

Al-Zahra Association  
Trustees' Report

The trustees present the annual report of the charity for the year ended 5 April 2023.

## **Objectives and activities**

### **Objects and aims**

The constitution of the CIO outlines the objects of the charity to be:

1. the advancement of Islam in accordance with the tenets and doctrines of the Shia Ithna Asheri Sharia (which expression means the laws and rules of the Shia school of thought, and hereinafter references to the Sharia shall be construed as references to the Shia Ithna Asheri Sharia);
2. the promotion and advancement of education in accordance with the Sharia;
3. the relief and assistance of people in need, locally or internationally, who are the victims of poverty or natural disaster, by providing financial aid or supplying basic necessities.

### **Public benefit**

Al-Zahra Association has over the past twelve months carried out a number of initiatives in respect to public benefit. These include the following:

- a) A-Zahra Association has organised a number of religious (in accordance with the beliefs of Shia Ithna Asheri Islam) and cultural programs
- b) Various Islamic classes for children and youth

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **Structure, governance and management**

### **Nature of governing document**

The charity is controlled by its governing document, CIO - FOUNDATION Registered 07 Apr 2020

## **Financial instruments**

### **Objectives and policies**

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks.

The charity does not use derivative financial instruments for speculative purposes.

### **Cash flow risk**

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

### **Credit risk**

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 18th February 2024 and signed on its behalf

by:

.....

Dr Mohammadsadegh Dalvandi

Trustee