

ZUMAR FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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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 2022, 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 6-14

BOARD OF TRUSTEES

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

INDEPENDENT AUDITOR

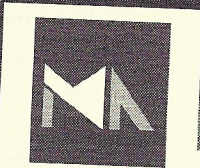
The company's auditor, MORA & Associates CPA , has indicated willingness to continue in office in accordance with the Uganda Companies Act, 2012.

BY ORDER OF THE BOARD OF TRUSTEES


Director

14th September 2022





MORA & ASSOCIATES CERTIFIED
PUBLIC ACCOUNTANTS

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 6 to 14 which comprise the statement of financial position as at 31 August 2022, funds accountability statement, balance sheet, statement of changes in funds, 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 2022 and of its financial performance and cash flows for the year then ended in accordance with accounting policies set out on pages 10-11 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

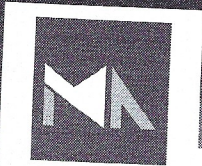
"The firm is licensed and regulated by ICPAU"

✉ Email: mora.audit@gmail.com

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📠 P.O. Box 8235, Kampala - Uganda

☎ 0774 223610 | 0704 936633 | 0774 441780



**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.



MORA & ASSOCIATES CERTIFIED
PUBLIC ACCOUNTANTS

**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

Date 15/09/2022

Muhammad Omrony
Engagement Partner

MORA & ASSOCIATES
Certified Public Accountants
Kampala



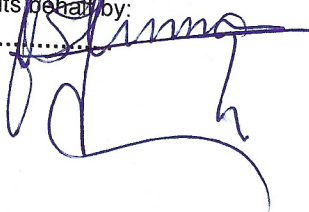
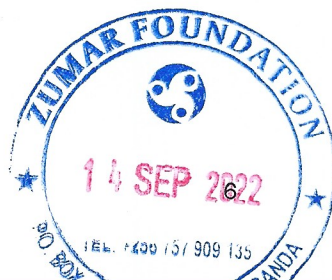
Zumar Foundation
Annual report and financial statements
For the year ended 31 August 2022

FUNDS ACCOUNTABILITY STATEMENT AND ACCUMULATED FUNDS

	Notes	Budget USD	Actual USD	Actual Ush
Income				
Grant received				
Bank charges	3	1,158,252	1,158,252	4,472,010,972
Net income		1,158,252	(1,201)	(4,637,061)
Less Capital Expenditure				
		14,867	14,867	57,400,000
Balance Available for Recurrent Expenditure		1,143,385	1,142,184	4,409,973,911
RECURRENT EXPENDITURE				
Water Project Expenses				
Ramadan Project Expenses	4	220,950	220,950	853,087,950
Qurban Project Expenses	5	44,928	44,928	173,467,008
Construction Project Expenses	6	642,500	642,500	2,480,691,571
Education Project Expenses	7	35,875	35,875	138,513,375
Relief Project Expenses	8	21,000	21,000	81,081,000
Administrative Expenses	9	15,000	15,000	57,915,000
	10	75,147	75,147	290,142,567
Total expenditure		1,055,400	1,055,400	4,074,898,471
Balance for the year		87,986	86,785	335,075,440
Accumulated Funds				
Opening balance				
		-	(2,140)	(7,556,340)
Effect of exchange difference				
				(706,200)
Balance for the year		87,986	86,785	335,075,440
Balance carried forward on 31/08/2022		87,985	84,644	326,812,900

The project financial report was approved by management on 14th Sep 2022 and signed on its behalf by:

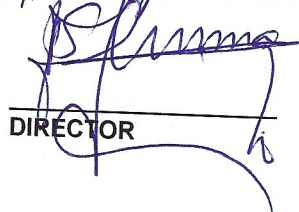
Director

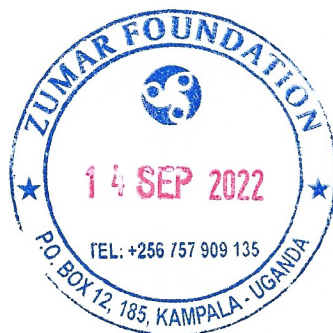



STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 August	
		2022 USD	2022 Ush
ASSETS			
NON-CURRENT ASSETS			
Property & Equipment		12,697	49,025,000
		<u>12,697</u>	<u>49,025,000</u>
Current Assets			
Cash and Cash Equivalents	11	84,645	326,812,900
		<u>84,645</u>	<u>326,812,900</u>
Total Assets		<u><u>97,342</u></u>	<u><u>375,837,900</u></u>
NET ASSETS			
		<u><u>97,342</u></u>	<u><u>375,837,900</u></u>
FUNDED BY			
Accumulated funds		84,645	326,812,900
Capital Fund		12,697	49,025,000
Total Accumulated Fund and Liabilities		<u><u>97,342</u></u>	<u><u>375,837,900</u></u>

The financial statements on pages 6 to 14 were approved and authorised for issue by the board of trustees on 14/9 Sep. 2022 and were signed on its behalf by:


 DIRECTOR



The notes on pages 10 to 14 form an integral part of these financial statements.

Report of the independent auditor - pages 3 -5.

Zumar Foundation

Annual report and financial statements

For the year ended 31 August 2022

STATEMENT OF CHANGES IN FUNDS

Year ended 31 August 2022	Capital Fund	Acc Fund	Total	Total
	UGX	UGX	UGX	USD
Balance at the start of year		(8,262,540)	(8,262,540)	(2,140)
Fixed Asset additions	57,400,000		57,400,000	14,867
Surplus for the year		335,075,440	335,075,440	86784.62581
Depreciation charge for the year	(8,375,000)		(8,375,000)	(2,169)
Balance as at 31 August 2022	49,025,000	326,812,900	375,837,900	97,342
Balance as at 31 August 2022 USD	12,697	84,645	97,342	-

STATEMENT OF CASH FLOWS

	Notes	As at 31 August 2022 USD	2022 Ush
Cash flows from operating activities			
Surplus/deficit for year		86,785	335,075,440
Adjustments for:			
Changes in working capital:			
- trade and other payables		<u>(83,045)</u>	<u>(293,947,906)</u>
Net cash flows from operations		<u>3,740</u>	<u>41,127,534</u>
Increase in cash and cash equivalents		<u>3,740</u>	<u>41,127,534</u>
Movement in cash and cash equivalent			
At start of year		80,905	285,685,366
Increase		<u>3,740</u>	<u>41,127,534</u>
At end of year	11	<u>84,645</u>	<u>326,812,900</u>

The notes on pages 10 to 14 form an integral part of these financial statements.

Report of the independent auditor - pages 3 -5.

NOTES: SIGNIFICANT ACCOUNTING POLICIES

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.

2. Basis of preparation

The financial statements of Zumar Foundation have been prepared in accordance with the historical cost convention on a modified cash basis. Under this basis, income is recorded when it is received, while expenditures are recorded when paid for.

The modification to this policy is that advances are booked as debtor balances until documentation for expenses incurred have been provided.

a) Going concern

Nothing has come to the attention of the Board of Trustees to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this report. Therefore, the financial statements have been prepared on a going concern basis.

2.1. Summary of significant accounting policies

a) Revenue recognition

Revenue grants and other income are recognised as income during the period in which they are received. Income not spent at the end of each period is added to the General Fund and carried forward to the next period.

b) Property, plant and equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Depreciation is calculated on a straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Computers & printers	25
Motor vehicle	12.5
Furniture & Fittings	12.5

A Capital Fund is maintained, equal to the value of fixed assets. Depreciation is charged to this fund, and not to the Statement of Comprehensive Income

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks net of bank overdrafts and advances from related parties, which are specifically used to fund working capital requirements.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shilling (the functional currency), at rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into Uganda Shilling at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

e) Financial asset liabilities

Financial asset liabilities are initially recognised at the transaction price (less transaction costs). Financial liabilities are obligations on the basis normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

NOTES (CONTINUED)

		Budget USD	Actual USD	Actual Ush
3. Income				
Water Project Income				
Ramadhan Income		269,752	269,752	1,041,512,472
Qurban Income		47,500	47,500	183,397,500
ZFA Mosque Construction		731,000	731,000	2,822,391,000
Education Project Income		49,500	49,500	191,119,500
Relief Project Income		37,500	37,500	144,787,500
		23,000	23,000	88,803,000
Total Income		1,158,252	1,158,252	4,472,010,972
3.1. Bank charges		1,201	1,201	4,637,061
EXPENDITURE				
4. Capital expenditure				
Vehicle				
Office furniture and computers		10,360	10,360	40,000,000
		4,507	4,507	17,400,000
		14,867	14,867	57,400,000
RECURRENT EXPENDITURE				
4. Water Project Expenses				
DTV boreholes Expenses		106,750	106,750	412,161,750
Bububi Repair expenses		-	-	-
Hubeyb Boreholes Expenditure		-	-	-
ZFA waterwells' Expenses-Kenya		10,700	10,700	41,312,700
ZFA waterwells' Expenses-Somalia		103,500	103,500	399,613,500
		220,950	220,950	853,087,950
5. Ramadan Project Expenses				
DTV Food Packages Expenses		18,000	18,000	69,498,000
DTV Iftar Program Expenses		-	-	-
ZFA Ramadan- Kenya		11,448	11,448	44,200,728
IHH-Ramadan-Uganda		4,000	4,000	15,444,000
ZFA Ramadan- Uganda		5,775	5,775	22,297,275
ZFA Ramadan Program- Somalia		5,705	5,705	22,027,005
		44,928	44,928	173,467,008
6. Qurban Project Expenses				
DTV Qurban Expenses- Uganda		625,160	625,160	2,413,741,831
ZFA Qurban Expenses- Somalia		10,440	10,440	40,308,840
IHH Qurbani Expenses- Uganda		6,900	6,900	26,640,900
		642,500	642,500	2,480,691,571
7. Construction Project Expenses				
ZFA Mosque Construction- Somalia		35,875	35,875	138,513,375
		35,875	35,875	138,513,375
8. Education Project Expenses				
ZFA Learning Materials Distribution - Somalia		21,000	21,000	81,081,000
		21,000	21,000	81,081,000
9. Relief Project Expenses				
ZFA Food Distribution - Somalia		15,000	15,000	57,915,000
		15,000	15,000	57,915,000

NOTES (CONTINUED)

			Budget USD	Actual USD	Actual Ush
10	Administrative (Managerial Expenses)				
	Rental office Expenses		8,450	8,450	32,625,450
	Wages and salaries		17,835	17,835	68,860,935
	Leagl fess		2,666	2,666	10,293,426
	Audit fees		995	995	3,841,695
	Work permits (sahal& daud)		15,000	15,000	57,915,000
	Payee- URA		1,134	1,134	4,378,374
	Utilities		500	500	1,930,500
	Printing banners and signposts		960	960	3,706,560
	Internet		544	544	2,100,384
	Office Supplies		1,500	1,500	5,791,500
	Other Operational Expenses		2,560	2,560	9,884,160
	Foreign gian/loss		13,416	13,416	51,799,176
	Facilities and welcoming expenses		9,587	9,587	37,015,407
	Total Administrative expenses		75,147	75,147	290,142,567

NOTES (CONTINUED)

	Actual USD	Actual Ush
11. Cash and Cash Equivalents		
Bank Balance USD	84,645	326,812,900
	84,645	326,812,900

**12 PROPERTY AND EQUIPMENT
2022**

	Computers & printers UGX	Motor vehicles UGX	Furniture Fittings UGX	UGX	USD
Cost / Valuation				Total	Total
At 1 September 2021					
Additions	9,600,000	40,000,000	7,800,000	57,400,000	14,867
At 31 Aug 2022	9,600,000	40,000,000	7,800,000	57,400,000	14,867
Depreciation					
At 1 September 2021					
Charge for the year	2,400,000	5,000,000	975,000	8,375,000	2,169
At 31 August 2022	2,400,000	5,000,000	975,000	8,375,000	2,169
Net Book Value					
At 31 August 2022	7,200,000	35,000,000	6,825,000	49,025,000	12,697