</u>		-	
Repayment of long term loan		<u>(19,403)</u>		<u>(36,914)</u>	
Net cash (used) in financing activities			<u>(24,588)</u>		<u>(36,914)</u>
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			<u>719,257</u>		<u>363,058</u>
Cash and cash equivalents at the end of the reporting period	(ii)		<u><u>2,362,003</u></u>		<u><u>719,257</u></u>

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	<u>(615)</u>	<u>(1,234)</u>
Net cash inflow from operating activities	<u><u>1,666,720</u></u>	<u><u>392,385</u></u>

Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash	<u>2,362,003</u>	<u>719,257</u>
Total cash and cash equivalents	<u><u>2,362,003</u></u>	<u><u>719,257</u></u>

The Zahra Trust
Notes to the financial statements
Year ended March 2021

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.

The Zahra Trust
Notes to the financial statements (continued)
Year ended 31 March 2021

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.

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

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	<u>493,932</u>	-	<u>493,932</u>
Donations	<u>1,477,826</u>	<u>2,525,647</u>	<u>4,003,473</u>

	Unrestricted funds	Restricted funds	Total funds
	£	£	2020
Donations	297,527	951,347	1,248,874
Gift aid	<u>159,345</u>	-	<u>159,345</u>
Donations	<u>456,872</u>	<u>951,347</u>	<u>1,408,219</u>

3. Investment income

	Unrestricted funds	Total funds	Unrestricted funds	Total funds
	£	2021	£	2020
Bank interest receivable	<u>615</u>	<u>615</u>	<u>1,234</u>	<u>1,234</u>

4. Other income

	Unrestricted funds	Total funds	Unrestricted funds	Total funds
	£	2021	£	2020
Interest received on giftaid	<u>109</u>	<u>109</u>	<u>1,319</u>	<u>1,319</u>

5. Costs of raising funds

	2021	2020
	£	£
Cost of raising funds	188,477	60,243
Support Costs (see note 7)	<u>53,462</u>	<u>57,682</u>
Total	<u>241,939</u>	<u>117,925</u>

The Zahra Trust
Notes to the financial statements (continued)
Year ended 31 March 2021

6. Expenditure on charitable activities

	2021	2020
	£	£
Grant payable (see note 6.a)	2,041,248	732,993
Support Costs (see note 7)	<u>160,387</u>	<u>151,422</u>
Total	<u><u>2,201,635</u></u>	<u><u>884,415</u></u>

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.	<u>1,516</u>	<u>25,727</u>	<u>27,243</u>
	<u><u>1,986,799</u></u>	<u><u>54,449</u></u>	<u><u>2,041,248</u></u>

	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.	<u>3,932</u>	<u>948</u>	<u>4,880</u>
	<u><u>732,045</u></u>	<u><u>948</u></u>	<u><u>732,993</u></u>

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

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	<u>8,067</u>	<u>24,200</u>	<u>32,267</u>
Total	<u><u>53,462</u></u>	<u><u>160,387</u></u>	<u><u>213,849</u></u>

	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	<u>13,222</u>	<u>39,666</u>	<u>52,888</u>
Total	<u><u>57,682</u></u>	<u><u>151,422</u></u>	<u><u>209,104</u></u>

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	<u>14,267</u>	<u>34,888</u>
Total	<u><u>32,267</u></u>	<u><u>52,888</u></u>

10. Auditors remuneration

	2021 £	2020 £
Auditor's remuneration	<u><u>15,000</u></u>	<u><u>15,000</u></u>

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

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	<u>1,319</u>	<u>677</u>
	<u>94,963</u>	<u>41,134</u>

The average head count of employees during

	2021	2020
	No.	No.
Number of staff	<u>4</u>	<u>3</u>

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	-	-	<u>4,975</u>	<u>210</u>	<u>5,185</u>
At 31 March 2021	<u>826,443</u>	<u>8,308</u>	<u>4,975</u>	<u>10,646</u>	<u>850,372</u>
Depreciation					
At 1 April 2020	-	7,929	-	8,162	16,091
Charge for the year	-	<u>95</u>	<u>1,658</u>	<u>621</u>	<u>2,374</u>
At 31 March 2021	-	<u>8,024</u>	<u>1,658</u>	<u>8,783</u>	<u>18,465</u>
Carrying amount					
At 31 March 2021	<u>826,443</u>	<u>284</u>	<u>3,317</u>	<u>1,863</u>	<u>831,907</u>
At 31 March 2020	<u>826,443</u>	<u>379</u>	-	<u>2,274</u>	<u>829,096</u>

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

14. Stock

	2021	2020
	£	£
Shop - goods purchased for resale	<u>1,109</u>	<u>-</u>

15. Debtors

	2021	2020
	£	£
Other debtors	<u>-</u>	<u>117,074</u>

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	<u>-</u>	<u>865</u>
	<u>59,311</u>	<u>70,939</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	<u>389,705</u>	<u>409,108</u>

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand	<u>35,105</u>	<u>35,105</u>
Amounts falling due within two and five years	<u>140,420</u>	<u>140,420</u>
Amounts falling due in more than five years	<u>214,180</u>	<u>233,583</u>

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).

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

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	<u>384,723</u>	-	-	<u>22,374</u>	<u>407,097</u>
	<u>663,405</u>	<u>1,478,550</u>	<u>(241,939)</u>	<u>(649,409)</u>	<u>1,250,607</u>

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	<u>90,486</u>	<u>357,768</u>	<u>(108,260)</u>	<u>-</u>	<u>339,994</u>
	<u>521,975</u>	<u>2,525,647</u>	<u>(2,201,635)</u>	<u>649,409</u>	<u>1,495,396</u>
Total	<u>1,185,380</u>	<u>4,004,197</u>	<u>(2,443,574)</u>	<u>-</u>	<u>2,746,003</u>

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.

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

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	<u>328,930</u>	-	-	<u>55,793</u>	<u>384,723</u>
	<u>456,790</u>	<u>459,425</u>	<u>(123,112)</u>	<u>(129,698)</u>	<u>663,405</u>

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	<u>73,053</u>	<u>58,140</u>	<u>(40,707)</u>	-	<u>90,486</u>
	<u>320,158</u>	<u>951,347</u>	<u>879,228</u>	<u>129,698</u>	<u>521,975</u>

Total	<u>776,948</u>	<u>1,410,772</u>	<u>1,002,340</u>	<u>-</u>	<u>1,185,380</u>
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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	<u>(389,705)</u>	-	<u>(389,705)</u>	<u>(409,108)</u>
Net assets	<u>1,250,607</u>	<u>1,495,396</u>	<u>2,746,003</u>	<u>1,185,380</u>

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	<u>(409,108)</u>	-	<u>(409,108)</u>	<u>(444,228)</u>
Net assets	<u>663,405</u>	<u>521,975</u>	<u>1,185,380</u>	<u>776,948</u>

The Zahra Trust
Notes to the financial statements (continued)
Year ended March 2021

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	<u>719,257</u>	<u>1,642,746</u>	<u>-</u>	<u>2,362,003</u>

Net debt reconciliation - 2020

	At 1 April 2019	Cashflow	other non Cash changes	At 31 March 2020
	£	£	£	£
Cash	<u>363,058</u>	<u>356,199</u>	<u>-</u>	<u>719,257</u>