

ZUMAR FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023



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<b>BOARD OF DIRECTORS</b>	: Ahmed Osman
<b>REGISTERED OFFICE</b>	: Access Building, First Floor Rubaga Road, : Kampala, Uganda : <a href="mailto:zumar@zumar.foundation">zumar@zumar.foundation</a>
<b>INDEPENDENT AUDITOR</b>	: MORA & Associate : Certified Public Accountants : P.O.Box 8235 Kampala, Uganda
<b>PRINCIPAL BANKERS</b>	: 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 2023, 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

23<sup>rd</sup> October 2023



**MORA & ASSOCIATES CERTIFIED  
PUBLIC ACCOUNTANTS****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 2023, 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 2023 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](mailto:mora.audit@gmail.com)

📍 Kisozi complex building, Office No. 107

📦 P.O. Box 8235, Kampala - Uganda

☎ 0774 223610 | 0704 936633 | 0774 441780





MORA & ASSOCIATES CERTIFIED  
PUBLIC ACCOUNTANTS

Firm No. AF0274

**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

Firm No. AF0274

**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 Omony

Muhammad Omony  
Engagement Partner

Date 23/10/2023

MORA & ASSOCIATES  
Certified Public Accountants  
Kampala



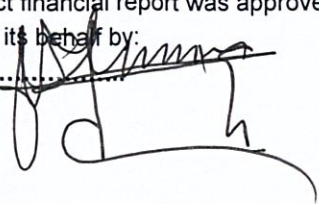
Zumar Foundation  
Annual report and financial statements  
For the year ended 31 August 2023

FUNDS ACCOUNTABILITY STATEMENT AND ACCUMULATED FUNDS

		Budget	Actual	Actual
		USD	USD	Ush
<b>Income</b>	<b>Notes</b>			
Grant received	3	1,407,550	1,407,550	5,234,678,450
Bank charges			(1,789)	(6,653,291)
<b>Net income</b>		<b>1,407,550</b>	<b>1,405,761</b>	<b>5,228,025,159</b>
<b>Less Capital Expenditure</b>		-	-	-
<b>Balance Available for Recurrent Expenditure</b>		<b>1,407,550</b>	<b>1,405,761</b>	<b>5,228,025,159</b>
<b>RECURRENT EXPENDITURE</b>				
Water Project Expenses	4	118,380	118,380	440,255,220
Ramadan Project Expenses	5	24,722	24,722	91,941,118
Qurban Project Expenses	6	1,060,845	1,113,940	4,142,742,860
Construction Project Expenses	7	23,467	23,467	87,273,773
Relief Project Expenses	8	38,394	38,394	142,787,286
Administrative Expenses	9	141,742	141,742	527,138,498
<b>Total expenditure</b>		<b>1,407,550</b>	<b>1,460,645</b>	<b>5,432,138,755</b>
<b>Balance for the year</b>		-	(54,884)	(204,113,596)
<b>Accumulated Funds</b>				
<b>Opening balance</b>			84,644	298,877,964
<b>Effect of exchange difference</b>				
<b>Balance for the year</b>			(54,884)	(204,113,596)
<b>Balance carried forward on 31/08/2023</b>		-	29,760	94,764,368

The project financial report was approved by management on 23<sup>rd</sup> October 2023 and signed on its behalf by:

Director

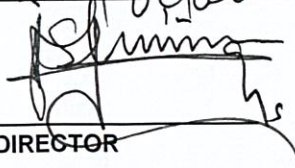




**STATEMENT OF FINANCIAL POSITION**

	Notes	As at 31 August	
		2023 USD	2023 Ush
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property & Equipment		11,293	41,996,875
		<b>11,293</b>	<b>41,996,875</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	10	32,993	122,701,254
		<b>32,993</b>	<b>122,701,254</b>
<b>Total Assets</b>		<b>44,286</b>	<b>164,698,129</b>
<b>NET ASSETS</b>			
		<b>44,286</b>	<b>164,698,129</b>
<b>FUNDED BY</b>			
Accumulated funds		32,993	122,701,253
Capital Fund		11,293	41,996,875
<b>Total Accumulated Fund and Liabilities</b>		<b>44,286</b>	<b>164,698,128</b>

The financial statements on pages 6 to 14 were approved and authorised for issue by the board of trustees on 23<sup>rd</sup> October 2023 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  
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**STATEMENT OF CHANGES IN FUNDS**

<b>Year ended 31 August 2023</b>	<b>Capital Fund</b>	<b>Acc Fund</b>	<b>Total</b>	<b>Total</b>
	<b>UGX</b>	<b>UGX</b>	<b>UGX</b>	<b>USD</b>
Balance at the start of year	49,025,000	326,814,849	375,837,900	97,342
Fixed Asset additions	-		-	-
Surplus for the year		(204,113,596)	(204,113,596)	(54,884)
Depreciation charge for the year	(7,028,125)		(7,028,125)	(1,890)
<b>Balance as at 31 August 2023</b>	<b>41,996,875</b>	<b>122,701,253</b>	<b>164,696,179</b>	<b>40,568</b>
<b>Balance as at 31 August 2023 USD</b>	<b>11,293</b>	<b>32,993</b>	<b>44,285</b>	<b>-</b>

<b>Year ended 31 August 2022</b>	<b>Capital Fund</b>	<b>Acc Fund</b>	<b>Total</b>	<b>Total</b>
	<b>UGX</b>	<b>UGX</b>	<b>UGX</b>	<b>USD</b>
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	86,785
Depreciation charge for the year	(8,375,000)		(8,375,000)	(2,169)
<b>Balance as at 31 August 2022</b>	<b>49,025,000</b>	<b>326,814,849</b>	<b>375,837,900</b>	<b>97,342</b>
<b>Balance as at 31 August 2022 USD</b>	<b>12,697</b>	<b>84,645</b>	<b>97,342</b>	<b>-</b>



**STATEMENT OF CASH FLOWS**

	Notes	As at 31 August 2023 USD	2023 Ush
<b>Cash flows from operating activities</b>			
Surplus/deficit for year		(54,884)	(204,113,596)
Tax paid			
Net cash flows from operations		<u>(54,884)</u>	<u>(204,113,596)</u>
<b>Increase in cash and cash equivalents</b>		<u>(54,884)</u>	<u>(204,113,596)</u>
<b>Movement in cash and cash equivalent</b>			
At start of year		84,645	326,814,849
Effect of exchange rate changes		3,232	-
Increase		<u>(54,884)</u>	<u>(204,113,596)</u>
At end of year	10	<u>32,993</u>	<u>122,701,253</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 Trustee 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
<b>3. Income</b>				
	Water Project Income	153,000	153,000	569,007,000
	Ramadhan Income	31,550	31,550	117,334,450
	Qurban Income	1,143,000	1,143,000	4,250,817,000
	ZFA Mosque Construction	35,000	35,000	130,165,000
	Relief Project Income	45,000	45,000	167,355,000
	<b>Total Income</b>	<b>1,407,550</b>	<b>1,407,550</b>	<b>5,234,678,450</b>
<b>3.1. Bank charges</b>		1,789	1,789	6,653,291
	<b>EXPENDITURE</b>			
<b>4. Capital expenditure</b>				
		-	-	-
	<b>RECURRENT EXPENDITURE</b>			
<b>4. Water Project Expenses</b>				
	ZFA waterwells' Expenses-Uganda	48,750	48,750	181,301,250
	ZFA waterwells' Expenses-Somalia	69,630	69,630	258,953,970
		<b>118,380</b>	<b>118,380</b>	<b>440,255,220</b>
<b>5. Ramadan Project Expenses</b>				
	ZFA Ramadan -Somalia	5,321	5,321	19,788,799
	HFA-Ramadan -Somalia	3,298	3,298	12,265,262
	ZFA Ramadan- Kenya	4,345	4,345	16,159,055
	Be Aid Europe-Uganda	5,908	5,908	21,971,852
	ZFA Ramadan- Uganda	5,850	5,850	21,756,150
		<b>24,722</b>	<b>24,722</b>	<b>91,941,118</b>
<b>6. Qurban Project Expenses</b>				
	DTV Qurban Income-Uganda	1,052,020	1,105,115	4,109,922,685
	ZFAQurban Income- Somalia	8,825	8,825	32,820,175
		<b>1,060,845</b>	<b>1,113,940</b>	<b>4,142,742,860</b>
<b>7. Construction Project Expenses</b>				
	TDV Mosque Construction- Uganda	23,467	23,467	87,273,773
		<b>23,467</b>	<b>23,467</b>	<b>87,273,773</b>
<b>8. Relief Project Expenses</b>				
	ZFA Food Distribution - Somalia	38,394	38,394	142,787,286
		<b>38,394</b>	<b>38,394</b>	<b>142,787,286</b>



NOTES (CONTINUED)

	Budget	Actual	Actual
	USD	USD	Ush
<b>9. Administrative (Managerial Expenses)</b>			
Rental office Expenses	8,450	8,450	31,425,550
Wages and salaries	22,345	22,345	83,101,055
Leagl fess	4,500	4,500	16,735,500
Audit fees	995	995	3,700,405
Contribution for earthquake Turkey	5,000	5,000	18,595,000
Payee- URA	1,134	1,134	4,217,346
Utilities	756	756	2,811,564
Printing banners and signposts	2,085	2,085	7,754,115
Internet	1,200	1,200	4,462,800
Maya Repairing borehole	4,755	4,755	17,683,845
Office Supplies	2,098	2,098	7,802,462
Facilities and welcoming expenses	9,587	9,587	35,654,053
Dead animals	8,496	8,496	31,596,624
Other Operational Expenses	16,576	16,576	61,646,144
Foreign gian/loss	14,765	14,765	54,911,035
Turkey Earrthquike from Hussein	15,000	15,000	55,785,000
Travel allowances	4,000	4,000	14,876,000
Commissions by financers	20,000	20,000	74,380,000
	<b>141,742</b>	<b>141,742</b>	<b>527,138,498</b>

**NOTES (CONTINUED)**

	Actual USD	Actual Ush
<b>10. Cash and Cash Equivalents</b>		
Bank Balance USD	32,993	122,701,254
	<u>32,993</u>	<u>122,701,254</u>

**11 PROPERTY AND EQUIPMENT  
 2023**

	Computers & printers UGX	Motor vehicles UGX	Furniture Fittings UGX	UGX	USD
<b>Cost / Valuation</b>				<b>Total</b>	<b>Total</b>
At 1 September 2022	9,600,000	40,000,000	7,800,000	57,400,000	15,434
Additions					
<b>At 31 Aug 2023</b>	<b>9,600,000</b>	<b>40,000,000</b>	<b>7,800,000</b>	<b>57,400,000</b>	<b>15,434</b>
<b>Depreciation</b>					
At 1 September 2022	2,400,000	5,000,000	975,000	8,375,000	2,252
Charge for the year	1,800,000	4,375,000	853,125	7,028,125	1,890
<b>At 31 August 2023</b>	<b>4,200,000</b>	<b>9,375,000</b>	<b>1,828,125</b>	<b>15,403,125</b>	<b>4,142</b>
<b>Net Book Value</b>					
<b>At 31 August 2023</b>	<b>5,400,000</b>	<b>30,625,000</b>	<b>5,971,875</b>	<b>41,996,875</b>	<b>11,293</b>