

ZUMAR FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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COMPANY INFORMATION

BOARD OF DIRECTORS

: Ahmed Osman

REGISTERED OFFICE

: Access Building, First Floor Rubaga Road,
: Kampala, Uganda
: zumar@zumar.foundation

INDEPENDENT AUDITOR

: MORA & Associate
: Certified Public Accountants
: P.O.Box 8235 Kampala, Uganda

PRINCIPAL BANKERS

: Stanbic Bank (U) Limited
: P.O. Box 7131
: Kampala, Uganda

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees submit their report and the audited financial statements for the year ended 31 August 2021, which disclose the state of affairs of the organisation.

PRINCIPAL ACTIVITIES

The principle activities of Zumar Foundation include;

1. Relief Food and Non Food Items Distribution
2. Education and Social Development Construction of schools and mosques, community center education center
3. Water Projects Hand dug water wells, solar panel water wells, bored and drilled water wells
4. Seasonal Programs Ramadan and Qurbani Programs
5. Health Promotion Clinics Construction in the rural areas with collaboration of local authorities

Mission:

Inspired and guided by our values, we envisage a caring sphere where communities are empowered, social obligations are fulfilled and people respond as one to the suffering of others in order to improve Working towards Enhanced Livelihoods and better life in Uganda

Vission:

1. To use our skills and resources to empower the communities in order to alleviate poverty and promote access to safe water, education and healthcare services to all in our area of jurisdiction
2. Promote integrated development and environmental custodianship with a focus on sustainable livelihoods
3. Support the marginalized and vulnerable to voice their needs and address root causes of poverty

RESULTS

The organisation results have been reported on page 7-13

BOARD OF TRUSTEES

The present members of the board is set out on page 1

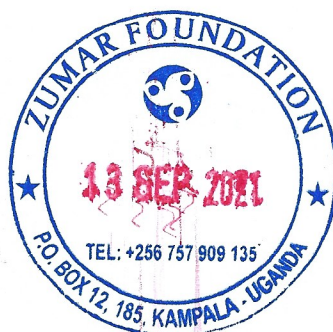
INDEPENDENT AUDITOR

The company's auditor, MORA & Associates CPA, has indicated willingness to continue in office in accordance with the Uganda Companies Act, 2012.

BY ORDER OF THE BOARD OF TRUSTEES

Director

[Signature]
13th September 2021





MORA & ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS

Kisozi Complex Building Office No: 107, P.O. Box 8235, Kampala - Uganda

Tel: 0774 223610 / 0704 936633 / 0774 441780

Email: mora.audit@gmail.com

Firm No. AF0274

Report of the independent auditor to the members of Zumar Foundation

Opinion

We have audited the financial statements of Zumar Foundation, set out on pages 7 to 13 which comprise the statement of financial position as at 31 August 2021, funds accountability statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Zumar Foundation as at 31 August 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Ugandan Companies Act, 2012.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the schedule of other operating expenditure but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Ugandan Companies Act, 2012, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners:

Muhammad Omony - CPA (U), ACCA (UK), BBA (Accounting) MUK

Ronald Ayella - CPA (U), BBA (Accounting) MUK

"The firm is licensed and regulated by ICPAU"

**Report of the independent auditor to the members of Zumar Foundation
(continued)**

Directors' responsibility for the financial statements (continued)

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) Conclude on the appropriateness of director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report of the independent auditor to the members of Zumar Foundation
(continued)**

Report on other legal and regulatory requirements

As required by the Ugandan Companies Act, 2012, we report to you, based on our audit, that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- (iii) the company's statement of financial position and statement of profit or loss and retained earnings are in agreement with the books of account.

Signed Muhammad Omomy

Date 13/09 2021

Muhammad Omomy
Engagement Partner

MORA & ASSOCIATES
Certified Public Accountants
Kampala



Zumar Foundation
Annual report and financial statements
For the year ended 31 August 2021

FUNDS ACCOUNTABILITY STATEMENT AND ACCUMULATED FUNDS

	Notes	Budget USD	Actual USD	Actual Ush
Income				
Grant received	3	500,000.00	500,000.00	1,765,565,000.00
Bank Charges		-	(1,897)	(6,697,079)
Net income		500,000.00	498,103.42	1,758,867,920.98
Expenditure				
Sustainable Projects Expenditures from Turkish Diyanet Foundation	4	62,406.00	72,743.43	256,866,507.98
Hubeyb Sustainable Project Income and Expenditure	5	12,688.97	11,768.00	41,554,337.84
Zakat Sustainable water project in Somalia	6	26,938.97	25,656.00	90,594,671.28
Ramadan Program	7	13,875.00	12,500.00	44,139,125.00
Qurban 2021 (Eid meat to the needy people in uganda)	8	383,362.00	377,576.00	1,333,269,940.88
Total expenditure		499,270.94	500,243.43	1,766,424,582.98
Balance for the year			(2,140.0)	(7,556,662.0)
Accumulated Funds				
Opening balance		-	-	-
Balance for the year		-	(2,140)	(7,556,662)
Balance carried forward on 31/08/2021	11	-	(2,140)	(7,556,661)

The project financial report was approved by management on 13th Sept. 2021 and signed on its behalf by:

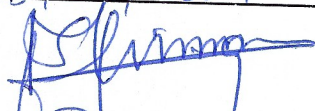
Director



STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 August 2021 USD	2021 Ush
Assets			
Current Assets			
Cash and Cash Equivalents	9	80,905	285,685,366
Total Assets		80,905	285,685,366
Liabilities			
Current liabilities			
Creditors	10	83,045	293,242,028
Total current liabilities		83,045	293,242,028
Net assets		(2,140)	(7,556,662)
Equity			
Accumulated funds	11	(2,140)	(7,556,662)
Total Accumulated Fund and Liabilities		(2,140)	(7,556,662)

The financial statements on pages 7 to 13 were approved and authorised for issue by the board of trustees on 13/09/2021 2021 and were signed on its behalf by:



 DIRECTOR



The notes on pages 12 to 13 form an integral part of these financial statements.

Report of the independent auditor - pages 4 -6.

STATEMENT OF CASH FLOWS

	Notes	As at 31 August 2021 USD	2021 Ush
Cash flows from operating activities			
Surplus/deficit for year		(2,140)	(7,556,662)
Adjustments for:			
Changes in working capital:			
- trade and other payables		<u>83,045</u>	<u>293,242,028</u>
Net cash flows from operations		<u>80,905</u>	<u>285,685,366</u>
Increase in cash and cash equivalents		<u>80,905</u>	<u>285,685,366</u>
Movement in cash and cash equivalent			
At start of year		-	-
Increase		<u>80,905</u>	<u>285,685,366</u>
At end of year	9	<u>80,905</u>	<u>285,685,366</u>

The notes on pages 12 to 13 form an integral part of these financial statements.

Report of the independent auditor - pages 4 -6.

NOTES: SIGNIFICANT ACCOUNTING POLICIES

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

1. General information

Zumar Foundation is a registered NGO operating in Uganda, non-profit and non-sectarian, working to alleviate poverty and improve the livelihoods of the communities in Uganda.

2a) Basis of preparation

The financial statements of Zumar foundation have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) with early adoption of the 2015 amendments to the standard. The early adoption of the amendments has not resulted in any prior period restatements or other material changes in presentation.

The financial statements have been prepared under the historical cost convention. They are presented in both United States Dollars (USD) and Uganda Shillings (Shs) rounded to the nearest whole number.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2 (b).

These financial statements comply with the requirements of the Ugandan Companies Act, 2012. The statement of profit or loss and retained earnings represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Going concern

The financial performance of the company is set out in the director's report and in the statement of profit or loss and retained earnings. The financial position of the company is set out in the statement of financial position.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

- Useful lives of property and equipment - Directors review the useful lives and residual values of the items of property and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for any income received in the ordinary course of business.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for the company activity.

d) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Zumar Foundation
Annual report and financial statements
For the year ended 31 August 2021

NOTES (CONTINUED)

		Budget	Actual	Actual
		USD	USD	Ush
3. Income				
	Diyanet Turkiye Foundation Income	472,500	472,500	1,668,458,925
	Zakat Foundation of America	27,500	27,500	97,106,075
	Sub total	500,000	500,000	1,765,565,000
	Bank Charges		(1,897)	(6,697,079)
	Net Income	500,000	498,103	1,758,867,921
	EXPENDITURE			
4. Sustainable Projects Expenditures from Turkish Diyanet Foundation				
	Rehabilitation Borehole in Bububi Village	6,243	5,990	21,151,469
	New Borehole in Kireku Village	18,721	22,581	79,737,965
	New borehole in Kiana Village	18,721	19,617	69,270,177
	New borehole in Katunda Village	18,721	24,555	86,706,897
		62,406	72,743	256,866,508
5. Hubeyb Sustainable Project Income and Expenditure				
	Borehole in Namaganda, Kimuki District	12,689	11,768	41,554,338
6. Zakat Sustainable water project in Somalia				
	water well in Bulu mugdi Village in Somalia	2,850	2,850	10,063,721
	water well in Bulu Fanole Village Somalia	2,850	2,850	10,063,721
	Water well in Sooclaaw Village Somalia	2,850	2,778	9,809,479
	Water well in Gubadleey Village Somalia	2,850	2,755	9,728,263
	Water well in Galgalato Village Somalia	2,850	2,655	9,375,150
		26,939	25,656	90,594,671

NOTES (CONTINUED)

	Actual USD	Actual Ush
9. Cash and Cash Equivalents		
Bank Balance	<u>80,905</u>	<u>285,685,366</u>
	<u>80,905</u>	<u>285,685,366</u>
10. Current liabilities		
Payable to suppliers and service providers	<u>83,045</u>	<u>293,242,028</u>
	<u>83,045</u>	<u>293,242,028</u>
11. Accumulated Funds		
Opening balance brought forward	-	-
Deficit	<u>(2,140)</u>	<u>(7,556,662)</u>
Balance carried forward	<u>(2,140)</u>	<u>(7,556,662)</u>