



MOMINS

TAX CONSULTANTS & CORPORATE COUNSEL
COST AND MANAGEMENT ACCOUNTANTS

ZAMA FOUNDATION
FINANCIAL STATEMENTS
AS AT JUNE 30, 2024

Office No. M54, Mezzanine Floor, Midway Shopping Center, 6th Road Stop Murree Road,
Rawalpindi Mobile No. 0311-6359469, 0314-9009614 Email: momins.consultants@gmail.com



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TAX CONSULTANTS & CORPORATE COUNSEL
COST AND MANAGEMENT ACCOUNTANTS

INDEPENDENT AUDITORS REPORT TO THE BOARD OF TRUSTEES

To The Board of Directors of ZAMA Foundation:

Opinion

We have audited the financial statements of **ZAMA Foundation** (“the Foundation”), previously “ZAMA Trust” which comprise the statement of financial position as at June 30, 2024, and the statement of income and expenditure, the statement of changes in funds, the 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 present fairly, in all material respects, the financial position of the Foundation as at June. 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with approved Accounting and Financial Reporting Standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the management determines 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, management is responsible for assessing the Organization'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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors 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 as applicable in Pakistan will

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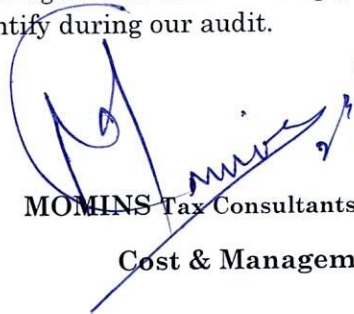
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COST AND MANAGEMENT ACCOUNTANTS

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 as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Organization ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors 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 auditors report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- 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.


MOMINS Tax Consultants & Corporate Counsel
Cost & Management Accountants


ISLAMABAD

October 23, 2024

Office No. M54, Mezzanine Floor, Midway Shopping Center, 6th Road Stop Murree Road,
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ZAMA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	NOTE	<u>2024</u> Rupees
FUND AND LIABILITIES		
FUND		
General Fund		87,783,645
CURRENT LIABILITIES		
Accrue and Other Liabilities	9	25,000
CONTIGENCIES AND COMMITMENTS	10	-
TOTAL EQUITY & LIABILITIES		<u><u>87,808,645</u></u>
NON CURRENT ASSETS		
Property, Plant and Equipment	4	203,686
Long Term Investment	5	<u>71,753,600</u>
		<u><u>71,957,286</u></u>
CURRENT ASSETS		
Short Term Investment	6	10,000,000
Tax Deducted At Source	7	1,742,262
Other Receivables		42,323
Bank Balances	8	<u>4,066,774</u>
		<u>15,851,359</u>
TOTAL ASSETS		<u><u>87,808,645</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

SECRETARY

CHAIR PERSON

**ZAMA FOUNDATION
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	<u>2024</u> Rupees
INCOME		
Interest Income	11	5,807,546
Donation /Other Income		3,635,136
Unrealized Gain/(Loss) on Increase FV of Shares	5.3	<u>(36,180)</u>
		<u>9,406,502</u>
EXPENDITURE		
Scholarship Paid	12	1,789,000
Donation	13	1,263,694
Salaries		1,215,000
Auditor's Remuneration	14	25,000
Office Rent		-
Printing and Stationary		31,300
Communication & Utility Charges		109,731
Depreciation	4	52,515
Travelling & Fuel Expenses		193,181
Bank Charges		1,790
		<u>4,681,211</u>
Excess of Income over Expenditure transferred to General Fund		<u><u>4,725,291</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

SECRETARY

CHAIR PERSON

**ZAMA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	<u>2024</u> Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year		4,725,291
<u>Adjustments for:</u>		
Depreciation		52,515
Gain on Sale of Vehicle		
(Unrealized Gain) / Loss on Increase in FV of Shares		36,180
Surplus Before Changes in Working Capital		4,813,986
<u>Changes in Working Capital</u>		
<u>(Increase) / Decrease in Assests & Increase /</u>		
<u>(Decrease) in Liabilities</u>		
Other Receivables		(42,323)
Tax Deducted at Source		4,212,092
Accrued Liabilities		(3,520)
Net Cash Flow from Operating Activities		8,980,235
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment		(148,000)
Investment IN TDRs		(10,000,000)
Net Cash Flow from Investing Activities		(10,148,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in Cash & Cash Equivalents		(1,167,766)
Cash & Cash Equivalents at the beginning of the year		5,234,540
Cash & Cash Equivalents at the end of the year		4,066,774

The annexed notes from 1 to 18 form an integral part of these financial statements.

SECRETARY

CHAIR PERSON

**ZAMA FOUNDATION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	GENERAL FUND	TOTAL
	---- Rupees ----	
Balance at Sep 30, 2023 Received from ZAMA TRUST	<u>83,058,354</u>	<u>83,050,031</u>
Transferred from Income and Expenditure Account	4,725,291	4,725,291
Balance at June 30, 2024	<u>87,783,645</u>	<u>87,775,322</u>

ZAMA FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 NATURE AND STATUS

ZAMA Foundation is a charitable Foundation and non-profit organization registered under the Society Act 1860 on November 17, 2022 and operative on September 26, 2023. The main objectives of the Foundation are:-

- To construct, purchase and establish help & assist training institutions, schools, colleges, educational institutions, polytechnics and / or industrial or poor house.
- To offer assistance, scholarships and stipends, prizes or awards to students.
- To promote or establish research facilities and help and assist research scholars in any academic or applied field.
- To receive and procure help assistance donations and aid from other persons, locals or international institutions charitable organization, Foundation and government and to coordinate, cooperate and participate with them and undertake any scheme or project for implementation of any of the objects and purposes of the Foundation.
- To promote, patronize, undertake such other charitable causes and purposes as the board of Foundation may deem fit from time to time.
- To promote, encourage, assist, patronize and finance women development, social welfare and education throughout Pakistan and to aid the poor the needy regardless of their sex, religion, caste

2 ACCOUNTING CONVENTIONS

2.1 STATEMENT OF COMPLIANCE

These financial statement have been prepared in accordance with accounting and financial reporting standards for small sized entities as applicable in Pakistan. Approved accounting and reporting standards comprise of:

- Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.
- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (AFRS for SMEs), 2015.

2.2 Basis of Measurement

These financial statements have been prepared under historical cost convention using accrual basis of accounting.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with item which we considered material to the Foundation's Financial Statements.

3.1 Property and Equipment

Operating assets, except of freehold land are stated at cost less accumulated depreciation less impairment loss, if any. Freehold land is stated at cost less impairment loss, if any.

Depreciation is charged on assets on reducing balance method using rates specified in note 4. Depreciation on additions is charged from the month in which it is acquired to the month prior to disposal.

Maintenance costs and normal repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Foundation and the cost of the item can be measured reliably.

Gain or loss on fixed assets disposed off during the year is charged to the statement of income and expenditure. Major improvements and renewals are capitalized.

3.2 Impairment

The Foundation assesses at each balance sheet date whether there is any indication that assets may be impaired. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the

3.3 Investments

The entity initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments. Investments in equity instruments that are quoted in an active market shall be measured at fair value and investments in equity instruments that do not have active market shall be carried at cost less impairment, if any. Changes in fair value are recognized in statement of Income and Expenditure.

3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances.

3.5 Donations and Grants

Donations are recognized in the Income and expenditure account at the time of receipt. Donations in kind are recognized at fair market value as and when these are received.

Grants are recognized, including non-monetary grants at fair value, on receipt basis and when there is reasonable assurance that the Foundation will be able to comply with the conditions attaching to them. Grants receivable as compensation for expenses or losses already incurred or for the purpose of financial support with no future related costs are recognized as income for the period in which it recognized on a systematic basis over the useful life of the asset.

3.6 Foreign Currency Transactions

Transactions in foreign currencies are converted into Pak Rupees at the rates of exchange prevailing on the dates of transactions. Assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in the income and expenditure account.

3.7 Trade and Other Payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.8 General Fund

Contributions made by the members of the Foundation and donors, without any specific purpose or activity, are classified as unrestricted general funds. Accordingly, any income generated at expenses incurred with respect to normal operations of the Foundation, which are not related to Specific funds / activities, are charged to statement of income and expenditure.

3.9 Restricted Fund

Restricted donors' Fund / grant received for specific purpose are classified as restricted funds. Expenses incurred out of restricted funds are reflected in the statement of financial activities, with equal amount being recognized and reflected as funds utilized.

3.10 Contingencies

A contingent liability is disclosed when the Foundation has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation; or the Foundation has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or the amount of the obligation cannot be measured with sufficient reliability.

3.11 Income

Income is recognized to the extent it is probable that the economic benefits will flow to the Foundation and the income can be measured reliably. Income is measured at the fair value of the consideration received or receivable and is recognized on the following basis:

Donations related to specific projects are deferred and recognized as income on a systematic basis to match them with the related costs that they are intended to compensate.

Donations related to operating fixed assets received are recognized as deferred capital grant and amortized over the useful lives of assets from the date the asset is available for intended use.

Donation other than those related to specific projects and operating fixed assets are recognized as Income on Receipt.

Income on Investment is recognized on time proportion basis taking into account the implicit rate of return on investments.

3.12 Expenditure

Expenses are recorded when incurred.

3.13 Taxation

No provision for tax has been recognized in the financial statements, after taking into account the 100% Tax Credit available to the Foundation against its Income, under sections 100C of the Income Tax Ordinance 2001.

	2024
 Rupees
4 PROPERTY AND EQUIPMENTS	
Net Carrying Value Basis	
Opening Book Value	108,201
Addition	148,000
Depreciation Charge	(52,515)
Disposal	-
Closing Net Book Value	<u><u>203,686</u></u>
Gross Carry Value Basis	
Cost	687,000
Accumulated Depreciation	(483,314)
Net Book Value	<u><u>203,686</u></u>
Annual Rate of Depreciation on vehicles (%)	10%
Annual Rate of Depreciation on IT Equipments (%)	30%
4.1 Property and Equipments opening balance represent vehicles owned by the I	
4.2 Addition in Property and Equipment represent computer for office use only.	
5 LONG TERM INVESTMENT	
Investment - at Amortized Cost	
- Innovative Investment Bank	-
- Bank of Khyber	5.1 65,000,000
Investment - at Fair Value	
- Shares	5.2 <u>6,753,600</u>
	<u><u>71,753,600</u></u>

Investment - at Fair Value	
-Investment in Shares at FV in Sep-2023	6,789,780
Unrealized (Loss) / Gain on change in fair value of Investment - During the year	(36,180)
	6,753,600

5.1 This represents investments in Terms Deposit Receipts (TDR) amounting to Rs.65 million having maturity in February 08, 2022 yielding interest at the rate of 18.50% per anum (2022: 9%)

5.2 This represent investment in 12,060 share of The Premier Sugar Mills & Distillery Company Limited. The fair value of these shares as at June 30, 2024 is based on price quoted on the Pakistan Stock Exchange (PSX) i.e. Rs.460 per share (Sep-2023: Rs.563)

NOTE **2024**
..... Rupees

6 SHORT TERM INVESTMENT

Investment - at Amortized Cost	10,000,000
- MCB Bank	

6.1 This represents investment in short term deposit receipts (TDR) amounting to Rs10 million having a maturity period of 3 months yielding interest at the rate of 6.60% per anum (2020: 6.60%).

7 TAX DEDUCTED AT SOURCE

- MCB BANK	
- Bank of Khyber	1,742,262
	1,742,262

This represents Withhholding Tax deducted by the bank on payment of interest.

8 BANK BALANCES

Cash at Bank	
- In Current Account	
- In Saving Account	4,066,774
	4,066,774

9 ACCRUED LIABILITIES

Audit Fee Payable	25,000
Others	-
	25,000

10 CONTINGENCIE AND COMMITMENTS

10.1 Contigencies

The Foundation has no capital commitments as at June 30, 2024 (2023: Nil)

10.2 Commitments

The Foundation has no capital commitments as at June 30, 2024 (2023: Nil)

11 INTEREST INCOME

- MCB Bank	-
- The Bank of Khyber	5,807,546
	5,807,546

Income represents interest income received from investment in Term Deposit Receipt (TDR) in Bank of Khyber and MCB Bank. Furthermore, interest income also includes interest from saving

12 SCHOLARSHIPS

Trustee Scholarships	84,000
General Scholarships	<u>1,705,000</u>
	<u><u>1,789,000</u></u>

12.1 It represents scholarships paid to the students as recommended by Foundationee.

12.2 This includes the scholarships paid to students working under technical, paramedics and vocational centres from all over the country.

13 DONATION

Pakistan Foundatioin Fighting Blindness	30,000
Zohra Sarfaraz Memorial Centre, Mardan	<u>1,233,694</u>
	<u><u>1,263,694</u></u>

13.1 This includes salaries, utility and fuel expenses paid to Zohra Sarfaraz Memorial Centre during the

14 AUDITORS' REMUNERATION

Annual Audit Fee	20,000
Out of Pocket Expenses	<u>5,000</u>
	<u><u>25,000</u></u>

15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of local related parties, direcots and key management personnel. Amounts due to / due from related parties and remuneration to key management personnel are disclosed in notes to the financial statements. There is no transaction with related parties other than those disclosed in relevant notes to financial statements.

16 REMUNERATION TO BOARD OF TRUSTEE

No remuneration has been paid to any trustee during the year.

17 EVENTS AFTER THE REPORTING DATE

There are no other significant activities since June 30,2020 carrying any adjustment or disclosure in the financial statement apart from those disclosed in the financial statement.

18 OPENING BALANCE OF ZAMA FOUNDATION

As decided by the management after the closure of "ZAMA Trust", all assets, liabilities, surplus fund and all other accounts will be carried forward to "ZAMA Foundation" and same has been done and created as opening balance in the books of accounts of "ZAMA Foundation".

18 GENERAL

Figures have been rounded off to the nearest Rupee.

SECRETARY

CHAIR PERSON